

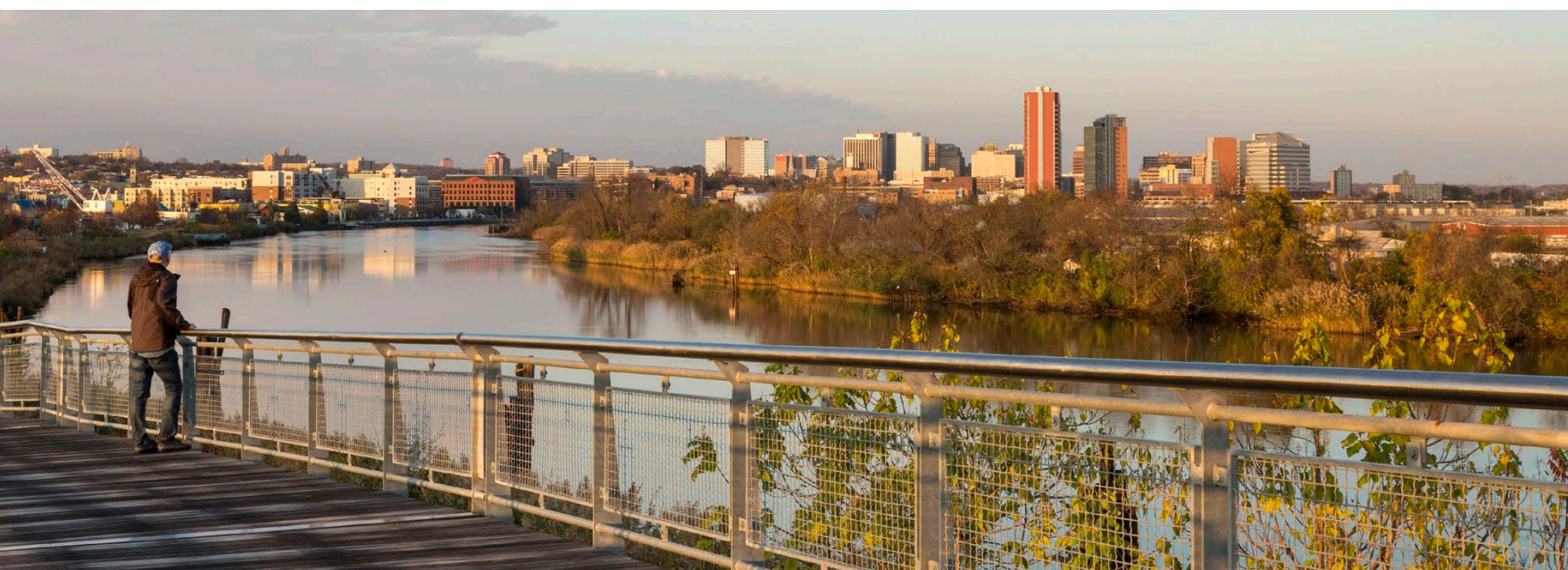


Annual Comprehensive Financial Report

For the Year ended
June 30, 2021



City of Wilmington, Delaware
Michael S. Purzycki, Mayor



CITY OF WILMINGTON, DELAWARE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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



**CITY OF WILMINGTON, DELAWARE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xxv
Organizational Chart.....	xxvi
Listing of Principal Officials	xxvii
 FINANCIAL SECTION	
Report of Independent Auditors.....	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet	
To the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
To the Statement of Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual – General Fund.....	25
Statement of Fund Net Position – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position –	
Proprietary Funds.....	29
Statement of Cash Flows – Proprietary Funds.....	30
Statement of Fiduciary Net Position – Pension Trust Funds	32
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	33
Combining Statement of Net Position (Deficit) – Discretely Presented Component Units....	34
Combining Statement of Activities – Discretely Presented Component Units	35
Notes to Financial Statements.....	36

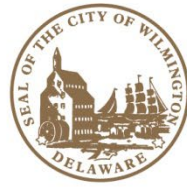
TABLE OF CONTENTS
(continued)

	<u>Page</u>
Required Supplementary Information:	
Schedule of Contributions.....	108
Schedule of Changes in the Employer’s Net Pensions Liability and Related Ratios.....	110
Schedule of Investment Returns.....	122
Schedule of Changes in Employer’s Net OPEB Liability and Related Ratios.....	123
Schedule of Actuarially Determined Contributions Post-Retirement Healthcare Benefit Fund (OPEB).....	127
Schedule of OPEB Investment Returns Post-Retirement Healthcare Benefit Fund (OPEB).....	130
Schedule of Component Units.....	131
Combining and Individual Fund Financial Statements and Schedules:	
General Fund.....	135
Schedule of Departmental Expenditures – Budget and Actual.....	137
Non-Major Governmental Funds – Special Revenue Funds	145
Combining Balance Sheet	146
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	147
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	148
Internal Service Funds	149
Combining Statement of Net Position	150
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	151
Combining Statement of Cash Flows	152
Fiduciary Funds	153
Combining Statement of Fiduciary Net Position – Pension Trust Funds	154
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	155

TABLE OF CONTENTS
(continued)

STATISTICAL SECTION	<u>Table</u>	<u>Page</u>
Government-wide Net Position Information:		
Net Position by Component	I	157
Changes in Net Position	II	158
Governmental Fund Information:		
Fund Balances of Governmental Funds	III	160
Changes in Fund Balances of Governmental Funds	IV	161
Assessed Value and Estimated Actual Value of Taxable Property	V	162
Direct and Overlapping Property Tax Rates	VI	163
Principal Property Taxpayers	VII	164
Property Tax Levies and Collections	VIII	165
Ratios of Outstanding Debt by Type	IX	166
Ratios of General Bonded Debt Outstanding	X	167
Direct and Overlapping Governmental Activities Debt	XI	168
Legal Debt Margin Information	XII	169
Demographic and Economic Statistics	XIII	170
Principal Employers	XIV	171
Largest Wage Tax Withholders	XV	172
Full-Time Equivalent City Government Employees	XVI	173
Operating Indicators by Function	XVII	174
Capital Asset Statistics by Function	XVIII	175

City of Wilmington



MICHAEL S. PURZYCKI
Mayor

February 28, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Wilmington, Delaware (the City) for the fiscal year, which ended on June 30, 2021 as required by the City Charter. The ACFR is prepared in conformity with generally accepted accounting principles (GAAP) for governmental units and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Belfint, Lyons and Shuman PA, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor expressed an opinion that the City's financial statements for the fiscal year 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. 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 ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The professionalism, dedication, and efficiency of the entire staff of the 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,



J. Brett Taylor
Director of Finance

LETTER OF TRANSMITTAL

The Annual Comprehensive Financial Report (ACFR) 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 ACFR is issued as part of the City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

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

Challenging Times for City Governments

Since the emergence of the COVID-19 pandemic in March 2020, the City of Wilmington has faced the challenge of working with communities to combat the effects of the pandemic, including lost wages, changes in work and employment, and public health and safety. The City instituted a number of changes in internal operational and external policy arrangements. Even as the state of emergency was lifted, the City took pains to ensure that citizens would be provided financial relief and safer communities. We continue to reinforce Wilmington's position of being residential and business-friendly, as well as a safer, cleaner, more efficiently managed, and more culturally rich City. Despite declines in revenue areas, Wilmington's financial position remains strong, due to strong reserves, restructuring of debt and reductions in the cost of government. We continue to be guided by our five-year budgeting plan, which has kept the City in a very stable position that supports the underlying efforts of building stronger neighborhoods and more resilient businesses.

In FY 2021, as we have done for the past four years, we controlled costs and kept within budgets. We increased our reserves in the General Fund by \$14,572,450 and the Water Sewer Fund by \$5,373,887. 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 a slight increase of 3.2% in utility rates in FY 2021.

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

The City also responded to the pandemic through additional programs to assist residents and businesses. Water service disconnections and sheriff sales were 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 its Utility Assistance Program, allocating \$490,000 in CARES Act and ARPA funding to assistance households with utility payments. As of this writing we have served over 200 families and expended \$400,000 in relief funds.

As for FY 2022, many personal and business decisions will be tentative as the nation deals with variant strains of COVID-19 (e.g. Delta, Omicron). 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 1152 new jobs arriving in Calendar Year 2020. Over \$36.3 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.

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 continues to look bright regardless of the many challenges ahead.

Profile of the Government

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

The Charter provides for a mayor and council form of government. Legislative authority is vested in a 13-member council. All members are elected to four-year terms. The City's Chief Executive and Administrative Officer is the Mayor, elected by citizens to a four-year term. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of 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 2021, 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 2022 budget includes no property tax increase. The budget is balanced with a transfer from the Rate Stabilization Reserve. This is the second consecutive year that we have accessed this reserve. The budget proposal increases spending by 5.6%, or approximately \$9.2 million over FY 2021. Of this increase, uncontrollable costs account for most of the increase. For example, \$3.38 million is a scheduled increase in debt service. Cost-of-living and step increases for employees required by contract or other mandates account for \$2.6 million of the increase. And, as we continue to implement the police body camera program, software and personnel will add \$650,000, leaving a budget increase in controllable costs of about \$2.5 million, or 1.4% of last year's budget.

Looking ahead, we must be mindful that revenue sources we once took for granted may not be available in the future. As we end fiscal year 2021, we are projecting a \$12 million decrease in key revenue lines compared with FY 2019, which was the last full fiscal year before the pandemic took hold. Examples are a \$3 million loss in parking revenue, a \$1.6 million loss in interest income, and an almost \$2 million loss in wage and net profits tax. Empty office space has led to real estate reassessment appeals, which again have resulted in reduced property tax revenue. In fact, Moody's recently estimated that increased office space vacancies nationally will result in office assessments declining by 12.6%.

The federal government will be providing support for states and local governments through the American Rescue Plan. At this time, it appears that Wilmington will be entitled to an allocation of \$55 million to offset COVID-related expenses and to perform specific activities related to the impact of the virus on our city. There are limits to the way these funds may be spent, and we shall remain true to the spirit and to the letter of the law and its regulations as to the use of these funds. As we better understand the regulations as they are promulgated, we will confer with Council where appropriate. But in any case, these funds are one-time revenue only and must therefore only be used with the long-term structural health of the City in mind and not for any ongoing operational programming.

Our structural revenue loss projected for next fiscal year, along with increases resulting from contract negotiations, will make balancing the Fiscal Year 2023 budget that much more difficult, and it will be even worse if we are not cautious about adding unfunded operating programming. Our finances, while stable, are threatened not only by the virus and its impact on our economy, but by the long-term consequences of the changes in our society. For example, working at home and workforce consolidation will necessarily impact our revenues in the long run.

This year's pandemic-induced budget deficit equates to a 14.0% property tax increase or a reduction of as many as 65 positions. While this budget includes the restoration of crucial pre-pandemic funding for critical operations, it avoids permanent programmatic expansion built on promised one-time federal revenues.

Key Major Funding Changes from the Prior Year: General Fund

Mayor's Office

Personal Services increased by \$202,189, or 5.5%, due to the following changes:

- Regular Salaries increased by \$37,213, largely because of a citywide 2% cost of living adjustment for eligible employees.
- A Policy Analyst position was converted to a Deputy Chief of Staff of Operations position at a total cost of \$16,347.
- In FY 2021, approximately \$124,000 was included in Attrition to offset funds budgeted for a vacant Deputy Director of Economic Development position, which was not filled in FY 2021 as part of the City's fiscal response to the COVID-19 pandemic. This offset has been removed from Attrition in FY 2022 to allow for the hiring of this position.

MS&E increased by a net \$106,907, or 7.4%, largely due to a \$105,900 increase to Consultants. Of that amount, \$75,000 will be used to fund a grants liaison in the Administrative Division in relation to the American Rescue Plan stimulus bill. In addition, a \$28,400 increase in Cultural Affairs reflects an expanded events schedule in comparison to FY 2021, including programming at the newly completed Urban Artists Exchange (UAE).

Funding of \$350,000 was added to the Mayor's Office for the creation of a Gun Violence Prevention Program (\$300,000) and to institute a Police Citizens Review Board Panel (\$50,000).

Debt Service costs decreased by a net \$1,798,252 per the existing debt service schedule.

City Council

Personal Services increased by a net \$17,161, or 1.3%, largely due to a \$22,670 increase to Temporary Salaries. This line was reduced in FY 2021 in response to the COVID-19 pandemic and is now being restored its normal level.

In MS&E, a Legal fees line was added at a cost of \$75,000 to fund an attorney dedicated to City Council for legislative matters.

City Treasurer

Personal Services across all funds decreased in total by \$57,782, or 6.7%.

- Regular Salaries across all funds rose by \$8,119, largely due to an increase to the City Treasurer's salary as well as employee anniversary step increases and a proposed 2% COLA for non-appointed positions.

- Pension Contribution decreased by \$24,200 because of lower actuarial targets on the now- closed City pension plans for civilians.

Temporary Salaries funding was eliminated in all funds, leading to a reduction of \$39,000 in Personal Services. However, of that amount, \$18,000 was moved to Temporary Agencies in MS&E to hire a temporary worker to cover the duties of the vacant Pension Coordinator.

Travel and Subsistence decreased by \$14,000 in recognition that the number and location of conferences will continue to be limited due to the COVID-19 pandemic.

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 \$4.25 million for FY 2022.

Department of Planning and Development

Personal Services decreased by \$63,200, or 5.7%. The deletion of a vacant Administrative Assistant II position led to a savings of \$85,799. This savings is offset by an allowance for a citywide 2% cost of living adjustment for eligible employees and mandatory step increases for non-union classified employees.

In MS&E, Consultants decreased by a net \$60,000, reflecting completion of the first two phases of a citywide Americans with Disabilities Act (ADA) self-assessment of buildings, parks, streets and sidewalks. The next phase, which will involve assessing streets and sidewalks, is not likely to begin until FY 2023, leading to a savings of \$100,000 in FY 2022. This savings is offset by the addition of \$40,000 for a consultant to provide support to the City's Neighborhood Planning Councils.

Debt Service increased by \$120,696, per the existing debt service schedule.

Audit Department

Personal Services increased by \$15,997, or 2.5%. The increase was mainly driven by increases in Regular Salaries and Pension Contribution, up \$12,045 and \$5,392, respectively.

Total MS&E costs are down \$26,216, or 11.5%. This is primarily due to a \$25,704 decrease in Accounting costs.

Law Department

Personal Services remained nearly flat in FY 2022, decreasing only \$539. A large decrease in Hospitalization (\$20,775, or 7.1%) was at least partially offset by an increase in Regular Salaries, up \$14,381, or 1.0%.

Two Legal Assistant I positions were upgraded during the biennial appeals process (from NUC-M to NUC-N). The total cost of these upgrades to the General Fund is \$2,932.

MS&E decreased \$7,100, or 1.6%. The most significant decreases were in Travel & Subsistence, down \$2,300, and Furniture, Fixtures, & Office Equipment, down \$2,000 from FY 2021.

Department of Finance

A vacant Parking Regulation Enforcement Officer (1.00 FTE) was deleted for a savings of \$66,860. Offsetting this savings, five split-funded positions were upgraded through the Biennial Classification Appeal Process in FY 2021 at a cost of \$12,603. Additionally, the Senior Financial Analyst position was upgraded to a Senior Financial Officer position at a total cost of \$6,564 to the General Fund.

Regular salaries rose by a net \$56,778, or 1.7%, due to a citywide 2% COLA and mandatory step increases for non-union classified employees. Overtime decreased by \$20,000 due to reduced need for staffing during the Wage Tax filing season. Consultants increased by \$100,000 to assess the feasibility and implementation of an online Wage Tax filing system and to assist with the preparation of the Annual Financial Statement and other initiatives, including projects related to outside auditing services. Temporary Agencies decreased by \$38,000 as the Department will rely more on its internal resources during Wage Tax filing season and for the preparation of the Annual Financial Statement.

Collection Expense-Parking Citation Commissions increased by \$29,070 to cover the cost of fees associated with the Padlock digital parking permit application, validation, enforcement system (based on license plate scanning) and the parking citations contract, which increased 2.5%.

Collection Expense-Red Light Camera Commissions increased by \$89,220 to capture costs associated with the red-light ticket and video enforcement program. As part of a broad initiative to increase the speed, effectiveness, and return on collection efforts, Wage and Head Tax Audit was increased \$570,000. Of that amount, \$400,000 will pay for the services of collection specialists, while the remaining \$170,000 will pay for the services of a law firm with expertise in scofflaw issues and debt collection legal proceedings. The \$570,000 increase in expense is projected to result in a three-to-one return of \$1.71 million in additional revenue in FY 2022. Due to an increased number of customers using a credit card for payments, Collection Expense Credit Cards Fees increased by \$30,000.

A Meter Reader position funded 100% by the Water/Sewer Fund was added at cost of \$63,376. Regular Salaries rose by a net \$62,353, or 4.0%, due to a citywide 2% COLA and mandatory step increases for non-union classified employees. Printing and Advertising decreased by \$22,700 based on FY 2020 actuals and FY 2021 actuals to-date. Consultant costs increased by \$392,500 to assist in the replacement of the current water utility billing system. Some of the major tasks expected to be performed by the consultant would be defining system requirements, assisting in the preparation and issuance of requests-for proposals, and vetting and selecting the best vendor.

Miscellaneous Charges decreased by \$170,000 because the number of calls handled by the 311-call center has trended downward. To support increased sheriff sale activity, Collection Expense—Legal and Sheriff Sale was increased by \$30,000. Due to an increased number of customers using a credit card for payments, Collection Expense Credit Cards Fees increased by

\$20,000. Indirect Costs decreased by \$243,037, reflecting recent revisions of the cost allocation model based on new usage surveys. Debt Service decreased by \$28,206 per the existing debt service schedule.

Department of Human Resources

Personal Services remained relatively flat, increasing only by \$2,770, or 0.2%. Largely due to a 2% COLA budgeted for all employees, Regular Salaries increased by over \$37,000. However, this was largely offset by decreases in Temporary Salaries and Pension Contribution, which are down \$9,450 and \$28,560, respectively.

During the biennial appeals process, the Compliance Specialist and HR Leave Administrator positions were both upgraded. The Compliance Specialist was upgraded from an NUC-P to and NUC-Q, while the HR Leave Administrator was upgraded from an NUC-L to an NUCN. The total financial impact of these changes is \$5,581.

MS&E increased \$115,952, primarily due to a \$100,000 increase in Consultants. Of that amount, \$50,000 will be used for a Compensation Study, while the other \$50,000 will be used to implement City University, a varied series of employee training and development opportunities provided by consultants. Workshop/Seminars-Training also increased, up \$15,477 above FY 2021. This is primarily due to \$14,250 in additional funds being added to fund sexual harassment training for new hires and promotions.

Department of Licenses and Inspections

Personal Services increased \$94,602, or 2.2%. This includes a 2% COLA for eligible employees. Regular Salaries increased \$82,666, or 3.2%, while Pension Contribution increased \$20,355, or 4.0%. These increases were partially offset by decreases in Overtime, down \$10,000, and Hospitalization, down \$13,379. Through the biennial appeals process, one Administrative Clerk I position was upgraded to a Permits Coordinator (from 1102-G to 1102-H) at a total cost of \$4,283. The Building Compliance Officer position was also upgraded through the biennial appeals process (from 1102-M to 1102-O) at a total cost of \$838. Offsetting these increases, the Building Permit Director position (1102-M) was downgraded to a Permits Coordinator position, saving \$11,666.

MS&E increased \$107,500, or 14.7%. Furniture, Fixtures, & Office Equipment decreased by \$12,000 to a new FY 2022 total of \$10,000. This decrease was more than offset by a \$92,000 increase in Consultants, which will be used to hire a consultant to cover the duties performed by a previously deleted Plans Examiner position. In addition, \$30,000 was added to Advertising to fund a marketing effort to explain the Housing Stabilization Ordinance code changes and its effects on citizens and landlords.

L&I's Internal Service chargebacks increased a total of \$7,894, or 3.0%. In addition to a nearly \$948 increase in the self-insurance costs, \$6,946 was added to Motor Vehicle Costs. • The contractual amount the City pays to the Delaware Office of Animal Welfare for Animal Control Services is budgeted in the L&I Department. In FY 2022, \$262,795 is being budgeted, a 2.5% increase.

Department of Parks and Recreation

The summer pool program is being expanded to run for 10 weeks instead of the usual eight weeks. In addition, all City pools will be open six days per week (closed only on Mondays) and with daily hours expanded to be 12:00 pm to 7:00 pm. The additional temporary personnel cost added to the budget to support the expanded pool program is just under \$123,700.

Relative to FY 2021, total General Fund full-time equivalents (FTEs) have decreased by one. This is due to the elimination of a vacant General Laborer I position in the William Hicks Anderson Community Center (WHACC) Division, for a total Personal Services savings of \$59,205.

As part of the biennial appeals process, ten positions were upgraded at a total Personal Services cost of \$16,712. Temp Salaries are up a total of \$22,647, mainly due to the inclusion of \$20,000 in the Administration Division for a temporary employee to manage departmental data gathering. Contracted Maintenance Services are up by \$109,205. This includes a \$50,000 increase in the Maintenance Division for expanded landscaping services for Rodney Square and a \$59,205 increase in the WHACC Division to maintain equipment installed following the Center's renovation.

Overall Debt Service is budgeted to increase by \$919,244 due to the combined effects of the elimination of one-time refinancing savings previously budgeted in FY 2021, along with the debt service on projects included in the new FY 2021 bond issuance.

Department of Police

Relative to the FY 2021 budget, total uniformed and civilian Police Department staffing increased by a net total of 1.00 FTE, at an additional Personal Services cost of \$194,380 (entirely in the General Fund). Uniformed staffing (authorized strength) increased by four, to 319 FTEs. Major changes include:

In order to support the body camera program, one Sergeant and three Patrol Officers were added as part of a mid-year FY 2021 budget amendment, at a combined cost of \$384,635;

Two Teleserve Operator positions were upgraded to Emergency Call Operators in the Communications division, for an increase of \$2,073;

Three vacant civilian positions were deleted from the Support Services Division: a Police Records Specialist, a Communications and Data Specialist, and a Document Management Technician, for a total savings of \$198,505.

Regular Salaries are budgeted to increase by \$1,108,532, exclusive of the position changes listed above. This total includes \$149,000 for a \$500 addition to rank-and-file officers base pay that took effect during FY 2021 (but was not budgeted until FY 2022), as well as \$5,158 for upgrades approved as part of the FY 2021 appeals process. On top of this, the budget provides for a 2.0% cost-of-living adjustment (COLA) for eligible employees, as well as mandatory step increases as appropriate.

Combined overtime costs are budgeted to decrease by \$202,000, which is net of a \$404,000 decrease for regular Overtime and a \$202,000 increase in Special Events – Overtime. This reflects a reallocation of overtime funding to better reflect historical actual spending.

Total Employee Benefits are budgeted to decrease by a net \$22,838. The largest element of this change is a \$206,682 decrease in Hospitalization due mainly to a citywide reduction in medical and prescription costs. This was partially offset by an \$86,811 increase in Pension Healthcare and a \$81,242 increase in the State Police / Fire Pension. Finally, the City sponsored Pension Contribution declined by \$64,517 due largely to an offsetting \$61,786 increase in the State Pension Contribution passthrough (which matches additional revenues received by the City and reduces the required City contribution).

Contracted Maintenance Services increased by \$566,830, due mainly to the following:

- As part of a FY 2021 budget amendment, the City entered into a five-year contract with Axon to provide officers with body camera equipment. For FY 2022, the cost of this contract is \$265,500, net of \$87,612 in grant funding (which concludes during FY 2022).
- \$185,000 was added to upgrade the security camera system at the Public Safety Building.
- The annual contract cost for the ShotSpotter gunshot detection system increased by \$81,156 as the FY 2021 coverage expansion, which was partially grant funded, is now funded entirely through the operating budget.

Department of Fire

Salaries and Wages are budgeted to increase by a net \$623,324. Regular Salaries are up nearly \$1.4 million based on the new contract with IAFF Local 1590. The contract includes a 16.0% pay increase in FY 2021 (as part of a conversion from a 24 hours on / 72 hours off schedule to a 24 hours on / 48 hours off schedule) and a 2.0% pay increase in FY 2022. As this contract had not been finalized when the FY 2021 budget was approved, the full cost of the contract is included for the first time in FY 2022. Offsetting these increases is a \$770,000 reduction in overtime, as the 24/48 schedule will allow the Department to ensure minimum staffing of fire apparatus without incurring excessive overtime.

Several staffing changes resulted in a net reduction of one Full Time Equivalent (FTE), for a Personal Services savings of \$636,046. Ten positions, including two Battalion Chiefs, one Captain, and seven Lieutenants were converted to Firefighters, for a savings of \$541,314. This will provide the Department with further flexibility and enable the Department to better meet minimum staffing requirements. In addition, the vacant Fire Plans Examiner position was deleted, for a savings of \$94,732.

Total Employee Benefits are up \$590,076. The majority of this is due to the State Pension Contribution passthrough, which will increase by \$524,503 as the State has increased its total contribution to the City (as well as realigned the relative portions given to Fire and Police). Net pension costs were nearly flat, with reductions in City-sponsored pensions (due to increased

State Pension Contribution revenues and reduced City contribution requirements) entirely offset by increases to the State Police / Fire pension.

Consultant costs are budgeted to increase by \$156,900. This includes \$45,000 for the biennial promotional process, \$34,000 for continued use of State email servers, and \$80,000 to replace the vacant Fire Plans Examiner position with an outside consultant (at a net cost savings of \$14,732).

Total Contracted Maintenance Services is up \$44,340, driven by a \$42,000 increase to support cleaning fire PPE gear to National Fire Protection Association standards.

Department of Real Estate and Housing

Personal Services increased by a net \$22,380, or 7.8%, due to the following:

- An allowance for a citywide 2% cost of living adjustment for eligible employees and mandatory step increases for classified employees.
- The split-funded (50% General Fund and 50% Federal HUD Funds) Acquisition and Disposition Manager position was eliminated and replaced with a new split-funded (75% General Fund and 25% Federal HUD Funds) Director of Development position at a net cost of \$25,711.
- Because of the availability of additional HOME funds that can be applied to administrative costs, the split-funded Program Administrator position was changed from being funded 21% General Fund and 79% Federal HUD Funds to 9% General Fund and 91% Federal HUD Funds, saving the General Fund \$12,286.

MS&E decreased by a net \$193,300 due to the following changes:

- In FY 2021, Grants to Agencies increased by \$1,000,000 to fund a grant to the Wilmington Neighborhood Conservancy Land Bank (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. In FY 2022, the grant to the Land Bank will be \$500,000, leading to a decrease of \$500,000 in the Grants to Agencies line.
- Miscellaneous Projects increased by \$300,000 to fund an expansion of the Neighborhood Clean Team program into more neighborhoods. Now heading into its fourth year, the program hires residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.

Debt Service increased by \$3,145,111 per the existing debt service schedule.

Department of Public Works

Personal Services fell \$62,236 due to an increase in budgeted attrition. Attrition was revised to better align with more recent actual trends. This was offset by the upgrades of 38 positions

(including ten that are split-funded) during the Biennial Classification Appeal Process in FY 2021 that added \$62,248 to salaries and benefits.

Regular Salaries rose by \$75,218 or 1.4%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. Hospitalization decreased by almost \$110,900 because of employees choosing the lower cost PPO2 and EPO healthcare plans.

Because of an increase in the number of city-owned/maintained streetlights, as well as new tariffs, electricity costs increased by \$100,000. Contracted Maintenance increased by \$124,908 due to the high cost of maintaining aging structures. Professional fees increased by \$112,000 to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation. Landfill Fees increased by \$222,000 based on an increase to both the cost per ton fee and the projected overall tonnage to be collected. Funds for the Recycle Bank Program (\$332,000) were moved from MS&E to the Capital Lease line in Debt Service. The city-wide municipal solid waste container program is heading into the third year of a five-year program.

The recent refunding of two older bond issues, along with the issuance of new money for the FY 2018 Capital Budget, have resulted in an increase of \$1,269,964 to Debt Service.

Department of Information Technologies

Regular Salaries increased by \$27,349 (2%), due to an allowance for a citywide 2% cost of living adjustment (COLA). This increase was offset by a \$16,356 decrease in Hospitalization.

MS&E increased by a net \$411,767, or 6.9%, due to the following changes:

- Computer Software Licenses increased by \$513,195, largely reflecting the addition of \$355,000 to fund migration of an on-site computer system (MUNIS) to the cloud. Tyler Tech will provide MUNIS application services over the internet while retaining all data in a cloud environment. In addition, \$100,000 in funding for Winston Benefits software will provide remote employee benefits onboarding services.
- Consultants decreased by a net \$60,000, primarily due to a reduction in costs related to the City's comprehensive 311 Information Call Center and constituent service request tracking system. Initial implementation of the Call Center is complete; however, a lower level of funding is still needed for the completion of special projects and ongoing maintenance.

Debt Service decreased by \$271,279 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 added at cost of \$63,376. Regular Salaries rose by a net \$62,353, or 4.0%, due to a citywide 2% COLA and mandatory step increases for non-union classified employees.

Printing and Advertising decreased by \$22,700 based on FY 2020 actuals and FY 2021 actuals to-date. Consultant costs increased by \$392,500 to assist in the replacement of the current water utility billing system. Some of the major tasks expected to be performed by the consultant would be defining system requirements, assisting in the preparation and issuance of requests-for proposals, and vetting and selecting the best vendor. Miscellaneous Charges decreased by \$170,000 because the number of calls handled by the 311-call center has trended downward. To support increased sheriff sale activity, Collection Expense—Legal and Sheriff Sale was increased by \$30,000. Due to an increased number of customers using a credit card for payments, Collection Expense Credit Cards Fees increased by \$20,000.

Indirect Costs decreased by \$243,037, reflecting recent revisions of the cost allocation model based on new usage surveys. Debt Service decreased by \$28,206 per the existing debt service schedule.

Department of Public Works

Personal Services increased \$166,760. Fourteen positions, including ten that are split funded, were upgraded through the Biennial Classification Appeal Process in FY 2021 that added \$14,437 to salaries and benefits.

Regular Salaries rose by \$101,187 or 2.0%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees.

Repairs to Equipment was increased by \$234,500, reflecting a more aggressive electrical and mechanical preventative maintenance schedule 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 \$215,150 due to higher costs of maintaining structures, parking lots, sidewalks, and driveways. Repairs to Water Lines rose by \$200,000, reflecting the expanded maintenance program. Based on last fiscal year's actual expenditures for Sewer Interceptor Cleaning, and the current fiscal year's actual spending trend, Condition Assessment was increased by \$99,000.

Consultant expenses increased by \$67,550 due to the need for on-call assistance for utility billing operations that include analytical support, benchmarking, and related services. Engineering Costs increased \$105,250 to support engineering studies related to operations and maintenance. Legal fees were increased 25% (from \$400,000 to \$500,000) to cover arbitration and legal proceedings against New Castle County (wastewater treatment contract), the Army Corps of Engineers (unpaid stormwater bills), and Honeywell (breach of contract regarding the renewable energy bio-solids facility).

Contracted Maintenance Services, which includes the contract with new vendor Jacobs to operate and maintain the City's wastewater treatment plant, water tank painting, and hydrant testing and maintenance, increased by \$353,000.

Indirect cost charges decreased by \$183,006, reflecting recent revisions to the cost allocation model based on a new usage survey.

Depreciation increased by \$342,023, 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 decreased by a net \$222,246. The recent refunding of two older issues, along with the issuance of new money for the FY 2018 Capital Budget at record low interest rate combined to lower interest payments by \$161,586. Repairs to Equipment increased by \$163,000 due to the higher cost of repairs to fleet equipment caused by minor accidents, repairs to the Police and Fire rescue boats, and the maintenance of older vehicles.

Miscellaneous Services increased by \$48,560 due to increases in motor vehicle fleet maintenance. Automotive Equipment decreased by a net \$121,103. Although the expansion of the fleet in the Parks & Recreation Department added \$165,348. This was more than offset by the \$286,451 reduction in the cost of the annual vehicle replacement program.

Depreciation, based on the recently revised and more accurate asset inventory list being utilized by the Accounting Division, increased \$197,941.

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

Department of Human Resources

Personal Services in the Risk Management Fund remained relatively flat, only decreasing by \$139, or 0.1%.

MS&E in the Risk Management Fund decreased \$310,457, or 7.7%. Primarily driving this decrease was a reduction in Insurance Claims-Legal Defense, which is down \$450,000 from FY 2021. Insurance Claims for the Motor Vehicle Fund are also down \$40,000 from FY 2021 and are budgeted at \$90,000 in FY 2022. These decreases were partially offset by an increase in Liability, which is up \$134,974 over FY 2021. This increase is primarily due to a 15% increase in general liability excess and a 90% increase in the City's cyber policy.

Personal Services in the Workers' Compensation Fund remained relatively flat, decreasing only \$2,267, or 0.4%. A substantial decrease of \$18,203 in Hospitalization was partially offset by an increase in Regular Salaries, which are up \$7,336, or 2.5%.

MS&E in the Workers' Compensation Fund remained nearly flat, only increasing \$3,225, or 0.3%.

The Workers' Compensation Fund's Self Insurance costs increased \$148,063, or 4.3%. Decreases in Medical Costs (down \$188,621) and W/C- Other Costs (down \$30,892) were more

than offset by a substantial increase in W/C- Indemnity (up \$360,155). All of these account lines are derived from an actuarial study.

Personal Services in the Health & Welfare fund decreased \$7,693, or 1.9%. An \$8,877 increase in Regular Salaries was more than offset by a \$18,060 reduction in Hospitalization.

MS&E in the Health & Welfare Fund increased \$28,598, or 8.8%, almost entirely due to an increase in Consultants, which rose \$27,898 from FY 2021. These additional funds will be used to bolster the City's Teledoc Teletherapy program.

The Self Insurance accounts in the Health & Welfare Fund decreased \$275,074, or 1.4%, to an FY 2022 total of \$19.84 million. Nearly all items remained unchanged, including Medical and Prescription costs, which are budgeted at \$13,352,869 and \$2,932,598, respectively. Dental Costs rose only slightly, up \$17,526, or 1.6%. The only substantial change was in Medical Stop Loss, which decreased \$292,600, or 22.2%. This is due to a change in the policy itself, which will move the attachment point from \$325,000 to \$200,000.

Economic Development Activity

Employment

The City of Wilmington continues to make steady progress toward recovery from the economic impacts of COVID-19. As reported by the Delaware Department of Labor, the total number of jobs located within the City, regardless of residency, averaged 46,712 in calendar year 2020 and ended the year at 47,069. Though this number is below the historical average of 50,000, it represents a solid increase from the low of 44,160 reached in April 2020. Similarly, unemployment numbers over the last year show substantial signs of recovery. The unemployment rate for City residents declined from a high of 21.5% in April 2020 to 8.4% by December 2020 and remained steady at that rate as of May 2021. This parallels the national trend and is consistent with the historical trend of being about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 5.9%.

To help mitigate the effects of the economic downturn, the Office of Economic Development has been connecting small businesses with assistance from both the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and private funding sources. These sources have produced great results in Wilmington:

- 1,714 businesses were awarded a total of \$290 million from the Paycheck Protection Program
- 29 businesses received Small Business Relief Grants totaling \$689,000
- 373 businesses were awarded Relief Grants and HELP loans totaling \$10.4 million
- 140 businesses were awarded a total of \$140,000 in grants from the Wilmington Strong Fund

Going forward, the Office of Economic Development will continue to assist businesses with the recently approved American Rescue Plan Act as well as ongoing State funds. The resilience of

small businesses in the hotel, restaurant, entertainment, and personal services sectors has been impressive and inspiring.

The Office of Economic Development helped administer the City's Curbside Wilmington Program, assisting 45 businesses in obtaining the permits and fencing necessary to offer outdoor dining. The City's restaurant and entertainment districts have been allowed to open without capacity restrictions as of May 2021, and the State's COVID-19 State of Emergency Order will be officially lifted in July 2021.

Incentive Program

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 45 companies of varying sizes and types. The wage taxes collected from this "index" of 45 companies has remained steady at \$11 million since 2017. The reliable annual wage taxes generated from this program are 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 \$16 million in incentive payments to businesses, yielding approximately \$117.6 million in wage tax revenue to the City's General Fund.

Land Acquisition and Infrastructure capital projects received an infusion of \$3 million in fiscal year 2021 from the City's October 2020 bond issuance. These funds can be utilized to incentivize investments in land and infrastructure projects within the City of Wilmington.

Additionally, 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.

Business Development.

While the long-term impacts of COVID-19 on the City's Financial Services, Legal, and Government sectors are currently unknown, no major layoffs have been announced as of June 2021. Statewide, Delaware has remained steady with nearly 47,000 jobs in the broad financial activities sector in 2020. Nearly one-fourth of the jobs located in Wilmington are related to financial and technology services, with sub-type specialization in Consumer Lending, Bank Operations, Digital Banking and User Experience, Risk Management, and Predictive Analytics.

Hiring in the Finance and Insurance industry has been stable throughout 2020 with roughly 11,500 jobs in Wilmington. The sustained employment in this sector is due in part to the analytical skill set of our workforce, which has its roots in the chemical and engineering industries and was further developed by the growth of the credit card industry. 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 2020 within a 45-minute drive of Wilmington remained steady in 2021.

The Wilmington corporate banking community, with national brands like Barclays, Bank of America, Capital One, Citi, Goldman Sachs, J.P. Morgan Chase, Navient, and TD Bank continues to maintain a strong presence in the City. Additional business development highlights include:

- Goldman Sachs announced plans in October 2020 to hire as many as 150 new employees in the consumer credit and lending division at Wilmington’s Riverfront. These full-time jobs will focus on Marcus and Apple Card products as well as any future consumer products.
- Barclays launched a new call center site in Summer 2020 at Wilmington’s Riverfront with plans to hire 323 full-time employees.
- Eastern Highway Specialists purchased a four-acre brownfield site in Northeast Wilmington in January 2021 with plans to invest nearly \$4 million into the property to build a 21,000-square-foot headquarters creating 17 new jobs.
- New Jersey-based Advantage Building Supply and Zulu Fire Doors LLC expanded their operations at the former Electric Hose and Rubber Company site in Wilmington’s Riverside neighborhood in January 2021. Advantage Building Supply plans to invest over \$8 million and employ 118 people over the next three years in an expansion of its material supply and door manufacturing businesses.
- Delaware Data Innovation Lab opened at Wilmington’s Riverfront in November 2020 and hired 10 fellows to research COVID-adjacent projects using data analytics.
- Corporation Services Company (CSC) opened CSC Station located at 112 South French Street in Summer 2021. The redesigned 43,000-square-foot building will serve as an innovation hub for CSC’s teams, offer co-working spaces, event space, and a waiting area for Amtrak and SEPTA travelers.
- Dayka & Hackett announced plans in January 2021 to invest \$3.5 million and create 18 new jobs, moving their headquarters, sales office, and packaging operations to the Port of Wilmington.
- Concord Pet Foods and Supplies began converting a 23,000-square-foot building in South Wilmington into a storage and distribution center by October 2021.
- Jerry Deen’s LLC opened a new restaurant and added five new jobs in Wilmington’s Eastside neighborhood in April 2021 after utilizing an economic development grant with the City of Wilmington and True Access Capital.
- Law firms that announced business expansions in Wilmington during fiscal year 2021 include Armstrong Teasdale LLP; Reid Collins & Tsai LLP; Block & Leviton LLP;

Whitbeck Bennett; Saxena White PA; Porzio Bromberg & Newman; Lewis Brisbois Bisgaard & Smith LLP; and Edelstein Martin & Nelson LLP.

Real Estate Development:

The City has seen approximately \$525 million dollars of private development activity continue throughout fiscal year 2022, despite a statewide shutdown due to COVID-19. Investment in the multi-family housing market remains an area of focus for the City. The growth in this market allows for new residents to relocate to Wilmington, contributing to additional wage tax revenue and the expansion of the City's professional workforce – a key consideration of business relocation. In total, there are 20 housing projects in development, accounting for over 1,100 new units throughout the City. Additionally, five housing projects accounting for 730 new units were completed in 2020 in the Downtown, Riverfront, and West Side areas.

Other real estate development highlights include:

- Washington Place Equities started construction of River House, a \$28 million apartment complex located at 401 A Street, bringing 145 new residential units to South Wilmington with an estimated completion date of Spring 2022.
- Crosby Hill, a \$62 million apartment complex located at 517 Shipley Street, started construction and is set to open in late 2022. The new complex will add 208 units to Wilmington's Downtown area, spread over two four-story buildings and one 11-story building.
- W.T. Partners completed renovations of the historic Warner building located at 927 N. Orange Street, adding six new residential units and renovating two ground floor commercial units in Wilmington's Central Business District.
- The Buccini Pollin Group completed construction of The Cooper, located in 210 North Market Street, in Spring 2021 and started leasing its 92 apartment units. The project also preserved the historic façade of the Cooper Building.
- Yada properties purchased the former Saville building, located at 521 North King Street, in January 2020 and started construction converting the 42,000-square-foot building into 42 residential units in Wilmington's Downtown area.
- Tsionas Management completed construction of 2000 Penn Ave in Summer 2020 and started leasing 208 residential units in Wilmington's West Side.
- Buccini Pollin Group's 101 Dupont Place, located in Downtown Wilmington's Dupont Building, opened for leasing in Summer 2020 and includes 184 luxury residential units, a large ballroom, and rooftop deck.
- Light Action Productions will complete construction of their 150,000-square-foot facility on the 7th Street Peninsula in Summer 2021. The \$15 million project will bring 85 new

employees over the next five years and feature a live entertainment production warehouse, video and lighting studios, and a 95-foot-tall sound stage to serve the pre-production needs of live entertainment acts.

- The Challenge Program started construction of their 14,000-square-foot facility at the former Marina property on the 7th Street Peninsula in Summer 2020. The expansion will provide a wood and metal shop for the fabrication of fine quality furniture and create 12 new full-time jobs.
- Whiting-Turner Contractor Company started construction on a \$31 million conversion of an 11-story office building located at 1220 North Market Street into a 134-room Staybridge Suites hotel.
- The Buccini Pollin Group and Method Residential started construction on the former Security Trust & Safe Company Building, located at 519 North Market Street, to renovate the building into a 25-room boutique hotel along with three food and beverage concepts.
- Wilma's, a new recreation hall with an arcade and duckpin bowling, will open at 902 North Market Street in Fall 2021 to offer a new 5,700 square foot entertainment and dining option in Wilmington's Central Business District.
- Abessinio Stadium opened in November 2020, completing a \$25 million reconstruction project of the former Baynard Stadium in Brandywine Park. The renovated stadium is now a part of the state park system and will serve the recreation needs of Salesianum School as well as the general public.

Riverfront Development:

In May 2021, the Riverfront Development Corporation revealed comprehensive plans for Riverfront East, a \$100 million, 86.3-acre mixed-use development project along the east bank of the Christina River. The first phase will involve the construction of public infrastructure, such as roadways, stormwater management features, parking facilities, a riverwalk, and a large central green space. This initial phase of work, which is projected to cost \$30 million and create 179 new construction jobs, is expected to be completed by the end of 2023. Overall, the project will bring the following assets to an underutilized portion of the City:

- 4,291 new residential units
- 1.9 million square feet of commercial office space
- 357,000 square feet of retail space
- Four major green spaces
- 650 on-street parking spaces
- 8,900 spaces in parking garages

Wilmington remains a key component of the \$400 billion Philadelphia-Wilmington-Camden metropolitan economy, enjoying all of the metro-wide area's economic advantages, but with a

lower comparable cost-of-living, shorter commutes, and a centralized location that allows easy access to all the major mid-Atlantic metro areas. These fundamental strengths will remain despite the continued economic recovery from the COVID-19 pandemic. Continued investment in, and transformation of, the City's Downtown, Riverfront, and residential neighborhoods will help Wilmington remain regionally and nationally competitive as the economy fully recovers.

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, 2020. This was the 32nd consecutive year that the City of Wilmington has received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Wilmington received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated for the fiscal year beginning July 1, 2020. 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. 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
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wilmington
Delaware**

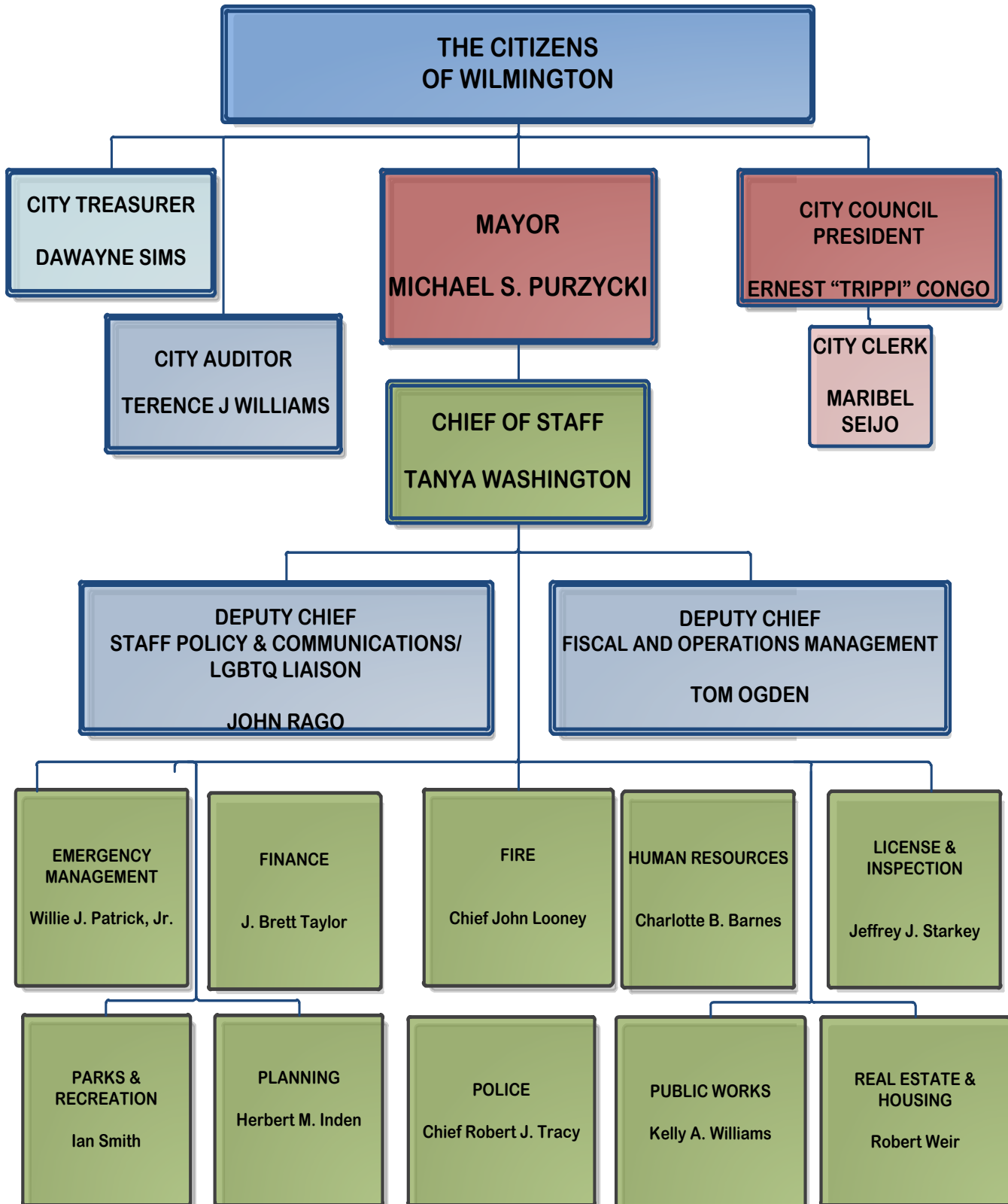
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF WILMINGTON ORGANIZATION CHART



**City of Wilmington
Listing of Principal Officials
June 30, 2021**

Executive

Mayor
City Treasurer

Michael S. Purzycki
DaWayne Sims

City Council

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

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

Department Heads

Chief of Staff

City Solicitor
City Auditor
Clerk of Council
Economic Development
Emergency Management
Finance
Fire
Human Resources
Licenses and Inspections
Parks and Recreation
Planning
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
John Looney
Charlotte B. Barnes
Jeffrey J. Starkey
Ian Smith
Herb M. Inden
Robert J. Tracy
John Rago
Kelly A. Williams
Robert L. Weir

City of Wilmington

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

City Council Members



Ernest "Trippi" Congo
City Council President



Linda M. Gray
1st District



Shane' N. Darby
2nd District



Zanthia Oliver
3rd District



Michelle Harlee
4th District



Bregetta A. Fields
5th District



Yolanda McCoy
6th District



Chris Johnson
7th District



Nathan Field
8th District



Rysheema J. Dixon
At-Large



Maria D. Cabrera
At-Large



Loretta Walsh
At-Large



James Spadola
At-Large

City Of Wilmington
Delaware

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2021



Michael S. Purzycki
Mayor

Prepared by:
Office of the Director of Finance

J. Brett Taylor
Director of Finance

Accounting Office

Debra Gibbs
Cornelia Henry
Ebony Jackson

Brenda Miller
Ampofo Offei- Ansah
Roseanne Prado*

Herbert Sheldon
Lakeisha Thomas
Mariclaire Varrasse

**Accounting manager*



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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, 2021, 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, Wilmington UDAG Corporation, and Riverfront Wilmington Business Improvement District, which represent 88.9%, 89.6%, and 51.4%, 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 38.2%, 58.1%, and 6.9%, 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, 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.

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

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 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, 2021, 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 7 on pages 108 through 134 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

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

table of contents), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 28, 2022 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 28, 2022
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE

Management's Discussion and Analysis

June 30, 2021

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, 2021. We encourage readers to consider the information presented in conjunction with the additional information furnished in the letter of transmittal. All government entities including the City of Wilmington have been affected by the COVID-19 pandemic. As the readers review the Management's Discussion and Analysis, they will be able to see some of the challenges that the City government is facing and identify changes to the City's financial position.

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 \$248,853,957 (net position), an increase of \$66,071,651 from the previous year. The net position of governmental activities increased by \$59,858,858 from the prior year, while the net position from business activities increased by \$6,212,793.
- Discretely presented component units reported net position of \$54,353,311, a decrease of \$2,148,936 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 \$89,357,570, an increase of \$34,697,443 from the previous year. The Fund Balance reported is: Non-spendable Fund Balance of \$5,579,548; Restricted Fund Balance of \$23,894,698; Committed Fund Balance of \$61,460,840 and Unassigned Fund Balance of (\$1,577,516). (See page 20 for a detailed breakdown).
- The General Fund had a combined fund balance of \$62,517,648 consisting of \$4,455,980 of non-spendable fund balance and \$58,061,668 of committed fund balance.
- The Capital Projects Fund had a restricted fund balance in the amount of \$14,955,113 to fund current and future City capital improvements.
- The Total Non-Major Funds have a combined fund balance of \$11,884,809 consisting of \$1,123,568 of non-spendable, \$3,399,172 of committed, \$8,939,585 of restricted, and (\$1,577,516) of unassigned.

Long-Term Debt

- The City's total net general obligation debt increased to \$ 335,088,168 at June 30, 2021, an increase of \$39,147,766. Water and sewer projects had a net increase in debt of \$27,341,703 and governmental capital projects had a net increase in debt of \$11,806,023.

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, the American Rescue Plan Act Fund, Special Revenue Funds (Other Governmental Funds), and the Capital Projects Fund.
- *Proprietary Funds* – When the City charges for the services it provides, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize the accrual basis of accounting, the same method used by private sector businesses. The Enterprise funds report activities that provide supplies and services to the general public: water, sewer, and stormwater management services through the Water and Sewer Fund, and the development of vacant and abandoned property through the Wilmington Neighborhood Conservancy Land Bank Corporation (a blended component unit). The Internal Service Funds report activities that provide supplies and services for the City's other programs and activities - motor vehicle charges, health insurance, and workers’ compensation and risk management.
- *Fiduciary Funds* – The City acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Wilmington’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found beginning on page 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 108.

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 135.

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 156.

Financial Analysis of the Government as a Whole

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$174,329,825	\$112,084,892	\$71,781,052	\$57,980,565	\$246,110,877	\$170,065,457
Capital assets(net)	216,129,523	210,652,905	364,822,424	350,562,451	580,951,947	\$561,215,356
Total Assets	\$390,459,348	\$322,737,797	436,603,476	408,543,016	827,062,824	731,280,813
Deferred outflows of resources	19,878,225	24,351,103	2,121,801	3,412,335	22,000,026	27,763,438
Long-term liabilities	228,151,041	314,428,061	221,071,433	205,616,649	449,222,474	520,044,710
Other Liabilities	71,325,559	22,146,982	31,218,382	27,894,077	102,543,941	50,041,059
Total Liabilities	299,476,600	336,575,043	252,289,815	233,510,726	551,766,415	570,085,769
Deferred inflows of resources	46,486,563	6,056,426	1,955,915	370,754	48,442,478	6,427,180
Net Position						
Net Investment in Capital						
Assets	101,680,177	100,713,342	156,459,108	141,559,269	258,139,285	242,272,611
Restricted	14,930,228	10,079,262	27,226,004	35,649,991	42,156,232	45,729,253
Unrestricted	(52,235,995)	(106,335,174)	794,435	1,057,494	(51,441,560)	(105,277,680)
Total Net Position	\$64,374,410	\$4,457,430	\$184,479,547	\$178,266,754	\$248,853,957	\$182,724,184

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, \$263,498,416. 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 \$42,156,232 and \$56,800,691 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 \$248,853,957.

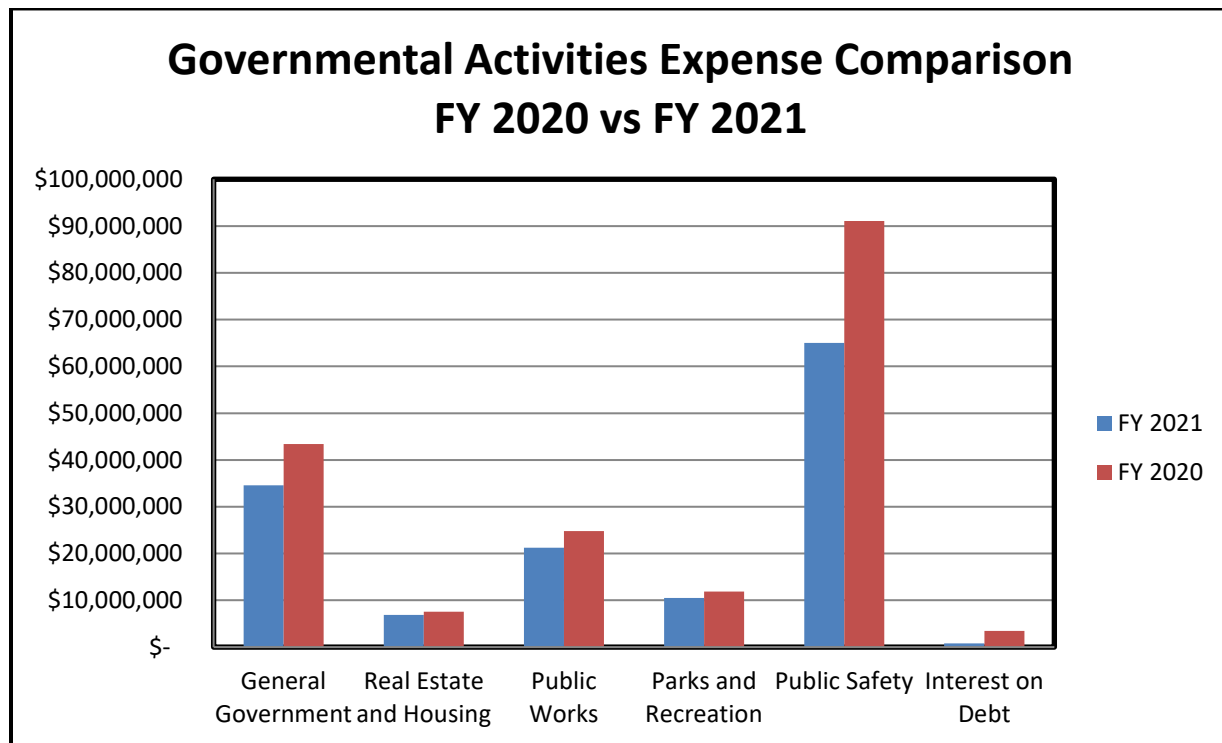
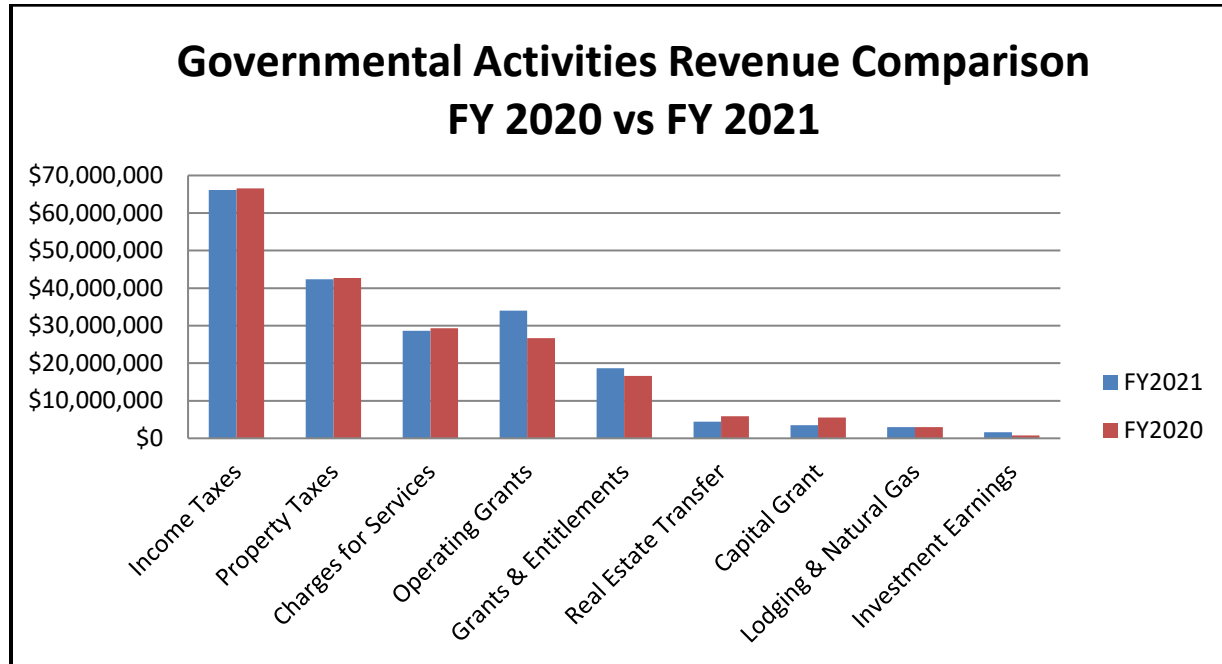
Changes in Net Position. A schedule of a comparison of year-to-year changes in activity is below. The combined net position of the City increased by \$66,071,651, over the course of this year's operations. The net position of governmental activities increased \$59,858,858 and the net position of business-type activities increased by \$6,212,793.

City of Wilmington's Changes in Net Position
Year Ended June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 28,074,983	\$ 29,289,693	\$ 84,332,101	\$ 79,971,543	\$ 112,407,084	\$ 109,261,236
Operating Grants & Contributions	\$ 33,281,312	26,658,603	-	-	33,281,312	26,658,603
Capital Grants & Contributions	1,706,448	5,546,307	1,000,000	6,592,609	2,706,448	12,138,916
General Revenues:						
Total Taxes	115,930,109	118,142,555	-	-	115,930,109	118,142,555
Investment Earnings	1,578,423	735,622	-	1,683	1,578,423	737,305
Other Revenues	18,931,550	17,018,632	-	-	18,931,550	17,018,632
Extraordinary Item:						
Loan Forgiveness	-	2,845,684	-	-	-	2,845,684
Total Revenues	<u>199,502,825</u>	<u>200,237,096</u>	<u>85,332,101</u>	<u>86,565,835</u>	<u>284,834,926</u>	<u>286,802,931</u>
EXPENSES						
General Government	34,607,485	43,376,298	-	-	34,607,485	43,376,298
Real Estate and Housing	6,887,434	7,577,533	-	-	6,887,434	7,577,533
Public Works	21,251,664	24,813,642	-	-	21,251,664	24,813,642
Parks and Recreation	10,529,555	11,898,388	-	-	10,529,555	11,898,388
Public Safety	65,023,708	91,077,683	-	-	65,023,708	91,077,683
Interest on Long Term Debt	1,344,121	3,439,214	-	5,748,801	1,344,121	9,188,015
Business Type Activities	-	-	6,212,793	75,666,995	6,212,793	75,666,995
Total Expenses	<u>139,643,967</u>	<u>182,182,758</u>	<u>73,278,921</u>	<u>81,415,796</u>	<u>145,856,760</u>	<u>263,598,554</u>
Change in Net Position	<u>59,858,858</u>	<u>18,054,338</u>	<u>6,212,793</u>	<u>5,150,039</u>	<u>66,071,651</u>	<u>23,204,377</u>
Net Position - Beginning	<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>
Prior Period Adjustment	<u>58,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,122</u>	<u>-</u>
Net Position - Ending	<u>\$ 64,374,410</u>	<u>\$ 4,457,430</u>	<u>\$ 184,479,547</u>	<u>\$ 178,266,754</u>	<u>\$ 248,853,957</u>	<u>\$ 182,724,184</u>

Governmental Activities

Revenues of governmental activities for fiscal year 2021 decreased from 2020 by \$734,271. This net decrease reflects a decrease in charges for services of \$1,214,710. General revenues increased by \$543,273. Operating grants increased by \$6,622,709 and capital grants decreased by \$3,839,859. Fiscal year 2021 revenue did not include any extraordinary items as it did in fiscal year 2020 which included loan forgiveness of \$2,845,684 received by the Wilmington Housing Partnership (a blended component unit). The key revenue elements are discussed later in the fund statement comparisons. Expenses of governmental activities for fiscal year 2021 decreased by \$4,538,791 compared to 2020. 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 2021 as compared to fiscal year 2020.



Business-type Activities

Net position of business-type activities increased by \$6,212,793 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 \$89,252,464. Of the current ending fund balance, the following categories are recorded, and primary uses noted in accordance with GASB 54:

- \$5,579,548 is recorded as Non-Spendable due to a \$2,806,321 advance to the Motor Vehicle Fund by the General Fund and \$1,123,568 in the Wilmington Park Trust Fund Commission.
- \$23,789,592 is recorded as Restricted; \$14,850,007 for capital projects, \$5,034,922 for park operations, \$3,904,663 for Other Purposes.
- \$61,460,840 is recorded as Committed; \$17,270,240 for the Budget Reserve Account, \$1,620,278 for Economic Development, \$40,791,428 for the Tax Stabilization Reserve and \$1,778,894 for Other Purposes;
- \$(1,577,516) 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, 2021, the fund balance composition included:

- \$2,806,321 is recorded as non-spendable due to an advance to the Motor Vehicle Fund.
- \$17,270,240 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.
- \$40,791,428 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 2021 compared to budget and fiscal year 2020.

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

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Final</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues:						
Taxes:						
Property	\$ 43,698,151	\$ 44,728,292	\$ 1,030,141	\$ 42,142,742	\$ 44,728,292	\$ 2,585,550
Wage	58,325,963	57,470,355	(855,608)	60,017,574	57,470,355	(2,547,219)
Net Profit	7,311,221	7,973,882	662,661	5,822,796	7,973,882	2,151,086
Franchise	764,123	1,021,640	257,517	764,123	1,021,640	257,517
Real Estate Transfer	5,918,475	4,472,847	(1,445,628)	2,006,535	4,472,847	2,466,312
Head	3,532,970	3,451,363	(81,607)	3,207,062	3,451,363	244,301
Lodging & Natural Gas	1,184,616	919,825	(264,791)	1,070,379	919,825	(150,554)
Intergovernmental	24,771,912	34,468,792	9,696,880	21,385,948	34,468,792	13,082,844
Licenses and Permits	5,925,045	4,866,404	(1,058,641)	4,075,342	4,866,404	791,062
Fines and Forfeitures	5,129,680	5,487,633	357,953	7,913,871	5,487,633	(2,426,238)
Charges for Services	9,335,441	10,054,208	718,767	9,543,146	10,054,208	511,062
Investment Earnings	1,301,143	256,313	(1,044,830)	184,500	256,313	71,813
Total Revenues	<u>167,198,740</u>	<u>175,171,554</u>	<u>7,972,814</u>	<u>158,134,018</u>	<u>175,171,554</u>	<u>17,037,536</u>
Expenditures:						
General Governmental Services:						
Mayor's Office	10,407,371	7,845,665	2,561,706	8,655,480	7,845,665	809,815
City Council	1,785,400	1,687,631	97,769	1,780,183	1,687,631	92,552
Audit	807,407	851,154	(43,747)	873,261	851,154	22,107
Law	2,571,510	2,352,462	219,048	2,543,255	2,352,462	190,793
Finance	9,392,066	9,154,057	238,009	9,695,046	9,154,057	540,989
Human Resources	1,589,163	1,564,185	24,978	2,174,679	1,564,185	610,494
Treasurer	465,306	522,655	(57,349)	485,457	522,655	(37,198)
Planning	1,528,478	1,379,346	149,132	1,537,355	1,379,346	158,009
Information Technologies	7,929,242	8,513,656	(584,414)	8,728,798	8,513,656	215,142
Real Estate and Housing	2,188,405	2,983,374	(794,969)	2,990,953	2,983,374	7,579
Public Works	24,596,157	23,564,015	1,032,142	26,217,640	23,564,015	2,653,625
Parks and Recreation	8,835,996	7,778,519	1,057,477	8,382,822	7,778,519	604,303
Public Safety:						
Licenses and Inspection	5,227,599	4,747,561	480,038	5,469,246	4,747,561	721,685
Fire	27,018,666	27,168,451	(149,785)	25,468,263	27,168,451	(1,700,188)
Police	59,443,483	59,142,243	301,240	59,748,559	59,142,243	606,316
Total Expenditures	<u>163,786,249</u>	<u>159,254,974</u>	<u>4,531,275</u>	<u>164,750,997</u>	<u>159,254,974</u>	<u>\$5,496,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,412,491</u>	<u>15,916,580</u>	<u>12,504,089</u>	<u>(6,616,979)</u>	<u>15,916,580</u>	<u>22,533,559</u>
Other Financing Sources (Uses)						
Bond Anticipation Note Issued	3,400,000	24,315,270	20,915,270	-	24,315,270	24,315,270
Bond Premiums	-	4,729,165	4,729,165	-	4,729,165	4,729,165
Bank Line of Credit Repayment	(3,378,370)	-	3,378,370	-	-	-
Bond Payments to Escrow Agent	-	(28,431,065)	(28,431,065)	-	(28,431,065)	(28,431,065)
Internal Service Fund Integration	(2,076,719)	-	2,076,719	-	-	-
Transfer Out*	-	(1,957,500)	(1,957,500)	-	(1,957,500)	(1,957,500)
Total Other Financing Sources (Use)	<u>(2,055,089)</u>	<u>(1,344,130)</u>	<u>710,959</u>	<u>-</u>	<u>(1,344,130)</u>	<u>(1,344,130)</u>
Net Change in Fund Balances	<u>\$ 1,357,402</u>	<u>\$ 14,572,450</u>	<u>\$ 13,215,048</u>	<u>\$ (6,616,979)</u>	<u>\$ 14,572,450</u>	<u>\$ 21,189,429</u>

The revenues for fiscal year 2021 increased by \$7,972,814, compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes increased by \$1,030,141, no additional tax increase had been assessed in FY2021.
- Wage Taxes decreased by \$855,608, while Net Profit Taxes increased by \$662,661.
- Real Estate Transfer Taxes decreased by \$1,445,628, due to the weakening in commercial property sales activity compared to FY2020, caused by the pandemic's effects.
- Fines and Forfeitures are collected by the City for red light photo citations, parking tickets, criminal, and booting fines. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues increased by \$357,953, due to the City's decision to resume the downtown and riverfront metered and limited-time parking enforcement, which had been temporarily halted due to the COVID-19 pandemic, except for safety-related ticketing during that time.
- Charges for Services increased by \$718,767, due mainly to an increase in indirect costs charged.
- Investment earnings decreased by \$1,044,830, due to significant declines in interest rates seen during fiscal year 2021.

The current year's expenditures decreased by \$4,574,359 and transfers out totaled \$565,000, which was an increase, compared to fiscal year 2020.

- Mayor's Office expenditures decreased by \$2,604,790, primarily due to the fiscal response of the COVID-19 pandemic, with most of the decrease in Materials, Supplies and Equipment.
- Real Estate & Housing expenditures increased by \$794,969, primarily due to an increase in Personal Services for fiscal year 2021 to support the day-employment clean-up program for a third year.
- Public Works expenditures, which represented 14% of the City's General Fund expenditures, decreased by \$1,032,142, due primarily to a decrease of \$1,170,247 in Debt Service.
- Parks and Recreation expenditures, which represented 5% of the City's General Fund expenditures decreased by \$1,057,477, primarily due to a decrease of \$599,996 in Debt Service, a decrease of \$386,299 in Materials, Supplies and Equipment and a decrease of \$71,182 in Personal Services.
- Fire expenditures, which represented 17% of the City's General Fund expenditures increased by \$149,785, primarily due to an increase in Personal Services of \$862,507 and offset by a decrease in Materials, Supplies and Equipment of \$336,262 and Debt Service of \$376,460.
- Information Technologies expenditures increased by \$584,414, primarily due to an increase of \$429,813 in Materials, Supplies and Equipment due to an increase in computer software licensing for fiscal year 2021.

Other Major Funds – Comparison to Prior Year

The fund balance of \$14,850,007 for the Capital Projects Fund was \$17,191,396 more than fiscal year 2020 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 \$6,212,792 in fiscal year 2021.

- Direct User Charges for water, sewer, and storm water increased by \$5,799,321.
- New Castle County sewer charges decreased by \$2,867,053.
- Capital Grant and Contribution revenue decreased from \$6,592,609 in 2020 to \$1,000,000 in 2021.
- Other Income increased by \$1,736,011 mainly for fines and penalties due to a decrease in collection enforcement due to pandemic response.

Compared to fiscal year 2020, total expenses decreased by \$1,386,100 or 1.8%. This was driven mostly by a decrease of \$1,293,034 in materials, supplies and contractual services.

General Fund Budgetary Highlights

The City adopted the fiscal year 2021 budget on May 28, 2020 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 \$158,134,018 of revenues, a decrease of \$11,811,035 or 7.46% from 2020 and \$164,750,997 of expenditures – down \$3,242,531, or 2%, from FY 2020.

- Property Taxes were \$2,585,550 above expectations due to increased development in the housing market.
- Wage Tax revenues, representing 38% of General Fund revenues, were under budget by \$2,547,219, (4.4%) due to the impact of COVID-19 and losses due to refunds for employees working from home.
- Net Profit Tax revenues, representing 3.7% of General Fund revenues were over budget by \$2,151,086, due to stronger earnings from partnership and LLC members.
- Real Estate Transfer Taxes were over budget by \$2,466,312 primarily due to the impact of historically low interest rates in the residential market.
- Fines and Forfeitures were under budget by \$2,426,238 primarily due to the reduction in parking ticket issuance in response to the COVID-19 pandemic.
- Intergovernmental Revenues were over budget by \$13,082,844 due to reimbursements of CARES Act eligible expenditures.

- Investment earnings were over the budget by \$71,813 due to additional interest earned on the proceeds of the City's November 2020 capital borrowing.
- Mayor's Office expenditures were under budget by \$809,815, primarily due to a decrease in Debt Service.
- Finance Department expenditures were under budget by \$540,989, due to decreases in both Personal Services and Material Supplies and Equipment.
- Public Works expenditures were under budget by \$2,653,625 due mainly to a decrease in debt service.
- Licenses and Inspection expenditures were under budget by \$721,685, due to decreases in both Personal Services and Material Supplies and Equipment due to decreases in enforcement activities in response to the COVID-19 pandemic.
- Real Estate and Housing expenditures were under budget by \$7,579 attributable to an decrease in Material Supplies and Equipment.
- Human Resources expenditures were under budget by \$610,494, due to decreases in both Personal Services and Material Supplies and Equipment.
- Fire expenditures were over budget by \$1,700,188 due to increases in Personal Services costs attributable to overtime and certain one-time Material Supplies and Equipment expenses.
- Police expenditures were under budget by \$606,316 due to lower healthcare and overtime costs.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2021, the City had invested \$580,951,945, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents fiscal year 2021 asset balances compared to fiscal year 2020 balances (further detail in Note 6 as required by GASB 34). Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Vehicles Equipment and Other Assets decreased \$2.1 million due to a more accurate accounting of inventory.
- Parks and Recreation Facilities increased by \$229,433 due to the summer program being extended for an additional two weeks.
- Streets and Signals increased by \$872,959 as the City completes necessary renewals of infrastructure.
- Buildings and Improvements increased by \$1 million primarily due to improvements to various city-owned buildings.

Business-type Activities:

- Construction in Progress increased \$2.9 million during Fiscal Year 2021 due to ongoing water system improvement projects.
- Water Reservoirs, Facilities, and Water Lines increased \$11 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		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 24,090,181	\$ 24,090,181	\$ 4,060,443	\$ 4,060,443	\$ 28,150,624	\$ 28,150,624
Art	2,709,713	2,526,843		-	2,709,713	2,526,843
Construction in Progress	15,574,408	10,278,241	41,514,073	38,536,612	57,088,481	48,814,853
Buildings & Improvements	56,915,210	55,891,585	20,476,302	20,575,441	77,391,512	76,467,026
Parks & Recreation Facilities	17,128,275	16,898,842	-	-	17,128,275	16,898,842
Streets & Signals	71,936,785	71,063,826	-	-	71,936,785	71,063,826
Water Reservoirs, Facilities & Water Lines	-	-	174,211,515	166,903,652	174,211,515	166,903,652
Wastewater Facilities & Sewer Lines	-	-	124,540,618	120,418,540	124,540,618	120,418,540
Vehicles, Equipment & Other	<u>27,774,951</u>	<u>29,903,387</u>	<u>19,471</u>	<u>25,463</u>	<u>27,794,422</u>	<u>29,928,850</u>
Totals	<u>\$ 216,129,523</u>	<u>\$ 210,652,905</u>	<u>\$ 364,822,422</u>	<u>\$ 350,520,151</u>	<u>\$ 580,951,945</u>	<u>\$ 561,173,056</u>

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 \$335,088,168. Of this amount, \$116,209,243 comprises debt related to Governmental Activities and \$218,878,925 is supported by Business-Type activities. Additionally, there are \$116,617,572 in long-term liabilities, such as capital leases, insurance claims payables, compensated absences, net pension liability and net OPEB liability in Governmental Activities. Similar long-term liabilities of \$2,873,367 exist on the Business-Type activities.

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.

The City has entered into General Obligation Financing agreements with the State Drinking Water Revolving Loan Fund of the Delaware Department of Health & Social Services for an amount not exceeding \$5,000,000 at an interest rate of 2.64% for the cost associated with a Water Distribution Mains Project and with the State Water Pollution Revolving Loan Fund of the Delaware Department of Natural Resources and Environmental Control for an amount not exceeding \$1,206,460 with an interest rate of 2.0% for costs associated to Shallcross Ave Sewer Separation Project. Loan amounts have not yet been fully drawn down.

On July 27, 2020, the City issued a \$2,120,708 General Obligation Bond (Series 2020C-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.

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 Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 116,209,243	\$ 104,403,180	\$ 218,878,925	\$ 191,573,222	\$ 335,088,168	\$ 295,976,402

Economic Factors and 2021 Budgets and Rates

As the COVID-19 pandemic continues to affect the economy and budget plans of the City, the actions taken within the 2021 fiscal year have proved to be beneficial.

The economic factors and 2021 budget and rates are highlighted below:

Economic Factors:

The challenge is not just to balance a budget but to craft one that confronts the many problems our community faces, both caused by and revealed by the pandemic. COVID-19 is call to us to better our City and the lives of our citizens as things begin to return to what almost surely will be a new normal.

People are moving into the City. Projects like the Flats on the West Side and Reach Riverside in the northeast, both holding immense promise for our residents. Private investment in the city has approached \$1 billion over the past four years, with much more to come. Thousands of apartment units are being built and occupied by new and current residents, stabilizing our crucially important wage tax revenue. New restaurants are opening throughout the city. Three new hotels have opened, and new ones are being proposed. City government has invested \$40 million in infrastructure. Twenty-six miles of city streets have been paved. Eleven million dollars has been invested in parks, community centers, and public spaces.

Moody's improved the status of the city's bond rating by removing a negative outlook. The City has not raised taxes in the last three years while cash balances have improved. And while the pandemic has presented severe challenges to revenues in the short term, the City has laid the foundation for growth once the pandemic has passed.

The Fiscal Year 2022 budget includes no property tax increase. The budget is balanced with a transfer from the Rate Stabilization Reserve.

The Fiscal Year budget increases spending by 5.6%, or approximately \$9.2 million over FY 2021. Of this increase, much of it is uncontrollable costs. For example, \$3.38 million is a scheduled increase in debt service. Cost-of-living and step increases for employees required by contract or other mandates account for \$2.6 million of the increase. The police body camera program, software and personnel will add \$650,000, leaving a budget increase in controllable costs of about \$2.5 million, or 1.4% of last year's budget.

Requests for Information

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

The component units issue their own audited financial statements. These statements may be obtained directly from the component units from sources listed in Note 1, page 38 and the financial statements are listed on pages 34 and 35.



BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Position
June 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	\$ 103,505,482	\$ 10,358,933	\$ 113,864,415	\$ 16,035,758
Receivables, Net (Note 4)	26,163,120	29,688,039	55,851,159	2,087,694
Internal Balances	356,762	(356,762)	-	-
Due from Other Funds (Note 7)	9,649,533	-	9,649,533	-
Due from Other Governments	3,582,386	938,392	4,520,778	136,350
Due from Component Unit	275,000	-	275,000	-
Prepaid Items & Other Assets	1,062,275	208,180	1,270,455	118,994
Property Held for Future Use	437,300	21,800	459,100	-
Net Pension Asset	4,842,453	645,115	5,487,568	1,879,746
Restricted Cash and Investments (Note 3)	24,455,514	30,277,355	54,732,869	1,408,605
Capital Assets, Net (Note 6):				
Land	24,090,181	4,060,443	28,150,624	16,319,059
Intangible Assets	-	-	-	5,000,000
Art	2,709,712	-	2,709,712	-
Construction in Progress	15,574,409	41,514,073	57,088,482	1,537,647
Buildings & Improvements	56,915,210	20,476,302	77,391,512	24,007,248
Parks & Recreation Facilities	17,128,275	-	17,128,275	-
Streets & Street Signals	71,936,785	-	71,936,785	-
Water & Sewer Systems	-	298,752,135	298,752,135	-
Vehicles, Equipment, and Other	27,774,951	19,471	27,794,422	784,574
Total Assets	390,459,348	436,603,476	827,062,824	69,315,675
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	17,933,335	439,760	18,373,095	398,861
Deferred on refunding of bonds	1,944,890	1,682,041	3,626,931	-
Total Deferred Outflows of Resources	19,878,225	2,121,801	22,000,026	398,861
LIABILITIES				
Accounts Payable & Accrued Expenses	12,199,198	11,886,255	24,085,453	400,166
Due to Primary Government	-	-	-	275,000
Salaries and Benefits Payable	5,619,919	477,108	6,097,027	389,259
Unearned Revenue	30,089,711	3,449,730	33,539,441	2,567
Other Liabilities	2,269,399	229,036	2,498,435	-
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	9,800,569	14,579,821	24,380,390	675,321
Notes Payable	-	-	-	187,784
Capital Leases	1,050,727	-	1,050,727	-
Claims Liabilities	6,439,819	-	6,439,819	-
Compensated Absences	3,856,217	596,432	4,452,649	-
Due in More Than One Year:				
Bonds Payable	122,880,232	218,794,497	341,674,729	10,075,713
Notes Payable	-	-	-	1,489,029
Capital Leases	956,419	-	956,419	-
Claims liabilities	17,139,457	-	17,139,457	-
Compensated Absences	6,073,353	-	6,073,353	-
Net Other Post Employment Benefits Liability	10,807,609	-	10,807,609	-
Net Pension Liability	70,293,971	2,276,936	72,570,907	-
Total Liabilities	299,476,600	252,289,815	551,766,415	13,494,839
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	45,915,236	1,955,915	47,871,151	1,834,265
Deferred on refunding of bonds	571,327	-	571,327	-
Deferred parking revenue	-	-	-	32,121
Total Deferred Inflows of Resources	46,486,563	1,955,915	48,442,478	1,866,386
NET POSITION				
Net Investment in Capital Assets	101,680,177	156,459,108	258,139,285	35,647,251
Restricted for:				
Net Pension Asset	4,842,453	-	4,842,453	444,342
Capital Projects	-	-	-	-
Operation and Maintenance Reserve	-	13,551,488	13,551,488	-
Rate Stabilization Reserve	-	13,674,516	13,674,516	-
Debt Service	-	-	-	598,237
Park Operations & Other - Expendable	1,113,307	-	1,113,307	-
Park Operations & Other - Nonexpendable	5,069,805	-	5,069,805	2,430,637
Other Purposes	3,904,663	-	3,904,663	319,791
Unrestricted	(52,235,995)	794,435	(51,441,560)	14,913,053
Total Net Position	\$ 64,374,410	\$ 184,479,547	\$ 248,853,957	\$ 54,353,311

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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Units
		Charges for Services	Grants and Contributions		Governmental Activities	Primary Government		
			Operating	Capital		Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Governmental Services	\$ 34,607,485	\$ 15,536,758	\$ 10,934,783	\$ -	\$ (8,135,944)	\$ -	\$ (8,135,944)	\$ -
Real Estate and Housing	6,887,434	-	4,567,604	-	(2,319,830)	-	(2,319,830)	-
Public Works	21,251,664	169,609	1,133,082	501,732	(19,447,241)	-	(19,447,241)	-
Parks and Recreation	10,529,555	21,470	4,040,548	1,090,427	(5,377,110)	-	(5,377,110)	-
Public Safety	65,023,708	12,347,146	12,605,295	114,289	(39,956,978)	-	(39,956,978)	-
Interest on Long-term Debt	1,344,121	-	-	-	(1,344,121)	-	(1,344,121)	-
Total Governmental Activities	<u>139,643,967</u>	<u>28,074,983</u>	<u>33,281,312</u>	<u>1,706,448</u>	<u>(76,581,224)</u>	<u>-</u>	<u>(76,581,224)</u>	<u>-</u>
Business Type Activities	73,278,921	84,332,101	-	1,000,000	-	6,212,793	6,212,793	-
Total Primary Governments	<u>\$ 212,922,888</u>	<u>\$ 112,407,084</u>	<u>\$ 33,281,312</u>	<u>\$ 2,706,448</u>	<u>(76,581,224)</u>	<u>6,212,793</u>	<u>(70,368,431)</u>	<u>-</u>
Component Units:								
Christina Gateway Corporation	11,352	-	-	-	-	-	-	(11,352)
Wilmington UDAG Corporation	423,864	\$ 114,740	-	-	-	-	-	(309,124)
Wilmington Parking Authority	5,349,217	\$ 3,078,139	-	-	-	-	-	(2,271,078)
Downtown Visions	3,014,906	\$ 2,674,455	-	-	-	-	-	(340,451)
Riverfront Business Improvement District	540,064	\$ 637,357	-	-	-	-	-	97,293
Rock Manor Golf Corporation	294,843	\$ 333,564	-	-	-	-	-	38,721
Total Component Units	<u>\$ 9,634,246</u>	<u>\$ 6,838,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,795,991)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					42,339,714	-	42,339,714	-
Income Taxes					66,104,832	-	66,104,832	-
Real Estate Transfer					4,472,847	-	4,472,847	-
Lodging & Franchise Taxes					3,012,716	-	3,012,716	-
Investment Earnings					1,578,423	-	1,578,423	34,045
Other Revenues including Capital Asset Gains					339,579	-	339,579	(11,306)
Grants, Entitlements, and Contributions not Restricted to Specific Programs					18,591,971	-	18,591,971	624,316
Total General Revenues					<u>136,440,082</u>	<u>-</u>	<u>136,440,082</u>	<u>647,055</u>
Transfers					-	-	-	-
Total General Revenues after Transfers					<u>136,440,082</u>	<u>-</u>	<u>136,440,082</u>	<u>647,055</u>
Change in Net Position					59,858,858	6,212,793	66,071,651	(2,148,936)
Net Position - Beginning					<u>4,457,430</u>	<u>178,266,754</u>	<u>182,724,184</u>	<u>56,502,247</u>
Prior Period Adjustment (Note 18)					<u>58,122</u>	<u>-</u>	<u>58,122</u>	<u>-</u>
Net Position - Ending					<u>\$ 64,374,410</u>	<u>\$ 184,479,547</u>	<u>\$ 248,853,957</u>	<u>\$ 54,353,311</u>

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2021

	General	American Rescue Plan	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 3)	\$ 37,981,676	\$ -	\$ -	\$ 8,600,153	\$ 46,581,829
Receivables, Net (Note 4)	23,861,620	-	-	1,328,251	25,189,871
Due from Other Funds (Note 7)	25,887,503	-	-	5,611	25,893,114
Due from Other Component Unit	275,000	-	-	-	275,000
Due From Other Governments	-	-	1,433,687	2,155,406	3,589,093
Advances Due From Other Funds	2,806,321	-	-	-	2,806,321
Property Held for Future Use	-	-	-	100,000	100,000
Restricted Cash and Investments (Note 3)	-	27,672,890	18,416,096	6,039,418	52,128,404
Prepaid Items & Other Assets	1,649,659	-	-	31,679	1,681,338
TOTAL ASSETS	92,461,779	27,672,890	19,849,783	18,260,518	158,244,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 7,386,435	\$ -	\$ 1,263,237	\$ 1,754,946	\$ 10,404,618
Salaries and Benefits Payable	5,367,034	-	-	181,621	5,548,655
Due to Other Funds	-	-	1,813,247	448,671	2,261,918
Unearned Revenue	1,108,033	27,672,890	447,487	1,843,270	31,071,680
Other Liabilities	2,261,711	-	-	680,285	2,941,996
Total Liabilities	16,123,213	27,672,890	3,523,971	4,908,793	52,228,867
Deferred Inflows of Resources:					
Unavailable Revenues	13,820,918	-	1,370,699	1,466,916	16,658,533
Fund Balances:					
Nonspendable					
Advance to Motor Vehicle Fund (Note 7)	2,806,321	-	-	-	2,806,321
Trust for Park Operations	-	-	-	1,123,568	1,123,568
Other nonspendable	1,649,659	-	-	-	1,649,659
Restricted					
Capital Projects	-	-	14,955,113	-	14,955,113
Park Operations	-	-	-	5,034,922	5,034,922
Other Purposes	-	-	-	3,904,663	3,904,663
Committed					
Budget Reserve Account	17,270,240	-	-	-	17,270,240
Economic Development	-	-	-	1,620,278	1,620,278
Other Purposes	-	-	-	1,778,894	1,778,894
Tax Stabilization Reserve	40,791,428	-	-	-	40,791,428
Unassigned	-	-	-	(1,577,516)	(1,577,516)
Total Fund Balances	62,517,648	-	14,955,113	11,884,809	89,357,570
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 92,461,779	\$ 27,672,890	\$ 19,849,783	\$ 18,260,518	\$ 158,244,970

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, 2021

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

Total Fund Balances for Government Funds (Page 20)	\$ 89,357,570
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in Note 6 are included in the Statement of Net Position. Also excluded are \$17,824,870 of internal service fund assets accounted for in the following line.	198,304,654
Long-Term receivables applicable to the Governmental Activities are not due and receivable in the current year and accordingly, are not reported as fund assets	
Notes Receivable (Net)	852,535
Prepaid Items & Other Assets	-
Property Held for Future Use	337,300
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	4,842,453
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.	17,766,566
Deferred Outflows of Resources:	
Deferred amounts on refunding of bonds	1,857,606
Deferred amounts on pensions	17,933,335
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	\$ (9,850,223)
Other Post Employment Benefit (OPEB) Liability	(10,807,609)
Accrued Interest on Long Term Debt	(393,085)
Capital Leases	(1,634,658)
Bonds and Notes Payable	(130,769,038)
Net Pension Liability	(70,293,971)
	(223,748,584)
Deferred Inflows of Resources:	
Deferred amounts on bond refunding	(571,327)
Deferred amounts on pensions	(45,915,236)
Total Net Position of Governmental Activities (Page 18)	<u>\$ 64,374,410</u>

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

City of Wilmington, Delaware

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	American Rescue Plan	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 44,728,292	\$ -	\$ -	\$ -	\$ 44,728,292
Wage	57,470,355	-	-	-	57,470,355
Net Profit	7,973,882	-	-	-	7,973,882
Franchise	1,021,640	-	-	1,000,215	2,021,855
Real Estate Transfer	4,472,847	-	-	-	4,472,847
Head	3,451,363	-	-	-	3,451,363
Lodging & Natural Gas	919,825	-	-	-	919,825
Intergovernmental	34,468,792	-	1,400,586	16,183,279	52,052,657
Licenses and Permits	4,866,404	-	-	-	4,866,404
Fines and Forfeitures	5,487,633	-	-	-	5,487,633
Charges for Services	10,054,208	-	768,963	2,447,022	13,270,193
Investment Earnings	256,313	-	-	1,156,914	1,413,227
Total Revenues	<u>175,171,554</u>	<u>-</u>	<u>2,169,549</u>	<u>20,787,430</u>	<u>198,128,533</u>
EXPENDITURES					
Current:					
General Governmental Services	29,955,200	-	-	3,408,608	33,363,808
Real Estate and Housing	2,494,569	-	20,458	4,793,686	7,308,713
Public Works	19,974,450	-	-	1,020,922	20,995,372
Parks and Recreation	6,596,938	-	-	3,696,535	10,293,473
Public Safety	90,359,902	-	-	7,197,168	97,557,070
Debt service:					
Principal retirement	6,320,813	-	-	-	6,320,813
Interest and other charges	3,553,102	-	289,466	-	3,842,568
Capital Outlays	-	-	14,566,690	-	14,566,690
Total Expenditures	<u>159,254,974</u>	<u>-</u>	<u>14,876,614</u>	<u>20,116,919</u>	<u>194,248,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,916,580</u>	<u>-</u>	<u>(12,707,065)</u>	<u>670,511</u>	<u>3,880,026</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(1,957,500)	-	(186,414)	-	(2,143,914)
Transfers In	-	-	-	2,143,914	2,143,914
Bonds Issued	24,315,270	-	34,903,988	-	59,219,258
Bond Premiums	4,729,165	-	8,109,349	-	12,838,514
Bond Payments to Escrow Agent	(28,431,065)	-	-	-	(28,431,065)
Repayment of Bond Anticipation Notes	-	-	(12,823,356)	-	(12,823,356)
Total Other Financing Sources (Uses)	<u>(1,344,130)</u>	<u>-</u>	<u>30,003,567</u>	<u>2,143,914</u>	<u>30,803,351</u>
EXTRAORDINARY ITEM					
Debt Forgiveness	-	-	-	65,553	65,553
Loan Forgiveness	-	-	-	(109,609)	(109,609)
Net Change in Fund Balances	<u>14,572,450</u>	<u>-</u>	<u>17,296,502</u>	<u>2,770,369</u>	<u>34,639,321</u>
Fund Balance - Beginning	<u>47,945,198</u>	<u>-</u>	<u>(2,341,389)</u>	<u>9,056,318</u>	<u>54,660,127</u>
Prior Period Adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,122</u>	<u>58,122</u>
Fund Balance - Ending	<u>\$ 62,517,648</u>	<u>\$ -</u>	<u>\$ 14,955,113</u>	<u>\$ 11,884,809</u>	<u>\$ 89,357,570</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, 2021

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) \$ 34,639,321

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	\$ 14,566,690	
Depreciation Expense	<u>(8,817,209)</u>	5,749,481

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)	\$ (870,857)	
Property and Other Taxes	(1,728,109)	
Fees and Fines	<u>201,227</u>	(2,397,739)

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

	Debt Issued	Repayments	
General Obligation Bond Issued	\$ (59,219,257)	\$ 47,575,234	
Bond Premiums	(12,838,514)	-	
Deferred Refunding Gain	(571,328)	-	
Capital Lease	-	696,833	
Amortization of Premiums and Deferred Losses	-	2,045,993	
Net Adjustment	<u>\$ (72,629,099)</u>	<u>\$ 50,318,060</u>	\$ (22,311,039)

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

39,004

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	\$ (848,746)	
Other Post Employment Benefit (OPEB) Liability	26,144,148	
Accrued Interest on Long-Term Debt	<u>205,951</u>	25,501,353

The cost of pension benefits earned 18,638,477

Change in Net Position of governmental activities (page 19) \$ 59,858,858

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 42,142,742	\$ 42,142,742	\$ 44,728,292	\$ 2,585,550
Wage	60,017,574	60,017,574	57,470,355	(2,547,219)
Net Profit	5,822,796	5,822,796	7,973,882	2,151,086
Franchise	764,123	764,123	1,021,640	257,517
Real Estate Transfer	2,006,535	2,006,535	4,472,847	2,466,312
Head	3,207,062	3,207,062	3,451,363	244,301
Lodging & Natural Gas	1,070,379	1,070,379	919,825	(150,554)
Intergovernmental	21,385,948	21,385,948	34,468,792	13,082,844
Licenses and Permits	4,075,342	4,075,342	4,866,404	791,062
Fines and Forfeitures	7,913,871	7,913,871	5,487,633	(2,426,238)
Charges for Services	9,543,146	9,543,146	10,054,208	511,062
Investment Earnings	184,500	184,500	256,313	71,813
Total Revenues	<u>158,134,018</u>	<u>158,134,018</u>	<u>175,171,554</u>	<u>17,037,536</u>
Expenditures:				
General Governmental Services:				
Mayor's Office	8,977,480	8,655,480	7,845,665	809,815
City Council	1,750,183	1,780,183	1,687,631	92,552
Audit	859,261	873,261	851,154	22,107
Law	2,543,255	2,543,255	2,352,462	190,793
Finance	9,635,303	9,695,046	9,154,057	540,989
Human Resources	2,174,869	2,174,679	1,564,185	610,494
Treasurer	460,457	485,457	522,655	(37,198)
Planning	1,444,853	1,537,355	1,379,346	158,009
Information Technologies	8,501,643	8,728,798	8,513,656	215,142
Real Estate and Housing	2,948,953	2,990,953	2,983,374	7,579
Public Works	25,789,755	26,217,640	23,564,015	2,653,625
Parks and Recreation	8,260,687	8,382,822	7,778,519	604,303
Public Safety:				
Licenses and Inspection	5,469,246	5,469,246	4,747,561	721,685
Fire	25,405,598	25,468,263	27,168,451	(1,700,188)
Police	59,279,506	59,748,559	59,142,243	606,316
Total Expenditures	<u>163,501,049</u>	<u>164,750,997</u>	<u>159,254,974</u>	<u>5,496,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,367,031)</u>	<u>(6,616,979)</u>	<u>15,916,580</u>	<u>22,533,559</u>
Other Financing Sources (Uses)				
Bonds Issued	-	-	24,315,270	24,315,270
Bon Premiums	-	-	4,729,165	4,729,165
Bond Payments to Escrow Agent	-	-	(28,431,065)	(28,431,065)
Transfers Out*	-	-	(1,957,500)	(1,957,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,344,130)</u>	<u>(1,344,130)</u>
Net Change in Fund Balances	<u>\$ (5,367,031)</u>	<u>\$ (6,616,979)</u>	<u>14,572,450</u>	<u>\$ 21,189,429</u>
Fund Balance - Beginning			<u>47,945,198</u>	
Fund Balance - Ending			<u>\$ 62,517,648</u>	

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, 2021

	Business-type Activities			Governmental
	Water/Sewer	Wilmington Land		Internal Service Funds
		Bank	Total Enterprise Funds	
ASSETS				
Current assets:				
Cash and Cash Equivalents (Note 3)	\$ 9,737,131	\$ 621,802	\$ 10,358,933	\$ 27,269,055
Receivables, Net (Note 4)	29,544,037	144,002	29,688,039	38,314
Prepaid Items & Other Assets	-	208,180	208,180	850,345
Due From Other Governments	938,392	-	938,392	-
Total Current Assets	40,219,560	973,984	41,193,544	28,157,714
Noncurrent assets:				
Restricted Cash and Investments (Note 3)	30,277,355	-	30,277,355	-
Net Pension Asset	645,115	-	645,115	-
Capital Assets, Net (Note 6):				
Land	4,060,443	-	4,060,443	-
Construction in Progress	41,514,073	-	41,514,073	610,260
Building and Improvements	20,476,302	-	20,476,302	2,869,389
Reservoirs and Water Filter Facilities	124,081,077	-	124,081,077	-
Water Lines	50,130,437	-	50,130,437	-
Facilities	92,318,353	-	92,318,353	-
Sewer Lines	32,222,268	-	32,222,268	-
Vehicles, Machinery & Equipment	-	19,471	19,471	14,345,221
Property Held for Future Use	-	21,800	21,800	-
Total Noncurrent Assets	395,725,423	41,271	395,766,694	17,824,870
Total Assets	435,944,983	1,015,255	436,960,238	45,982,584
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	439,760	-	439,760	-
Deferred amounts on refunding of bonds	1,682,041	-	1,682,041	87,284
Total Deferred Outflow of Resources	2,121,801	-	2,121,801	87,284
LIABILITIES				
Current Liabilities:				
Accounts Payable	10,969,847	3,219	10,973,066	2,751,454
Salaries and Benefits Payable	477,108	-	477,108	70,502
Due to Other Funds	356,762	-	356,762	11,559,933
Unearned Revenue	3,449,730	-	3,449,730	-
Other Liabilities	208,061	20,975	229,036	-
Accrued Interest Payable	913,189	-	913,189	30,186
Bonds Payable	14,579,821	-	14,579,821	178,088
Capital Leases	-	-	-	372,488
Compensated Absences	596,432	-	596,432	79,347
Claims Liability	-	-	-	6,439,819
Total Current Liabilities	31,550,950	24,194	31,575,144	21,481,817
Noncurrent Liabilities:				
Advances from Other Funds (Note 7)	-	-	-	2,806,321
Bonds Payable	218,642,342	152,155	218,794,497	1,284,735
Capital Leases	-	-	-	-
Claims Liabilities	-	-	-	17,139,457
Net Pension Liability	2,276,936	-	2,276,936	-
Total Noncurrent Liabilities	220,919,278	152,155	221,071,433	21,230,513
Total Liabilities	252,470,228	176,349	252,646,577	42,712,330
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts on Pensions	1,955,915	-	1,955,915	-
NET POSITION				
Net investment in capital assets	156,439,637	19,471	156,459,108	13,270,522
Restricted for:				
Capital Projects	-	-	-	-
Operation and Maintenance Reserve	13,526,488	25,000	13,551,488	-
Rate Stabilization Reserve	13,674,516	-	13,674,516	-
Unrestricted	-	794,435	794,435	-
Unallocated	-	-	-	(9,912,984)
Total Net Position	\$ 183,640,641	\$ 838,906	\$ 184,479,547	\$ 3,357,538

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

City of Wilmington, Delaware

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2021

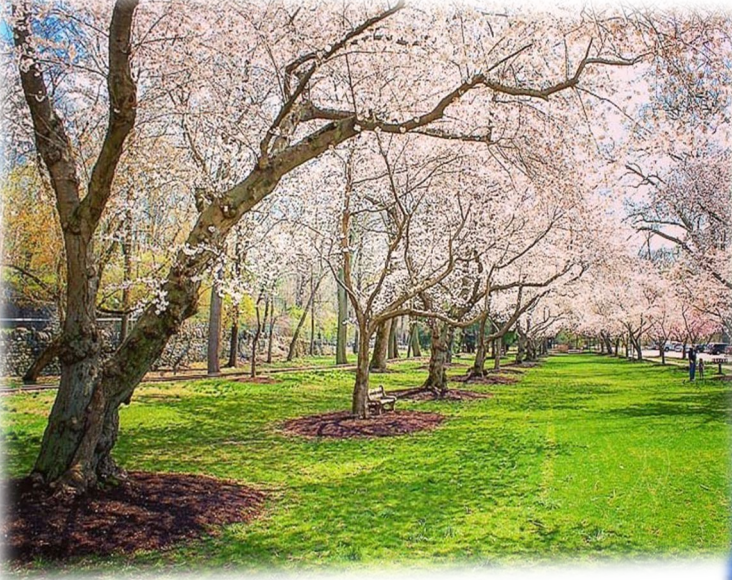
	Business-type Activities			Governmental Activities
	Water/Sewer	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for Services				
Sewer Charges for New Castle County	\$ 19,622,109	-	\$ 19,622,109	\$ -
Water & Sewer Charges for Direct Users	61,100,793	-	61,100,793	-
Other Charges for Services	57,280	-	57,280	33,283,157
Employee Contributions	-	-	-	2,374,317
Other	2,679,786	872,133	3,551,919	116,871
Total Operating Revenues	83,459,968	872,133	84,332,101	35,774,345
OPERATING EXPENSES				
Personnel Services	9,428,062	210,778	9,638,840	1,076,676
Materials, Supplies and Contracted Services	51,969,655	875,779	52,845,434	5,419,875
Subsidy Allowance on Properties Held	-	338,726	338,726	-
Depreciation and Amortization	10,424,405	5,992	10,430,397	3,414,591
Claims Expense	-	-	-	22,140,333
Insurance Premiums	-	25,524	25,524	3,987,161
Total operating expenses	71,822,122	1,456,799	73,278,921	36,038,636
Operating Income (loss)	11,637,846	(584,666)	11,053,180	(264,291)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	-	764	764	3,834
Interest Expense	(5,686,681)	-	(5,686,681)	(76,558)
Bond Issuance Costs	(154,470)	-	(154,470)	(2,565)
Gain on Sale of Assets	-	-	-	339,580
Total Non-Operating Revenues (Expenses)	(5,841,151)	764	(5,840,387)	264,291
Income (Loss) Before Capital Grants and Contributions and Transfers	5,796,695	(583,902)	5,212,793	-
Capital Grants and Contributions	1,000,000	-	1,000,000	-
Transfers In	-	-	-	-
Change in net position	6,796,695	(583,902)	6,212,793	-
Total Net Position - Beginning	176,843,946	1,422,808	178,266,754	3,357,538
Total Net Position - Ending	\$ 183,640,641	\$ 838,906	\$ 184,479,547	\$ 3,357,538

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

City of Wilmington, Delaware
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business Type Activities			Governmental
	Water and Sewer Fund	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 85,430,991	\$ 691,251	\$ 86,122,242	\$ -
Receipts from Government Grants	-	-	-	-
Receipts from Corporate Grants	-	-	-	-
Receipts from Interfund Services Provided	-	-	-	34,736,883
Payments to Suppliers	(59,313,813)	(510,624)	(59,824,437)	(30,638,058)
Payments to Employees	(10,525,988)	(218,255)	(10,744,243)	(1,061,959)
Sale of Property	-	196,802	196,802	-
Cash Other	-	(157,335)	(157,335)	116,871
Acquisition of Property	-	(395,999)	(395,999)	-
Net Cash Provided by Operating Activities	15,591,190	(394,160)	15,197,030	3,153,737
Cash Flows from Noncapital Financing Activities:				
Proceeds from Notes Payable	-	172,352	172,352	-
Advances (To) From Other Funds	(13,891,924)	-	(13,891,924)	(1,819,888)
Investment Earnings	-	-	-	3,834
Net Cash Provided by (Used in) Noncapital Financing Activities	(13,891,924)	172,352	(13,719,572)	(1,816,054)
Cash Flows From Capital and Related Financing Activities:				
Capital Grants and Contributions	4,040,792	-	4,040,792	-
Proceeds from Capital Debt	70,353,779	-	70,353,779	404,664
Acquisition and Construction of Capital Assets	(29,473,753)	-	(29,473,753)	(3,311,516)
Principal Paid on Bonds	(36,553,795)	-	(36,553,795)	(976,232)
Interest Paid on Bonds	(5,407,235)	-	(5,407,235)	(54,066)
Principal Paid on Capital Leases	-	-	-	(1,324,759)
Interest Paid on Capital Leases	-	-	-	(25,754)
Proceeds from Sale of Capital Assets	-	-	-	506,766
Net Cash (Used in) Capital and Related Financing Activities	2,959,788	-	2,959,788	(4,780,897)
Cash Flows From Investing Activities:				
Interest received on Notes	-	764	764	-
Net Cash provided by Investing Activities	-	764	764	-
Net Increase (Decrease) in Cash and Cash Equivalents	4,659,054	(221,044)	4,438,010	(3,443,214)
Cash and Cash Equivalents - June 30, 2020 (including \$15,954,450 reported in restricted accounts)	35,355,432	842,846	36,198,278	30,712,269
Cash and Cash Equivalents - June 30, 2021 (including \$30,277,355 reported in restricted accounts)	\$ 40,014,486	\$ 621,802	\$ 40,636,288	\$ 27,269,055
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 11,637,846	\$ (584,666)	\$ 11,053,180	\$ (264,291)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:				
Subsidy on Allowance on Properties Held	-	338,726	338,726	-
Cost of Property Sold	-	193,920	193,920	-
Contributed Property Revenue	-	(153,300)	(153,300)	-
Purchases of Property Held	-	(227,546)	(227,546)	-
Depreciation and Amortization	10,424,405	5,992	10,430,397	3,414,591
Property Grants	-	26,200	26,200	-
Bad Debt Expense netted with Contribution on the Statement of Revenues, Expenses and Changes in Net Position	-	200,000	200,000	-
Paycheck Protection Program Loan Forgiveness	-	(20,197)	(20,197)	-
Changes in Assets and Liabilities:				
Government Grants Receivable	-	1,418	1,418	-
Corporate Contributions Receivable	-	-	-	-
Property Acquisition Deposit	-	-	-	-
Accrued Liabilities	-	(58,478)	(58,478)	-
Prepaid Deposit	-	(4,000)	(4,000)	-
(Increase) decrease in Receivables	1,747,356	-	1,747,356	(11,605)
(Increase) decrease in Prepaid Expense	-	-	-	(495,347)
Increase (decrease) Pension Assets	(419,137)	-	(419,137)	-
(Increase) decrease Pension Deferred Charges	352,356	-	352,356	-
Increase (decrease) in Accounts Payable	(7,344,157)	(34,818)	(7,378,975)	532,239
Increase in Accrued Salaries	77,631	(7,477)	70,154	8,447
Increase in Compensated Absences	229,036	-	229,036	6,269
Increase (decrease) in Unearned Revenue	223,666	-	223,666	-
(Increase) decrease Other Assets	-	19,066	19,066	-
(Increase) decrease Property Held	-	(89,000)	(89,000)	-
Increase (decrease) in Claims Liability	-	-	-	(36,566)
Increase (decrease) Pension Liability	(2,922,973)	-	(2,922,973)	-
Increase (decrease) Pension Deferred Inflows	1,585,161	-	1,585,161	-
Net Cash Provided by Operating Activities	\$ 15,591,190	\$ (394,160)	\$ 15,197,030	\$ 3,153,737

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



City of Wilmington
Statement of Fiduciary Net Position
June 30, 2021

ASSETS

Cash and Cash Equivalents (Note 3)	\$ 6,289,270
Receivables:	
Accrued Interest & Other Receivables	4,126,956
Total Receivables	<u>4,126,956</u>
Investments, at Fair Value:	
Money Market Funds	3,862,539
U.S. Treasury Obligations	16,202,240
U.S. Government Agencies - Guaranteed	2,837,359
Municipal Obligations	569,259
Corporate & Foreign Bonds and Funds	76,375,951
Common Equity & Marketable Securities	94,251,216
Mutual Funds	
Global & International Funds	79,735,942
Domestic Equity Funds	42,959,069
Real Estate Investment Trust and Other	20,602,459
Total Investments	<u>337,396,034</u>
Total Assets	347,812,260

LIABILITIES

Accounts Payable	259,596
Salaries and Benefits Payable	16,427
Due to Other Governments	9,649,533
Compensated Absences	36,648
Pension Checks	178,646
Total Liabilities	10,140,850

Net Position:

Net Position Restricted for Pensions	304,107,702
Net Position Restricted for OPEB Benefits	<u>33,563,708</u>
Total Net Position	<u>\$ 337,671,410</u>

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

City of Wilmington, Delaware
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

ADDITIONS

Contributions:

City	
Paid Directly by the City	\$ 15,420,264
Paid by the State	
On-Behalf of the City	10,084,066
Employees	1,393,969
Federal Drug Subsidies & Other Revenue	<u>11,891</u>

Total Contributions 26,910,190

Investment Income

Investment Earnings	24,650,543
Net (Appreciation) in Fair Value	<u>42,584,488</u>
Total Investment Income	<u>67,235,031</u>
Less: Investment Expense	<u>(689,649)</u>

Net Investment Income 66,545,382

Total Additions 93,455,572

DEDUCTIONS

Benefits Paid	33,912,787
Administrative Expenses	<u>713,880</u>

Total Deductions 34,626,667

Net Increase

in Plans' Net Position 58,282,905

Net Position - Beginning 273,579,210

Prior Period Adjustment (Note 18) 5,263,295

Net Position - Ending \$ 337,125,410

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

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

ASSETS	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Total
Cash and Cash Equivalents (Note 3)	\$ 1,518,977	\$ 2,469,325	\$ 909,258	\$ 1,892,727	\$ 317,354	\$ 435,579	\$ 7,543,220
Investments at Fair Value	-	-	8,492,538	-	-	-	8,492,538
Receivables, Net	-	1,763,735	26,481	174,770	26,253	96,455	2,087,694
Restricted Assets:							
Cash and Cash Equivalents (Note 3)	-	-	-	-	-	-	-
Investments at Cost	-	810,368	-	-	-	-	810,368
Investments at Fair Value	-	-	598,237	-	-	-	598,237
Net Pension Asset	-	-	1,879,746	-	-	-	1,879,746
Due From Other Governments	-	136,350	-	-	-	-	136,350
Deferred Charges & Other Assets	-	60,708	-	58,286	-	-	118,994
Capital Assets, Net:							
Land	-	-	16,319,059	-	-	-	16,319,059
Intangible Assets	-	-	5,000,000	-	-	-	5,000,000
Construction in Progress	-	1,412,626	86,372	-	-	5,000	1,503,998
Building and Improvements	-	-	19,398,564	569,031	-	4,179,851	24,147,446
Vehicles, Machinery & Equipment	-	-	323,214	102,258	55,494	197,059	678,025
Total Assets	1,518,977	6,653,112	53,033,469	2,797,072	399,101	4,913,944	69,315,675
DEFERRED OUTFLOWS OF RESOURCES	-	-	398,861	-	-	-	398,861
LIABILITIES							
Accounts Payable & Accrued Expenses	2,604	36,691	158,970	173,737	28,164	-	400,166
Due to Primary Government	-	-	275,000	-	-	-	275,000
Salaries and Benefits Payable	-	-	165,758	223,501	-	-	389,259
Unearned Revenue	-	-	-	2,567	-	-	2,567
Long-term Liabilities							
Due within One Year							
Bonds Payable	-	-	675,321	-	-	-	675,321
Notes Payable	-	-	-	67,085	-	120,699	187,784
Due in More than One Year							
Bonds Payable	-	-	10,075,713	-	-	-	10,075,713
Notes Payable	-	-	-	824,628	-	664,401	1,489,029
Total Liabilities	2,604	36,691	11,350,762	1,291,518	28,164	785,100	13,494,839
DEFERRED INFLOWS OF RESOURCES							
Deferred Parking Revenue	-	-	32,121	-	-	-	32,121
Deferred Pension Related Activities	-	-	1,834,265	-	-	-	1,834,265
Total Deferred Inflows of Resources	-	-	1,866,386	-	-	-	1,866,386
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	1,412,626	30,376,175	206,146	55,494	3,596,810	35,647,251
Restricted for:							
Donor Imposed	-	-	-	319,791	-	-	319,791
Restricted for Net Pension Asset	-	-	444,342	-	-	-	444,342
Debt Service	-	-	598,237	-	-	-	598,237
Under Contractual Agreement	-	810,368	1,620,269	-	-	-	2,430,637
Unrestricted	1,516,373	4,393,427	7,176,159	979,617	315,443	532,034	14,913,053
Total Net Position	\$ 1,516,373	\$ 6,616,421	\$ 40,215,182	\$ 1,505,554	\$ 370,937	\$ 4,128,844	\$ 54,353,311

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, 2021

	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	\$ 11,352	\$ -	\$ (11,352)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,352)
Wilmington UDAG Corporation	423,864	114,740	-	(309,124)	-	-	-	-	(309,124)
Wilmington Parking Authority	5,349,217	3,078,139	-	-	(2,271,078)	-	-	-	(2,271,078)
Downtown Visions	3,014,906	2,674,455	-	-	-	(340,451)	-	-	(340,451)
Riverfront Business Improvement District	540,064	637,357	-	-	-	-	97,293	-	97,293
Rock Manor Golf Corporation	294,843	333,564	-	-	-	-	-	38,721	38,721
	<u>9,634,246</u>	<u>6,838,255</u>	<u>(11,352)</u>	<u>(309,124)</u>	<u>(2,271,078)</u>	<u>(340,451)</u>	<u>97,293</u>	<u>38,721</u>	<u>(2,795,991)</u>
General Revenues									
Investment Earnings			-	231	26,936	2,995	3,883	-	34,045
Grants, Entitlements, and Contributions			-	-	-	624,316	-	-	624,316
Other Revenues including Capital Asset Gains/Losses			-	-	(11,606)	-	300	-	(11,306)
Total General Revenues			<u>-</u>	<u>231</u>	<u>15,330</u>	<u>627,311</u>	<u>4,183</u>	<u>-</u>	<u>647,055</u>
Change in Net Position			(11,352)	(308,893)	(2,255,748)	286,860	101,476	38,721	(2,148,936)
Net Position (Deficit) - Beginning			<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>
Prior Period Adjustment (Note 18)			-	-	-	-	-	103,011	103,011
Net Position (Deficit) - Ending			<u>\$ 1,516,373</u>	<u>\$ 6,616,421</u>	<u>\$ 40,215,182</u>	<u>\$ 1,505,554</u>	<u>\$ 370,937</u>	<u>\$ 4,128,844</u>	<u>\$ 54,353,311</u>

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, 2021. The more significant of the City's accounting policies are described below. These policies should be recognized by the reader as integral to the preparation and use of the accompanying financial statements.

A. Financial Reporting Entity

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

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

Blended Component Units

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

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

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

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

Discretely Presented Component Units

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

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

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

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

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

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

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

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

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

Related Organizations

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

B. Government-wide and Fund Financial Statements

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

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

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

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers Governmental fund revenues to be available if they are collected within 60 days after yearend. Revenues for 2021 include property taxes levied principally on July 1, 2020 and collected within 60 days after yearend. Other major revenue types considered measurable and "susceptible to" accrual include expenditure-reimbursement type grants (when all applicable eligibility requirements have been met) and certain intergovernmental revenues. Governmental fund expenditures are recognized in the accounting period the liability is incurred, if measurable and payable from current available resources.

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

The City reports the following major governmental funds:

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

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

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

The American Rescue Plan Act Fund is used to account for the funds allocated to the City of Wilmington through the American Rescue Plan Act by the U.S. Department of the Treasury. The City received one half of its \$55,345,780 allocation. No funds were expended during the year ended June 30, 2021.

The City reports the following major enterprise fund:

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

The City also reports the following fund types:

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Fund Equity

Deposits and Investments

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

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

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

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

Investment Policies

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

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

The City is not authorized to invest in:

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

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

The Investment Policy Statement of the City of Wilmington Board of Pensions and Retirement delineates the following asset mix, intended to meet the Funds' investment objectives while limiting investment risk by assuring an acceptable level of diversification in the portfolio. The following is a summary of investment policy statement targets adopted by the Board of Pensions and Retirement: U.S. Equities at 49%, Non-U.S. Equities at 14%, Fixed Income at 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. A one-time penalty is imposed on delinquent taxes on August 31 at a ten percent (10%) rate (\$20 minimum) and interest is imposed on October 1 and the first of each month thereafter at the rate of one and one-half percent (1 ½%) on the unpaid principal balance.

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

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

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

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

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

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

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

Unearned Revenue

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

Compensated Absences

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

Long-Term Liabilities

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

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

Deferred Inflows and Outflows

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

Self-Insurance

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

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

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

Net Position and Fund Balance

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

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

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

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

2. Stewardship, Compliance, and Accountability

A. Legally Adopted Governmental Fund Budgets

Budgets for Governmental funds have been legally adopted for the year ended June 30, 2021. Governmental funds include the General Fund and the non-major funds, which are shown on page 149. 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 136 and 137.

B. Expenditures Over Appropriations

Expenditures for the year ended June 30, 2021, exceeded appropriations in the following funds:

General Fund	Budget Amount	Actual Amount	Variance
Treasury	\$ 485,457	\$ 522,655	\$ (37,198)
Fire	25,468,263	27,168,451	(1,700,188)
Total General Funds	<u>25,953,720</u>	<u>27,691,106</u>	<u>(1,737,386)</u>
Non-Major Funds			
HUD Emergency Shelter	306,189	357,397	(51,208)
National Endowment for Art	15,414	94,272	(78,858)
Delaware Neighborhood Stabilization Program	25,064	55,133	(30,069)
Delaware Criminal Justice Planning	1,592,558	1,854,498	(261,940)
Cable Television	1,060,215	1,182,989	(122,774)
Total Non-Major Funds	<u>2,999,440</u>	<u>3,544,289</u>	<u>(544,849)</u>
	<u>\$ 28,953,160</u>	<u>\$ 31,235,395</u>	<u>\$ (2,282,235)</u>

C. Transfers

During the year ended June 30, 2021, the City of Wilmington's General Fund transferred \$30,000 to various special revenue funds, \$112,500 to Park Recreation Assistance, \$565,000 to Cityfest, Inc. and \$1,250,000 to the Economic Development Fund.

The City of Wilmington's Capital Projects Fund transferred \$185,864 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>
<u>Deposits</u>			
Insured Deposits (FDIC)	\$ 1,310,849	\$ 6,289,270	\$ 1,768,797
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	106,914,248	-	1,828,024 67,354
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	53,963,577	-	391,301
Certificate of Deposits due within One year - Uncollateralized	-	-	-
Uninsured and Uncollateralized	<u>371,802</u>	<u>-</u>	<u>3,487,744</u>
Total Deposits	<u>\$ 162,560,476</u>	<u>\$ 6,289,270</u>	<u>\$ 7,543,220</u>
<u>Investments</u>			
Exchange Traded Funds	\$ 5,519,938	\$ 3,862,539	\$ 3,146,053
U.S. Government Obligations	-	16,202,240	-
U.S. Agencies - Government Guaranteed	-	2,837,359	3,097,380
U.S. Agencies - Other	-	569,259	-
Municipal Bonds	-	-	51,854
Corporate & Foreign Bonds	-	76,375,951	2,197,251
Common Equity & Marketable Securities	-	94,251,216	-
Mutual Funds	516,870	122,695,011	598,237
Real Estate Investment Trust and Other	<u>-</u>	<u>20,602,459</u>	<u>810,368</u>
Total Investments	<u>\$ 6,036,808</u>	<u>\$ 337,396,034</u>	<u>\$ 9,901,143</u>
Total Deposits and Investments	<u>\$ 168,597,284</u>	<u>\$ 343,685,304</u>	<u>\$ 17,444,363</u>

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

Primary Government - The City's policy is to limit interest rate risk and to maximize safety and liquidity by investing excess general cash in insured and fully collateralized certificates of deposit. Park Trust (a blended component) is exposed to this risk in that it held exchange traded funds and mutual fund assets amounting to \$6,339,421

Component Units - The Wilmington Parking Authority is exposed to this risk in that they held money market fund assets amounting to \$3,146,053 due within one year, U.S. Treasury Notes amounting to \$3,097,380 and due within five years, Corporate & Foreign Bonds amounting to \$2,197,251 due within five years, and municipal bonds amounting to \$51,854 due within five years as of June 30, 2021. 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, 2021, 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, 2021.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
		<u><1 year</u>	<u>1-4.9</u>	<u>5-9.9</u>	<u>10-19.9</u>	<u>>20</u>
U.S. Treasuries	\$ 16,202,240	\$ 661,375	\$ 11,512,039	\$ 1,422,324	\$ 344,124	\$ 2,262,378
U.S. Govt. Agencies -						
Guaranteed	2,837,359	-	1,841,579	-	-	995,780
Other Agencies -Other	569,259	-	-	-	569,259	-
Corporate & Foreign Bonds and Funds	<u>76,375,951</u>	<u>1,728,162</u>	<u>14,201,087</u>	<u>56,648,745</u>	<u>763,979</u>	<u>3,033,978</u>
Total	<u>\$ 95,984,809</u>	<u>\$ 2,389,537</u>	<u>\$ 27,554,705</u>	<u>\$ 58,071,069</u>	<u>\$ 1,677,362</u>	<u>\$ 6,292,136</u>

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, 2021:

	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other Governmental Funds				
Exchange Traded Funds	\$ 5,519,938	\$ 5,519,938	\$ -	\$ -
Mutual Funds	516,870	516,870	-	-
Total Other Governmental Funds	<u>\$ 6,036,808</u>	<u>\$ 6,036,808</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds Investments				
Exchange Traded Funds	\$ 3,862,539	\$ 3,862,539	\$ -	\$ -
Fixed Income Securities	-	-	-	-
U.S. Treasury Obligations	16,202,240	16,202,240	-	-
U.S. Government Agencies				
Guaranteed	2,837,359	2,837,359	-	-
Other	569,259	569,259	-	-
Corporate Bonds	76,375,951	76,375,951	-	-
Total Debt Securities	<u>\$ 99,847,348</u>	<u>\$ 99,847,348</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>June 30, 2021</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>
Common Equity Securities				
Materials	\$ 4,166,675	\$ 4,166,675	\$ -	\$ -
Industrials	11,295,202	11,295,202	-	-
Telecommunication Services	8,123,273	8,123,273	-	-
Consumer Discretionary	10,236,622	10,236,622	-	-
Consumer Staples	4,312,638	4,312,638	-	-
Energy	3,270,060	3,270,060	-	-
Financial	10,800,151	10,800,151	-	-
Health Care	12,911,227	12,911,227	-	-
Information Technology	23,191,839	23,191,839	-	-
Utilities	2,145,325	2,145,325	-	-
Real Estate	3,798,204	3,798,204	-	-
Total Common Equity Securities	<u>94,251,216</u>	<u>94,251,216</u>	<u>-</u>	<u>-</u>
Mutual Funds	122,695,011	122,695,011	-	-
Other Investments	1,003,953	1,003,953	-	-
Total Fiduciary Funds Investments	<u>\$ 317,797,528</u>	<u>\$ 317,797,528</u>	<u>\$ -</u>	<u>\$ -</u>

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

Real Estate Investment Trust	<u>\$ 19,598,506</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, 2021, the fair value for this investment was \$19,598,506.

Component Units**Wilmington Parking Authority**

	<u>June 30, 2021</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>
Unrestricted Investments				
Money Market Mutual Funds	\$ 3,146,053	\$ 3,146,053	\$ -	\$ -
U.S. Treasury Obligations	3,097,380	3,097,380	-	-
Municipal Bonds	51,854	51,854	-	-
Corporate Bonds	2,197,251	2,197,251	-	-
Total Unrestricted Investments	<u>\$ 8,492,538</u>	<u>\$ 8,492,538</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted Investments				
Treasury obligation fund	\$ 598,237	\$ 598,237	-	-
Total Restricted Investments	<u>\$ 598,237</u>	<u>\$ 598,237</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021, the Pension Trust Funds' fixed income and short-term investments had the following risk characteristics.

<u>Moody's Ratings or Comparable</u>	<u>Percent of Total Benefit Trust Funds</u>	<u>Market Value</u>
Baa and higher	5.8%	\$ 19,608,858
Government	6.8%	22,974,969
	<u>12.6%</u>	<u>\$ 42,583,827</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, 2021, 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, 2021.

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	\$ 162,560,476	\$ 6,289,270	\$ 7,543,220
Investments	<u>6,036,808</u>	<u>337,396,034</u>	<u>9,901,143</u>
	<u>\$ 168,597,284</u>	<u>\$ 343,685,304</u>	<u>\$ 17,444,363</u>
Unrestricted	\$ 113,864,415	\$ -	\$ 17,444,363
Restricted	54,732,869	-	-
Fiduciary Funds	<u>-</u>	<u>343,685,304</u>	<u>-</u>
	<u>\$ 168,597,284</u>	<u>\$ 343,685,304</u>	<u>\$ 17,444,363</u>

Restricted Cash and Investments

At June 30, 2021, the City had \$6,036,808 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 \$48,696,061 in temporarily restricted cash at June 30, 2021. The components were: \$3,320,025 related to Water and Sewer Fund contractual requirements and \$45,376,036 related to unspent proceeds of bond offerings \$26,957,330 in the Water and Sewer Fund, \$18,416,096 in the Capital Projects Fund, \$2,610 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, 2021, WUC's equity interest in the Grow Wilmington Fund was \$810,368 with \$0 related liability. At the termination of the MPLPA, originally set for 2024 or earlier as mutually agreed, WUC will receive back its equity interest in the Grow Wilmington Fund, plus earnings, minus fees and any defaults not covered by collateral. WUC will provide assistance in marketing the Grow Wilmington Fund to potential borrowers. The Program Loans are made in GAF's name as the lender. GAF, with input from WUC, determines the terms for each Program Loan, including the amount of the loan and the security collateral for repayment of the loan. At June 30, 2021 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. WUC recognized a net recovery of the amounts previously impaired on its equity interest of \$27,140 for the year ended June 30, 2021.

4. Receivables**Primary Government**

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

	<u>General</u>	<u>Capital Projects</u>	<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>	<u>Water & Sewer Fund</u>
Receivables:					
Property Taxes	\$ 6,306,910	\$ -	\$ -	\$ 6,306,910	\$ -
Wage taxes	15,472,415	-	-	15,472,415	-
Parking & Red Light Citations	13,524,334	-	-	13,524,334	-
Business Licenses	2,255,012	-	-	2,255,012	-
Signs and Licenses	7,834,574	-	-	7,834,574	-
Other	1,299,230	-	2,314,636	3,613,866	-
Utility Bills	-	-	-	-	42,246,734
Gross Receivables	<u>46,692,475</u>	<u>-</u>	<u>2,314,636</u>	<u>49,007,111</u>	<u>42,246,734</u>
Less: Allowance for Uncollectibles	<u>(22,709,986)</u>	<u>-</u>	<u>(135,005)</u>	<u>(22,844,991)</u>	<u>(12,702,697)</u>
Net Total Receivables	<u>\$ 23,982,489</u>	<u>\$ -</u>	<u>\$ 2,179,631</u>	<u>\$ 26,162,120</u>	<u>\$ 29,544,037</u>

Internal Service Fund receivables amounting to \$38,314 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 2021 increased revenues by \$901,395.

Discretely Presented Component Units

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

	<u>Downtown Visions</u>	<u>Riverfront Business Improvement District</u>	<u>Wilmington UDAG Corporation</u>	<u>Rock Manor Golf Corporation</u>	<u>Wilmington Parking Authority</u>	<u>Total</u>
Receivables:						
Accounts	\$174,770	\$ 26,253	\$ -	\$ 96,455	\$ 26,481	\$ 323,959
Mortgages and Loans	-	-	1,763,735	-	-	1,763,735
Total Receivables	<u>\$174,770</u>	<u>\$ 26,253</u>	<u>\$ 1,763,735</u>	<u>\$ 96,455</u>	<u>\$ 26,481</u>	<u>\$2,087,694</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 for deferred payment notes totaling \$115.5 million over 30 years, at a 7% interest rate. On October 3, 2018 the DSPC paid the outstanding balance of the note in the amount of \$2,591,742. Unearned revenue of \$1,108,033 is reported as in the government-wide statement of net position and governmental funds balance sheet. See also Note 11.

The City of Wilmington provided a line of construction funding to the Wilmington Housing Partnership Corporation up to a maximum of \$4,000,000 outstanding at any one time. During the year ended June 30, 2019, due to economic factors, the receivable from Wilmington Housing Partnership Corporation became impaired and an allowance for the doubtful portion of the receivable was established by the City. The net receivable at June 30, 2021, is \$0 (\$3,653,109 in principal and \$151,112 in interest less allowance of \$3,804,221) and is included in the government-wide statement of net position and governmental funds balance sheet. The Wilmington Housing Partnership is a blended component unit of the City of Wilmington, as discussed in Note 1. On October 3, 2019 City of Wilmington entered into a forbearance agreement with the Wilmington Housing Partnership Corporation for eighteen months. On November 16, 2021, the forbearance agreement was extended through May 3, 2023.

A note receivable was established with the Wilmington Housing Partnership Corporation on November 30, 2018 in the amount of \$274,737. Interest at the rate of 3% 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, 2021 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, 2021 was as follows:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 24,090,181	\$ -	\$ -	\$ 24,090,181
Art	2,526,843	182,870	-	2,709,713
Construction-In-Progress	<u>10,278,241</u>	<u>7,558,368</u>	<u>(2,262,201)</u>	<u>15,574,408</u>
Total Capital Assets not being Depreciated	<u>36,895,265</u>	<u>7,741,238</u>	<u>(2,262,201)</u>	<u>42,374,302</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	88,278,851	3,139,880	-	91,418,731
Parks and Recreation Facilities	38,496,035	1,050,567	-	39,546,602
Streets and Street Signals	126,680,979	4,848,748	(3,200,950)	128,328,777
Vehicles, Equipment and Other Assets	<u>81,411,116</u>	<u>3,359,972</u>	<u>(2,100,514)</u>	<u>82,670,574</u>
Total Capital Assets Being Depreciated	<u>334,866,981</u>	<u>12,399,167</u>	<u>(5,301,464)</u>	<u>341,964,684</u>
Less Accumulated Depreciation For:				
Buildings	(32,387,266)	(2,116,255)	-	(34,503,521)
Parks and Recreation Facilities	(21,597,193)	(821,134)	-	(22,418,327)
Streets and Street Signals	(55,617,153)	(3,975,789)	3,200,950	(56,391,992)
Vehicles, Equipment and Other Assets	<u>(51,507,729)</u>	<u>(5,318,622)</u>	<u>1,930,728</u>	<u>(54,895,623)</u>
Total Accumulated Depreciation	<u>(161,109,341)</u>	<u>(12,231,800)</u>	<u>5,131,678</u>	<u>(168,209,463)</u>
Total Capital Assets Being Depreciated, Net	<u>173,757,640</u>	<u>167,367</u>	<u>(169,786)</u>	<u>173,755,221</u>
Governmental Activities Capital Assets, Net	<u>\$ 210,652,905</u>	<u>\$ 7,908,605</u>	<u>\$ (2,431,987)</u>	<u>\$ 216,129,523</u>

The capital asset activity for Business-type Activities for the year ended June 30, 2021 was as follows:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,060,443	\$ -	\$ -	\$ 4,060,443
Construction-In-Progress	38,536,613	23,807,790	(20,830,330)	41,514,073
Total Capital Assets not being Depreciated	<u>42,597,056</u>	<u>23,807,790</u>	<u>(20,830,330)</u>	<u>45,574,516</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	27,167,711	599,900	-	27,767,611
Vehicles, Equipment and Other Assets	29,956	-	-	29,956
Reservoirs and Water Filter Facilities	160,981,348	7,857,153	-	168,838,501
Water Lines	71,499,983	4,633,271	(1,042,673)	75,090,581
Wastewater Pump and Treatment Facilities	190,243,627	4,674,279	-	194,917,906
Sewer Lines	39,151,995	3,990,605	(898,048)	42,244,552
Total Capital Assets Being Depreciated	<u>489,074,620</u>	<u>21,755,208</u>	<u>(1,940,721)</u>	<u>508,889,107</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(6,592,270)	(699,039)	-	(7,291,309)
Vehicles, Equipment and Other Assets	(4,493)	(5,992)	-	(10,485)
Reservoirs and Water Filter Facilities	(41,498,148)	(3,259,276)	-	(44,757,424)
Water Lines	(24,079,531)	(1,923,285)	1,042,673	(24,960,143)
Wastewater Pump and Treatment Facilities	(98,870,717)	(3,728,837)	-	(102,599,554)
Sewer Lines	(10,106,366)	(813,968)	898,048	(10,022,286)
Total Accumulated Depreciation	<u>(181,151,525)</u>	<u>(10,430,397)</u>	<u>1,940,721</u>	<u>(189,641,201)</u>
Total Capital Assets Being Depreciated, Net	<u>307,923,095</u>	<u>11,324,811</u>	<u>-</u>	<u>319,247,906</u>
Business-type Activities Capital Assets, Net	<u>\$ 350,520,151</u>	<u>\$ 35,132,601</u>	<u>\$ (20,830,330)</u>	<u>\$ 364,822,422</u>

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

Governmental Activities

General Government	\$ 1,514,138
Real Estate and Housing	62,714
Public Works	7,791,557
Parks and Recreation	983,708
Public Safety	<u>1,879,683</u>

Total Depreciation Expense - Governmental Activities \$ 12,231,800

Business-type Activities

Water/Sewer	<u>\$ 10,430,397</u>
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Total Depreciation Expense - Business-type Activities \$ 10,430,397

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2021. 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	\$ 41,411,232	\$ 8,808,327
Reservoirs & Other Water and Wastewater Projects	<u>96,406,102</u>	<u>8,078,191</u>
Total	<u>\$ 137,817,334</u>	<u>\$ 16,886,518</u>

B. Component Units

The Capital asset activity for the City's component units for the year ended June 30, 2021, 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>4,815,030</u>	<u>329,592</u>	<u>(3,640,624)</u>	<u>1,503,998</u>
Total Capital Assets Not Being Depreciated	<u>26,134,089</u>	<u>329,592</u>	<u>(3,640,624)</u>	<u>22,823,057</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	70,664,319	3,626,759	-	74,291,078
Machinery and Equipment	4,775,369	32,060	(63,597)	4,743,832
Vehicles & Other Assets	<u>704,217</u>	<u>-</u>	<u>-</u>	<u>704,217</u>
Total Capital Assets Being Depreciated	<u>76,143,905</u>	<u>3,658,819</u>	<u>(63,597)</u>	<u>79,739,127</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(47,908,316)	(2,235,316)	-	(50,143,632)
Machinery and Equipment	(4,220,893)	(181,908)	63,597	(4,339,204)
Vehicles & Other Assets	<u>(342,063)</u>	<u>(88,757)</u>	<u>-</u>	<u>(430,820)</u>
Total Accumulated Depreciation	<u>(52,471,272)</u>	<u>(2,505,981)</u>	<u>63,597</u>	<u>(54,913,656)</u>
Total Capital Assets Being Depreciated, Net	<u>23,672,633</u>	<u>1,152,838</u>	<u>-</u>	<u>24,825,471</u>
Capital Assets, Net	<u>\$ 49,806,722</u>	<u>\$ 1,482,430</u>	<u>\$ (3,640,624)</u>	<u>\$ 47,648,528</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 \$9,649,533 by the Fiduciary Funds at June 30, 2021. The liability relates to the pension payments disbursed from the General Fund on behalf of the Fiduciary Funds during the year.

The General Fund is owed \$2,806,321 by the Motor Vehicle Fund at June 30, 2021; 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 \$11,559,933 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, 2021, the City of Wilmington transferred \$142,500 to various special revenue funds, \$565,000 to Cityfest, Inc. and \$1,250,000 to the Economic Development fund.

The composition of interfund balances as of June 30, 2021, is as follows:

	Payable Funds					Total
	General	Other Governmental Funds	Internal Service Funds	Water & Sewer	Fiduciary Funds	
Receivable Funds						
General Fund	\$ -	\$ 2,261,918	\$ 14,366,254	\$ 356,762	\$ 9,649,533	\$ 26,634,467

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

The Wilmington Housing Partnership Corporation (WHPC), a not-for-profit organization is a blended component unit within the City's Housing Strategic Fund. The WHPC is separately incorporated and the City is not liable for its debts. The following is a summary of WHPC's outstanding notes payable as of June 30, 2021:

- 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 was reported on the Statement of Activities as an extraordinary item in Fiscal Year 2020.
- 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, 2021. The balance as of June 30, 2021, including accrued interest and fees, is \$680,285.

The following is a summary of debt and accrued interest activity for the year ended June 30, 2021:

	Beginning Fiscal Year Liability	Additions	Reductions	Ending Fiscal Year Liability
Bank Line of Credit	\$ 400,000	\$ -	\$ (400,000)	\$ -
Wilmington UDAG Corporation	500,000	-	-	500,000
Accrued Interest	147,785	60,000	(27,500)	180,285
	<u>\$ 1,047,785</u>	<u>\$ 60,000</u>	<u>\$ (427,500)</u>	<u>\$ 680,285</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, 2021.

	Balance			Balance		Due Within
	June 30, 2020	Additions	Reductions	June 30, 2021	One Year	
Government Activities:						
Bonds Payable	\$ 104,403,180	\$ 59,558,032	\$ (47,751,969)	\$ 116,209,243	\$ 9,800,569	
Premium on Debts Issued	6,326,581	12,904,404	(2,759,427)	16,471,558	-	
Total Bonds Payable	110,729,761	72,462,436	(50,511,396)	132,680,801	9,800,569	
Capital Leases	4,028,738	-	(2,021,592)	2,007,146	1,050,727	
Insurance Claims Payables	23,615,841	24,172,951	(24,209,516)	23,579,276	6,439,819	
Compensated Absences	9,074,463	4,711,324	(3,856,217)	9,929,570	3,856,217	
Net Pension Liability	119,281,067	-	(48,987,096)	70,293,971	-	
Net OPEB Liability	46,640,279	10,869,553	(46,702,223)	10,807,609	-	
Government Activity						
Long-Term Liabilities	<u>\$ 313,370,149</u>	<u>\$ 112,216,264</u>	<u>\$ (176,288,040)</u>	<u>\$ 249,298,373</u>	<u>\$ 21,147,332</u>	
Business-type Activities						
Bonds Payable	\$ 191,537,222	\$ 61,493,079	\$ (34,151,376)	\$ 218,878,925	\$ 14,579,821	
Premium on Debt Issue	8,151,177	8,594,480	(2,250,264)	14,495,393	-	
Total Bonds Payable	199,688,399	70,087,559	(36,401,640)	233,374,318	14,579,821	
Net Pension Liability	5,199,909	-	(2,922,973)	2,276,936	-	
Compensated Absences	535,457	600,439	(539,465)	596,431	596,432	
Business-type Activities						
Long-Term Liabilities	<u>\$ 205,423,765</u>	<u>\$ 70,687,998</u>	<u>\$ (39,864,078)</u>	<u>\$ 236,247,685</u>	<u>\$ 15,176,253</u>	

	Balance			Balance	
	June 30, 2020	Additions	Reductions	June 30, 2021	Due Within One Year
Discretely Presented Component Units					
Wilmington Parking Authority	\$ 11,465,713	\$ -	\$ (714,679)	\$ 10,751,034	\$ 675,321
Downtown Visions	919,007	426,570	(453,864)	891,713	67,085
Rock Manor	902,676	-	(117,576)	785,100	120,699
Component Units					
Long-Term Liabilities	\$ 13,287,396	\$ 426,570	\$ (1,286,119)	\$ 12,427,847	\$ 863,105

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 \$9,688,331 in fiscal year 2021 were within the statutory debt limit of \$28,612,684.

The following is a summary of general obligation bonds outstanding as of June 30, 2021:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2021
2002/2025	\$ 11,000,000	STATE REV LOAN - 2002	2.96%	\$ 2,968,848
2005/2028	13,700,000	STATE REV LOAN - 2005 C	2.37%	6,466,939
2007/2028	2,548,501	STATE REV LOAN - 2006 SRF	2.50%	1,258,537
2007/2028	1,246,499	STATE REV LOAN - 2006B SRF	2.50%	615,123
2007/2028	3,185,000	STATE REV LOAN - 2007 SRF	2.69%	1,584,320
2009/2030	18,975,000	STATE REV LOAN - 2008 SRF	2.92%	12,272,431
2009/2030	5,000,000	STATE REV LOAN - 2008B SRF	2.92%	2,924,458
2009/2031	8,899,999	STATE REV LOAN - 2009 ARRA/SRF	3.24%	2,591,187
2009/2031	2,800,000	STATE REV LOAN - 2009C DWPCRF	2.00%	1,641,622
2011/2032	2,500,000	STATE REV LOAN - 2011 DDWSRF	2.00%	1,827,085
2011/2032	2,500,000	STATE REV LOAN - 2011A DDWSRF	2.00%	1,590,010
2012/2022	1,556,594	STATE REV LOAN - 2011 SEU	1.99%	185,575
2012/2033	2,500,000	STATE REV LOAN - 2012A DDWSRF	2.41%	1,999,857
2012/2034	2,000,000	STATE REV LOAN - 2012B DDWSRF	2.41%	1,463,668
2012/2035	1,200,000	STATE REV LOAN - 2012C DWPCRF	2.41%	955,891
2012/2032	1,500,000	STATE REV LOAN - 2012D DWPCRF	3.00%	142,092
2014/2034	36,060,000	STATE REV LOAN SRF CO-GEN	3.00%	28,699,718
2014/2036	4,000,000	STATE REV LOAN 2014-A SRF LOAN	2.20%	3,405,762
2014/2036	2,500,000	STATE REV LOAN 2014 SRF LOAN	2.20%	1,974,387
2016/2037	5,000,000	STATE REV LOAN SERIES 2016A SRF	2.00%	4,753,445
2018/2034	3,490,753	STATE REV LOAN SERIES 2017A SRF	2.50%	2,669,399
2018/2039	2,000,000	STATE REV LOAN SERIES 2018A SRF	2.00%	2,000,000
2018/2039	4,000,000	STATE REV LOAN SERIES 2018B SRF	2.39%	4,000,000
2019/2041	15,107,399	STATE REV LOAN SERIES 2019A SRF	2.00%	10,608,643
2019/2039	4,000,000	STATE REV LOAN SERIES 2019D SRF	1.57%	4,000,000
2020/2040	5,000,000	STATE REV LOAN SERIES 2020A-DWSRF	3.00%-5.00%	4,923,013
2020/2040	1,206,460	STATE REV LOAN SERIES 2020B-WPCRF	2.00%	743,431
2020/2042	2,120,708	STATE REV LOAN SERIES 2020C-SEPRLF	2.00%	2,067,691
2011/2030	2,700,000	BONDS PAYABLE - 2011 C CREB	4.63%	2,700,000
2013/2025	37,535,000	BONDS PAYABLE - 2013 A	2.22%	28,695,036
2015/2035	39,425,000	2015 GO BOND PAYABLE	2.00%-5.00%	34,765,000
2017/2028	40,785,000	BONDS PAYABLE - 2017 REF	2.00%-5.00%	36,895,000
2018/2038	37,030,000	2018 GO BOND PAYABLE	3% -5.00%	27,245,000
2020/N/A (1)	1,000,000	2020 Bond Bill (1)	N/A (1)	1,000,000
2021/2041	88,880,000	BONDS PAYABLE - 2020A	3.00%-5.00%	88,880,000
2022/2023	4,575,000	BONDS PAYABLE - 2020B	.395%-.533%	4,575,000
Total General Obligation Bonds Payable				<u>\$ 335,088,168</u>

(1) See note on next page regarding 2021 Bond Bill and purchase agreement.

Primary Government

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. The refunding totaling \$47,429,084 resulted in a reduction in cash flow required to service the debt of \$8,692,745 and an economic gain of \$8,676,917

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.
- On July 27, 2020, the City issued a \$2,120,708 General Obligation Bond (Series 2020C-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.

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
2022	\$ 9,800,569	\$ 5,180,526	\$ 14,579,822	\$ 6,996,313
2023	9,642,428	4,587,014	15,518,003	6,335,033
2024	8,891,343	4,224,220	15,608,032	5,791,204
2025	8,948,051	3,822,210	15,834,920	5,229,742
2026	8,864,650	3,385,326	15,782,553	4,663,380
2027-2031	35,541,055	11,641,524	70,966,411	15,306,784
2032-2036	19,396,726	5,506,844	39,038,045	5,950,962
2037-2041	11,462,220	1,771,151	10,408,894	1,322,970
	112,547,042	\$ 40,118,815	197,736,680	\$ 51,596,388
Add: Construction Bonds	3,662,201		21,142,245	
Total	\$ 116,209,243		\$ 218,878,925	

Component Units

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

Year Ending June 30	Component Units' Debt Service Schedule					
	Wilmington Parking Authority		Downtown Visions		Rock Manor	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 710,000	\$ 370,765	\$ 67,085	\$ -	\$ 59,882	\$ 16,926
2023	750,000	335,265	131,943	-	62,774	15,262
2024	785,000	297,765	134,462	-	64,483	13,552
2025	820,000	266,365	137,179	-	66,388	11,648
2026	855,000	233,565	113,555	-	66,699	10,309
2027-2031	4,655,000	773,065	307,489	-	338,530	21,134
2032-2036	1,770,000	88,023	-	-	-	-
Total	\$ 10,345,000	\$ 2,364,813	\$ 891,713	\$ -	\$ 658,756	\$ 88,831

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, 2021, five issues with debt of \$35,949,220 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 \$11,739,942 of equipment at an adjustable rate of interest (Daily LIBOR + 0.90%), which was 0.98% at June 30, 2021. The City also has a product instalment payment agreement with VAR Technology Finance for the procurement 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, 2021, 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>
2022	\$ 378,129	\$ 582,062
2023	-	524,553
2024	-	467,043
2025	-	213,013
Total Minimum Lease Payments	378,129	1,786,671
Less: Amount Representing Interest	(5,641)	(152,013)
Present Value of Lease Payments	<u>\$ 372,488</u>	<u>\$ 1,634,658</u>

Capitalized leases for the City at June 30, 2021, 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	\$ 2,566,021	\$ -
Equipment	-	2,596,104
Total	2,566,021	2,596,104
Less: Accumulated Depreciation	(1,466,296)	(981,218)
Net Assets Under Lease	<u>\$ 1,099,725</u>	<u>\$ 1,614,886</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. Effective June 1, 2021 the lease was extended on a month to month basis.

Downtown Visions extended an operating lease agreement to lease office space in Wilmington, Delaware through October 31, 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 for the fiscal year ended June 30, 2021.

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 is \$99,000 for the year ended June 30, 2021.

The following is a schedule of minimum future rental income on non-cancelable operating leasing arrangements as of June 30, 2021 from the leased facilities:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 6,000
2023	6,000
2024	6,000
2025	6,000
2026	6,000
Thereafter	<u>316,500</u>
Total Minimum Future Rental Income	<u>\$ 346,500</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 year ended June 30, 2021 was \$105,366. Rent revenue for the year ended June 30, 2021 was \$143,233.

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
2022	\$ 30,000	\$ 100,000
2023	30,000	100,000
2024	35,000	100,000
2025	35,000	100,000
2026	35,000	100,000
Thereafter	35,000	300,000
Total Minimum Future Rental Income	\$ 200,000	\$ 800,000

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, 2021. The annual installment payments at the beginning of the period are \$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
2022	\$ 60,817	\$ 5,061
2023	65,707	2,075
	\$ 126,524	\$ 7,136

11. Deferred Revenues and Deferred Inflows of Resources

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

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
Deferred Inflows of Resources:		
<u>Unavailable Revenue</u>		
General Fund		
Property and Wage Taxes	\$ 9,891,847	\$ -
Citations and Other Revenues	3,929,071	-
Total General Fund	13,820,918	-
Other Governmental Funds		
Capital Projects	1,370,699	-
Delaware Criminal Justice Planning	565,474	-
Extra Duty Revenue	603,775	-
Special Projects	297,667	-
Total Other Governmental Funds	2,837,615	-
Total Deferred Inflows of Resources	\$ 16,658,533	\$ -

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

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
<u>Unearned Revenues</u>		
General Fund		
Revenue on Notes Receivable	\$ 1,108,033	\$ 1,108,033
Major Fund		
Capital Projects	447,487	447,487
American Rescue Plan Act	27,672,890	27,672,890
Total Major Funds	28,120,377	28,120,377
Non-Major Funds		
Unearned Grant Revenues		
Delaware Criminal Justice Planning	474,930	474,930
Special Projects	875,397	875,397
Municipal Street Aid	388,691	388,691
Park Recreation Assistance	104,252	104,252
Total Non-Major Funds	1,843,270	1,843,270
Total Unearned Revenue	\$ 31,071,679	\$ 31,071,679
Water & Sewer Fund		
Unearned Service Charges		\$ 3,449,730

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, 2021. Of the \$14,366,254 due from the Motor Vehicle Fund, \$2,806,321 related to the acquisition of garage assets and motor vehicles and is considered an Advance (discussed in Note 7) and therefore is classified as Nonspendable Fund Balance.

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

- The Budget Reserve Account of \$17,270,240 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 2022 budgeted expenditures.
- The Tax Stabilization Reserve provides future tax stabilization for the General Fund. This reserve of \$40,791,428 is funded based on the amount of the General Fund's net unrestricted fund balance. The City is authorized to access the Tax Stabilization Reserve as may be necessary when authorized by City Council by ordinance.

Other Funds

The following fund had Fund Balances designated for specific purposes: the Non major Fund, Wilmington Park Related Commissions (including one blended component) had Park Maintenance Nonspendable Fund Balance of \$1,113,307 Restricted Fund Balance of \$5,034,922 for Park Operations.

The Other Non-Major Special Revenue Funds had a Restricted Fund Balances of \$3,904,663 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 \$183,640,641 as of June 30, 2021. The Operation and Maintenance Reserve provides funding in the event of adverse economic conditions or a public emergency as certified by the Mayor that impacts the operations and maintenance of the Water and Sewer Fund such that immediate action is required. This reserve is determined at the end of each fiscal year and is equal to seventeen percent of the following fiscal year's Water and Sewer Fund operating budget as authorized by City Council by ordinance. The restricted net position for the Operation and Maintenance Reserve as of June 30, 2021 was \$13,526,488.

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, 2021 was \$13,674,516.

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

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

	Beginning Liability	Claims and		Ending Liability
	Fiscal Year	Changes in	Claim Payments	Fiscal Year
		Estimates		
2019 - 2020	\$ 5,049,438	\$ 2,722,778	\$ (3,015,826)	\$ 4,756,390
2020 - 2021	4,756,390	1,783,839	(1,328,246)	5,211,983

B. Workers' Compensation

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

	Beginning Liability	Claims and		Ending Liability
	Fiscal Year	Changes in	Claim Payments	Fiscal Year
		Estimates		
2019 - 2020	\$ 16,442,758	\$ 5,050,624	\$ (4,022,930)	\$ 17,470,452
2020 - 2021	17,470,452	3,605,119	(4,069,278)	17,006,293

C. Health Insurance

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

	Beginning Liability		Claims and Changes in		Ending Liability			
	Fiscal Year		Estimates		Claim Payments			
2019 - 2020	\$	1,443,000	\$	17,084,597	\$	(17,138,597)	\$	1,389,000
2020 - 2021		1,389,000		15,870,870		(15,898,870)		1,361,000

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 Actions – Primary Government

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

The City also is involved in lawsuits arising in the ordinary course of business, including claims alleging property damage, personal injury, discriminatory personnel practices, constitutional violations and/or conduct otherwise inconsistent with federal, state or city law. Based on the advice of the City Solicitor, City management is of the opinion that the outcome of this pending litigation will not have a material adverse effect on the City's financial position at June 30, 2021.

C. Contractual Agreements

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

Fleet Services

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

Refuse Disposal

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

Traffic Signal Monitoring Systems

On March 14, 2019, City Council approved a three year contract for the supply of property and services for the City's traffic signal monitoring systems totaling \$4,664,340.

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:

	Firefighters	Police	Plan I Non- uniformed	Plan II Non- uniformed	Plan III Non- uniformed	Park Trust
Number of Retirees & Beneficiaries Receiving Benefits	280	459	97	174	332	1
Number of Terminated Employees Entitled to Benefits	12	19	0	100	69	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	15	15	0	3	322	1
Current Year Annual Covered Payroll	\$ 1,037,077.5	\$ 1,374,519	\$ -	\$ 65,251	\$ 16,449,655	\$ 52,158

The City's current-year total payroll for all employees was \$86,318,833.

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

The funding policy, annual pension costs, and funding status and funding progress are presented in a schedule on pages 88 through 91 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, 2021, represented 98.7% of all available funds. The investment policy of the funds is in accordance with the Objectives and Guidelines Statement and is adopted by the Trustees (Note 3).

As of June 30, 2021, there were no cash or investments with any one organization or issuer in excess of 5% of the individual plans' net positions.

Membership, Benefit and Contribution Provisions

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

Member pension benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Plan administrative costs are paid from plan assets as approved by the Pension Trustees. Contributions to the City Sponsored Plans by the State of Delaware on behalf of the City are recorded as intergovernmental revenue and pension expense in the City's governmental fund and government-wide statements. The contributions (Firefighters - \$6,045,958; Police - \$4,038,108; 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 \$3,732,000 (Firefighters - \$1,470,000; Police - \$2,253,000) 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, 2021 was \$4,982,265.

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, 2021

	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension
ASSETS				
Cash and Cash Equivalents	\$ 1,593	\$ 1,500	\$ 1,352,763	\$ 3,754
Accrued Interest & Other Receivables	5,607	15,416	158,764	-
CD	-	-	-	-
Investments, at Fair Value:				
Money Market Funds	77,191	212,239	1,424,430	-
U.S. Treasury Obligations	324,762	892,943	5,992,940	-
U.S. Government Agencies - Guaranteed	56,873	156,373	1,049,492	-
Municipal Obligations	11,410	31,373	210,560	-
Corporate & Foreign Bonds	1,311,995	3,607,370	24,210,684	-
Common Equity & Marketable Securities	1,883,643	5,179,131	34,759,476	277,076
Mutual Funds				
Global & International Funds	1,485,026	4,083,122	27,403,669	-
Domestic Equity Funds	440,495	1,211,154	8,128,596	25,537
Fixed Income Funds				-
Real Estate Investment Trust	392,838	1,080,119	7,249,162	-
Total Investments	5,984,233	16,453,824	110,429,009	302,613
Total Assets	5,991,433	16,470,740	111,940,536	306,367
LIABILITIES				
Accounts Payable	1,455	4,365	161,084	5,940
Salaries and Benefits Payable	950	1,668	6,134	-
Due to Other Pension Trust Fund	-	-	1,761,238	-
Due to Other Governments	-	-	9,649,533	-
Compensated Absences	2,430	4,447	14,618	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
Total Liabilities	43,746	18,997	11,601,060	5,940
Net Position				
Net Position Restricted for Pensions	<u>\$ 5,947,687</u>	<u>\$ 16,451,743</u>	<u>\$ 100,339,476</u>	<u>\$ 300,427</u>

City of Wilmington, Delaware
Statements of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension
ADDITIONS				
Contributions:				
City				
Paid Directly by the City	\$ 20,000	\$ 108,939	\$ 4,798,600	\$ 11,435
Employees	-	-	382,037	-
Other Contributions	-	11,880	11	-
Total Contributions	<u>20,000</u>	<u>120,819</u>	<u>5,180,648</u>	<u>11,435</u>
Investment Income				
Investment Earnings	508,122	1,370,237	7,756,486	7,843
Net Appreciation (Depreciation) in Fair Value	758,436	2,045,254	11,577,548	41,492
Total Investment Earnings	<u>1,266,558</u>	<u>3,415,491</u>	<u>19,334,034</u>	<u>49,335</u>
Less: Investment Expense	<u>(14,494)</u>	<u>(39,085)</u>	<u>(221,231)</u>	<u>-</u>
Net Investment Income	<u>1,252,064</u>	<u>3,376,406</u>	<u>19,112,803</u>	<u>49,335</u>
Total Additions	<u>1,272,064</u>	<u>3,497,225</u>	<u>24,293,451</u>	<u>60,770</u>
DEDUCTIONS				
Benefits Paid	424,799	925,467	6,366,140	11,880
Administrative Expenses	<u>28,446</u>	<u>57,463</u>	<u>240,776</u>	<u>2,835</u>
Total Deductions	<u>453,245</u>	<u>982,930</u>	<u>6,606,916</u>	<u>14,715</u>
Net Change in Plan Net Position	818,819	2,514,295	17,686,535	46,055
Net Position - Beginning	<u>5,128,868</u>	<u>13,937,448</u>	<u>82,652,941</u>	<u>254,372</u>
Net Position - Ending	<u>\$ 5,947,687</u>	<u>\$16,451,743</u>	<u>\$ 100,339,476</u>	<u>\$ 300,427</u>
Change in Total Pension Liability				
Service Cost	\$ -	\$ 19,188	\$ 1,068,412	\$ 8,054
Interest	259,800	921,798	7,953,533	18,295
Changes of benefit terms	-	-	478,966	-
Difference between expected and actual experience	(478,783)	(485,991)	(314,111)	-
Benefit Payments	<u>(424,799)</u>	<u>(913,587)</u>	<u>(6,366,140)</u>	<u>(11,880)</u>
Net Change	<u>(643,782)</u>	<u>(458,592)</u>	<u>2,820,660</u>	<u>14,469</u>
Pension Liability - Beginning	4,295,825	13,718,410	112,360,221	293,720
Pension Liability - Ending	<u>3,652,043</u>	<u>13,259,818</u>	<u>115,180,881</u>	<u>308,189</u>
Net Pension (Asset) / Liability	<u>\$ (2,295,644)</u>	<u>\$ (3,191,925)</u>	<u>\$ 14,841,405</u>	<u>\$ 7,762</u>

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

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

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

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

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

As of June 30, 2021, the Plans received a grant from the State Delaware to fund distribution to eligible retirees. The distributions to eligible retirees occurred in early fiscal year 2022 following the receipt of funding from the State of Delaware.

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

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

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

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

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

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

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

Changes in the Plans' Net Pension Liability: Changes in the Plans' net pension liability for the year ended June 30, 2021 were as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Firefighters Plan			
Balance June 30, 2020	\$ 81,548,039	\$ 51,041,298	\$ 30,506,741
Changes for the Year			
Service Cost	151,870	-	151,870
Interest	5,704,875	-	5,704,875
Changes in Benefits	1,470,000	-	1,470,000
Difference between expected and actual experience	1,403,340	-	1,403,340
Changes of assumptions	-	-	-
Contributions - Other Entities	-	6,045,958	(6,045,958)
Contributions - Employer	-	-	-
Contributions - Employees	-	62,224	(62,224)
Net Investment Income	-	11,997,736	(11,997,736)
Benefit Payments	(7,874,583)	(7,874,583)	-
Administrative Expense	-	(151,755)	151,755
Net Changes	<u>855,502</u>	<u>10,079,580</u>	<u>(9,224,078)</u>
Balance June 30, 2021	<u>\$ 82,403,541</u>	<u>\$ 61,120,878</u>	<u>\$ 21,282,663</u>
Police Plan			
Balance June 30, 2020	\$ 146,466,667	\$ 93,056,838	\$ 53,409,829
Changes for the Year			
Service Cost	191,681	-	191,681
Interest	9,928,161	-	9,928,161
Changes in Benefits	2,253,000	-	2,253,000
Difference between expected and actual experience	(2,679,904)	-	(2,679,904)
Changes of assumptions	-	-	-
Contributions - Other Entities	-	4,038,108	(4,038,108)
Contributions - Employer	-	5,999,923	(5,999,923)
Contributions - Employees	-	85,555	(85,555)
Net Investment Income	-	22,507,543	(22,507,543)
Benefit Payments	(12,389,979)	(12,389,979)	-
Administrative Expense	-	(189,313)	189,313
Net Changes	<u>(2,697,041)</u>	<u>20,051,837</u>	<u>(22,748,878)</u>
Balance June 30, 2021	<u>\$ 143,769,626</u>	<u>\$ 113,108,675</u>	<u>\$ 30,660,951</u>

Nonuniformed Employees Plan I (Closed)

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

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

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

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

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

Death Benefit: Same as Survivor Benefit.

Contributions: Employee - none. Employer - actuarially determined.

Nonuniformed Employees Plan II (Closed)

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

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

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

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

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

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

Contributions: Employee - none. Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

Nonuniformed Employees Plan III (Closed)

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

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

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

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

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

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

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

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

Death Benefit: Same as Survivor Benefit.

Wilmington Parks Trust Commission Pension Plan

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

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

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

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

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

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

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

Death Benefit: Same as Survivor Benefit.

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

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

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

Vesting: 5 years of credited service.

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

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

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

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

The Employer contribution policy is set by State law and requires contributions by active members and by participating employers. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2021 was 16.03% of covered payroll.

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

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

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

Vesting: 5 years of credited service.

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

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

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

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

The Employer contribution policy is set by State law and requires contributions by active members and by participating employers. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2021 was 5.77% of covered payroll.

NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

Plan	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Net OPEB Liability	Deferred Inflows of Resources
Nonuniformed Employees Plan I (Closed)	\$ 2,295,644	\$ -	\$ -	\$ -	\$ 689,390
Nonuniformed Employees Plan II (Closed)	3,191,925	-	-	-	1,809,921
Nonuniformed Employees Plan III (Closed)	-	551,156	14,841,405	-	10,073,105
Wilmington Park Trust	-	34,924	7,762	-	22,472
Firefighters Plan	-	-	21,282,663	-	6,141,032
Police Plan	-	-	30,660,951	-	11,858,296
State of Delaware's County and Municipal Police and Firefighters' Pension Plan	-	12,635,587	5,147,249	-	6,114,191
State of Delaware's County and Municipal Other Employees' Pension Plan	-	2,088,364	630,877	-	917,840
Other Post-Employment Benefits - OPEB	-	3,063,063	-	10,807,609	10,244,904
	\$ 5,487,569	\$ 18,373,094	\$ 72,570,907	\$ 10,807,609	\$ 47,871,151
Reconciliation to the Statement of Net Position					
Governmental Activities	\$ 4,842,453	\$ 17,933,335	\$ 70,293,971	\$ 10,807,609	\$ 45,915,236
Business Type Activities	645,116	439,759	2,276,936	-	1,955,915
	\$ 5,487,569	\$ 18,373,094	\$ 72,570,907	\$ 10,807,609	\$ 47,871,151

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

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

	Firefighters Pension	Police Pension	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters (3)	County & Municipal Other Employees (3)
Plan Type	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Cost sharing Multi-Employer	Cost sharing Multi-Employer
Employer Contributions								
Required Contribution	\$ 4,478,022	\$ 7,526,482	\$ -	\$ 85,938	\$ 4,771,601	\$ -	\$ 5,508,300	\$ 1,108,361
Actual Contribution	4,575,958	7,785,031	20,000	108,939	4,798,600	11,435	5,508,300	1,108,361
Contribution Excess (Deficiency)	\$ 97,936	\$ 258,549	\$ 20,000	\$ 23,001	\$ 26,999	\$ 11,435	\$ -	\$ -
Actuarial Valuation Date	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020	June 30, 2020
Net Pension Liability								
Total Pension Liability	82,403,541	143,769,626	3,652,043	13,259,818	115,180,881	308,189	154,658,404	20,671,019
Plan Fiduciary Net Position	61,120,878	113,108,675	5,947,687	16,451,743	100,339,476	300,427	149,510,964	20,040,142
Net Pension Liability (Asset)	\$ 21,282,663	\$ 30,660,951	\$ (2,295,644)	\$ (3,191,925)	\$ 14,841,405	\$ 7,762	\$ 5,147,440	\$ 630,877
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.20%	78.70%	162.90%	124.10%	87.10%	97.48%	96.67%	96.94%
City's Proportionate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	33%	30%

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)

	Firefighters Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters	County & Municipal Other Employees
Deferred Outflows of Resources								
Net Difference Due to Change in Proportion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,352	\$ 167,883
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	-	-	-	34,924	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	5,121,422	440,561
Changes Of Assumption	-	-	-	-	551,156	-	1,900,513	371,559
Contributions Made After the Measurement Date	-	-	-	-	-	-	5,508,300	1,108,361
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551,156</u>	<u>\$ 34,924</u>	<u>\$ 12,635,587</u>	<u>\$ 2,088,364</u>
Deferred Inflows of Resources								
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ 6,141,032	\$ 11,858,296	\$ 689,390	\$ 1,809,921	\$ 9,135,686	\$ -	\$ 3,649,428	\$ 471,705
Net Difference Due to Change in Proportion	-	-	-	-	-	-	65,232	1,152
Changes Of Assumption	-	-	-	-	-	-	777,626	-
Differences Between Expected and Actual Experience	-	-	-	-	937,419	22,472	1,621,905	444,983
	<u>\$ 6,141,032</u>	<u>\$ 11,858,296</u>	<u>\$ 689,390</u>	<u>\$ 1,809,921</u>	<u>\$ 10,073,105</u>	<u>\$ 22,472</u>	<u>\$ 6,114,191</u>	<u>\$ 917,840</u>
Amortization of Net Difference Between Projected and Actual Earnings on Plan Investments, Plan Experience, and Changes in assumptions								
2022	(1,552,266)	(3,062,779)	(184,450)	(473,203)	(2,468,348)	2,309	(1,050,761)	(119,507)
2023	(1,454,240)	(2,823,453)	(165,561)	(432,326)	(2,108,454)	1,562	(312,541)	(28,915)
2024	(1,456,402)	(2,793,200)	(159,756)	(423,711)	(2,302,968)	8,581	430,032	89,597
2025	(1,678,124)	(3,178,864)	(179,623)	(480,681)	(2,642,179)	-	(115,928)	18,906
2026	-	-	-	-	-	-	650,092	24,846
Thereafter	-	-	-	-	-	-	1,412,202	77,236
Total	<u>\$ (6,141,032)</u>	<u>\$ (11,858,296)</u>	<u>\$ (689,390)</u>	<u>\$ (1,809,921)</u>	<u>\$ (9,521,949)</u>	<u>\$ 12,452</u>	<u>\$ 1,013,096</u>	<u>\$ 62,163</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)

	Firefighters Pension		Police Pension		Plan I Non-uniformed Pension		Plan II Non-uniformed Pension		Plan III Non-uniformed Pension		Wilmington Park Trust Pension		County & Municipal Police and Firefighters		County & Municipal Other Employees			
Actuarial Assumptions																		
Discount Rate	7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		6.5%(5)		7%(6)		7%(6)			
Investment Rate of Return (7)	7.20%		7.20%		7.20%		7.20%		7.20%		6.50%		7.00%		7.00%			
Asset Class:	Target		Target		Target		Target		Target		Target		Target		Target			
	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>		
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	53.0%	6.5%	28.5%	5.7%	28.5%	5.7%		
International Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	4.5%	7.3%	15.2%	5.7%	15.2%	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%	39.8%	3.7%	28.8%	2.0%	28.8%	2.0%		
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	4.3%	23.0%	7.8%	23.0%	7.8%		
Cash	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	2.7%	1.0%	4.5%	0.0%	4.5%	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			
Includes Inflation Rate of Cost-of-Living Adjustments	3.00%		3.00%		3.00%		3.00%		3.00%		n/a		Projected Salary Increases includes inflation of 2.50%					
Mortality Rates	None(9)		None(9)		None(9)		None(9)		None(9)		None		0.0%					
	<i>Healthy Lives: RP-2000 Mortality Table projected with Scale AA</i>				<i>Healthy Lives: RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.</i>								<i>Pre-retirement: None</i>		<i>RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and adjusted versions of MP-2015 mortality improvement scale on a fully generational basis</i>			
	<i>Disabled Lives: 2018 PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants</i>				<i>Disabled Lives: RP-2000 Disabled Mortality Table</i>								<i>Post-Retirement: RP-2000 Mortality Table projected with Scale AA for 15 years.</i>					
Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate																		
1% Decrease	\$	27,672,329	\$	43,333,666	\$	(2,057,418)	\$	(2,010,374)	\$	27,311,785	\$	15,150	\$	28,650,931	\$	3,830,706		
Discount Rate	21,282,663		30,660,951		(2,295,644)		(3,191,925)		14,841,405		7,762		5,147,440		630,877			
1% Increase	15,724,254		19,793,045		(2,507,015)		(4,209,045)		4,231,577		1,470		(14,035,912)		(1,995,400)			
Money-Weighted Rate of Return	18.97%		24.41%		25.71%		23.28%		32.36%		6.50%		n/a		n/a			

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

1. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, therefore actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.
2. The actuarial valuation is done every other year. The last valuation completed as of the July 1, 2020. The valuation calculates an Annual Required Contribution for each of the following two years; this may be recalculated to reflect significant changes in staff levels or salary increases. Actual contributions are based on the higher of percentage of pay (actual amounts may vary based on actual payroll) or level dollar. The Total Pension Liability as of June 30, 2021 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, 2021 is 7.20%, which is assumed long-term expected rate of return on plan investments. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payment for current plan members following the procedures described in paragraphs 39-45 of GASBS No. 67.
5. The discount rate as of June 30, 2021 is 6.5%, which is assumed long-term expected rate of return on plan investments. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payment for current plan members following the procedures described in paragraphs 39-45 of GASBS No. 67.
6. The discount rate used to measure the total pension liability as of June 30, 2021 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 their surviving spouses, The related contributions were not made in relation to the Actuarially Determined Contribution. These one time contributions of \$2,253,000 and \$1,470,000, for the Police and Fire plans, respectively, were for a one-time payment made to retirees, and were excluded from the actual employer contributions

Component Units (Wilmington Parking Authority)

The Wilmington Parking Authority Pension Plan (the Plan) is non-contributory single-employer defined-benefit pension plan that covers substantially all employees of the Authority. The participant data as of June 30, 2021 was measured as of January 1, 2021 and the financial information as of June 30, 2021 was measured as of the time.

Benefits Provided

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

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

<u>Category</u>	
Active employees	16
Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	<u>21</u>
Total employees	<u>52</u>

Contributions

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

Net Pension Asset

The net pension asset for the year ended June 30, 2021 was determined by an actuarial valuation as of June 30, 2021. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Description</u>	<u>Percentage</u>
Inflation	2.25 percent
Salary increases	4.50 percent, including inflation
Investment rate of return	6.00 percent, including inflation

The actuarial assumptions used in the June 30, 2021 valuation was based on the recommendation of the actuary and adopted by the Plan's management. In addition, mortality rates are based on the RP-2014 Combined Mortality Table without any collar adjustment with future mortality improvement on a generational basis using Scale MP-2019.

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

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return	
		Before Inflation	After Inflation
Domestic equity	70%	4.81%	7.06%
Fixed income	30%	1.31%	3.56%

Discount Rate

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

Changes in the Authority's Net Pension Asset

The following table reflects changes in the Authority's net pension asset as of and for the year ended June 30, 2021:

Description	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension (Asset) Liability [a]-[b]
Beginning balances	\$ 4,887,739	\$ 5,263,295	\$ (375,556)
Changes for the year:			
Service cost	138,265	-	138,265
Interest	297,419	-	297,419
Contributions - employer	-	-	-
Net investment income	-	1,720,803	(1,720,803)
Benefit payments, including refunds of employee contributions	(138,022)	(138,022)	-
Difference between expected and actual experience	(365,199)	-	(365,199)
Changes of assumptions	138,868	-	138,868
Administrative expenses	-	(7,260)	7,260
Net changes	71,331	1,575,521	(1,504,190)
Ending balances	\$ 4,959,070	\$ 6,838,816	\$ (1,879,746)

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

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

Description	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net pension liability (asset)	<u>\$ (1,266,033)</u>	<u>\$ (1,879,746)</u>	<u>\$ (2,400,928)</u>

Expected and Actual Experience Differences

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a closed period equal to the average of the expected remaining service lives, which is 9.16 years. The first year of amortization is recognized as pension expense with the remaining years as either deferred outflows or deferred inflows. For the years ended June 30, 2021, the collective amount of the difference between expected and actual experience is \$447,479 of inflows.

Change in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over the weighted average of the expected remaining service life of active and inactive members, which is 9.16 years. The first year of amortization is recognized as pension expense with the remaining years as either deferred outflows or deferred inflows. For the year ended June 30 2021, the collective amount of change in assumptions is \$277,074 of outflows.

Difference Between Expected and Actual Investment Earnings on Pension Plan Investments

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

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

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

Service Cost	\$ 138,265
Interest	297,419
Administrative expense	7,260
Amortization of difference between expected and actual experience	(59,206)
Expected earnings on plan investments	(311,440)
Amortization of changes in assumptions	36,140
Amortization of investment return differences	<u>(417,276)</u>
Pension expense	<u>\$ (308,838)</u>

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

As of and for the year ended June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Description	Deferred Resources	
	Outflows	Inflows
Contributions made subsequent to the measurement date	\$ -	\$ -
Net difference between expected and actual earnings	-	1,264,999
Net difference between expected and actual experience	83,769	531,248
Changes in assumptions	315,092	38,018
Totals	<u>\$ 398,861</u>	<u>\$ 1,834,265</u>

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

Fiscal Years Ending June	Amount
2022	\$ (388,300)
2023	(345,709)
2024	(318,317)
2025	(304,937)
2026	(19,426)
2027 and thereafter	(58,715)
Total	<u>\$ (1,435,404)</u>

Funding Policy

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

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

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, 2021, the plan's participants are summarized as follows:

Inactive Plan Members Currently Receiving Benefits	
Retirees	325
Spouses and Widows	15
Inactive Plan Members Entitled to Receive Future Benefits	11
Active Plan Members	<u>1134</u>
Total Plan Members	<u>1,485</u>

Total OPEB expense for the year ended June 30, 2021 was \$(22,167,064) due to plan changes and claims Experience.

Statement of Fiduciary Net Position

	<u>2021</u>
ASSETS	
Cash and Cash Equivalents	\$ 143,273
Due From Pension Trust Fund	1,761,238
Investments, at Fair Value:	
Money Market Funds	11,515
Corporate & Foreign Bonds	10,921,048
Mutual Funds	
Global & International Funds	5,648,628
Domestic Equity Funds	<u>15,122,565</u>
Total Investments	<u>31,703,756</u>
Total Assets	<u>33,608,267</u>
LIABILITIES	
Accounts Payable	<u>44,559</u>
Total Liabilities	<u>44,559</u>
NET POSITION	
Restricted for OPEB	<u>\$ 33,563,708</u>

Statement of Changes in Fiduciary Net Position

	2021
ADDITIONS	
Contribution:	
Paid Directly by the City	\$ 4,481,367
Employees/Pensioners	864,153
Total Contributions	5,345,520
Investment Income	
Investment Earnings	524,665
Net Appreciation in Fair Value	6,019,439
Total Investment Earnings	6,544,104
Less: Investment Expense	(8,152)
Net Investment Income	6,535,952
Total Additions	11,881,472
DEDUCTIONS	
Benefits Paid	5,781,917
Administrative Expenses	43,292
Total Deductions	5,825,209
Net Increase in Plan Net Position	6,056,263
Net Position Restricted For OPEB - Beginning	27,507,445
Net Position Restricted For OPEB - Ending	\$ 33,563,708

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, 2021, the city contributed \$4,481,367 and retiree premium sharing added \$864,153.

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, 2021.

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, 2021, 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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 25.55%. 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, 2021:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance June 30, 2020	\$ 74,147,723	\$ 27,507,445	\$ 46,640,279
Changes for the Year			
Service Cost	1,763,814	-	1,763,814
Interest	3,117,444	-	3,117,444
Changes of Benefits	(22,328,857)	-	(22,328,857)
Differences between expected and actual experience	(5,088,596)	-	(5,088,596)
Changes of assumptions	(1,458,299)	-	(1,458,299)
Contributions - Employees	-	864,153	(864,153)
Contributions - Employer	-	4,481,367	(4,481,367)
Net Investment Income	-	6,535,952	(6,535,952)
Benefit Payments	(5,781,917)	(5,781,917)	-
Administrative Expense	-	(43,292)	43,292
Net Changes	<u>(29,776,411)</u>	<u>6,056,263</u>	<u>(35,832,674)</u>
Balance June 30, 2021	<u>\$ 44,371,312</u>	<u>\$ 33,563,708</u>	<u>\$ 10,807,605</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability			75.64%
Covered Payroll			\$ 57,775,546
Net OPEB Liability as a Percentage of Covered Payroll			18.71%

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, 2021, updated from the June 30, 2020 actuarial valuation
Actuarial Cost Method	Entry Age Normal
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	0% in 2021, decreasing from 8.25% in 2022 to 3.78% in 2041 and beyond
Medicare Eligible	0% in 2021, decreasing from 6.40% in 2022 to 3.78% in 2041 and beyond
Payroll Increase	3% Annually
Rate of Mortality	
Healthy Lives	RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table
Administrative Expenses	Average monthly per capita cost for 2020-2021 of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.

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

The net OPEB liability decreased since June 30, 2020, primarily due to the changes in the Medicare plan a fully insurance Aetna Medicare Advantage Plan and favorable claims experience for the under 65 retirees.

Schedule of Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,503,477
Changes in assumptions	3,063,063	1,249,971
Net difference between projected and actual earnings on OPEB plan investments	-	3,491,456
	<u>\$ 3,063,063</u>	<u>\$ 10,244,904</u>

Amortization of Net Deferred Outflows and Inflows

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

Year Ended June 30:	
2022	\$ (1,323,410)
2023	(1,308,115)
2024	(1,307,032)
2025	(1,369,439)
2026	(935,270)
Thereafter	(935,275)

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	\$ 49,264,934	\$ 44,371,312	\$ 40,188,099
Plan Fiduciary Net Position	33,563,708	33,563,708	33,563,708
Net OPEB Liability	<u>\$ 15,701,226</u>	<u>\$ 10,807,604</u>	<u>\$ 6,624,391</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	68.1%	75.6%	83.5%

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	\$ 41,265,077	\$ 44,371,312	\$ 48,016,703
Plan Fiduciary Net Position	33,563,708	33,563,708	33,563,708
Net OPEB Liability	<u>\$ 7,701,369</u>	<u>\$ 10,807,604</u>	<u>\$ 14,452,995</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 81.3%	 75.6%	 69.9%

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, 2021, the City of Wilmington had an assessment reduction of \$57,469,800, resulting in a \$1,146,523 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. Implementation of New Pronouncements and Prior Period Adjustments

For the year ended June 30, 2021, the City has implemented Governmental Standards Board Statement No. 84 (GASBS No. 84), *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The Wilmington Parking Authority's Pension Fund meets the criteria of a fiduciary activity of the Wilmington Parking Authority and the City of Wilmington. The City's Fiduciary Net Position Restricted for Pension Benefits Beginning Balance has been restated to include The Wilmington Parking Authority's Pension Plan as follows:

Previously Reported Fiduciary Net Position	\$ 246,071,765
The Wilmington Parking Authority	<u>5,263,295</u>
Fiduciary Net Position - as restated	<u><u>\$ 251,335,060</u></u>

Wilmington Housing Partnership Corporation, a blended component unit, restated its June 30, 2020 financial statements to correct accounts payable of \$58,122 as of June 30, 2020 as follows:

<u>Blended Component Unit</u>	<u>Total Net Position</u>
As previously reported	\$ (3,609,463.00)
Payable Correction	58,122.00
As restated	<u><u>\$ (3,551,341.00)</u></u>

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 Sheriff sales during the period March 13, 2020 through July 2021.
- Suspended termination of water services to residential locations due to non-payment.
- 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 Year 2019 tax returns to July 15, 2020.
- Tax return filings for Tax Year 2020 were extended through May 17, 2021.

On July 12, 2021, the State of Delaware lifted its Declaration on the State of Emergency. The City of Wilmington reinstated its water disconnection practices at the beginning of July 2021, with Sheriff Sales returning in August 2021.

20. Subsequent Events

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

Schedule 1 - Schedule of Contributions

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

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

Sch. 1 (Cont.)

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

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

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

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

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

Sch. 2 (Cont.)

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

Sch. 2 (Cont.)

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

Sch. 2 (Cont.)

	<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>
	2017	2017	2017	2017	2017	2017
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>
Total Pension Liability						
Service Cost	\$ 493,756	\$ 1,066,523	\$ 4,490	\$ 31,183	\$ 1,640,457	\$ 7,512
Interest Cost	6,263,481	10,575,592	457,445	1,061,258	6,916,987	17,462
Differences between Actual and Expected Experience	(1,493,659)	(3,633,046)	(333,954)	(97,011)	(1,621,340)	(3,327)
Benefit Payments	(7,025,062)	(10,678,644)	(664,604)	(966,673)	(4,384,851)	(17,820)
Net Change in Total Pension Liability	(1,761,484)	(2,669,575)	(536,623)	28,757	2,551,253	3,827
Total Pension Liability, beginning	87,962,015	148,817,208	6,755,027	14,690,536	94,360,168	273,225
Total Pension Liability, ending (a)	<u>\$ 86,200,531</u>	<u>\$ 146,147,633</u>	<u>\$ 6,218,404</u>	<u>\$ 14,719,293</u>	<u>\$ 96,911,421</u>	<u>\$ 277,052</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 435,261	\$ 5,904,595	\$ 240,339	\$ 435,503	\$ 5,719,954	\$ 48,765
Contributions from Member	177,087	295,781	-	-	430,845	-
Contributions from State / Other	3,814,978	1,901,858	14,574	17,820	20,895	-
Net Investment Income	791,946	1,510,221	109,348	235,490	1,115,920	3,485
Administrative Expenses	(75,866)	(100,852)	(52,508)	(85,230)	(229,666)	(3,207)
Benefit Payments	(7,025,062)	(10,678,644)	(664,605)	(966,673)	(4,384,850)	(17,820)
Net Change in Fiduciary Net Position	(1,881,656)	(1,167,041)	(352,852)	(363,090)	2,673,098	31,223
Plan Fiduciary Net Position, Beginning	46,416,477	83,554,105	6,228,670	13,478,637	57,858,436	268,694
Plan Fiduciary Net Position, Ending (b)	<u>\$ 44,534,821</u>	<u>\$ 82,387,064</u>	<u>\$ 5,875,818</u>	<u>\$ 13,115,547</u>	<u>\$ 60,531,534</u>	<u>\$ 299,917</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 41,665,710</u>	<u>\$ 63,760,569</u>	<u>\$ 342,586</u>	<u>\$ 1,603,746</u>	<u>\$ 36,379,887</u>	<u>\$ (22,865)</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	51.66%	56.37%	94.49%	89.10%	62.46%	108.25%
Covered Payroll	\$ 3,057,532	\$ 4,900,751	\$ 42,426	\$ 189,905	\$ 21,571,117	\$ 47,875
Net Pension Liability as a % of						
Covered Payroll	1362.72%	1301.04%	807.49%	844.50%	168.65%	-47.76%

Sch. 2 (Cont.)

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

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

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

Sch. 2 (Cont.)

Notes to Required Supplementary Information

Note 1 - Methods and Assumptions Used to Determine Contributions Rates

	Firefighters		Police		Plan I Non-uniformed		Plan II Non-uniformed		Plan III Non-uniformed		Park Trust	
	June 30, 2021											
Actuarial Valuation Date	July 1, 2020		July 1, 2020		July 1, 2020		July 1, 2020		July 1, 2020		July 1, 2020	
Measurement Date	June 30, 2021		June 30, 2021		June 30, 2021		June 30, 2021		June 30, 2021		June 30, 2021	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay											
Remaining Amortization	Fully amortized on June 30, 2029											
Asset Valuation Method	5 Year Smoothed Market											
Discount Rate	7.20%		7.20%		7.20%		7.20%		7.20%		6.50%	
Investment Rate of Return	7.20%		7.20%		7.20%		7.20%		7.20%		6.50%	
Asset Class:	Target		Target		Target		Target		Target		Target	
	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation	Return
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	28.3%	6.5%
Non-U.S. Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	0.2%	7.3%
Real Estate	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	0.0%	0.0%
Fixed Income	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	60.8%	3.7%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.3%
Cash	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	10.8%	1.0%
Projected Salary Increases	3.00%		3.00%		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											Pre-retirement: None	
	Healthy Lives: RP-2000 Mortality Table projected with Scale AA				Healthy Lives: RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.				Post-Retirement: RP-2000 Mortality Table projected with Sacc AA for 15 years.			
	Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				Disabled Lives: RP-2000 Disabled Mortality Table							

June 30, 2020

	Firefighters		Police		Plan I Non-uniformed		Plan II Non-uniformed		Plan III Non-uniformed		Park Trust	
	June 30, 2020											
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	
	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation*	Return	Allocation	Return
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	28.3%	6.5%
Non-U.S. Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	0.2%	7.3%
Real Estate	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	0.0%	0.0%
Fixed Income	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	60.8%	3.7%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.3%
Cash	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	10.8%	1.0%
Projected Salary Increases	3.00%		3.00%		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											Pre-retirement: None	
	Healthy Lives: RP-2000 Mortality Table projected with Scale AA				Healthy Lives: RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.				Post-Retirement: RP-2000 Mortality Table projected with Sacc AA for 15 years.			
	Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				Disabled Lives: RP-2000 Disabled Mortality Table							

*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>	
	June 30, 2019											
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%		7.20%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		7.40%	
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											<i>Pre-retirement:</i> None	
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA				<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.							
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table				<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.			
	June 30, 2018											
Actuarial Valuation Date	July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017	
Measurement Date	June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay											
Remaining Amortization	Fully amortized on June 30, 2029											
Asset Valuation Method	5 Year Smoothed Market											
Discount Rate	7.40%		7.40%		7.40%		7.40%		7.40%		7.40%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		7.40%	
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											<i>Pre-retirement:</i> None	
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA				<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.							
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table				<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.			

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>	
	June 30, 2017											
Actuarial Valuation Date	July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016	
Measurement Date	June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay											
Remaining Amortization	Fully amortized on June 30, 2029											
Asset Valuation Method	5 Year Smoothed Market											
Discount Rate	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Asset Class:	Target		Target		Target		Target		Target		Target	
	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<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%		4.00%	
Includes Inflation Rate of	3.00%		3.00%		3.00%		3.00%		3.00%		Not Provided	
Cost-of-Living Adjustments	Ad Hoc		Ad Hoc		None		None		None		None	
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years none for Park Trust Disabled Lives:2011											

June 30, 2016

Actuarial Valuation Date	July 1, 2014		July 1, 2014		July 1, 2014		July 1, 2014		July 1, 2014		July 1, 2014	
Measurement Date	June 30, 2016		June 30, 2016		June 30, 2016		June 30, 2016		June 30, 2016		June 30, 2016	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay											
Remaining Amortization	Fully amortized on June 30, 2029											
Asset Valuation Method	5 Year Smoothed Market											
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:	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	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6.50%	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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>
June 30, 2015						
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age Normal					Aggregate Cost
Amortization Method	Level Percent Closed Period					n/a
Remaining Amortization	14 years					n/a
Asset Valuation Method	5 Year Smoothed Market					Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.40%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.40%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years. Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					
June 30, 2014						
Actuarial Valuation Date	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method	Aggregate Entry Age					Aggregate Cost
Amortization Method	Level Percent Closed Period					n/a
Remaining Amortization	17 years					n/a
Asset Valuation Method	5 Year Smoothed Market					Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost of Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years. Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

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

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

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

Schedule 3 - Schedule of Investment Returns

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

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

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

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

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

Schedule 4 (Cont.)

**Notes to Required Supplementary Information
OPEB Liability Methods and Assumptions
June 30, 2021**

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

June 30, 2020

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

Schedule 4 (Cont.)

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.	

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	

Schedule 4 (Cont.)

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.

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

Schedule 5 (Cont.)

Notes to Schedule of Contribution

June 30, 2021

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

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

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

June 30, 2018

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

Schedule 5 (Cont.)

June 30, 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>
2021	26.55
2020	6.05%
2019	6.57%
2018	13.32%
2017	10.60%

Schedule 7**Component Units (Wilmington Parking Authority)**SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
AS OF AND YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
TOTAL PENSION LIABILITY		
Service cost	\$ 138,265	\$ 131,187
Interest	297,419	267,774
Difference between expected and actual experience	(365,199)	84,529
Changes in assumptions	138,868	(15,880)
Benefit payments, including refunds of employee contributions	<u>(138,022)</u>	<u>(156,147)</u>
Net change in total pension liability	71,331	311,463
Total pension liability:		
Beginning	<u>4,887,739</u>	<u>4,576,276</u>
Ending (a)	<u>\$ 4,959,070</u>	<u>\$ 4,887,739</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ -	-
Net investment income	1,720,803	365,673
Benefit payments, including refunds of employee contributions	(138,022)	(156,147)
Administrative expenses	<u>(7,260)</u>	<u>(7,783)</u>
Net change in plan fiduciary net position	1,575,521	201,743
Plan fiduciary net position:		
Beginning	<u>5,263,295</u>	<u>5,061,552</u>
Ending (b)	<u>\$ 6,838,816</u>	<u>\$ 5,263,295</u>
AUTHORITY'S NET PENSION (ASSET) LIABILITY-ENDING (a) - (b)	<u>\$ (1,879,746)</u>	<u>\$ (375,556)</u>
PLAN FIDUCIARY NET POSITION		
AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>137.91%</u>	<u>107.68%</u>
COVERED PAYROLL	<u>\$ 786,713</u>	<u>\$ 1,224,287</u>
AUTHORITY'S NET PENSION (ASSET) LIABILITY		
AS A PERCENTAGE OF COVERED PAYROLL	<u>(238.94%)</u>	<u>(30.68%)</u>

Schedule 7 - continued**Component Units (Wilmington Parking Authority)**SCHEDULE OF PENSION CONTRIBUTIONS
AS OF AND FOR THE YEARS ENDED JUNE 30,

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

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS

Valuation date: June 30, 2021

Actuarially determined rates are calculated as of June 30, twelve months prior to the end of the fiscal year in which contributions will be reported in.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Cost Method
Amortization method	Over average future service
Remaining amortization period	9.16 years
Asset valuation method	Fair Market Value
Inflation	2.25%
Salary increases	4.50%, including inflation
Investment rate of return	6.00%, including inflation
Retirement age	A member may retire after reaching normal retirement, which occurs at the latter of the participant's sixty-fifth birthday and the completion of ten years of service.
Mortality	Mortality rates were based on RP-2014 Combined Mortality Table for Males or Females without any collar adjustment with future mortality improvement on a generational basis using Scale MP-2019.

Schedule 7 - continued**Component Units (Wilmington Parking Authority)****SCHEDULE OF FUNDING PROGRESS
AS OF AND YEARS ENDED JUNE 30,**

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

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	(Over) or Underfunded AAL (UAAL) (2-1)	Funded Ratios (1/2)	Covered Payroll (5)	UAAL as a percentage of covered payroll ((2-1)/5)
June 30, 2021	\$ 6,838,816	\$ 4,959,070	\$ (1,879,746)	137.91%	\$ 786,713	(238.94%)
June 30, 2020	\$ 5,263,295	\$ 4,887,749	\$ (375,546)	107.68%	\$ 1,224,287	(30.68%)
June 30, 2019	\$ 5,061,552	\$ 4,576,276	\$ (485,276)	110.60%	\$ 1,161,247	(41.79%)
June 30, 2018	\$ 4,789,675	\$ 4,507,711	\$ (281,964)	106.26%	\$ 1,078,319	(26.15%)
June 30, 2017	\$ 4,297,130	\$ 4,160,346	\$ (136,784)	103.29%	\$ 1,144,093	(11.96%)
June 30, 2016	\$ 3,754,617	\$ 3,869,343	\$ 114,726	97.04%	\$ 1,075,130	10.67%
June 30, 2015	\$ 3,579,968	\$ 3,568,620	\$ (11,348)	100.32%	\$ 1,075,130	(1.11%)

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

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

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

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

Budgetary Accounting Control

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

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

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

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

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

Budgetary Accounting Control (continued)

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

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

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	\$ 1,692,990	\$ 1,694,490	\$ 1,672,557	\$ 21,933
Materials, Supplies and Equipment	688,438	710,783	629,846	80,937
Special Purpose	672,000	162,655	-	162,655
Debt Service	973,687	973,687	697,805	275,882
Office of the Mayor	<u>4,027,115</u>	<u>3,541,615</u>	<u>3,000,208</u>	<u>541,407</u>
Management and Budget				
Personal Services	562,859	563,159	597,840	(34,681)
Materials, Supplies and Equipment	4,775	4,775	5,156	(381)
Management and Budget	<u>567,634</u>	<u>567,934</u>	<u>602,996</u>	<u>(35,062)</u>
Office of Emergency Management				
Personal Services	75,849	75,849	80,041	(4,192)
Materials, Supplies and Equipment	133,550	133,550	10,660	122,890
Debt Service	64,573	64,573	43,969	20,604
Office of Emergency Management	<u>273,972</u>	<u>273,972</u>	<u>134,670</u>	<u>139,302</u>
Economic Development				
Personal Services	468,207	466,007	434,348	31,659
Materials, Supplies and Equipment	165,142	165,142	107,844	57,298
Debt Service	2,029,349	2,029,349	2,516,370	(487,021)
Economic Development	<u>2,662,698</u>	<u>2,660,498</u>	<u>3,058,562</u>	<u>(398,064)</u>
Cultural Affairs				
Personal Services	292,828	293,028	298,974	(5,946)
Materials, Supplies and Equipment	463,150	628,150	109,243	518,907
Cultural Affairs	<u>755,978</u>	<u>921,178</u>	<u>408,217</u>	<u>512,961</u>
Constituent Services				
Personal Services	591,413	591,613	606,933	(15,320)
Materials, Supplies and Equipment	98,670	98,670	34,079	64,591
Constituent Services	<u>690,083</u>	<u>690,283</u>	<u>641,012</u>	<u>49,271</u>
Mayor's Offices Total				
Personal Services	3,684,146	3,684,146	3,690,693	(6,547)
Materials, Supplies and Equipment	1,553,725	1,741,070	896,828	844,242
Special Purpose	672,000	162,655	-	162,655
Debt Service	3,067,609	3,067,609	3,258,144	(190,535)
Mayor's Offices Total	<u>\$ 8,977,480</u>	<u>\$ 8,655,480</u>	<u>\$ 7,845,665</u>	<u>\$ 809,815</u>
CITY COUNCIL				
City Council				
Personal Services	\$ 625,649	\$ 625,649	\$ 601,850	\$ 23,799
Materials, Supplies and Equipment	273,594	303,594	291,631	11,963
Special Purpose	37,000	37,000	30,325	6,675
Debt Service	1,220	1,220	111	1,109
City Council	<u>\$ 937,463</u>	<u>\$ 967,463</u>	<u>\$ 923,917</u>	<u>\$ 43,546</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	\$ 735,538	\$ 735,538	\$ 711,211	\$ 24,327
Materials, Supplies and Equipment	<u>77,182</u>	<u>77,182</u>	<u>52,503</u>	<u>24,679</u>
City Clerk	<u>812,720</u>	<u>812,720</u>	<u>763,714</u>	<u>49,006</u>
City Council Offices Total				
Personal Services	1,361,187	1,361,187	1,313,061	48,126
Materials, Supplies and Equipment	350,776	380,776	344,134	36,642
Special Purpose	37,000	37,000	30,325	6,675
Debt Service	1,220	1,220	111	1,109
City Council Offices Total	<u>\$ 1,750,183</u>	<u>\$ 1,780,183</u>	<u>\$ 1,687,631</u>	<u>\$ 92,552</u>
AUDIT				
Audit Department				
Personal Services	\$ 628,718	\$ 628,718	\$ 647,358	\$ (18,640)
Materials, Supplies and Equipment	<u>230,543</u>	<u>244,543</u>	<u>203,796</u>	<u>40,747</u>
Audit Department	<u>\$ 859,261</u>	<u>\$ 873,261</u>	<u>\$ 851,154</u>	<u>\$ 22,107</u>
LAW				
Law Department				
Personal Services	\$ 2,085,756	\$ 2,085,756	\$ 1,993,620	\$ 92,136
Materials, Supplies and Equipment	<u>457,499</u>	<u>457,499</u>	<u>358,842</u>	<u>98,657</u>
Law Department	<u>\$ 2,543,255</u>	<u>\$ 2,543,255</u>	<u>\$ 2,352,462</u>	<u>\$ 190,793</u>
FINANCE				
Finance Administrative				
Personal Services	\$ 279,207	\$ 279,207	\$ 284,291	\$ (5,084)
Materials, Supplies and Equipment	44,447	41,947	33,408	8,539
Debt Service	<u>64,419</u>	<u>64,419</u>	<u>24,774</u>	<u>39,645</u>
Finance Administrative	<u>388,073</u>	<u>385,573</u>	<u>342,473</u>	<u>43,100</u>
Earned Income Tax				
Personal Services	1,412,036	1,412,036	1,441,323	(29,287)
Materials, Supplies and Equipment	<u>230,123</u>	<u>265,702</u>	<u>208,315</u>	<u>57,387</u>
Earned Income Tax	<u>1,642,159</u>	<u>1,677,738</u>	<u>1,649,638</u>	<u>28,100</u>
Accounting				
Personal Services	844,506	842,506	826,957	15,549
Materials, Supplies and Equipment	<u>75,555</u>	<u>75,555</u>	<u>38,017</u>	<u>37,538</u>
Accounting	<u>\$ 920,061</u>	<u>\$ 918,061</u>	<u>\$ 864,974</u>	<u>\$ 53,087</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
FINANCE (Continued)				
Procurement and Records				
Personal Services	\$ 423,876	\$ 425,876	\$ 445,984	\$ (20,108)
Materials, Supplies and Equipment	<u>87,441</u>	<u>87,441</u>	<u>79,136</u>	<u>8,305</u>
Procurement and Records	<u>511,317</u>	<u>513,317</u>	<u>525,120</u>	<u>(11,803)</u>
Delinquent Accounts Division				
Personal Services	254,806	254,806	257,621	(2,815)
Materials, Supplies and Equipment	<u>133,378</u>	<u>156,271</u>	<u>15,454</u>	<u>140,817</u>
Delinquent Accounts Division	<u>388,184</u>	<u>411,077</u>	<u>273,075</u>	<u>138,002</u>
Central Cashier				
Personal Services	525,891	525,891	493,583	32,308
Materials, Supplies and Equipment	<u>416,341</u>	<u>417,761</u>	<u>344,894</u>	<u>72,867</u>
Central Cashier	<u>942,232</u>	<u>943,652</u>	<u>838,477</u>	<u>105,175</u>
Billing & Customer Service				
Personal Services	189,421	189,421	227,737	(38,316)
Materials, Supplies and Equipment	<u>28,042</u>	<u>28,034</u>	<u>27,825</u>	<u>209</u>
Billing & Customer Service	<u>217,463</u>	<u>217,455</u>	<u>255,562</u>	<u>(38,107)</u>
Finance Parking				
Personal Services	1,407,368	1,407,368	1,309,449	97,919
Materials, Supplies and Equipment	<u>3,218,446</u>	<u>3,220,805</u>	<u>3,095,289</u>	<u>125,516</u>
Finance Parking	<u>4,625,814</u>	<u>4,628,173</u>	<u>4,404,738</u>	<u>223,435</u>
Finance Department Total				
Personal Services	5,337,111	5,337,111	5,286,945	50,166
Materials, Supplies and Equipment	4,233,773	4,293,516	3,842,338	451,178
Debt Service	<u>64,419</u>	<u>64,419</u>	<u>24,774</u>	<u>39,645</u>
Finance Department Total	<u>\$ 9,635,303</u>	<u>\$ 9,695,046</u>	<u>\$ 9,154,057</u>	<u>\$ 540,989</u>
HUMAN RESOURCES				
Personnel - Admin				
Personal Services	\$ 288,444	\$ 288,444	\$ 300,975	\$ (12,531)
Materials, Supplies and Equipment	<u>33,846</u>	<u>33,981</u>	<u>10,312</u>	<u>23,669</u>
Personnel - Admin	<u>322,290</u>	<u>322,425</u>	<u>311,287</u>	<u>11,138</u>
Human Resource and Services				
Personal Services	1,527,831	1,527,831	1,136,104	391,727
Materials, Supplies and Equipment	298,957	298,632	99,257	199,375
Debt Service	<u>25,791</u>	<u>25,791</u>	<u>17,537</u>	<u>8,254</u>
Human Resource and Services	<u>1,852,579</u>	<u>1,852,254</u>	<u>1,252,898</u>	<u>599,356</u>
Human Resources Department Total				
Personal Services	1,816,275	1,816,275	1,437,079	379,196
Materials, Supplies and Equipment	332,803	332,613	109,569	223,044
Debt Service	<u>25,791</u>	<u>25,791</u>	<u>17,537</u>	<u>8,254</u>
Human Resources Department Total	<u>\$ 2,174,869</u>	<u>\$ 2,174,679</u>	<u>\$ 1,564,185</u>	<u>\$ 610,494</u>
TREASURER				
Treasurer's Office				
Personal Services	\$ 354,811	\$ 354,811	\$ 397,512	\$ (42,701)
Materials, Supplies and Equipment	<u>105,646</u>	<u>130,646</u>	<u>125,143</u>	<u>5,503</u>
Treasurer's Office	<u>\$ 460,457</u>	<u>\$ 485,457</u>	<u>\$ 522,655</u>	<u>\$ (37,198)</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PLANNING				
Planning				
Personal Services	\$ 1,106,047	\$ 1,106,047	\$ 1,032,354	\$ 73,693
Materials, Supplies and Equipment	217,724	310,226	173,687	136,539
Debt Service	121,082	121,082	173,305	(52,223)
Planning	<u>\$ 1,444,853</u>	<u>\$ 1,537,355</u>	<u>\$ 1,379,346</u>	<u>\$ 158,009</u>
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	\$ 146,394	\$ 146,394	\$ 176,271	\$ (29,877)
Materials, Supplies and Equipment	1,631,796	1,680,321	1,714,021	(33,700)
Debt Service	471,501	471,501	467,850	3,651
Real Estate and Housing - Admin	<u>2,249,691</u>	<u>2,298,216</u>	<u>2,358,142</u>	<u>(59,926)</u>
Real Estate and Housing - Rehabilitation				
Personal Services	138,748	138,748	238,526	(99,778)
Materials, Supplies and Equipment	409,200	402,675	365,751	36,924
Debt Service	151,314	151,314	20,956	130,358
Real Estate and Housing - Rehabilitation	<u>699,262</u>	<u>692,737</u>	<u>625,233</u>	<u>67,504</u>
Real Estate & Housing Department Total				
Personal Services	285,142	285,142	414,797	(129,655)
Materials, Supplies and Equipment	2,040,996	2,082,996	2,079,772	3,224
Debt Service	622,815	622,815	488,806	134,009
Real Estate & Housing Department Total	<u>\$ 2,948,953</u>	<u>\$ 2,990,953</u>	<u>\$ 2,983,375</u>	<u>\$ 7,578</u>
PUBLIC WORKS				
Public Works - Admin				
Personal Services	\$ 850,554	\$ 850,554	\$ 846,878	\$ 3,676
Materials, Supplies and Equipment	322,276	332,276	336,991	(4,715)
Debt Service	76,884	76,884	14,269	62,615
Public Works - Admin	<u>1,249,714</u>	<u>1,259,714</u>	<u>1,198,138</u>	<u>61,576</u>
Street Maintenance				
Personal Services	132,765	132,765	74,980	57,785
Materials, Supplies and Equipment	415,360	404,060	464,995	(60,935)
Debt Service	2,826,446	2,826,446	2,182,091	644,355
Street Maintenance	<u>3,374,571</u>	<u>3,363,271</u>	<u>2,722,066</u>	<u>641,205</u>
Transportation/WILDOT				
Personal Services	1,399,792	1,399,792	1,323,642	76,150
Materials, Supplies and Equipment	1,179,181	1,310,677	992,794	317,883
Debt Service	1,031,279	1,031,279	807,764	223,515
Transportation/WILDOT	<u>\$ 3,610,252</u>	<u>\$ 3,741,748</u>	<u>\$ 3,124,200</u>	<u>\$ 617,548</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	\$ 3,281,799	\$ 3,331,799	\$ 2,881,213	\$ 450,586
Materials, Supplies and Equipment	2,268,987	2,120,487	1,848,536	271,951
Street Cleaning	<u>5,550,786</u>	<u>5,452,286</u>	<u>4,729,749</u>	<u>722,537</u>
Rubbish Collection				
Personal Services	3,714,195	3,764,195	3,471,986	292,209
Materials, Supplies and Equipment	3,865,732	4,202,661	3,885,153	317,508
Debt Service	-	-	330,797	(330,797)
Rubbish Collection	<u>7,579,927</u>	<u>7,966,856</u>	<u>7,687,936</u>	<u>278,920</u>
Property Maintenance				
Personal Services	439,897	439,897	547,867	(107,970)
Materials, Supplies and Equipment	3,285,567	3,294,827	3,042,864	251,963
Debt Service	699,041	699,041	511,195	187,846
Property Maintenance	<u>4,424,505</u>	<u>4,433,765</u>	<u>4,101,926</u>	<u>331,839</u>
Public Works Department Total				
Personal Services	9,819,002	9,919,002	9,146,566	772,436
Materials, Supplies and Equipment	11,337,103	11,664,988	10,571,333	1,093,655
Debt Service	4,633,650	4,633,650	3,846,116	787,534
Public Works Department Total	<u>\$ 25,789,755</u>	<u>\$ 26,217,640</u>	<u>\$ 23,564,015</u>	<u>\$ 2,653,625</u>
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	\$ 453,799	\$ 453,799	\$ 476,886	\$ (23,087)
Materials, Supplies and Equipment	179,417	179,417	169,503	9,914
Debt Service	658,334	658,334	526,425	131,909
Parks and Recreation - Admin	<u>1,291,550</u>	<u>1,291,550</u>	<u>1,172,814</u>	<u>118,736</u>
Park Maintenance				
Personal Services	2,002,416	2,002,416	1,876,440	125,976
Materials, Supplies and Equipment	1,335,354	1,334,428	1,324,751	9,677
Debt Service	788,350	788,350	586,566	201,784
Park Maintenance	<u>4,126,120</u>	<u>4,125,194</u>	<u>3,787,757</u>	<u>337,437</u>
Recreation				
Personal Services	613,797	613,797	616,070	(2,273)
Materials, Supplies and Equipment	278,617	278,891	275,093	3,798
Recreation	<u>\$ 892,414</u>	<u>\$ 892,688</u>	<u>\$ 891,163</u>	<u>\$ 1,525</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance from Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	\$ 489,750	\$ 489,750	\$ 482,929	\$ 6,821
Materials, Supplies and Equipment	349,448	359,608	392,862	(33,254)
Debt Service	83,853	83,853	68,590	15,263
William Hicks Anderson Center	<u>923,051</u>	<u>933,211</u>	<u>944,381</u>	<u>(11,170)</u>
Youth and Families				
Personal Services	877,115	877,115	730,571	146,544
Materials, Supplies and Equipment	150,437	263,064	251,833	11,231
Youth and Families	<u>1,027,552</u>	<u>1,140,179</u>	<u>982,404</u>	<u>157,775</u>
Parks and Recreation Department Total				
Personal Services	4,436,877	4,436,877	4,182,896	253,981
Materials, Supplies and Equipment	2,293,273	2,415,408	2,414,042	1,366
Debt Service	1,530,537	1,530,537	1,181,581	348,956
Parks and Recreation Department Total	<u>\$ 8,260,687</u>	<u>\$ 8,382,822</u>	<u>\$ 7,778,519</u>	<u>\$ 604,303</u>
LICENSE & INSPECTION				
License and Inspection				
Personal Services	\$ 4,206,365	\$ 4,206,365	\$ 3,925,390	\$ 280,975
Materials, Supplies and Equipment	997,938	997,938	565,007	432,931
Special Purpose	256,385	256,385	256,385	-
Debt Service	8,558	8,558	779	7,779
License and Inspection	<u>\$ 5,469,246</u>	<u>\$ 5,469,246</u>	<u>\$ 4,747,561</u>	<u>\$ 721,685</u>
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	\$ 4,960,487	\$ 4,960,487	\$ 6,325,319	\$ (1,364,832)
Materials, Supplies and Equipment	462,734	452,064	413,819	38,245
Debt Service	1,411,678	1,411,678	845,840	565,838
Fire - Admin	<u>6,834,899</u>	<u>6,824,229</u>	<u>7,584,978</u>	<u>(760,749)</u>
Fire - Suppression				
Personal Services	15,701,779	15,701,779	16,398,402	(696,623)
Materials, Supplies and Equipment	1,660,484	1,691,050	1,922,154	(231,104)
Fire - Suppression	<u>17,362,263</u>	<u>17,392,829</u>	<u>18,320,556</u>	<u>(927,727)</u>
Fire - Prevention				
Personal Services	905,443	905,443	863,590	41,853
Materials, Supplies and Equipment	302,993	345,762	399,327	(53,565)
Fire - Prevention	<u>1,208,436</u>	<u>1,251,205</u>	<u>1,262,917</u>	<u>(11,712)</u>
Fire Department Total				
Personal Services	21,567,709	21,567,709	23,587,311	(2,019,602)
Materials, Supplies and Equipment	2,426,211	2,488,876	2,735,300	(246,424)
Debt Service	1,411,678	1,411,678	845,840	565,838
Fire Department Total	<u>\$ 25,405,598</u>	<u>\$ 25,468,263</u>	<u>\$ 27,168,451</u>	<u>\$ (1,700,188)</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance from Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
POLICE DEPARTMENT				
Police - Admin				
Personal Services	\$ 5,814,469	\$ 5,814,469	\$ 6,079,085	\$ (264,616)
Materials, Supplies and Equipment	1,127,927	1,119,116	1,116,508	2,608
Debt Service	49,955	49,955	51,846	(1,891)
Police - Admin	<u>6,992,351</u>	<u>6,983,540</u>	<u>7,247,439</u>	<u>(263,899)</u>
Police - Patrol				
Personal Services	24,588,301	24,588,301	23,633,609	954,692
Materials, Supplies and Equipment	2,666,956	2,666,956	2,747,852	(80,896)
Debt Service	201,114	201,114	77,239	123,875
Police - Patrol	<u>27,456,371</u>	<u>27,456,371</u>	<u>26,458,700</u>	<u>997,671</u>
Police - Special Operations				
Personal Services	3,999,075	3,999,075	3,997,432	1,643
Materials, Supplies and Equipment	463,986	474,986	479,417	(4,431)
Police - Special Operations	<u>4,463,061</u>	<u>4,474,061</u>	<u>4,476,849</u>	<u>(2,788)</u>
Police - Support Services				
Personal Services	1,317,487	1,717,487	1,198,085	519,402
Materials, Supplies and Equipment	1,538,199	1,596,369	1,378,647	217,722
Police - Support Services	<u>2,855,686</u>	<u>3,313,856</u>	<u>2,576,732</u>	<u>737,124</u>
Police - Investigations				
Personal Services	10,362,241	10,362,241	11,431,879	(1,069,638)
Materials, Supplies and Equipment	1,081,305	1,084,299	969,944	114,355
Police - Investigations	<u>11,443,546</u>	<u>11,446,540</u>	<u>12,401,823</u>	<u>(955,283)</u>
Police - Communications				
Personal Services	5,101,311	5,101,311	4,910,787	190,524
Materials, Supplies and Equipment	450,034	455,734	561,229	(105,495)
Debt Service	-	-	-	-
Police - Communications	<u>5,551,345</u>	<u>5,557,045</u>	<u>5,472,016</u>	<u>85,029</u>
Police Operations				
Materials, Supplies and Equipment	517,146	517,146	508,684	8,462
Police Operations	<u>517,146</u>	<u>517,146</u>	<u>508,684</u>	<u>8,462</u>
Police Department Total				
Personal Services	51,182,884	51,582,884	51,250,877	332,007
Materials, Supplies and Equipment	7,845,553	7,914,606	7,762,281	152,325
Debt Service	251,069	251,069	129,085	121,984
Police Department Total	<u>\$ 59,279,506</u>	<u>\$ 59,748,559</u>	<u>\$ 59,142,243</u>	<u>\$ 606,316</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
INFORMATION TECHNOLOGIES				
Data Processing				
Personal Services	\$ 1,528,925	\$ 1,527,228	\$ 1,440,637	\$ 86,591
Materials, Supplies and Equipment	4,187,992	4,325,708	4,161,693	164,015
Debt Service	368,776	368,776	476,579	(107,803)
Data Processing	<u>6,085,693</u>	<u>6,221,712</u>	<u>6,078,909</u>	<u>142,803</u>
Document Management				
Personal Services	36,358	36,758	38,083	(1,325)
Materials, Supplies and Equipment	25,030	25,030	15,136	9,894
Document Management	<u>61,388</u>	<u>61,788</u>	<u>53,219</u>	<u>8,569</u>
Mail Service				
Personal Services	66,703	66,703	67,638	(935)
Materials, Supplies and Equipment	176,276	222,276	203,405	18,871
Mail Service	<u>242,979</u>	<u>288,979</u>	<u>271,043</u>	<u>17,936</u>
Duplication & Printing				
Personal Services	36,355	36,355	36,309	46
Materials, Supplies and Equipment	214,031	217,021	162,302	54,719
Duplication & Printing	<u>250,386</u>	<u>253,376</u>	<u>198,611</u>	<u>54,765</u>
Mapping & Graphics				
Personal Services	217,582	217,582	221,485	(3,903)
Materials, Supplies and Equipment	58,997	59,265	25,738	33,527
Mapping & Graphics	<u>276,579</u>	<u>276,847</u>	<u>247,223</u>	<u>29,624</u>
Communications				
Personal Services	280,504	281,801	291,698	(9,897)
Materials, Supplies and Equipment	1,287,063	1,327,244	1,371,759	(44,515)
Debt Service	17,051	17,051	1,198	15,853
Communications	<u>1,584,618</u>	<u>1,626,096</u>	<u>1,664,655</u>	<u>(38,559)</u>
Information Technologies Total				
Personal Services	2,166,427	2,166,427	2,095,846	70,577
Materials, Supplies and Equipment	5,949,389	6,176,544	5,940,033	236,511
Debt Service	385,827	385,827	477,777	(91,950)
Information Technologies Total	<u>\$ 8,501,643</u>	<u>\$ 8,728,798</u>	<u>\$ 8,513,656</u>	<u>\$ 215,138</u>
TOTAL EXPENDITURES	<u>\$ 163,501,049</u>	<u>\$ 164,750,997</u>	<u>\$ 159,254,974</u>	<u>\$ 5,496,023</u>

CITY OF WILMINGTON, DELAWARE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

City of Wilmington, Delaware
Combining Balance Sheet
Non-Major Governmental Funds - Special Revenue Funds
June 30, 2021

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)	\$ 1,474,765	\$ 172,763	\$ -	\$ 1,624,018	\$ 31,142	\$ 1,621,538	\$ 60,281	\$ 106,944	\$ 1,966,021	\$ 1,542,681	\$ 8,600,153
Restricted Assets:											
Cash and Investments (Note 3)	-	6,036,808	-	-	-	2,610	-	-	-	-	6,039,418
Receivables, Net (Note 4)	-	29,752	-	-	74,002	-	-	504,452	-	720,045	1,328,251
Due from Other Funds (Note 7)	-	5,611	-	-	-	-	-	-	-	-	5,611
Due from Other Governments	177,966	16,969	390,435	323,806	-	-	310,732	-	-	935,498	2,155,406
Property Held for Future Use	-	-	-	-	100,000	-	-	-	-	-	100,000
Prepaid Items & Other Assets	-	21,418	-	-	-	-	-	10,261	-	-	31,679
Total Assets	1,652,731	6,283,321	390,435	1,947,824	205,144	1,624,148	371,013	621,657	1,966,021	3,198,224	18,260,518
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	399,194	22,410	329,602	139,668	331,948	3,870	17,764	9,203	17,741	483,546	1,754,946
Salaries and Benefits Payable	1,823	4,937	37,502	1,936	-	-	14,515	-	24,432	96,476	181,621
Due to Other Funds	-	107,745	3,123	-	68,757	-	-	4,533	2,576	261,937	448,671
Unearned Revenue	104,252	-	-	-	-	-	474,930	-	-	1,264,088	1,843,270
Other Liabilities	-	-	-	-	680,285	-	-	-	-	-	680,285
Total Liabilities	505,269	135,092	370,227	141,604	1,080,990	3,870	507,209	13,736	44,749	2,106,047	4,908,793
Deferred Inflows of Resources:											
Unavailable Revenues	-	-	-	-	-	-	565,474	-	-	901,442	1,466,916
Fund Balances:											
Nonspendable	-	1,113,307	-	-	-	-	-	10,261	-	-	1,123,568
Restricted	-	5,034,922	20,208	1,806,220	-	-	-	-	1,921,272	156,963	8,939,585
Committed	1,147,462	-	-	-	-	1,620,278	-	597,660	-	33,772	3,399,172
Unassigned	-	-	-	-	(875,846)	-	(701,670)	-	-	-	(1,577,516)
Total Fund Balances	1,147,462	6,148,229	20,208	1,806,220	(875,846)	1,620,278	(701,670)	607,921	1,921,272	190,735	11,884,809
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,652,731	\$ 6,283,321	\$ 390,435	\$ 1,947,824	\$ 205,144	\$ 1,624,148	\$ 371,013	\$ 621,657	\$ 1,966,021	\$ 3,198,224	\$ 18,260,518

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, 2021

	Park Recreation Assistance	Wilmington Park Related Commissions	Community Development & Recovery Block Grants	Home Partnership Program	Housing Strategic	Economic Strategic	Delaware Criminal Justice Planning	City Fest	Cable Television	Other Non-Major Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES											
Intergovernmental	\$ 3,554,468	\$ -	\$ 2,042,029	\$ 311,004	\$ 46,299	\$ -	\$ 1,592,558	\$ 17,950	\$ -	\$ 8,618,971	\$ 16,183,279
Franchise Tax Revenue	-	-	-	-	-	-	-	1,000,215	-	-	1,000,215
Program Revenue	21,083	16,969	519,742	286,285	27,951	65,694	-	13,788	60,000	998,665	2,010,177
Public Contributions	-	1,044	-	-	-	-	-	175,698	-	129,200	305,942
Other/Private Contributions	-	130,903	-	-	-	-	-	-	-	-	130,903
Investment Earnings	-	1,156,914	-	-	-	-	-	-	-	-	1,156,914
Total Revenues	3,575,551	1,305,830	2,561,771	597,289	74,250	65,694	1,592,558	207,436	1,060,215	9,746,836	20,787,430
EXPENDITURES											
Current:											
General Governmental Services	-	79,721	-	-	20,000	226,370	-	432,053	1,185,465	1,300,933	3,244,542
Real Estate and Housing	-	-	2,528,980	381,598	594,039	-	-	-	-	1,289,069	4,793,686
Public Works	-	-	-	-	-	-	-	-	-	1,020,921	1,020,921
Parks and Recreation	3,267,827	279,125	-	-	-	-	-	75,077	-	74,507	3,696,536
Public Safety	-	-	-	-	-	-	1,854,498	-	-	5,342,670	7,197,168
Capital Outlays	-	-	-	-	-	164,066	-	-	-	-	164,066
Total Expenditures	3,267,827	358,846	2,528,980	381,598	614,039	390,436	1,854,498	507,130	1,185,465	9,028,100	20,116,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	307,724	946,984	32,791	215,691	(539,789)	(324,742)	(261,940)	(299,694)	(125,250)	718,736	670,511
Other Financing Sources(Uses)											
Transfers In	112,500	-	-	-	391,331	1,250,000	-	565,000	-	30,000	2,348,831
Transfers Out	-	-	-	(204,917)	-	-	-	-	-	-	(204,917)
Total Other Financing Sources (Uses)	112,500	-	-	(204,917)	391,331	1,250,000	-	565,000	-	30,000	2,143,914
Extraordinary Item											
Debt Forgiveness	-	-	-	-	65,553	-	-	-	-	-	65,553
Disposal of operations	-	-	-	-	-	-	-	(109,609)	-	-	(109,609)
Net change in Fund Balances	420,224	946,984	32,791	10,774	(82,905)	925,258	(261,940)	155,697	(125,250)	748,736	2,770,369
Fund Balance - Beginning	727,238	5,201,245	(12,583)	1,795,446	(851,063)	695,020	(439,730)	452,224	2,046,522	(558,001)	9,056,318
Prior Period Adjustment (Note 18)	-	-	-	-	58,122	-	-	-	-	-	58,122
Fund Balance - Ending	\$ 1,147,462	\$ 6,148,229	\$ 20,208	\$ 1,806,220	\$ (875,846)	\$ 1,620,278	\$ (701,670)	\$ 607,921	\$ 1,921,272	\$ 190,735	\$ 11,884,809

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget-
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Park Recreation Assistance				
Revenues	\$ 3,554,468	\$ 3,554,468	\$ 3,554,468	\$ -
Expenditures	<u>3,554,468</u>	<u>3,554,468</u>	<u>3,267,826</u>	<u>286,642</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,642</u>	<u>\$ (286,642)</u>
Community Development Block Grant				
Revenues	\$ 2,561,771	\$ 2,561,771	\$ 2,561,771	\$ -
Expenditures	<u>2,561,771</u>	<u>2,561,771</u>	<u>2,528,980</u>	<u>32,791</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,791</u>	<u>\$ (32,791)</u>
Home Partnership Program				
Revenues	\$ 597,289	\$ 597,289	\$ 597,289	\$ -
Expenditures	<u>597,289</u>	<u>597,289</u>	<u>586,515</u>	<u>10,774</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,774</u>	<u>\$ (10,774)</u>
Housing Strategic				
Revenues	\$ -	\$ -	\$ 74,801	\$ 74,801
Expenditures	<u>74,285</u>	<u>74,285</u>	<u>614,039</u>	<u>(539,754)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (74,285)</u>	<u>\$ (74,285)</u>	<u>\$ (539,238)</u>	<u>\$ (464,953)</u>
Economic Strategic				
Revenues	\$ 4,631,001	\$ 4,631,001	\$ 65,694	\$ (4,565,307)
Expenditures	<u>4,516,364</u>	<u>5,716,364</u>	<u>390,436</u>	<u>5,325,928</u>
Deficiency of Revenues Under Expenditures	<u>\$ 114,637</u>	<u>\$ (1,085,363)</u>	<u>\$ (324,742)</u>	<u>\$ (760,621)</u>
Delaware Criminal Justice Planning				
Revenues	\$ 1,592,558	\$ 1,592,558	\$ 1,592,558	\$ -
Expenditures	<u>1,592,558</u>	<u>1,592,558</u>	<u>1,854,498</u>	<u>(261,940)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,940)</u>	<u>\$ 261,940</u>
Cable Television				
Revenues	\$ 1,060,215	\$ 1,060,215	\$ 1,060,215	\$ -
Expenditures	<u>1,060,215</u>	<u>1,060,215</u>	<u>1,182,889</u>	<u>(122,674)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,674)</u>	<u>\$ 122,674</u>
HUD Emergency Shelter				
Revenues	\$ 306,189	\$ 306,189	\$ 306,189	\$ -
Expenditures	<u>306,189</u>	<u>306,189</u>	<u>357,397</u>	<u>(51,208)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,208)</u>	<u>\$ 51,208</u>
National Endowment for Art				
Revenues	\$ 15,414	\$ 15,414	\$ 15,414	\$ -
Expenditures	<u>15,414</u>	<u>15,414</u>	<u>94,272</u>	<u>(78,858)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,858)</u>	<u>\$ 78,858</u>
Delaware Neighborhood Stabilization Program				
Revenues	\$ 25,064	\$ 25,064	\$ 25,064	\$ -
Expenditures	<u>25,064</u>	<u>25,064</u>	<u>55,133</u>	<u>(30,069)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,069)</u>	<u>\$ 30,069</u>

CITY OF WILMINGTON, DELAWARE

INTERNAL SERVICE FUNDS

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

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

Additional internal service funds are as follows:

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

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

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

City of Wilmington, Delaware

Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Motor Vehicle	Risk Management	Workers' Compensation	Health and Welfare	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ -	\$ 5,833,841	\$ 16,758,691	\$ 4,676,523	\$ 27,269,055
Receivables, Net (Note 4)	38,314	-	-	-	38,314
Due From Other Governments	-	-	-	-	-
Prepaid Items & Other Assets	110,483	-	355,000	384,862	850,345
Total Current Assets	148,797	5,833,841	17,113,691	5,061,385	28,157,714
Noncurrent Assets:					
Capital Assets, Net:					
Construction in Progress	610,260	-	-	-	610,260
Building and Improvements	2,869,389	-	-	-	2,869,389
Machinery & Equipment	667,152	-	8,016	-	675,168
Vehicles	13,670,053	-	-	-	13,670,053
Total Noncurrent Assets	17,816,854	-	8,016	-	17,824,870
Total Assets	17,965,651	5,833,841	17,121,707	5,061,385	45,982,584
DEFERRED OUTFLOWS OF RESOURCES					
Deferred on Refunding of Bonds	87,284	-	-	-	87,284
Total Deferred Outflows of Resources	87,284	-	-	-	87,284
LIABILITIES					
Current Liabilities:					
Accounts Payable	983,294	83,604	31,743	1,652,813	2,751,454
Salaries and Benefits Payable	-	8,902	43,196	18,404	70,502
Accrued Interest Payable	14,042	8,072	8,072	-	30,186
Due to Other Funds	11,559,933	-	-	-	11,559,933
Bonds Payable	178,088	-	-	-	178,088
Capital Lease	372,488	-	-	-	372,488
Claims Liability	-	1,741,402	3,337,417	1,361,000	6,439,819
Compensated Absences	-	17,776	32,403	29,168	79,347
Total Current Liabilities	13,107,845	1,859,756	3,452,831	3,061,385	21,481,817
Noncurrent Liabilities:					
Due to Other Funds (Note 7)	2,806,321	-	-	-	2,806,321
Bonds Payable	1,284,735	-	-	-	1,284,735
Claims Liabilities	-	3,470,581	13,668,876	-	17,139,457
Total Noncurrent Liabilities	4,091,056	3,470,581	13,668,876	-	21,230,513
Total Liabilities	17,198,901	5,330,337	17,121,707	3,061,385	42,712,330
NET POSITION					
Net investment in capital assets	13,262,506	-	8,016	-	13,270,522
Unassigned	(12,408,472)	503,504	(8,016)	2,000,000	(9,912,984)
Total Net Position	\$ 854,034	\$ 503,504	\$ -	\$ 2,000,000	\$ 3,357,538

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, 2021**

	<u>Motor Vehicle</u>	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Health and Welfare</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES					
Charges for Services	\$ 7,698,100	\$ 3,022,576	\$ 4,636,045	\$ 17,926,436	\$ 33,283,157
Employee Contributions	-	-	-	2,374,317	2,374,317
Other	-	116,871	-	-	116,871
Total Operating Revenues	<u>7,698,100</u>	<u>3,139,447</u>	<u>4,636,045</u>	<u>20,300,753</u>	<u>35,774,345</u>
OPERATING EXPENSES					
Personal Services	-	194,784	491,281	390,611	1,076,676
Materials, Supplies, Equipment and Contracted Services	4,544,357	211,966	446,946	216,606	5,419,875
Depreciation and Amortization	3,414,200	-	391	-	3,414,591
Claims Expense	-	1,783,839	3,446,633	16,909,861	22,140,333
Insurance Premiums	-	952,692	250,794	2,783,675	3,987,161
Total Operating Expenses	<u>7,958,557</u>	<u>3,143,281</u>	<u>4,636,045</u>	<u>20,300,753</u>	<u>36,038,636</u>
Operating Income (Loss)	<u>(260,457)</u>	<u>(3,834)</u>	<u>-</u>	<u>-</u>	<u>(264,291)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Earnings	-	3,834	-	-	3,834
Interest Expense	(76,558)	-	-	-	(76,558)
Bond Issuance Costs	(2,565)	-	-	-	(2,565)
Gain on Sales of Assets	339,580	-	-	-	339,580
Transfers In	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>260,457</u>	<u>3,834</u>	<u>-</u>	<u>-</u>	<u>264,291</u>
Income before Capital Grants and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position - Beginning	<u>854,034</u>	<u>503,504</u>	<u>-</u>	<u>2,000,000</u>	<u>\$ 3,357,538</u>
Total Net Position - Ending	<u>\$ 854,034</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, 2021

	Motor Vehicle	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 7,686,495	\$ 3,022,575	\$ 4,636,045	\$ 19,391,768	\$ 34,736,883
Payments to Suppliers	(4,198,175)	(2,974,332)	(4,846,445)	(18,619,106)	(30,638,058)
Payments to Employees	-	(190,317)	(490,550)	(381,092)	(1,061,959)
Cash Other	-	116,871	-	-	116,871
Net Cash Provided by (Used in) Operating Activities	<u>3,488,320</u>	<u>(25,203)</u>	<u>(700,950)</u>	<u>391,570</u>	<u>3,153,737</u>
Cash Flows from Noncapital Financing Activities					
Advances (To) From Other Funds	1,292,577	(2,427,043)	88,132	(773,554)	(1,819,888)
Investment Earnings	-	3,834	-	-	3,834
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>1,292,577</u>	<u>(2,423,209)</u>	<u>88,132</u>	<u>(773,554)</u>	<u>(1,816,054)</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Debt	404,664	-	-	-	404,664
Acquisition and Construction of Capital Assets	(3,311,516)	-	-	-	(3,311,516)
Principal Paid on Bonds	(976,232)	-	-	-	(976,232)
Interest Paid / Accrued on Bonds	(54,066)	-	-	-	(54,066)
Principal Paid on Capital Leases	(1,324,759)	-	-	-	(1,324,759)
Interest Paid on Capital Leases	(25,754)	-	-	-	(25,754)
Disposal Fixed Assets	506,766	-	-	-	506,766
Net Cash Used in) Noncapital and Related Financing Activities	<u>(4,780,897)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,780,897)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(2,448,412)	(612,818)	(381,984)	(3,443,214)
Cash and Cash Equivalents - June 30, 2020	<u>-</u>	<u>8,282,253</u>	<u>17,371,509</u>	<u>5,058,507</u>	<u>30,712,269</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ -</u>	<u>\$ 5,833,841</u>	<u>\$ 16,758,691</u>	<u>\$ 4,676,523</u>	<u>\$ 27,269,055</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income	\$ (260,457)	\$ (3,834)	\$ -	\$ -	\$ (264,291)
Adjustments to Reconcile Operating Income to Cash Provided by (Use in) Operating Activities:					
Depreciation and Amortization	3,414,200	-	391	-	3,414,591
Changes in assets and liabilities:					
(Increase) Decrease in Receivables	(11,605)	-	-	-	(11,605)
(Increase) Decrease in Prepaid Expense	(110,483)	-	-	(384,864)	(495,347)
Increase (Decrease) in Accounts Payable	456,665	(481,428)	(237,913)	794,915	532,239
Increase (Decrease) in Compensated Absences	-	3,442	(3,763)	6,590	6,269
Increase (Decrease) in Accrued Salaries	-	1,024	4,494	2,929	8,447
Increase (Decrease) in Claims Liability	-	455,593	(464,159)	(28,000)	(36,566)
Net cash Provided (Used) by Operating Activities	<u>\$ 3,488,320</u>	<u>\$ (25,203)</u>	<u>\$ (700,950)</u>	<u>\$ 391,570</u>	<u>\$ 3,153,737</u>

CITY OF WILMINGTON, DELAWARE

FIDUCIARY FUNDS

Retirement Funds

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

Uniformed Plans

Firefighter's Pension
Police Pension

Non-Uniformed Plans

Plan I
Plan II
Plan III
Park Trust
Wilmington Parking Authority

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

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

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

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

Post-Retirement Healthcare Benefit Fund

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

City of Wilmington
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2021

	Firefighters Pension	Police Pension	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension	The Wilmington Parking Authority	Total Retirement Funds	Post - Retirement Healthcare Benefit	Total Pension Trust Funds
ASSETS										
Cash and Cash Equivalents (Note 3)	\$ 3,807,629	\$ 978,758	\$ 1,593	\$ 1,500	\$ 1,352,763	\$ 3,754	\$ -	6,145,997	\$ 143,273	\$ 6,289,270
Receivables:										
Accrued Interest & Other Receivables	1,591,219	2,355,950	5,607	15,416	158,764	-	-	4,126,956	-	4,126,956
Investments, at Fair Value:										
Money Market Funds	719,814	1,417,350	77,191	212,239	1,424,430	-	-	3,851,024	11,515	3,862,539
U.S. Treasury Obligations	3,028,441	5,963,154	324,762	892,943	5,992,940	-	-	16,202,240	-	16,202,240
U.S. Government Agencies - Guaranteed	530,345	1,044,276	56,873	156,373	1,049,492	-	-	2,837,359	-	2,837,359
U.S. Government Agencies - Other	106,403	209,513	11,410	31,373	210,560	-	-	569,259	-	569,259
Corporate & Foreign Bonds and funds	12,234,501	24,090,353	1,311,995	3,607,370	24,210,684	-	-	65,454,903	10,921,048	76,375,951
Common Equity & Marketable Securities	17,565,173	34,586,717	1,883,643	5,179,131	34,759,476	277,076	-	94,251,216	-	94,251,216
Mutual Funds										
Global & International Funds	13,848,028	27,267,469	1,485,026	4,083,122	27,403,669	-	-	74,087,314	5,648,628	79,735,942
Domestic Equity Funds	4,107,663	8,088,196	440,495	1,211,154	8,128,596	25,537	5,834,863	27,836,504	15,122,565	42,959,069
Real Estate Investment Trust and Other	3,663,254	7,213,133	392,838	1,080,119	7,249,162	-	1,003,953	20,602,459	-	20,602,459
Total Investments	55,803,622	109,880,161	5,984,233	16,453,824	110,429,009	302,613	6,838,816	305,692,278	31,703,756	337,396,034
Due from Other Pension Trust Fund	-	-	-	-	-	-	-	-	1,761,238	1,761,238
Total Assets	61,202,470	113,214,869	5,991,433	16,470,740	111,940,536	306,367	6,838,816	315,965,231	33,608,267	349,573,498
LIABILITIES										
Accounts Payable	27,644	14,549	1,455	4,365	161,084	5,940	-	215,037	44,559	259,596
Salaries and Benefits Payable	2,798	4,877	950	1,668	6,134	-	-	16,427	-	16,427
Due to Other Pension Trust Fund	-	-	-	-	1,761,238	-	-	1,761,238	-	1,761,238
Due to Other Governments	-	-	-	-	9,649,533	-	-	9,649,533	-	9,649,533
Compensated Absences	5,724	9,429	2,430	4,447	14,618	-	-	36,648	-	36,648
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	-	178,646	-	178,646
Total Liabilities	81,592	106,194	43,746	18,997	11,601,060	5,940	-	11,857,529	44,559	11,902,088
Net Position										
Held in Trust for Pension & OPEB Benefits	\$ 61,120,878	\$ 113,108,675	\$ 5,947,687	\$ 16,451,743	\$ 100,339,476	\$ 300,427	\$ 6,838,816	\$ 304,107,702	\$ 33,563,708	\$ 337,671,410

City of Wilmington, Delaware
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2021

	<u>Firefighters Pension</u>	<u>Police Pension</u>	<u>Plan I Non- uniformed Pension</u>	<u>Plan II Non- uniformed Pension</u>	<u>Plan III Non- uniformed Pension</u>	<u>Wilmington Park Trust Pension</u>	<u>The Wilmington Parking Authority</u>	<u>Total Retirement Funds</u>	<u>Post - Retirement Healthcare Benefit</u>	<u>Total Pension Trust Funds</u>
ADDITIONS										
Contributions:										
City										
Paid Directly by the City	\$ -	\$ 5,999,923	\$ 20,000	\$ 108,939	\$ 4,798,600	\$ 11,435	\$ -	\$ 10,938,897	\$ 4,481,367	\$ 15,420,264
Paid by the State										
On-Behalf of the City	6,045,958	4,038,108	-	-	-	-	-	10,084,066	-	10,084,066
Employees/Pensioners	62,224	85,555	-	-	382,037	-	-	529,816	864,153	1,393,969
Other Revenue	-	-	-	11,880	11	-	-	11,891	-	11,891
Total Contributions	<u>6,108,182</u>	<u>10,123,586</u>	<u>20,000</u>	<u>120,819</u>	<u>5,180,648</u>	<u>11,435</u>	<u>-</u>	<u>21,564,670</u>	<u>5,345,520</u>	<u>26,910,190</u>
Investment Income										
Investment Earnings	4,869,004	9,134,170	508,122	1,370,237	7,756,486	7,843	480,016	24,125,878	524,665	24,650,543
Net Appreciation										
(Depreciation) in Fair Value	7,267,613	13,633,919	758,436	2,045,254	11,577,548	41,492	1,240,787	36,565,049	6,019,439	42,584,488
Total Investment Earnings	12,136,617	22,768,089	1,266,558	3,415,491	19,334,034	49,335	1,720,803	60,690,927	6,544,104	67,235,031
Less: Investment Expense	(138,881)	(260,546)	(14,494)	(39,085)	(221,231)	-	(7,260)	(681,497)	(8,152)	(689,649)
Net Investment Income	<u>11,997,736</u>	<u>22,507,543</u>	<u>1,252,064</u>	<u>3,376,406</u>	<u>19,112,803</u>	<u>49,335</u>	<u>1,713,543</u>	<u>60,009,430</u>	<u>6,535,952</u>	<u>66,545,382</u>
Total Additions	<u>18,105,918</u>	<u>32,631,129</u>	<u>1,272,064</u>	<u>3,497,225</u>	<u>24,293,451</u>	<u>60,770</u>	<u>1,713,543</u>	<u>81,574,100</u>	<u>11,881,472</u>	<u>93,455,572</u>
DEDUCTIONS										
Benefits Paid	7,874,583	12,389,979	424,799	925,467	6,366,140	11,880	138,022	28,130,870	5,781,917	33,912,787
Administrative Expenses	151,755	189,313	28,446	57,463	240,776	2,835	-	670,588	43,292	713,880
Total Deductions	<u>8,026,338</u>	<u>12,579,292</u>	<u>453,245</u>	<u>982,930</u>	<u>6,606,916</u>	<u>14,715</u>	<u>138,022</u>	<u>28,801,458</u>	<u>5,825,209</u>	<u>34,626,667</u>
Net Increase in Plan Net Position	<u>10,079,580</u>	<u>20,051,837</u>	<u>818,819</u>	<u>2,514,295</u>	<u>17,686,535</u>	<u>46,055</u>	<u>1,575,521</u>	<u>52,772,642</u>	<u>6,056,263</u>	<u>58,828,905</u>
Net Position - Beginning	<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>-</u>	<u>246,071,765</u>	<u>27,507,445</u>	<u>273,579,210</u>
Prior Period Adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,263,295</u>	<u>5,263,295</u>	<u>-</u>	<u>5,263,295</u>
Net Position - Ending	<u>\$ 61,120,878</u>	<u>\$ 113,108,675</u>	<u>\$ 5,947,687</u>	<u>\$ 16,451,743</u>	<u>\$ 100,339,476</u>	<u>\$ 300,427</u>	<u>\$ 6,838,816</u>	<u>\$ 304,107,702</u>	<u>\$ 33,563,708</u>	<u>\$ 337,671,410</u>

CITY OF WILMINGTON, DELAWARE

**STATISTICAL SECTION
(Unaudited)**

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

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	157
Revenue Capacity These schedules contain information to help the reader assess the City’s most consistent year-to-year revenue source, the property tax.	162
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	166
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	170
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the services it performs.	173

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

Table I

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 101,680,177
Restricted	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	14,930,228
Unrestricted	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)	(52,235,995)
Total Governmental Activities Net Position	\$ 111,116,467	\$ 107,648,958	\$ (30,918,607)	\$ (29,158,252)	\$ (25,374,162)	\$ (35,775,381)	\$ (25,992,149)	\$ (13,596,908)	\$ 4,457,430	\$ 64,374,410
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 156,439,637
Restricted	-	-	-	-	-	-	35,165,006	39,571,786	35,649,991	13,526,488
Unrestricted	(16,294,598)	(8,337,387)	(3,290,174)	5,835,485	17,194,095	27,456,260	-	2,215,818	1,057,494	13,674,516
Total Business-type Activities Net Position	\$ 102,097,361	\$ 110,007,755	\$ 113,314,363	\$ 122,693,524	\$ 134,892,041	\$ 148,399,345	\$ 162,395,367	\$ 173,116,715	\$ 178,266,754	\$ 183,640,641
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 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	\$ 258,119,814
Restricted	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	28,456,716
Unrestricted	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)	(38,561,479)
Total Primary Government Net Position	\$ 213,213,828	\$ 217,656,713	\$ 82,395,756	\$ 93,535,272	\$ 109,517,879	\$ 112,623,964	\$ 136,403,218	\$ 159,519,807	\$ 182,724,184	\$ 248,015,051

Note: Net position reflects any prior year restatements.

Table II

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental Activities:										
General Government	\$ 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	\$ 34,607,485
Real Estate and Housing	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	6,887,434
Public Works	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	21,251,659
Parks and Recreation	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	10,529,555
Public Safety	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	68,009,356
Interest on Long-Term Debt	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	772,792
Total Governmental Activities Expenses	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	142,058,281
Business-type Activities:										
Water/Sewer	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	77,663,272
Total Business-Type Activities Expenses	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	77,663,272
Total Primary Government Expenses	\$ 229,224,584	\$ 221,479,572	\$ 226,411,971	\$ 221,069,304	\$ 230,463,747	\$ 253,039,239	\$ 238,424,466	\$ 249,291,771	\$ 263,596,873	\$ 219,721,553
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 15,536,758
Real Estate and Housing	1,915,305	-	-	247,075	339,598	317,489	576,854	135,260	264,168	-
Public Works	283,289	294,972	224,135	162,702	148,264	165,377	154,446	181,463	138,563	169,609
Parks and Recreation	284,258	312,783	190,332	79,359	20,714	510,646	226,823	151,455	67,339	21,470
Public Safety	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	12,892,579
Operating Grants and Contributions	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	33,970,109
Capital Grants and Contributions	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	3,511,069
Total Governmental Activities Revenues	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	66,101,594
Business-type Activities:										
Charges for Services:										
Water	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	83,459,968
Capital Grants and Contributions	574,876	469,271	67,784	167,892	502,438	293,155	4,264,405	1,320,726	6,592,609	1,000,000
Total Business-type Activities Revenues	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	84,459,968
Total Primary Government Revenues	\$ 113,821,932	\$ 108,018,666	\$ 121,018,567	\$ 121,104,752	\$ 124,412,059	\$ 126,234,340	\$ 130,662,478	\$ 134,215,087	\$ 148,058,755	\$ 150,561,562

Table II

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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	\$ 42,351,166
Income Taxes	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	66,104,832
Other Taxes	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	4,472,847
Lodging & Natural Gas Taxes	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	3,008,578
Investment Earnings	494,437	1,049,413	1,004,623	324,461	270,511	1,254,149	1,253,510	2,499,919	735,622	1,578,423
Other Revenues including Capital Asset Sales Gains	-	-	84,681	-	-	176,448	347,572	191,643	370,142	339,579
Grants, Entitlements, and Contributions not Restricted to Specific Programs	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	18,664,658
Loan Forgiveness	-	-	-	-	-	-	-	-	2,845,684	-
Transfers	-	(232,176)	-	2,976	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>136,520,083</u>
Business-type Activities:										
Investment Earnings	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>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>	<u>-</u>
Total Primary Government	<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>	<u>\$ 136,520,083</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 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	\$ 60,563,396
Business-type Activities	4,472,476	7,910,394	11,579,309	10,004,833	12,198,517	13,507,304	13,938,899	10,721,348	5,151,722	6,796,696
Total Primary Government	<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>	<u>\$ 67,360,092</u>

Table III

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	\$ 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	\$ 2,806,321
Committed										
Budget Reserve Account	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	17,270,240
Other Purposes	-	-	-	-	-	-	-	-	-	-
Tax Stabilization Reserve	-	-	-	-	-	-	21,348,108	27,434,463	28,725,708	40,791,428
Unassigned										
Other Purposes	20,964,373	23,262,923	25,592,630	24,694,765	23,788,856	15,139,635	-	-	-	-
Total General Fund	\$ 45,245,468	\$ 46,572,452	\$ 46,057,266	\$ 43,049,158	\$ 42,314,362	\$ 33,928,774	\$ 40,074,179	\$ 46,596,816	\$ 47,945,198	\$ 60,867,989
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	\$ 799,803	\$ 879,788	\$ 991,205	\$ 977,910	\$ 968,468	\$ 1,023,792	\$ 1,059,631	\$ 1,084,776	\$ 934,863	\$ 1,123,568
Restricted										
Capital Projects Funds	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	14,850,007
Park Operations	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	5,034,922
Other Purposes	-	-	245,392	478,635	433,004	78,540	2,761,566	3,090,485	4,029,000	3,904,663
Committed										
Affordable Housing	1,329,261	1,178,585	631,127	(346,207)	1,115,369	386,312	-	-	-	-
Economic Development	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	370,278
Other Purposes	775,204	1,644,281	1,742,099	1,891,276	1,694,095	2,064,464	-	214,372	1,175,450	1,778,894
Unassigned	-	-	(118,672)	(127,655)	(100,017)	(263,146)	(2,546,052)	(3,340,662)	(4,389,798)	(1,577,516)
Total All Other Governmental Funds	\$ 35,711,475	\$ 29,776,985	\$ 26,736,559	\$ 19,991,681	\$ 37,115,018	\$ 27,402,921	\$ 18,365,060	\$ 12,713,927	\$ 6,714,929	\$ 25,484,816

Table IV

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	\$ 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	\$ 44,728,292
Wage Taxes	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	57,470,355
Net Profit	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	7,973,882
Franchise	1,716,982	1,863,137	916,631	899,239	952,421	921,140	2,082,618	2,110,972	1,791,204	2,021,855
Real Estate Transfer	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	4,472,847
Head Taxes	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	3,451,363
Lodging & Natural Gas	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	919,825
Intergovernmental	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	52,052,657
Licenses and Permits	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	4,866,404
Fines and Forfeitures	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	5,487,633
Charges for Services	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	13,264,506
Investment Earnings	494,437	1,049,413	1,004,623	324,455	326,238	997,789	1,321,628	2,176,752	1,474,094	406,518
Other	-	-	-	-	1,704,229	-	-	-	-	-
Total Revenues	165,916,551	161,116,828	159,937,721	167,727,758	168,913,116	170,037,915	175,307,060	182,202,627	192,753,056	197,116,137
EXPENDITURES										
General Government	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	33,342,241
Real Estate and Housing	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	7,493,172
Public Works	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	20,995,372
Parks and Recreation	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	10,293,473
Public Safety	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	97,557,070
Debt Service:										
Principal	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	6,320,813
Interest	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	3,367,518
Capital Outlay - Capital Projects	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	14,937,628
Total Expenditures	169,888,699	165,613,688	163,552,685	174,212,413	174,522,891	188,036,562	180,104,738	190,359,428	206,628,001	194,307,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,972,148)	(4,496,860)	(3,614,964)	(6,484,655)	(5,609,775)	(17,998,647)	(4,797,678)	(8,156,801)	(13,874,945)	2,808,850
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
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	33,404,051	16,853,656	-	-	18,317,711	-	-	12,084,876	-	59,416,892
Bond Refunding	-	-	-	-	-	18,887,944	-	-	-	-
Premium on Debt Issued	686,181	3,604,591	-	-	3,145,040	-	-	850,073	-	12,640,880
Payment to Refunded Bond Escrow Agent	(12,012,682)	(20,275,357)	-	-	(238,505)	(21,523,660)	-	(6,662,166)	-	(41,254,421)
Transfers In	6,500,356	676,363	139,434	43,421	2,125,000	1,841,656	523,244	1,889,746	775,850	1,104,518
Transfers Out	(6,500,356)	(969,899)	(54,753)	(40,445)	(2,180,727)	(1,841,656)	(523,244)	(1,889,746)	(363,576)	(565,000)
Bond Issuance Cost	-	-	-	-	-	-	-	-	(48,575)	(475,050)
Net Appreciation (Depreciation) in Fair Value	-	-	-	-	-	-	-	-	(611,195)	1,006,709
Internal Service Fund Integration (Note 19)	-	-	-	-	-	-	-	-	(2,076,719)	-
Bank Line of Credit Repayment	-	-	-	-	-	-	-	-	(3,378,370)	-
Total Other Financing Sources (Uses)	22,077,550	(110,646)	84,681	416,804	21,168,519	-	1,905,223	12,463,944	6,378,645	31,874,528
EXTRAORDINARY ITEM										
Loan Forgiveness	-	-	-	-	-	-	-	-	2,845,684	(109,609)
Net Change in Fund Balances	18,105,402	(4,607,506)	(3,530,283)	(6,067,851)	15,558,744	(17,998,647)	(2,892,455)	4,307,143	(4,650,616)	34,573,769
Prior Period Adjustments	-	-	(25,329)	(372,073)	-	134,752	-	(3,435,639)	-	-
Net Change in Fund Balances	\$ 18,105,402	\$ (4,607,506)	\$ (3,555,612)	\$ (6,439,924)	\$ 16,388,601	\$ (17,863,895)	\$ (2,892,455)	\$ 871,504	\$ (4,650,616)	\$ 34,573,769
Debt Service as a Percentage of Noncapital Expenditures	6.72%	7.83%	7.58%	7.47%	7.91%	7.47%	7.18%	8.14%	7.33%	5.40%

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

Table V

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

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

Source: New Castle County Board of Taxable Assessment

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

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

Table VI

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

Fiscal Year	City of Wilmington			New Castle County			School Districts		Total	Total
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Operating	Debt Service	School District	Direct & Overlapping
	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Rates
2021	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2020	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2019	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2018	1.8550	0.1400	1.9950	0.2241	0.0195	0.2436	2.3140	-	2.3140	4.5526
2017	1.7250	0.1300	1.8550	0.2265	0.0171	0.2436	2.1740	-	2.1740	4.2726
2016	1.7050	0.1500	1.8550	0.2265	0.0171	0.2436	1.9840	-	1.9840	4.0826
2015	1.7250	0.1300	1.8550	0.2217	0.0219	0.2436	1.7710	-	1.7710	3.8696
2014	1.6470	0.1200	1.7670	0.2217	0.0219	0.2436	1.7410	-	1.7410	3.7516
2013	1.6470	0.1200	1.7670	0.2192	0.0244	0.2436	1.6620	-	1.6620	3.6726
2012	1.6470	0.1200	1.7670	0.2192	0.0244	0.2436	1.6620	-	1.6620	3.4534

Source: City of Wilmington, Revenue Division

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

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

Table VII

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

Taxpayer	2012			2021		
	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	2.58%	\$ 160,414,200	1	7.44%
JP Morgan Chase	-	-	-	54,557,900	2	2.53%
M&T Bank	-	-	-	52,722,360	3	2.44%
Delmarva Power & Light	76,500,000	2	1.97%	49,362,800	4	2.29%
1313 Owner, LLC	-	-	0.00%	41,000,000	5	1.90%
1201 Market Street LLC	51,775,000	7	1.34%	35,000,000	6	1.62%
Calpine Mid-Atlantic	-	-	0.00%	32,703,400	7	1.52%
TRC 300 Delaware, LLC	-	-	-	28,548,300	8	1.32%
Verizon Delaware, LLC	-	-	-	23,554,600	9	1.09%
CCI-Bracebridge	-	-	-	22,976,500	10	1.07%
JEMALS 222 Delaware LLC	-	-	-	22,000,000	11	1.02%
Oak Street	-	-	-	20,319,900	12	0.94%
DCL Leasing Partners	58,084,300	5	1.50%	-	-	-
Bank of America (MBNA)	63,700,000	4	1.64%	15,674,900	13	0.73%
222 Delaware Partners, LP	27,600,000	9	0.71%	-	-	-
Hub Properties Trust	31,152,500	8	0.80%	-	-	-
MacQuarie BDN Christina	63,704,500	3	1.64%	-	-	-
E.I. DuPont Nemours & Co	52,839,800	6	1.36%	-	-	-
Rodney Square Investors, LP	27,000,000	10	0.70%	-	-	-
Totals	\$ 552,356,100		14.24%	\$ 558,834,860		25.91%

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

Table VIII

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

Fiscal Year	Total Tax Levy¹	Collected within the Fiscal Year of Levy		Collections in	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2021	42,087,729	41,348,521	97.0%	200,971	41,147,550	98.0%
2020	44,189,398	42,689,502	97.0%	98,070	42,787,572	97.0%
2019	45,615,595	42,338,103	93.0%	127,455	42,465,558	93.0%
2018	44,048,151	42,013,651	95.4%	134,236	42,147,887	95.7%
2017	40,668,276	39,149,761	96.3%	145,857	39,295,618	96.6%
2016	40,870,003	38,674,616	94.6%	85,165	38,759,781	94.8%
2015	40,483,896	39,025,330	96.4%	106,780	39,132,110	96.7%
2014	38,093,079	37,124,677	97.5%	185,624	37,310,301	97.9%
2013	38,259,246	37,731,960	98.6%	28,896	37,760,856	98.7%
2012	39,745,263	38,702,002	97.4%	n/a	38,702,002	97.4%

Source: City of Wilmington, Finance Department

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

Table IX

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage	
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases		of Personal Income	Per Capita ¹
2021	\$ 132,233,745	\$ 2,007,146	\$ 233,222,162	-	\$ 367,463,053	17.14%	\$ 5,183
2020	110,729,761	4,028,738	199,688,398	-	314,446,897	14.82%	4,481
2019	113,278,478	4,509,973	209,826,762	-	327,615,213	15.61%	4,638
2018	113,331,514	6,336,576	200,618,903	-	320,286,993	16.64%	4,504
2017	121,071,460	8,906,107	205,942,497	-	335,920,064	17.90%	4,702
2016	130,158,601	8,002,476	212,336,961	-	350,498,038	18.77%	4,880
2015	118,554,593	6,342,315	188,301,573	-	313,198,481	17.31%	4,361
2014	123,749,602	8,923,438	185,462,754	-	318,135,794	17.56%	4,473
2013	131,313,797	7,826,042	177,282,263	-	316,422,102	17.34%	4,438
2012	138,515,466	5,563,191	154,748,260	-	298,826,917	16.03%	4,103

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

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

¹ See Table XIII for population data.

This ratio uses population data from the prior calendar year.

Table X

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

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property¹	Per Capita²
2021	\$ 334,341,502	15.50%	\$ 4,716
2020	295,940,402	13.56%	4,218
2019	323,105,240	14.92%	4,592
2018	313,950,417	14.53%	4,415
2017	327,013,957	15.04%	4,577
2016	342,495,562	15.93%	4,769
2015	306,856,166	14.28%	4,273
2014	309,212,356	14.42%	4,348
2013	308,596,060	14.15%	4,329
2012	293,263,726	11.62%	4,025

Source: City of Wilmington, Treasurer's Office

Notes: ¹ See Table V for Actual Taxable Value of Property data.
² See Table XIII for population data.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(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>321,423,997</u>	15.6%	<u>50,142,143</u>
Subtotal - Overlapping Debt	840,353,997		129,538,433
City of Wilmington Direct Debt	191,488,837	100%	<u>191,488,837</u>
Totals			<u>\$ 321,027,270</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.

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

Table XII

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Budget	\$ 140,363,055	\$ 145,043,428	\$ 147,325,316	\$ 150,039,645	\$ 151,696,858	\$ 154,038,640	\$ 154,923,078	\$ 162,299,001	\$ 167,387,739	\$ 167,387,739
Debt Service Limit	24,563,535	25,382,600	25,781,930	26,256,938	26,546,950	26,956,762	27,111,539	28,402,325	29,292,854	28,612,684
Total Net Debt Service Applicable to Limit	<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>	<u>13,636,710</u>	<u>9,688,331</u>
Legal Debt Service Margin	<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>	<u>\$ 15,656,144</u>	<u>\$ 18,924,353</u>
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	45.00%	48.00%	42.00%	48.00%	49.00%	50.00%	45.00%	45.00%	47.00%	34.00%

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.

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

Table XIII

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

Calendar Year	Population	Personal Income	Per Capita Income	Employment	Unemployment Rate	Median Age	Median Household Effective Buying Income
2021	70,898	\$ 2,143,813,724	\$ 30,238	31881	8.40%	35.60	\$ 45,032
2020	70,166	2,121,679,508	30,238	31,881	8.40%	35.80	45,032
2019	70,635	2,098,283,310	29,706	30,393	3.70%	35.70	42,854
2018	71,106	1,924,270,572	27,062	33,460	4.30%	35.00	40,221
2017	71,442	1,876,281,246	26,263	31,918	7.50%	35.30	40,065
2016	71,948	1,867,122,548	25,951	32,622	7.00%	35.10	38,979
2015	71,817	1,809,142,047	25,191	30,320	5.10%	34.80	38,727
2014	71,119	1,811,472,049	25,471	28,652	9.60%	34.80	39,761
2013	71,292	1,824,362,280	25,590	27,985	11.20%	33.70	39,019
2012	71,305	1,824,694,950	25,590	27,718	10.30%	34.40	37,352

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

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

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

Table XIV

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Taxpayer	Calendar Year 2012			Calendar Year 2021		
	Employees	Rank	Percentage of Total ¹ Employment	Employees	Rank	Percentage of Total ¹ Employment
State of Delaware	13,000	1	4.62%	20,600	1	7.56%
Christiana Care Health System	10,400	2	3.69%	11,850	2	4.35%
JP Morgan Chase	-	-	0.00%	11,500	3	4.22%
Bank of America (MBNA)	7,100	4	2.52%	6,300	4	2.31%
Nemours (A.I. DuPont Hospital)	-	-	0.00%	4,207	5	1.54%
University of Delaware	4,000	7	1.42%	4,050	6	1.49%
Amazon (DE Fulfillment Centers)	-	-	0.00%	3,600	7	1.32%
DuPont Company (Science and Engineering)	-	-	0.00%	3,500	8	1.28%
Federal Government	-	-	0.00%	3,400	9	1.25%
W.L. Gore & Associates, Inc.	-	-	0.00%	3,000	10	1.10%
Christina School District	2,300	9	0.82%	2,500	11	0.92%
Red Clay School District	1,750	12	0.62%	2,300	12	0.84%
New Castle County Government	1,250	22	0.44%	2,100	13	0.77%
Capital One	-	-	0.00%	2,000	14	0.73%
Colonial School District	1,271	21	0.45%	1,629	15	0.60%
Appoquinimink School District	-	-	0.00%	1,543	16	0.57%
Brandywine School District	1,450	17	0.52%	1,541	17	0.57%
AstraZeneca Pharmaceuticals LP	4,500	6	1.60%	1,500	18	0.55%
WSFS Bank	-	-	0.00%	1,400	19	0.51%
Amtrak	1,400	20	0.50%	1,350	20	0.50%
CSC	-	-	0.00%	1,350	21	0.50%
Acme Markets	-	-	0.00%	1,336	22	0.49%
Siemens Healthcare Diagnostics	1,630	15	0.58%	1,300	23	0.48%
Trinity Healthcare Mid-Atlantic	-	-	0.00%	1,200	24	0.44%
YMCA of Delaware	-	-	0.00%	1,150	25	0.42%
A.I. Dupont Institute	2,821	8	1.00%	-	-	0.00%
YMCA of Delaware	2,300	10	0.82%	-	-	0.00%
Citibank Delaware	2,000	11	0.71%	-	-	0.00%
Delaware Tech. Comm. College (Public Ed.)	-	-	0.00%	-	-	0.00%
M&T Bank (Wilmington Trust Corp.)	1,700	13	0.60%	-	-	0.00%
Comcast	1,450	18	0.52%	-	-	0.00%
Delaware Park	1,550	16	0.55%	-	-	0.00%
St. Francis Healthcare	1,200	23	0.43%	-	-	0.00%
Delmarva Power	1,438	19	0.51%	-	-	0.00%
Wal-mart Stores, Inc.	4,700	5	1.67%	-	-	0.00%
Walgreen's Inc	1,700	14	0.60%	-	-	0.00%
PNC Financial Services Group	1,100	25	0.39%	-	-	0.00%
E.I. Du Pont Nemours & Company	8,100	3	2.88%	-	-	0.00%
ING Direct	1,122	24	0.40%	-	-	0.00%
Totals	81,232		28.86%	96,206		35.31%

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

Note: ¹ Total Employment in New Castle County

Table XV

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

Company	2021 Withholdings	% of Total
Total of Ten Largest	\$ 21,994,845	38.30%
Total Wage Tax Collected	\$ 59,996,796	100.00%

Source: City Finance Department - Wage Tax

⁽¹⁾ Prepared on a calendar year basis.

Table XVI

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

<u>Function</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>	<u>2020</u>	<u>2021</u>
General Government										
Mayor's Office	58	57	60	59	59	59	57	55	34	34
City Council	28	27	29	29	29	29	29	29	28	28
Audit	4	4	4	4	4	4	4	5	5	5
Law	21	21	21	20	20	20	18	17	17	17
Finance	93	90	87	88	88	86	85	84	85	84
Human Resources	22	22	21	22	22	24	23	24	26	26
Treasurer	6	6	6	6	6	6	7	7	7	7
Planning	11	11	11	11	11	10	10	10	10	10
Information Technologies	-	-	-	-	-	-	-	-	22	21
Real Estate & Housing	16	15	15	12	12	11	11	11	11	11
Parks & Recreation	44	44	44	42	41	41	40	39	41	41
Public Safety										
Police	390	382	382	382	382	381	376	378	380	379
Fire	177	177	177	177	177	177	161	161	161	161
License and Inspection	38	38	38	38	38	38	38	42	43	42
Public Works	<u>226</u>	<u>226</u>	<u>224</u>	<u>223</u>	<u>223</u>	<u>221</u>	<u>219</u>	<u>221</u>	<u>223</u>	<u>225</u>
Totals	<u>1,134</u>	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>1,107</u>	<u>1,078</u>	<u>1,083</u>	<u>1,093</u>	<u>1,091</u>

Source: City of Wilmington, Office of Management and Budget

Note: Budgeted Positions at the end of the fiscal year.

Table XVII

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Physical Arrests/Charges	16,051	12,991	17,143	9,765	10,259	10,335	10,578	10,892	11,134	6,397
Police Calls - Incident	183,041	106,470	102,903	96,703	103,786	97,747	130,263	116,708	100,588	100,979
Police Calls - Administrative	28,449	31,345	60,972	61,544	50,863	104,208	174,733	164,093	152,618	150,726
Fire/EMS Calls	18,932	20,201	20,401	21,992	22,448	23,829	19,819	24,367	24,362	25,757
Inspections	1,677	1,416	1,959	1,756	1,682	1,538	2,356	1,625	1,799	2,452
Parking Violations Issued	71,229	68,465	68,365	66,300	68,365	60,069	55,228	60,475	44,932	27,988
Redlight Tickets Issued	58,708	60,004	41,861	37,764	42,711	38,044	30,080	29,174	34,176	54,357
Building Permits Issued	3,419	3,119	3,150	2,818	2,818	2,961	2,882	3,105	3,045	3,668
Health and Welfare										
Meals served-Summer	211,263	213,549	161,948	225,392	209,052	169,486	169,994	150,160	696,778	808,701
Meals served-Evening	114,201	98,555	91,888	136,437	150,120	154,000	207,415	120,352	181,390	120,223
Emergency Shelter	230	516	1,370	1,449	672	2,649	2,010	471	396	268
HOPWA (Housing) *	177	147	114	114	210	211	191	121	102	173
HPRP	24	-	-	-	-	-	-	37	340	170
Water										
Water Production (millions of gallons)	6,541	5,835	5,749	5,561	5,547	5,760	5,785	5,740	5,464	5,386
Water Sold (millions of gallons)	6,690	3,286	3,262	3,270	3,152	3,337	3,383	3,308	3,301	3,338
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	72.35	75.00	75.00	70.38	65.83	65.83	65.00	81.40	66.00	71.26
Landfill										
Annual Tons of Refuse	20,904	16,838	17,922	20,329	19,853	21,016	23,353	19,331	20,090	29,003

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 XII

**CITY OF WILMINGTON
LEGAL DEBT MARGIN INFORMATION
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