



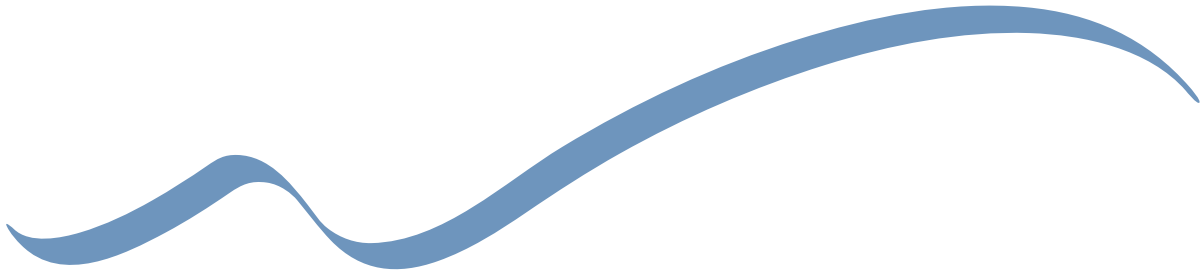
Annual Comprehensive
FINANCIAL REPORT
City of Wilmington, North Carolina
For the Fiscal Year Ended June 30, 2022



(BACK OF COVER)



Annual Comprehensive **FINANCIAL REPORT** City of Wilmington, North Carolina For the Fiscal Year Ended June 30, 2022



Prepared by the Finance Department



W CITY OF
WILMINGTON
NORTH CAROLINA

INTRODUCTORY SECTION TAB (FRONT)

INTRODUCTORY SECTION TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

Annual Comprehensive Financial Report

Year Ended June 30, 2022

Table of Contents

INTRODUCTORY SECTION (Unaudited)	Page
Title Page	i
Table of Contents	iii - vi
Principal Officials	vii
Organizational Chart	ix
Letter of Transmittal	x - xliv
Certificate of Achievement	xliv
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis (Unaudited)	5 - 17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22 - 23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24 - 27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30 - 31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balance - Annual Budget and Actual - General Fund	33
Statement of Net Position - Proprietary Funds	34 - 37
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	38 - 39
Statement of Cash Flows - Proprietary Funds	40 - 43
Statement of Fiduciary Net Position - Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	45
Notes to Financial Statements	47 - 119
Required Supplementary Information (Unaudited):	
Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability	122 - 123
Law Enforcement Officers' Special Separation Allowance - Notes to the Required Schedules	122 - 123

CITY OF WILMINGTON, NORTH CAROLINA

Table of Contents (Continued)

FINANCIAL SECTION (Continued)	Page
Required Supplementary Information (Unaudited): (Continued)	
Law Enforcement Officers' Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll	124 - 125
Law Enforcement Officers' Special Separation Allowance - Notes to the Required Schedules	124 - 125
Other Postemployment Benefits - Schedule of Changes in the City's Net OPEB Liability and Related Ratios	126 - 127
Other Postemployment Benefits - Schedule of City Contributions	128 - 129
Other Postemployment Benefits - Schedule of Investment Returns	130 - 131
Local Governmental Employees' Retirement System - Schedule of City's Proportionate Share of Net Pension Liability (Asset)	132 - 133
Local Governmental Employees' Retirement System - Schedule of City Contributions	134 - 135
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Funds:	
Governmental Funds	137
Special Revenue Funds	138 - 140
Capital Projects Funds	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Funds:	
Governmental Funds	142
Special Revenue Funds	144 - 146
Capital Projects Funds	147
Combining Statement of Fiduciary Net Position - Custodial Funds	148
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	149
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	151 - 154
Special Revenue Funds:	
Special Purpose Fund	155 - 158
Convention Center Fund	159 - 160
Community Development Fund	161 - 162
CDBG/Home Administration Fund (A Subfund of the Community Development Fund)	163
Home Investment Partnership Fund	164 - 165
Special Tax District Fund	166
Capital Projects Funds:	
Streets and Sidewalks Fund	167 - 170
Parks and Recreation Fund	171 - 172
Building Improvements Fund	173 - 175
Public Improvements Fund	176 - 177
Debt Service Fund	179

CITY OF WILMINGTON, NORTH CAROLINA

Table of Contents (Continued)

FINANCIAL SECTION (Continued)	Page
Combining and Individual Fund Statements and Schedules: (continued)	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP):	
Enterprise Funds:	
Recycling and Trash Services Fund	181 - 182
Storm Water Management Fund	183 - 184
Storm Water Capital Projects Fund	185 - 186
Parking Facilities Fund	187 - 188
Parking Facilities Capital Projects Fund	189
Golf Fund	190
Golf Capital Projects Fund	191
Internal Service Funds:	
Combining Statement of Net Position	193
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	194
Combining Statement of Cash Flows	195 - 196
Schedules of Revenues and Expenditures - Budget and Actual (Non - GAAP):	
Equipment, Maintenance and Replacement Fund	197 - 198
Personal Computer Replacement Fund	199
Supplemental Financial Data:	
Schedules of Governmental Funds Capital Assets:	
Schedule by Type and Source	201
Schedule by Function and Activity	202 - 203
Schedule of Changes by Function and Activity	204 - 205
Schedule of Change in Ad Valorem Taxes Receivable	206
Analysis of Current Tax Levy	207
Schedule of Receipts and Disbursements - Room Occupancy Tax	208 - 209
STATISTICAL SECTION (Unaudited)	211
Table 1: Net Position by Component - Last Six Fiscal Years	212 - 213
Table 2: Changes in Net Position - Last Six Fiscal Years	214 - 219
Table 3: Fund Balances of Governmental Funds - Last Ten Fiscal Years	220 - 221
Table 4: Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	222 - 225
Table 5: Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	226

CITY OF WILMINGTON, NORTH CAROLINA

Table of Contents (Continued)

STATISTICAL SECTION (Unaudited) (Continued)	Page
Table 6: Property Tax Rates - Direct and Overlapping Governments (Per \$100 of Assessed Value) - Last Ten Fiscal Years	227
Table 7: Top Ten Taxpayers - Current Year and Nine Years Ago	228
Table 8: Property Tax Levies and Collections - Last Ten Fiscal Years	229
Table 9: Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	230
Table 10: Ratios of General Bond Debt Outstanding - Last Ten Fiscal Years	231
Table 11: Direct and Overlapping Governmental Activities Debt	232
Table 12: Legal Debt Margin Information - Last Ten Fiscal Years	234 - 235
Table 13: Pledged-Revenue Coverage - Last Ten Fiscal Years	236
Table 14: Demographic and Economic Statistics - Last Ten Fiscal Years	237
Table 15: Principal Employers - Current Year and Nine Years Ago	238
Table 16: Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years	239
Table 17: Operating Indicators by Function - Last Ten Fiscal Years	240
Table 18: Capital Asset Statistics by Function - Last Ten Fiscal Years	242 - 243
COMPLIANCE SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	245 - 246
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	247 - 249
Report on Compliance for the Major State Program and Report on Internal Control Over Compliance Required by the State Single Audit Implementation Act	250 - 252
Schedule of Findings and Questioned Costs	253 - 255
Corrective Action Plan	256
Schedule of Expenditures of Federal and State Awards	257 - 261
Notes to Schedule Expenditures of Federal and State Awards	262



City Council

Bill Saffo, Mayor
Margaret Haynes, Mayor Pro-Tem
Neil Anderson
Clifford D. Barnett, Sr.
Charles H. Rivenbark
Kevin Spears
Luke Waddell

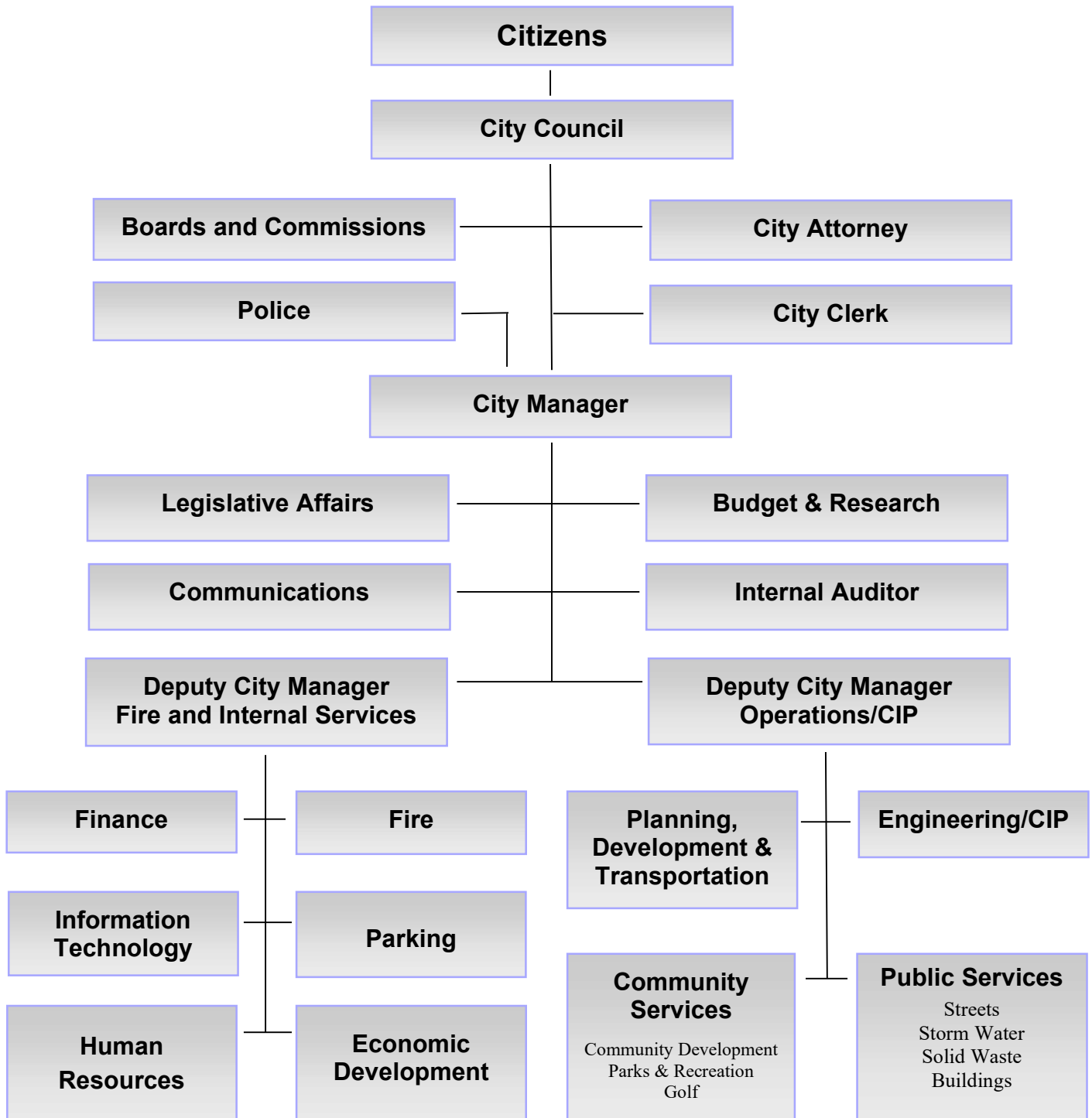
City Manager

Anthony N. Caudle

Finance Director

Jennifer R. Maready





November 29, 2022



TO THE HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL AND CITIZENS OF THE CITY OF WILMINGTON, NORTH CAROLINA

It is our pleasure to submit the Annual Comprehensive Financial Report of the City of Wilmington, North Carolina for the fiscal year ended June 30, 2022. State law requires that all general-purpose local governments annually publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with these requirements.

The Annual Comprehensive Financial Report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect City assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City's comprehensive framework on internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by PBMares LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The independent auditor concluded, based upon the audit that the City's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal and state programs. These auditor reports are available in the Single Audit section of this 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. The City's MD&A can be found immediately following the report of the independent auditors.

305 CHESTNUT STREET • P.O. BOX 1810 • WILMINGTON, NC 28402

PROFILE OF THE CITY OF WILMINGTON



Wilmington, incorporated in 1739, is located approximately at the midpoint of the eastern seaboard of the United States, in the southeastern coastal section of the State. The City is an active business, service and industrial center for the surrounding counties. Numerous State and Federal agencies have regional offices in the area and the City serves as the financial, medical, legal, communications and transportation center for the southeastern part of the State. With a land area of approximately 52.9 square miles, the City is on the Cape Fear River approximately 30 miles from the Atlantic Ocean, the County seat of New Hanover County and home to the State's largest port. The City has a population of 118,063 people, making it the eighth largest city in North Carolina.

The City has a Council-Manager form of government. The Council is comprised of the Mayor and six Council members. The Mayor is elected at large every two years and the Council members are elected at large every four years with staggered terms. The Council is the legislative body of city government with the Mayor as a voting member and the presiding officer. The City Manager is appointed by the Council and administers the daily operations of the City through appointed department heads.



The City provides the full range of services authorized by statute. This includes police, fire, streets, public improvements, planning and zoning and general administrative services. The City also operates parking facilities, a golf course, and provides recycling, trash and storm water management services. In addition, the Cape Fear Public Transportation Authority, a component unit, provides bus transit services within the City.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries and New Hanover County is the only other unit that levies taxes within the City's corporate limits. The City is also empowered by State statute to extend its corporate limits by annexation, upon receipt of a valid petition signed by the owners of the real property located within the area.

The Annual Budget serves as the foundation of the City's financial planning and control. The City's strategic plan is revised as needed and priorities for the upcoming budget process are identified. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the fiscal year. The annual budget is prepared at a functional level (e.g. public safety) for all annually budgeted funds and certain multi-year funds. Department heads may make transfers of appropriations within a department. Transfers of appropriations between functions (e.g. public safety to transportation), however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund and enterprise fund for which an appropriated annual budget has

been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For enterprise funds with appropriated annual budgets, this comparison is presented in the enterprise funds subsection of this report. Also included are budget-to-actual comparisons for each governmental fund and enterprise fund for which a project-length budget has been adopted (i.e., special revenue funds and capital projects funds).

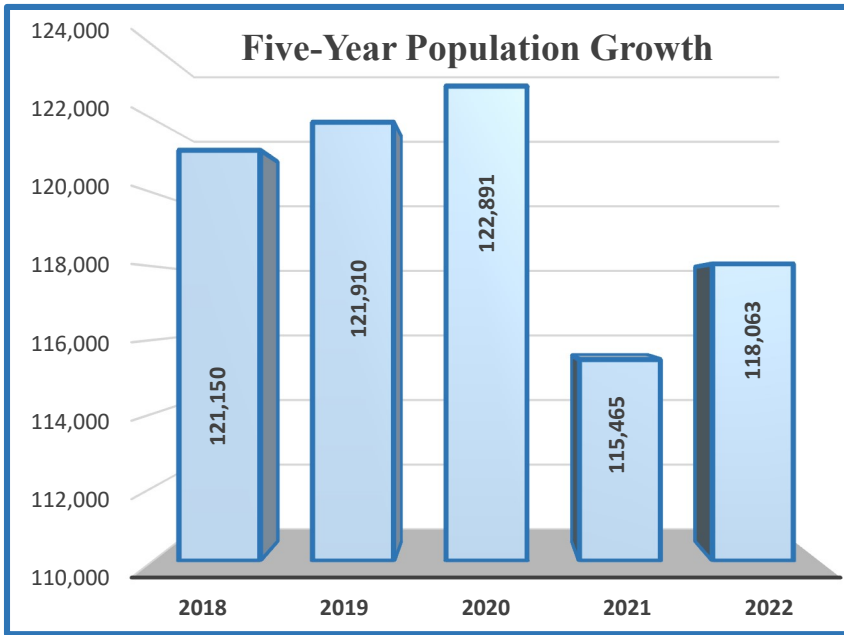
ECONOMIC CONDITIONS AND OUTLOOK

The City serves as the economic, cultural, and services hub for southeastern North Carolina. The historic attractions, mild climate, water related activities, and business opportunities have made the region one of the fastest growing areas in the nation. The Port City continued to receive accolades from various publications throughout the year.

- In its *Best Performing Cities 2022* report, the Milken Institute ranked the Wilmington MSA 21st in the U.S., moving up 16 spots from its 2021 ranking.
- USA Today's 2022 reader's choice travel award contest named the City of Wilmington's Riverwalk as the 3rd best in the nation.
- Niche.com a neighborhood and school research website, ranked Wilmington 41st in 2022 for cities with the best public schools and the 49th best city to retire in America.
- The City of Wilmington was voted the 10th best small U.S. City to visit in 2022 by the Conde Nast reader's choice awards.
- Yelp.com named The City Wilmington the 7th best trending food destination in the U.S. in 2022.
- The personal finance website WalletHub.com ranked Wilmington 30th in 2022's best real estate markets for all small U.S. Cities.

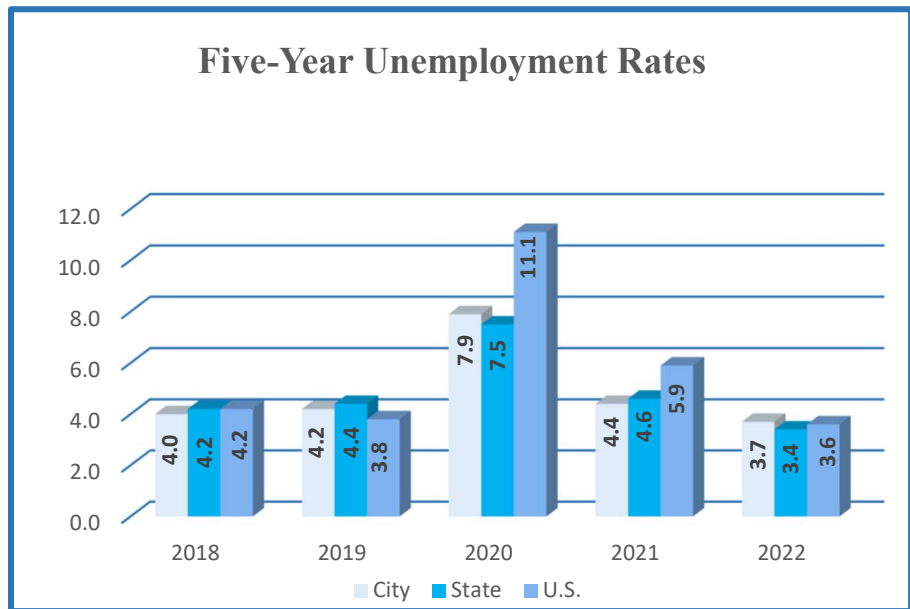
The City of Wilmington was also ranked as one of the top five "Cleanest Cities" in the country for air quality per the American Lung Association's 2022 annual *State of the Air* report. The Association prepares an annual "report card" on air quality Americans are exposed to. This marks the sixth consecutive year the City has been ranked in the top 10.

The City of Wilmington is gearing up for 2022 tourism totals to reach even higher than last year's record-breaking numbers. This year, Wilmington's ILM airport has already broken its all time August total flight passenger record by 5%. Room occupancy tax collections on lodging are already ahead of 2021's record breaking figures through September. Wilmington restaurants continue to be a must visit, offering different cuisines for all food connoisseurs alike. Reader's Digest named the Seabird seafood restaurant of Wilmington the most traditional restaurant in the State of North Carolina for 2022. Regarding entertainment, the 75th Azalea Festival in April of 2022, brought in pre-pandemic attendance and positive economic figures for the City. After opening in July of 2021, the Live Oak Bank Pavilion, with an increased number of concerts in 2022, has helped boost the local economy and make The City of Wilmington a destination for music fans.



The City's population has increased 55.68% since 2000. In 2020, the first U.S. Population Census in 10 years was taken giving a more accurate figure for 2021 resulting in a downward correction from the population estimates of the recent prior years.

Except for the Covid-19 pandemic in 2020, Wilmington's unemployment rate has consistently been near or below state levels and very close to or below the federal levels. This is in part due to the diversity of the local economy with professional services, trade, health care, the hospitality industry, telecommunications equipment, construction and pharmaceuticals.



Top Ten Taxpayers

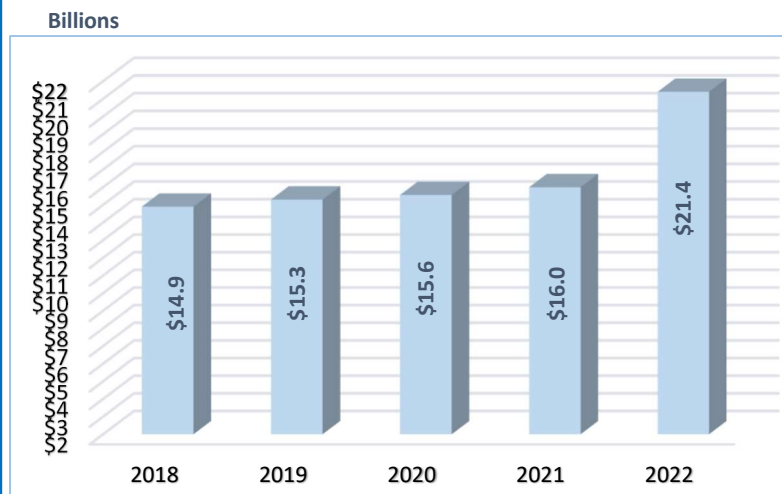
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 231,026,048	1.08 %
River Ventures LLC	91,428,200	0.43
Mayfaire Town Center LP	90,542,646	0.42
Bedrock Holdings II LLC	88,171,000	0.41
Live Oak Bank Company	80,447,617	0.38
RPP Holdings LLC	73,961,300	0.35
Duke Energy Progress	73,896,221	0.34
Wilmington Independent Living LLC	63,619,967	0.30
Arboretum West Mixed Use LLC	61,057,700	0.28
Avalon Apartments LLC	60,553,685	0.28
	\$ 914,704,384	4.27 %

Source: New Hanover County Tax Office

No single taxpayer comprises more than 1.08% of the total tax base providing further confirmation of the City's diversity and non-reliance on any one employer or employment sector for economic stability.

The Assessed Value trend shows the City continues to see positive growth in values. Property in New Hanover County is appraised at least every 4 years. Last appraised in 2017 (effective FY18) and in 2021 (effective FY 22).

Five-Year Assessed Values



LOCAL ECONOMY

Top Ten Employers

Employer	Sector	Employees	Percentage of Total County Employment (1)
Novant Health *	Health Care	8,424	6.87 %
New Hanover County Schools**	Education	3,762	3.07
University of North Carolina (Wilmington)*	Education	2,540	2.07
New Hanover County**	Government	1,892	1.54
Thermo Fisher Scientific (PPD)*	Pharmaceuticals	1,800	1.47
General Electric Nuclear Fuel/Aircraft***	Uranium Enrichment & Nuclear Fuel	1,768	1.44
City of Wilmington*	Government	1,106	0.90
Cape Fear Community College*	Education	1,037	0.85
Coming Inc.*	Optical Fiber	1,000	0.81
Wilmington Health*	Health Care	1,000	0.81
Total		24,329	19.83 %

Sources: Greater Wilmington Business Journal, New Hanover County, New Hanover County Board of Education, and GE Aviation and GE Hitachi Nuclear Energy, PPD, Cape Fear Community College,

* Located within the City of Wilmington

** Located partially in the City of Wilmington

*** Located within New Hanover County

(1) Total employment numbers available from North Carolina Employment Security Commission only on a county basis.

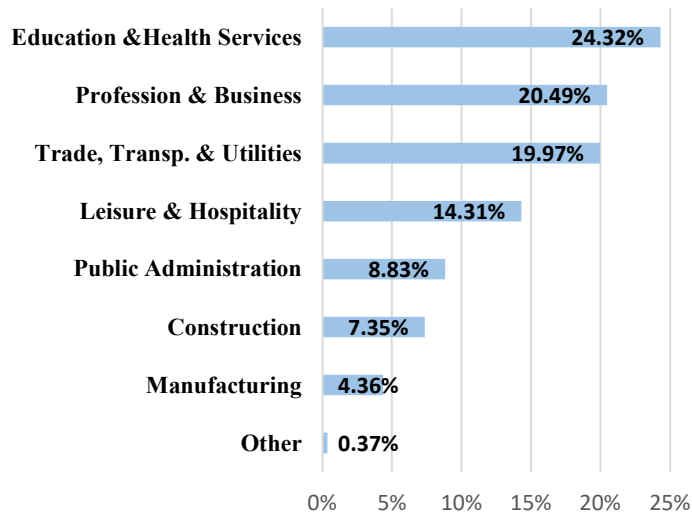
No industry or employer dominates the local economy.

The 10 largest employers continue to show the diversity of the City's economy by representing 6 different sectors. Education and Government represent the only 2 sectors provided by more than one employer.

Local industries are involved in a range of operations from simple assembly to manufacturing processes producing synthetic fibers, fiber optics, nuclear fuel and jet engine components.

Wilmington is the corporate home to PPD a subsidiary of Thermo Fisher Scientific, Live Oak Bank, General Electric Nuclear Fuel, Guilford Mills, and Castle Branch.

Components of Employment



*Taken from the Employment Security Commission of North Carolina
 **Data is the average for 2021

MANUFACTURING AND BUSINESS SERVICES

General Electric's ("GE") global headquarters for nuclear fuel (GE Hitachi Nuclear Energy or "GEH") is located in the County, outside of the City. GEH is a global nuclear alliance created by GE and Hitachi to serve the global nuclear industry by offering the highest level of quality services related to nuclear power plant construction and maintenance. GEH specializes in uranium enrichment technology and one of the world's leading providers of advanced reactors



and nuclear services. In October 2018, GE's Power division split into two divisions: GE Gas Power and GE Power Portfolio. The GE Power Portfolio is made up of GE's steam, grid solutions and power conversion businesses as well as GEH. GE Gas Power combined the company's gas product and services groups. In February of 2021, GEH announced the formation of GEH SMR technologies Canada Ltd. to support the deployment of the BWRX-300 Small Modular Reactor in Canada. This has created 30 new positions in Wilmington as well as 80 new jobs in Canada. In July 2021, GEH entered into a long-term contract extension with the Leibstadt Nuclear Power Plant, the most powerful nuclear plant in Switzerland, to provide a full portfolio of outage and inspection services through 2030.

Global Nuclear Fuel Americas ("GNF") operates a plant in the County, outside of the City, where it manufactures light-water nuclear reactor fuel. GNF is powered by three corporate giants: GE Energy, Toshiba and Hitachi. In October of 2022, plans were announced for a new nuclear energy facility near Wilmington that would bring an additional 500 jobs to the area. According to the press conference, the new hires will support advanced nuclear growth and deployment of the BWRX-300 Small Modular Reactors. These reactors are designed to reduce construction and operating costs that are typically associated with nuclear power generation technology.

GE Aviation, a global leader in jet engine and aircraft system production, is located in the County,



outside of the City. The facility uses precision manufacturing to make rotating components that go into the core of nearly all of GE Aviation's jet engines, including the CFM LEAP and the GE9X. The CFM LEAP engine, which powers Boeing's 737 MAX series and the Airbus A320 jetliner, is produced by CFM International, a joint venture between GE Aviation and Safran Aircraft Engines. The CFM LEAP entered

service in 2016 and is the fastest-selling jet engine for GE. CFM International is also developing an open rotor engine, possibly for use on a new narrowbody aircraft coming to market in the 2030s.

Live Oak Bank, headquartered in the City, currently occupies a two story, 89,000 square foot



facility on a 10.66-acre parcel within the Tiburon Office Park development, which also includes two, 4-story 64,000 square-foot buildings 62 feet in height, one 1-story 25,000 square-foot building, and a 3.5-story parking garage accommodating approximately 560 cars. Live Oak Bank has more than 900 employees and is title sponsor of the Riverfront Park

Amphitheater. In September of 2022, North Carolina Governor Roy Cooper announced an expansion of the Live Oak Bank campus footprint that would create 204 new jobs in New Hanover County by 2026. The expansion will be partially facilitated by a 12-year Job Development Investment Grant (JDIG) from the state. The project is estimated to grow the state's economy by \$1.1 billion over the next twelve years.

Apiture is another financial technology firm founded in 2017 as a joint venture between Live Oak Bank and First Data Corporation. The company designs and develops mobile and online banking software for the banking industry. Apiture works with over 300 banks and credit unions and has over 240 employees. Apiture was named best in the business digital banking solutions provider in 2022, by FinTech Futures Banking Tech Awards U.S.

nCino Bank (nCino) founded in 2012, was originally a wholly owned subsidiary of Live Oak Bancshares, the holding company owner of Live Oak Bank. nCino developed a comprehensive cloud-based bank operating system for the banking industry. nCino was spun off in 2014 and went public in July 2020 raising \$250 million. nCino works with over 1,100 financial institutions including Santander, TD Bank and Truist Financial. They have offices in five countries and employ over 900



people worldwide. An expansion at their existing campus, including a new 90,000 square-foot office building and a 642-space 5 level parking deck, is currently under construction. In May 2021, City Council voted to enter an agreement with nCino for a \$1.3 million title sponsorship of the new sports complex currently under construction to be completed in 2023. The complex will be known as nCino Sports Park for the 17 year duration of the sponsorship.

Castle Branch, Inc., provides background screening, drug testing, employment verification, vendor credentialing and other services to its growing global client base. The company has expanded and now employs over 450 full-time employees at its Wilmington headquarters.

N2 Publishing has been voted 8 times by Inc. Magazine to the 5,000 list of fastest growing private companies. It was founded in the City in 2004 and publishes neighborhood magazines. It now has more than 800 publications with more than 30,000 advertisers nationwide and employs around 250 people. In June of 2022, N2 made the announcement that it is bringing all its local print magazines under the same branding name Stroll.

MegaCorp Logistics is one of the top 30 brokerage firms in the U.S. based on Transport Topics top 100 rankings in 2022. They were also named by Inc. Magazine as one of the best places to work in 2022. Headquartered in Wilmington since 2009, MegaCorp specializes in full and less-than-truckload shipments (dry van, refrigerated, flatbed, intermodal, air, etc.) throughout North America.



LIFE SCIENCES

Multiple companies in the life sciences industry have either started here or relocated to Wilmington in recent years.

Pharmaceutical Product Development, Inc. (“PPD”) was started in the Port City. Their world headquarters are in the City’s downtown area. PPD is a leading global contract research organization (CRO) providing discovery, development, and post-approval services as well as compound partnering programs for pharmaceutical, biotechnology, medical device, academic and government organizations. In December of 2021, Thermo Fisher Scientific concluded its acquisition of PPD for \$17.4 billion. With more than 65 locations around the world, Thermo Fisher Scientific provides an end-to-end drug development offering that includes API, biologics, viral vector services, cGMP plasmids, early and late phase development, clinical trial services, logistics services, and commercial manufacturing. PPD remains a brand of Thermo Fisher Scientific providing them contract research services.

Alcami is a fully-integrated end-to-end contract development and manufacturing organization (CDMO) that began in Wilmington in 1983. The company has been through multiple mergers and acquisitions, most recently acquiring TriPharm Services in January of 2020. The acquisition will expand its sterile fill-finish capacities. The company has five locations across the country employing over 900 employees. In 2022, Alcami announced it is partnering with Civica Inc. (Civica Rx), a nonprofit pharmaceutical company focused on ensuring quality generic medicines are accessible and affordable to everyone. With the execution of this agreement, Alcami will provide analytical support for products to be manufactured at Civica’s 140,000 square-foot sterile injectable manufacturing facility in Petersburg, Virginia.



Quality Chemical Laboratories (QCL) was started in 1998 by a retired UNCW professor. QCL is a Current Good Manufacturing Practice compliant scientific testing lab, providing services to support small and large molecule drug products, drug substances, in-process materials and raw materials in all phases of research, development and commercialization. The company has five facilities in the City and is the process of expanding its main building nearly doubling its footprint by early 2023. It plans on using the extra space for the firm’s sister company Pyramid Pharmaceutical to manufacture products on this location.

Pharmgate Animal Health relocated to Wilmington in 2015 and specializes in the development and marketing of medicines to control disease in livestock and poultry. The company has four global research and development sites and four manufacturing sites around the world.

Vantaca established in 2016, provides software through its cloud-based platform for homeowner associations and community management organizations. The company's system automates workflows and accounting functions and streamlines communications while facilitating financial operations in real time. For the second year in a row Inc. Magazine has named Vantaca to the publication's top 5000 list of fastest growing companies.



Multiple other contract research organizations have recently expanded to the City including: IQVIA, INC Research, Modoc Research, Covance Clinical Biotech, and Wilmington Pharmaceuticals.

UNCW Marine Biology Program (“MARBIONC”) is offered by the Center for Marine Science, a program dedicated to providing an environment that fosters a multidisciplinary approach to questions in basic marine research. The center fosters research programs of the highest quality and thereby enhances the educational experience for both undergraduate and graduate students in marine science. The MARBIONC program is a research-based economic development program based at UNCW that discovers, develops and markets new products and technologies derived from the sea. Its mission is to stimulate economic development in the State through the discovery, development and marketing of new products and technologies derived from living organisms found in the sea.

The MARBIONC Building is located at the UNCW Crest Research Park. The 69,000 square foot interdisciplinary research facility assembles the State's cutting-edge biotechnology under one roof to advance new marine biotechnology discoveries and ensure the timely transfer of technology from the laboratory to the marketplace. The facility features LEED Silver certification, 24/7 physical and IT security, full power backup protection, and is designed to withstand Category 3



hurricane force winds. The Crest Research Park is the ideal environment for start-up and established companies involved in all aspects of biotechnological research and development. Located on the Intracoastal Waterway of Masonboro Inlet, the Crest Research Park offers a convenient location with access to the waterway and

Interstate 40, U.S. Highways 421, 17, and 74-76. The Wilmington International Airport is only minutes away.

The **Marine Bio-Technologies Center of Innovation (MBCOI)** provides a central location for information, collaboration and commercialization of marine biotechnologies. Its mission is to find commercial applications for an array of marine-based technologies, and then to match researchers and developers with the companies that can bring those products to market.

COMMERCIAL AND RETAIL

Crossroads at Independence is a large-scale retail project located at the corner of Carolina Beach Road and Independence Boulevard. The project includes a 78,000 square foot grocery store and 16,000 square feet of retail space. This project is under construction and is expected to be completed this fall.

Center Point is a large-scale mixed-use development located near the intersection of Eastwood and Military Cutoff roads. The project includes 370 apartments, a 220 room hotel, 102,300 square-feet of office space, and 121,000 square-feet of retail and restaurant space. The project is currently under review by the city's Technical Review Committee

The Pointe at Barclay is a multi-phase commercial development located at the corner of Independence Boulevard and S. 17th Street. Six buildings have been constructed to date and three additional commercial buildings have been released for construction. Construction of a two-story, 21,200 square foot office building, which will be part of a larger office complex, has recently been completed. Building permits have recently been issued for the construction of a 4-story hotel with 104 rooms.



Cape Fear Solar Systems is a multi-phased development project that includes a 5-story, 75-foot tall office building and a 14,994 square-foot warehouse where solar system kits will be stored and placed on trailers for delivery. Additional phases will include a net-zero exhibition home, solar powered car charging stations, and multi-family residential buildings. The project is currently under construction.

The Avenue is a large-scale mixed-use development located on the northern end of Military Cutoff Road at Station Road. The project includes 525 apartments, a 241 room hotel, 131,700 square-feet of office space, and 115,000 square-feet of retail space, and 16,000 square-feet of restaurant space. Construction plans are currently under review by the city's Technical Review Committee.

Flats at Hanover Center is a mixed-use development located at 3500 Park Avenue behind the Hanover Center shopping center. The project includes 262 apartment units and 2,400 square-feet of retail space. The project is currently under construction.

Aloft Coastline Hotel is a 7-story, 125-room hotel being constructed adjacent to and over the Coastline Convention Center located at 501 Nutt Street. Construction of this project was recently completed.



The Range on Oleander is mixed use project located on Oleander Drive on the site of the old driving range, adjacent to the municipal golf course. The project includes 346 residential apartment units and nearly 14,000 square-feet of commercial spaces. The project has set aside 10% of the residential units for workforce housing. Construction plans for this project are currently under review.

The Residences at Galleria is a mixed-use development on Wrightsville Avenue east of Military Cutoff Road. Phase 1 of the project includes 366 residential units and over 20,000 square-feet of commercial space. Construction plans for this project are currently under review.

Bitty and Beau's Coffee originally opened in 2016, and was inspired by the family's two youngest children. The shop employs workers with intellectual and developmental disabilities. Bitty and Beau's, featured on the Rachel Ray Show, Good Morning America, CNN, The Harry Show, Dr.Oz, HLN, People magazine, and Southern Living magazine, has become a popular destination for locals and tourists. Starting with the flagship store in Wilmington, there are currently 24 Bitty and Beau's shops located in 12 states that employ over 350 people. In January of 2022, a new shop opened inside the nCino headquarters in Wilmington.



Atlantic Marine Canal Street is a mixed-use project that includes two buildings with a total of 10,400 square feet of space that include a mixed office space and residential apartments. The project is under construction.

Fairfield Mixed-use Buildings 3 & 4 is a commercial development located at 4625 Fairview Drive and includes two 2-story buildings with 10,000 square feet of office and 10,000 square feet of commercial space in each. The project is currently under construction

Ardmore is a mixed-use project that includes one building with 1,700 square-feet of commercial space on the ground floor and 25 residential units above. Construction of this project has been recently completed.



The Residences at Galleria is a mixed-use development on Wrightsville Avenue east of Military Cutoff Road. Phase 1 of the project includes 366 residential units and over 20,000 square-feet of commercial space. Construction plans for this project are currently under review.

Flats at Hanover Center is a mixed-use development located at 3500 Park Avenue behind the Hanover Center shopping center. The project includes 262 apartment units and 2,400 square-feet of retail space. The project is currently under construction.

Mayfaire Town Center Located on 400 Acres along Military Cutoff Road, Mayfair Town Center,



is a large-scale mixed-use project that includes a wide range of shopping and entertainment destinations. Mayfaire includes a large number of residential units, including apartments, condos, and single-family homes. Mayfaire also includes a large office space component and is home to nCino Bank. Overall, the town center includes nearly 600,000 square-feet of retail space, 500,000 square-feet of office space,

510 multi-family units, 106 single-family lots, and two hotels. Phase III, consisting of approximately 68,000 square feet of retail has recently opened. Shops included in this phase are an H&M retail store and Palmetto Moon.

Autumn Hall began construction in 2007 on a mixed-use development with an estimated value of \$420 million. The original master plan included more than 200 acres and will have a wide range of residential, retail and office development. Commercial space included 403,000 square feet of retail space, 355,000 square feet of office space, and a 135-room hotel. The development also provided 72 acres of common/open space. A total of 220 single-family home sites have been approved and approximately 131,000 square feet of office and commercial use, along with a 40,000 square foot medical office facility currently leased by New Hanover Regional Medical Center have been constructed. A multifamily development consisting of a total of 286 residential units, pool, and open space was completed in the spring of 2013. Carolina Bay at Autumn Hall, which consist of 51 condominium units, was completed in 2013. Phase II of Carolina at Autumn Hall, a continuing care retirement community with 122 multi-family units and a 100-bed assisted living facility has been completed. The next phase of development was released for construction in 2019 and included 19,000 square feet of office space, 26,000 square feet of retail and restaurant space, and 106 residential units. Roadway improvements for Eastwood Road, which are required for the future build-out of the project, are currently under construction and nearly complete. A new bank building located at the entrance to Autumn Hall is currently under construction.



Independence Mall is a multi-phase redevelopment of the existing mall located at the corner of Oleander Drive and Independence Boulevard. Phase I includes a 29,000 square foot grocery store and 137,000 square feet of retail and restaurant space. This redevelopment project was recently completed.

The Modern is a mixed-use project with eight residential units and 3,400 square-feet of commercial space. The project is currently under construction.

The Varsity is a mixed-use project with 24 residential units and 6,175 square feet of commercial space. Construction of this project has been recently completed.

Center Point is a large-scale mixed-use development located near the intersection of Eastwood and Military Cutoff roads. The project includes 370 apartments, a 220-room hotel, 102,300 square-feet of office space, and 121,000 square-feet of retail and restaurant space. The project is currently under review by the city's Technical Review Committee.

TOURISM



Tourism is the area's largest economic component in terms of employment and revenues. Nearby beaches, the historic river front area, the USS North Carolina Battleship Memorial, and The Live Oak Amphitheatre are some of the many attractions that bring folks to visit the Port City. The New Hanover County Tourism Development Authority (TDA) was established to expand the tourism industry and to maintain the health of the local economy. Funded in large part by a room occupancy tax, the TDA serves as an umbrella organization representing all the services available to a visitor within the area. The North Carolina Division of Travel and Tourism has estimated that in 2021, travel and tourism generated an economic impact of \$930.4 million in New Hanover County, an increase of 55.6% from 2020 due to the global pandemic. An estimated 6,142 jobs in the region were supported by tourism, generating \$246.5 million in payroll last year. State tax revenue generated in New Hanover County totaled \$34.5 million through state sales and excise taxes, and taxes on personal and corporate income. About \$38.3 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses. Travel-generated state and local tax revenues saved each New Hanover County resident an estimated \$319.28. New Hanover County ranked 7th in visitor spending among North Carolina's 100 counties in 2021.

FILM

Film and television productions continue to be a vibrant sector in North Carolina's economy, especially for Wilmington. 2021 has been a record setting year for the film industry in both Wilmington and North Carolina as a whole. Production companies generated more than \$416 million of direct in-state expenses, which is a state record topping the previous 2012 record of \$373 million. 25,000 jobs were created by productions for film professionals. Wilmington will receive a disproportionately large share of this benefit being one of the top filming locations in the State. The first two seasons of the Fox comedy *Welcome to Flatch* was filmed here in Wilmington as well as the Amazon TV series *The Summer I Turned Pretty* and the Starz Network crime drama *Hightown*. The City has been home to over 400 productions, including box office hits like *Iron Man 3*, *I Know What You Did Last Summer* and *Scream 2022* to name a few as well as the recently released *The Black Phone*.



Being a top filming destination for production companies is due in large part to **EUE/Screen Gems Studios**. The company operates one of the world's largest sound stages here in the City. With 10 stages providing 150,000 square feet of column-free shooting space as well as a 3,600 square foot special effects water tank, it is the largest film and television lot east of California. The studio offers wardrobe facilities, production offices with modern communications, construction shops, and prop/set decoration warehouses. They are also one of the largest suppliers of lighting, electric and grip rentals in the Southeast. Wilmington has been dubbed "Hollywood East" because of the studio's presence as well as a local labor force well-trained in film production.



RESIDENTIAL

Vivo Apartments is a residential redevelopment project located on Market Street that is converting an existing hotel into studio apartments. The redevelopment project includes 234 units and is currently under construction.

Woodlands at Echo Farms is a large-scale, multi-phase, residential development located on the former Echo Farms golf course (4114 Echo Farms Boulevard). The overall project contains approximately 139.7 acres and at build-out will include 176 multi-family units, 108 townhomes, and 146 single-family lots. Plans for the development of a 176-unit apartment complex, 62 townhomes, and 146 single-family lots have been released for construction. A 206-unit apartment development (Riverwood Apartments) is currently under construction.

Barclay West North is a large-scale 570-unit residential project located on the northwestern corner of Independence Boulevard and S. 17th Street. The project includes a residential apartment community (Mosby) and a mixed housing residential community (The Hamlet) that includes single-dwellings, duplexes, and townhomes. Development plans are currently under review.

5500 Wrightsville Avenue is a 32-unit townhome project located at the corner of Wrightsville Avenue and French Road. Development plans are currently under review.

City Block Apartments is a 112-unit, 5-story apartment building located at 814 N. 3rd Street, which was constructed in 2013. A second phase of this project includes a 56-unit, 5-story addition and is currently under construction.



The Flats on Front is a large-scale, 300-unit, up-scale apartment complex with an attached parking deck located at 1055 N. Front Street. The project has recently been completed.

Oleander Commons is a mixed-use, redevelopment project located at 5355 Oleander Drive (former Cinema 6 site). The project includes 223 apartment units and 5,000 square feet of commercial space. The project is currently under construction.

RiverLights is a large-scale, multi-phase residential and mixed-use development located on River Road in south Wilmington. The project is approved for as many as 2,790 residential units. Fifteen subdivisions with a total of 1,961 lots have been approved by the City's Subdivision Review Board and Design Adjustment Committee. Five of these residential subdivisions are developer-identified *age-qualified developments* targeting residents 55 years of age and older. Phase I of Marina Village at River Lights was approved by the City on August 27, 2015. This development is a mixed-use community with 112-boat slips, 10 townhomes, and 9,800 square feet of restaurant space, approximately 16,000 square feet of office space, 4,000 square feet of retail space, and a 7,700 square foot art gallery. A 250-unit, two-building apartment development (Middleburg Apartments), located in the MX-zoned portion of RiverLights, was recently completed. On December 1, 2020, City Council approved a rezoning of a 120-acre tract within Riverlights (MX3) for a new mixed use development to include a mix of residential, office, and commercial uses. A 279-unit residential cottage project (Cottages at Riverlights) and a 286-unit apartment project (Argento) are currently under construction.



Airlie at Wrightsville Sound is a 49-lot single family development located at 315 Airlie Road. The infrastructure improvements have been completed and new homes are currently under construction.



East & Mason is a 168-lot residential development that includes a mix of townhomes and single-family lots. The preliminary plan for the development was approved by the Subdivision Review Board in December of 2019. The project is currently under construction. The first phases of the development have been recorded and homes are being constructed.

Switchyard is a 192-unit multi-family development. On September 8, 2020, the Wilmington City Council rezoned the property to MF-MH(CD), Multiple-Family Residential Medium-high Density (Conditional District). On August 19, the Wilmington Subdivision Review Board approved a preliminary plan for the construction of new public streets to serve the new project. This project is currently under construction.

Barclay Place Phase 2 is a 96-unit expansion of an existing residential development that includes both townhomes and apartments located at 2540 Costmary Lane. This project is currently under construction.

Pacific Place is an 11.08-acre residential subdivision located on Greenville Loop Road. A total of 39 single family residential units are proposed. The infrastructure improvements have been completed and new homes are currently under construction.

Ansley Park is an infill development located at the old fair grounds site on Carolina Beach Road (4456 Fairview Drive), which is currently zoned MX, Mixed-use District. The first phase of the project includes 276 apartments located in 10 buildings. The project is currently under construction.

Eden Village is a 36-unit single-family courtyard style development. The project is under construction.

Franklin Forest Phase 2 is an expansion of an existing 12-unit multi-family development that adds an additional 14 units. This project is under construction.

Wilmington Three Phase A is a 286-unit apartment project located 3743 Independence Boulevard, adjacent to the Point at Barclay commercial development. The project is currently under construction.

College Acres Apartments is a multi-family development that includes nine duplex structures and five apartment buildings with 12 units in each for a total of 78 residential units. The project was recently completed.

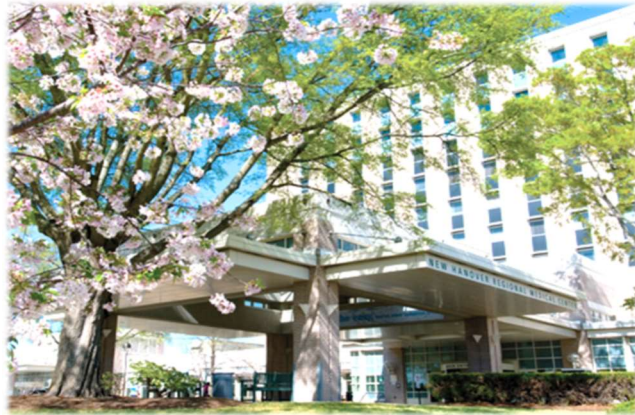


Azalea Landing is a 426-unit apartment project located 4000 Hunters Trail, just south of the Martin Luther King Jr. Parkway. This project is currently under construction.

The Cottages at Bradley Creek is a 56-lot single-family residential development located at 321 Hooker Road. This project is currently under construction.

HEALTHCARE

New Hanover Regional Medical Center (NHRMC) is the eighth largest hospital in North Carolina with 800 beds at its main campus. It is one of 10 trauma centers in the state certified at Level II or above and is one of only two cardiac centers of excellence east of Interstate 40. The hospital is home to the region's first Level III, Neonatal Intensive Care Unit (NICU), as well as a *da Vinci*® Surgical System, a state-of-the-art robotic platform for surgeons.



NHRMC serves as the primary teaching site for four graduate medical education programs in internal medicine, obstetrics and gynecology, general surgery and family medicine. The residency programs are affiliated with the University of North Carolina at Chapel Hill School of Medicine and administered by the South East Area Health Education Center. NHRMC is one of six institutions out of 700 eligible to be nominated recently for the Accreditation Council for Graduate Medical Education (ACGME) and Gold Foundation DeWitt “Bud” C. Baldwin Jr. Award. The Baldwin award recognizes institutions with accredited physician residency or fellowship programs that excel in fostering a respectful, supportive environment for medical education, delivery of patient care and personal and professional development.

NHRMC has been recognized numerous times for its quality care. The Society of Thoracic Surgeon's rank their cardiac surgeons among the top 5% in the country. NHRMC's Betty H. Cameron Women's and Children's hospital has been named to Newsweek's 2022 list of best maternity care hospitals.



NHRMC Orthopedic Hospital performs more orthopedic procedures than any other hospital in the region, successfully completing 8,000 orthopedic procedures annually. They offer board-certified orthopedic and neurosurgeons, as well as nurses, hospitalists, physical therapists, and other clinicians highly trained or certified in orthopedic care.

Wilmington Health is the largest private, fully integrated, multi-specialty medical group practice in the area with 19 locations (including Convenient Care and Urgent Care) and 23 specialty care departments. Wilmington Health has provided premier healthcare to the residents of Southeastern North Carolina for over 50 years.

TRANSPORTATION

ROAD SYSTEM

Wilmington is served by Interstates 40, 140, U.S. highways 17, 117, 74, 76, 421 and by North Carolina Highways 132 and 133. These highways connect the area to the major cities in North Carolina, South Carolina, and Virginia.

MASS TRANSIT



Cape Fear Public Transportation Authority – (Wave Transit), is a jointly managed authority between the City of Wilmington (City) and New Hanover County (NHC). The authority is reported as a component unit of the City and is governed by a nine-member board (or a member’s designee). The members of the board are designated to be the NHC Manger, the City Manager, a NHC Deputy Attorney, the City Attorney, the NHC Finance Director, the City Finance Director, the Executive Director of the Wilmington Urban Area Metropolitan Planning Organization and 2 members, one appointed by NHC and one by the City. In December of 2020, Wave Transit announced the hiring of their new executive director Marie Parker formerly the general manager and 21 year employee of the GoRaleigh transit system.



A private management firm oversees the daily operations of the authority, managing a system of ten routes, UNCW Shuttle service, as well as the historic downtown trolley. In July 2021, Wave Transit entered a 5-year management contract with Transdev North America, to manage operations and maintenance oversight for the transportation authority. Wave provides transportation services to over a million passengers

annually. In January 2020, the Authority opened a new downtown transfer station, providing customers a safer, more convenient, and accessible experience when utilizing public transportation.

STATE PORT

The **Port of Wilmington** is one of two deep water harbors in the State and is located along the eastern bank of the Cape Fear River. It is designated as a Foreign Trade Zone 214 and ranks as one of the top ports in the country, having moved 324,145 TEUs (20-foot equivalent units), a record year in 2021.

The port has had an aggressive capital improvement plan over the past few years to position itself for future growth and to accommodate today's larger container vessels. Past projects include adding three neo-Panamax cranes, increasing the channel depth to 42 feet and completing phase two of its turning basin expansion. These projects along with others allowed the Port to welcome the largest container ship in its history, the MV Hyundai Hope, a 14,000 TEUs vessel in May 2020. Other improvements in development include the container terminal master plan which will increase the ports annual throughput capacity to more than 1 million TEU's.



The Port in the past year has also added additional refrigerated container plugs, increasing their capacity from 235 to 775, a \$14 million investment. With the expansion of the refrigerated container yard, the port increased its total shipped by 19% over 2020 for refrigerated container volume. Refrigerated cargoes have increased by 300% from 2015 to 2021.

The port is located within 700 miles of more than 70% of America's industrial base. Recent and ongoing improvements to regional and national highway networks make surface transportation supporting the Port of Wilmington superior to neighboring ports. North Carolina's Ports in Wilmington and Morehead City, plus inland terminals in Charlotte and in Greensboro, link the state's consumers, businesses and industry to world markets, and serve as magnets to attract new business and industry while receiving no direct taxpayer subsidy. Port activities contribute statewide to 87,700 jobs and \$15.4 Billion to the State's economy with goods moving through.

GROUND BASED FREIGHT

CSX Rail Transport Group provides boxcar, tanker and general rail cargo services to the area. CSX in partnership with the Port also operates the Queen City Express, a direct freight rail service running daily between the Port and intermodal terminal in Charlotte. This service facilitates the efficient, cost-effective movement of goods between the global marketplace and is one of the most significant economic centers in the southeastern United States. A new Rocky Mount intermodal terminal costing \$160 million opened in November of 2021.



AIRPORT

The **Wilmington International Airport (ILM)** is a component unit of New Hanover County and is operated by the New Hanover County Airport Authority. The Airport is the 4th largest in the State. Rebounding from an unprecedented year in 2020 due to Covid-19, the Airport served 905,630 passengers, an increase of 47% from last year. In 2021, the airport received \$19.8 million in Cares Act funding to pay employees, make debt payments and cover operating expenses. Two commercial airlines; American Airlines/US Airways and Delta provide regular jet and commuter service, offering direct (non-stop) service to four major cities: Atlanta, Charlotte, New York and Philadelphia and one-stop connections to hundreds of destinations both domestic and international. The Airport is a U.S. Customs and Border Protection General Aviation International Clearance Facility. The 13,500 square foot facility processes commercial and general aviation public passengers entering and exiting the United States. The NCDOT Division of Aviation report estimated ILM's economic impact at \$2.2 billion and 16,385 jobs.



The airport is currently undergoing a \$68 million expansion and renovation project. Construction has entered its final phase, with a completion date set for December 2022. The Federal Aviation Administration has awarded ILM a \$16.4 million grant. Once completed, the ILM terminal will grow by 75%, adding 4 new gates, expanded concessions and restaurant space, and enhanced baggage claim area. This expansion will give ILM the capacity to meet the travel needs of our fast-



growing region while providing a refreshed look, modern convenience, and more space for customers in the post-pandemic world. In 2022, plans were announced for a \$40 million Crowne Plaza Hotel to be built in the ILM business park. The six-story, 150 room hotel is expected to include a rooftop bar, and 5,000 square feet of event space. This project will create 150 jobs during construction and another 125 permanent jobs when the hotel and

restaurant are finished.

EDUCATION

The University of North Carolina at Wilmington (UNCW), founded in 1947 as Wilmington College, was the 6th university designated in the University of North Carolina System (UNC) in 1969. The only public university in southeastern North Carolina, it has expanded from three buildings in 1961 to more than 90 today.



UNCW is a comprehensive level I university in the 16-campus University of North Carolina System. It is accredited by the Southern Association of Colleges and Schools and offers 56 majors, 36 master's degrees, and 4 Doctoral programs. UNCW is funded with State appropriations and receives federal funds for research and financial aid programs. UNCW had a fall 2021 enrollment of 18,030 full-time-equivalent undergraduate and graduate students.

UNCW ranks 103rd among Top Public National Universities and 26th in Best Online Bachelor's Program Nationally in 2022, according to *U.S. News & World Report*. It was one of only four UNC system schools featured yearly in the *Fiske Guide to Colleges* since 2017, which highlights the nation's best and most interesting colleges and universities.

The university manages the nation's only underwater ocean laboratory, Aquarius, owned by the United States National Oceanic and Atmospheric Administration and located in the Florida Keys National Marine Sanctuary.

Cape Fear Community College (CFCC) was founded in 1958 and is the 6th largest community college within the North Carolina College system. It is accredited by the Commission of Colleges of the Southern Association of Colleges and Schools and enrolls over 23,000 students annually.



CFCC's main campus is located in historic downtown Wilmington. The school offers an array of continuing education classes for lifelong learning and workforce development, as well as free courses in adult education, basic skills, and GED test preparation. Construction trades, power line technician and Yamaha marine service technician are among a few of CFCC's new workforce development programs. Their Small Business Center serves as a resource for free seminars and business counseling services for local entrepreneurs and small businesses.

ARTS & MUSEUMS

Cape Fear Museum established in 1898, is the oldest continuously operating museum of history in North Carolina. Visitors are greeted by a 20-foot-tall giant ground sloth skeleton when entering the museum. The entire family can enjoy a miniature re-creation of the second battle of Fort Fisher, a scale model of Wilmington's downtown civil war period waterfront and the Michael Jordan Discovery Gallery or an interactive science exhibit. Children's activities, concerts, special events and acclaimed touring exhibits help make the Museum one of the primary repositories of local lore with an extensive permanent collection of over 40,000 artifacts. In 2015, the museum opened a community park to welcome visitors with engaging hands-on exhibits, gardens featuring native and adaptive plants, and educational programs while also serving as a place to enjoy and explore nature in the City.



The Cameron Art Museum occupies a 40,000 square foot facility on a 9.3 acre woodland park known as Pyramid Park, featuring long-leaf pine woodlands, outdoor sculptures, nature trails, a historic Civil War site and the Clay Studio housed in the Pancoe Art Education Center. The main museum building includes three exhibition areas, the Weyerhaeuser lecture and reception hall, a full-service museum café as well as a catering kitchen, and a museum gift shop. The Museum is committed to art education and presents exhibitions and public programs of both historical and contemporary significance, with 6 to 8 changing exhibitions annually, in addition to outdoor, site-specific projects on its park property. The museum offers art classes for students of all ages and an event schedule that includes musical performances.

The Children's Museum occupies a 17,000 square foot facility, featuring twelve dynamic exhibits, an outdoor courtyard, a secret garden, gift store and has over 51,000 visitors per year. This hands-on, learning-through-play museum offers something for children of all ages with all interests. Sail the seas as a pirate in Ahoy Wilmington!, climb on the new School Bus, examine your teeth in the ToothaSaurus Pediatric Dental Exhibit, perform examinations as a physician in the Teddy Bear Hospital, experiment in the Science Lab, sing and act in the Star Maker Sound Stage and make a masterpiece in the Art Studio.



The Wilmington Railroad Museum chronicles the history and impact the railroad has had in the City. The museum features a great collection of displays. Interactive play areas for children, are also available which include, Thomas the Tank Train play area, more than 20 operating scale model trains, spectacular model layouts, a real life-size caboose, a boxcar and a 100-year-old steam locomotive. One can even plan their little one's birthday party in the Red Caboose.



U.S.S. North Carolina (Battleship) is the centerpiece of the Wilmington Riverfront. A majestic symbol of this country's hard-earned naval victories in World War II and is the Memorial to the 10,000 North Carolinians of all the armed services who gave their lives during World War II. Commissioned in 1941, the 45,000-ton warship wields nine 16-inch turreted guns and carries nickel-steel hull armor 16 to 18 inches thick. The Battleship came to its present home in 1961. The public has access to more than nine decks including the crew's quarters, galley, sick bay, gun turrets, engine room, plotting



rooms, radio central, the Admiral's Cabin, the bridge and combat central. In August 2018, the SECU Memorial Walkway was completed. It is fully ADA accessible, free to the public, surrounds the Battleship, and consists of five "honor Platforms" dedicated to each of our Nation's Armed Services. A hull repair project started in 2009 was completed in 2021, the first major repairs to the ship since the 1950's.

The **Arts Council of Wilmington and New Hanover County (Arts Council)** released its Arts on Tour mobile app in 2015. The state-of-the-art technology platform provides location-specific audio interpretation of arts venues in New Hanover County, including the sculpture installations. Whether art is displayed on exterior building walls or displayed in window storefronts, art is all around you in Wilmington. People seeking rich cultural venues are drawn to the area to enjoy symphony orchestras, theatre performances and festivals which take place year-round.



Fourth Friday Gallery Nights are free monthly events where downtown galleries, studios and art spaces open their doors to the public in an after-hours celebration of art and culture. Taking place from 6 to 9 p.m. on the fourth Friday of each month, the self-guided tours have made downtown Wilmington a popular destination for art lovers. In 2021, The Arts Council and New Hanover County have installed 10 new sculptures as part of the popular Pedestrian Art public art program.

CFCC's **Wilson Center** is home to a 1500-seat performance hall, 108 seat studio theater, art and music studios and classrooms.



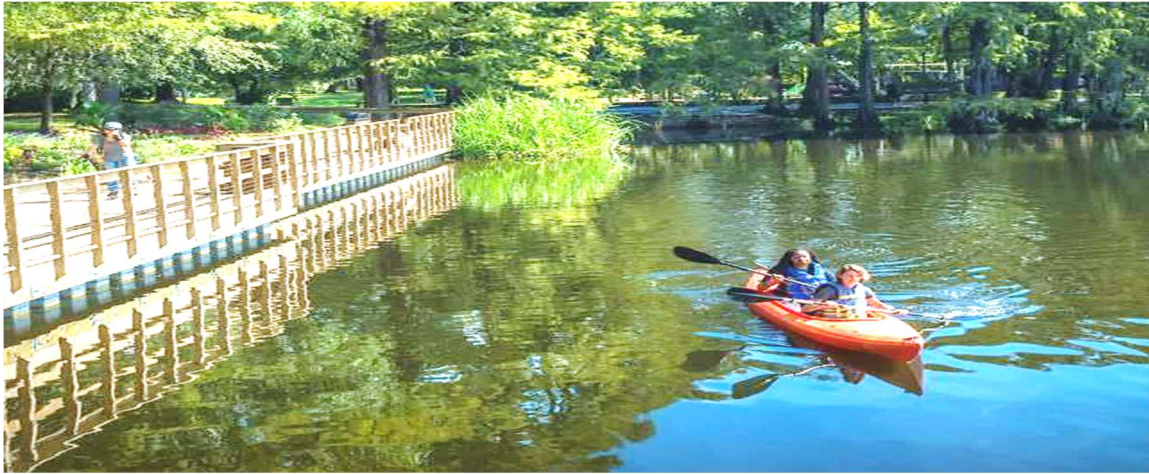
While the Wilson Center is the largest and most technologically sophisticated performing arts center in eastern North Carolina, an important focus of the facility is on student learning and academic growth. The Center includes 26 instructional spaces for CFCC students to develop and learn. The Center is a powerful investment in the arts for current and future students, and our community. It was announced in 2021 that CFCC received \$3.5 million in grants and

donations for a Wilson Center expansion. This expansion space would include a lounge for student or community organizations as well as a place for benefactors to have a place to drink or gather before shows and would be accessible from the lower lobby of the building. The addition would also include relocating ticket central to a more visible and accessible location and expansion of guest services, student offices and lobby support.

Thalian Hall is owned by the City and part of the City Hall. It is considered one of the most significant theatres in the United States and has been in continuous operation almost since it first opened in 1858. The City along with private donors funded renovations that were completed in 2010. Shows, events and films attract audiences totaling over 85,000 people. Events ranged from music to ballet and theatre, from pop, jazz, folk and country music to the finest in domestic, independent, and foreign films. The Thalian Hall complex is the site of recitals, awards ceremonies, film festivals, lectures, and charity events, and is "home" to a large number of theatre and performing companies, including By Chance Productions, Opera House Theatre, Thalian Association, Willis Richardson Players, Theatre Exchange and Stageworks Youth Theatre. Thalian Hall is an education center, with unique performances and programs attracting more than 10,000 school children each season. Thalian Hall is one of the most heavily utilized facilities of its kind in the nation and is an economic generator stimulating the local economy by more than \$2 million annually. Conde Nast Traveler named Thalian Hall one of the best movie theaters in America, noting it's flair for the dramatic revival and late Victorian architecture and frequent film festivals and acts on stage.



RECREATION



The city offers its citizens an array of recreational activities by providing 40 parks, athletic facilities, trails, golf courses, docks, a nature & event center, a fitness center, preschool activity center and performance venues. Programs offered include youth programs, nature programs, athletic programs, outdoor recreation, senior programs, and special needs programming.

PARKS

With over 744 acres, city parks provide the community with an abundance of green space to enjoy the great outdoors. The facilities provide a variety of outdoor recreational activities. Many of the parks include playgrounds, nature trails, basketball and tennis courts as well as picnic tables and shelters. One of the City's largest parks is **Greenfield Lake Park**. The 190-acre park features a 4.5-mile trail around the lake. Canoes and paddleboats can be rented out to view the lake and bird watch. The park boasts the **Greenfield Grind Skatepark**, as well. This is a 9,000 square foot concrete skate park consisting of multi-bowls with a banked street course. The skatepark features a variety of hips, rails, and ledges. The park is open seven days a week offering both day and night skating, as well as BMX biking on Sundays. The **Fragrance Garden** is also located at Greenfield and is a popular location for weddings and other special events.



Olsen Park includes 5 softball fields, a multipurpose field, an outdoor volleyball court, concession building and picnic shelter. In addition, the park also has a Miracle Field that has a special rubberized turf playing surface that enables individuals with mobility impairments to participate in a variety of different sports. Unlike Miracle Fields in other parts of the country, the Wilmington field was built to accommodate adults as well as children. Users of the field include children from special education classes, nursing home residents, and veterans' programs participants including Wounded Warriors and Special Olympics athletes. This facility includes a family restroom building, a fully accessible viewing stand, and shelter area.



Next to the Miracle Field is the **Kiwanis Miracle Playground**, which is the largest accessible playground in the southeast. The playground was funded with a combination of Wilmington and New Hanover County Bond funds, donations from the Kiwanis Club and Wilmington Believes in Miracles campaign.

The 60-acre **Halyburton Park** is 70% undeveloped. Most of the preserve consists of gently rolling sandhills, a habitat which is rarely found in the coastal Carolinas. The park features a Nature & Events Center, a paved 1.3-mile path, nature trails, playground, picnic shelters. Programs offered include nature programs, school programs, fitness classes and special events. The Events Center and shelters are available for rental for private events.

ATHLETIC FACILITIES

Legion Stadium Sports Complex is home to the New Hanover High School football, soccer, lacrosse and baseball teams. Legion is also home to the **Wilmington Sharks**, one of nine teams in the Coastal Plain summer baseball league and the **Carolina Bengals**, a minor league football team. The complex has hosted many special events as well, such as the Pop Warner football Jamboree and playoffs, Hanover Kennel Club Dog Show, American Cancer Society's Relay for Life and Special Olympics Fall Games.

The **Althea Gibson Tennis Complex at Empie Park** has 24 lighted courts and a 1,500 square foot clubhouse with a lounge, meeting room, and snack counter. The facility plays host to several state championships including the USTA's NC Combo State Tennis Championship each November. Over 2,500 players come from all over North Carolina to compete in the tournament. The Althea Gibson Tennis Complex also offers year-round programs for youth, adults, seniors, wheelchair, and adaptive tennis clinics.



Two of the **City's swimming pools**, Legion Pool and Robert Strange Park Pool, are managed by the YMCA of Southeastern North Carolina. The YMCA offers swim lessons, water aerobics and safety and certification training. The City's third pool, the Earl Jackson Pool at Northside Park, is managed by NSEA Swim, a nonprofit organization that hosts a competitive swim team, swim lessons, and public swim with a focus on racial equity.

OTHER FACILITIES

The **Fit for Fun Center** is an interactive facility for parents and children ages five and under. An age-appropriate play environment is offered that encourages education, physical activity, social interaction and self-expression. In August there are special Water Works dates for the children to play in the sprinklers and cool off with ice pops.

The **Sherriedale Morgan Fitness Center** offers free weights, universal equipment, treadmills, stationary bikes, and Stair Masters, along with personal and group training and a variety of classes including monthly workshops. The goal is to provide affordable fitness options for the community.



Wilmington City Docks are transient docking facilities located approximately 15 miles from the Inter Coastal Waterway (ICW) on the scenic Cape Fear River in historic downtown Wilmington. As of July 1, 2021, the docks are available for day docking only and are free of charge with water and power available. The docks are within walking distance of area attractions, hotels, shopping, dining, theater, nightlife, laundry facilities, post office, banks and supplies.

For more than half a century, the **Hannah Block Historic USO Building** has facilitated the coming together of generations, providing children with programs that challenge them creatively, and enhance the quality of life for residents throughout the region.



Located at 120 South Second Street in historic downtown Wilmington, the multi-use facility features five studios (including dance studios) that are available to nonprofit organizations for rehearsals of plays, musicals, and recitals.

The studios are also used for classes in a variety of artistic disciplines. The building is home to the Orange Street Potters and the Hannah Block Second Street Stage, an auditorium with a stage and technical loft used for rehearsals and performances. The facility includes a kitchen and may also be rented for corporate and private functions. It is operated by the Thalian Association Community Theater.

The City has the **community centers**, MLK Community Center, Derick GS Davis Center @ Maides Park and the Hemenway Community Center. Both the MLK Community Center and the Davis Center have gymnasiums, meeting rooms and offer an array of programs for youths, adults and seniors. The Hemenway Center is managed by a non-profit group, Voyage of Wilmington, that focuses on an array of youth programs and resources for the community.

PERFORMANCE VENUES



Live Oak Bank Pavilion at Riverfront Park, which opened on July 4, 2021, is the city's newest addition to the growing music and performance scene. It is managed by Live Nation Worldwide and will host up to 20 events and 10 civic events per year. In its first months it has featured artists such as Widespread Panic, Lady A, Santana and Harry Connick Jr. It has a maximum capacity of 7,200. The pavilion is located in 6.8-acre Riverfront Park, a park that features open space, a playground and gardens. In April of 2022, the first Azalea Festival concerts were performed at the Live Oak Pavilion with REO Speedwagon, Brantley Gilbert, and Cypress Hill taking the stage.

Hugh Morton Amphitheater @ Greenfield Lake is an outdoor venue where patrons can enjoy live concerts and performances. The facility provides 900 seats with a maximum capacity of 1,200 and includes a covered stage, adjoining stage house with shower, dressing facilities, concessions, and restroom facilities. Some of the well-known artist to play the amphitheater include, Willie Nelson, Peter Frampton, and The Tedeschi Trucks Band. The venue has been managed by Live Nation Worldwide since July of 2021 and hosts up to 40 concerts and 10 civic events per year.

GOLF COURSES

Southeastern North Carolina is home to several top-rated golf courses. The City of Wilmington operates two courses. Opened in 2018, **Inland Greens** is a 33-acre park/golf course. It features a nine-hole par 3 golf course and passive park, which includes a 3/4-mile walking trail, bocce courts, a picnic shelter, and bike racks.

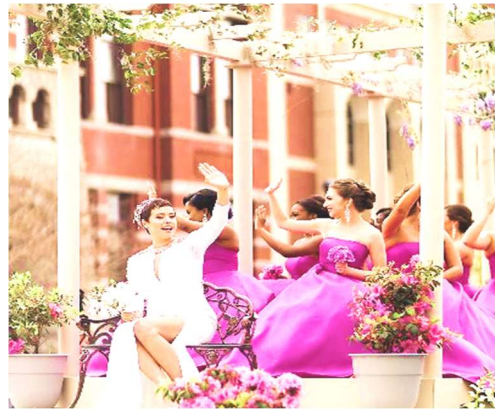


Designed by famed architect Donald Ross in 1926, the **Wilmington Municipal Golf Course (Muni)**, has provided the citizens of eastern North Carolina with a quality championship 18-hole golf course for close to a hundred years. In 2014, Muni underwent a \$1.5 million restoration to return the course to its original Ross design. The course still ranks as one of the 50 best golf courses in North Carolina by the *Top 100 Golf Courses of the World* website and the *North Carolina Golf Panel*.

FESTIVALS & ANNUAL EVENTS

NORTH CAROLINA AZALEA FESTIVAL

Started in 1948, the North Carolina Azalea Festival is one of the oldest and largest festivals in the State. The festival is a weeklong celebration which takes place at the beginning of April each year. This year marked the 75th anniversary since the inception of the event in 1948. An estimated 300,000 people attend generating \$5 million dollars for the local economy. It has been continually ranked as one of the Top 20 Festivals according to the Southeast Tourism Society. Better Homes and Gardens ranks the North Carolina Azalea Festival number 3 of the must-see spring garden festivals in the U.S.



RIVERFEST

Held annually in October in the City's historic downtown, Riverfest is a street fair celebrating local arts and crafts, foods, dance performances and fireworks. The festival was begun in 1979 and is considered one of the best fall festivals in the State. Due to the worldwide pandemic this festival was cancelled in 2020 as well as 2021 but is officially scheduled for a comeback in 2022!

The **Battleship Half Marathon and Battleship 5K** have been held for over the past 20 years, on the second Sunday in November. Wilmington plays host to both races which start and finish at the Battleship North Carolina, right across the Cape Fear River from downtown Wilmington and are a benefit for American troops. The Half Marathon leads a picturesque path that crosses 2 bridges, goes through historic downtown Wilmington and around Greenfield Lake with the 12-mile mark at the top of the Cape Fear Memorial Bridge which is the highest point on the course. River Taxis and Trolley buses shuttle runners from downtown to the Battleship and back. Custom-designed Battleship Half Marathon Finisher Medals are presented to runners by US Marines in their dress blues! This race is USATF-certified and brings around 2,400 runners and the streets are lined with many more spectators and support teams.

And for the more hardcore athlete, the City is home of the **PPD Ironman North Carolina Triathlon**. This race has been named one of the top five iron distance triathlons in the world by Triathlete magazine and one of the top 20 triathlons by Men's Health magazine. The event takes place in October, drawing approximately 2,300 racers and thousands of visitors from around the world.



The **Cucalorus Film Festival (Cucalorus)** is a multi-disciplinary arts organization supporting emerging and innovative creative professionals through an annual film festival, a residency program, a summer camp for teen filmmakers, a micro-cinema, and an extensive community outreach program. It is considered one of the region's premier cultural events drawing over 22,000 visitors and screens over 200 films from around the world. Cucalorus takes place every November, celebrating independent and international film for five days in historic downtown Wilmington, NC. MovieMaker Magazine has named Cucalorus one of the top 50 film festivals worth an entry fee for three years in a row.

PUBLIC SAFETY

The public safety services for the City are provided by an accredited police and fire department. Both agencies have the primary responsibility for providing a safe and secure environment that allows its citizens to live, work and play. While each department provides unique services to our City such as fire and police support, they also work in concert during critical incidents and serve as first-responders.

POLICE

The **Wilmington Police Department (WPD)** is headed by veteran Police Chief Donny Williams. The 346-member agency is managed through three major sections: Office of the Chief, Patrol Services Bureau, and Investigative Services Bureau. Each section works collaboratively to provide the best policing service to more than 118,000 residents and the thousands of motorists who visit the Port City daily.



In April of 2022, Wilmington Mayor Bill Saffo and Police Chief Donny Williams presented six officers with life saving awards for outstanding acts that demonstrate heroism and bravery. The officers acted quickly and without hesitation in a crisis situation. Three officers also received the medal of valor for exceptional courage, regardless of their own personal safety, to save or protect human life.

The WPD has been very fortunate through the years when it comes to operating funds through grants, seizure money, and capital improvements projects to have some of the best equipment and training facilities in the State. However, during extended special operations and emergency events, our department noticed that additional specially trained personnel was greatly needed. With the launch of the “Cape Fear Regional Special Teams,” the WPD is now able to share equipment and training facilities with other departments while being able to utilize their specially trained personnel during times of need. Regional response includes Crisis Negotiation, SWAT (Special Weapons and Tactics), and the Bomb Squad response in the jurisdiction of any partner agency.



FIRE

The **Wilmington Fire Department** is led by Fire Chief Steve Mason. The 225 personnel are managed in four divisions: Operations, Support Services, Training, and Fire Marshal's Office. The



Operations Division consists of fire suppression personnel. Support Services oversees the Administration Division which includes budget, human resources, GIS, and accreditation. Support services also oversees the garage, and logistics. Training oversees safety and wellness as well as all training functions of department. The Fire Marshal's Office oversee fire inspections, investigations, and community risk reduction.

In calendar year 2021, the fire department responded to 9,670 calls for service. These responses included 4,634 emergency medical and rescue incidents and 546 fire related incidents. The fire department performed life saving measures on more than 250 individuals during the year, saving countless lives. The department is also home to three specialty teams, including a Haz-Mat Regional Response Team, Technical Rescue/Search and Rescue Team, and a Marine/Dive Team. Total losses due to fires equaled \$4.7 million, but the amount saved exceeded \$19 million. The department completed more than 70,000 hours of training and 5,610 fire inspections.



The Fire Marshal's Office provides fire safety inspections of businesses, plan reviews of new and existing buildings, and conducts fire investigations. The division also provides community risk reduction (CRR) coordination which plays an integral part in the department's efforts to reduce fire and unintentional injuries. Individual companies work with CRR to evaluate hazards in their areas and develop plans to address those risks. In 2021, nearly 150 smoke alarms were installed in homes



throughout the community and another 209 caregivers were trained on the proper installation of a child safety seat. CRR also coordinates public education for our citizens to include fire extinguisher training, smoke alarms installations, fire drills, school visits, and station tours. WFD estimates more than 23,680 contacts were made in 2021. WFD conducts two Citizen Fire Academy's each year to allow residents to gain knowledge on how the fire department operates and a Junior Fire

Academy to promote the fire service as a career amongst the city's youth. Both programs include hands-on training to provide them a better understanding of what the fire department does daily.

LONG-TERM FINANCIAL PLANNING

The City seeks to consistently maintain a strong financial position as evidenced by its AAA rating by Fitch, Standard and Poor's and Moody's. This objective requires regular long-term planning of operating and capital requirements for its major general government and enterprise programs. In doing so, the City relies on key financial policies and procedures for dealing with future events in financially responsible ways.

The City adopts a Capital Improvement Program (CIP) that looks ahead to project and plan for capital needs addressing both project needs and financial strategy. Major areas covered by the CIP are transportation, parks, storm water utility, downtown infrastructure improvements and general public improvements. In Fiscal Year 2013, a five-year budget plan was adopted that established a 5 cents property tax set aside which funds 80% debt service and 20% pay-go (80/20 Plan) for \$41.1 million of tax-supported projects in the CIP. In FY 2015, the voters approved a \$44 million Streets and Sidewalks Bond Referendum with a 2 cents property tax set aside. In FY 2016, the voters approved a \$30.465 million General Obligation Bond Referendum for parks and recreation projects. In FY 2017, City Council authorized a \$25.8 million installment purchase contract with PNC Bank, National Association for the construction of the parking deck component of the Water Street parking deck redevelopment project. In FY 2018, City Council approved the 2nd 80/20 Plan to fund \$57.6 million of projects over a six-year period. In connection with the FY 2018 property tax revaluation, the existing dedicated tax rates for the 1st 80/20 Plan and the Streets and Sidewalks Bond were reduced to revenue neutral rates of 4.68 cents and 1.87 cents, respectively. To fund the additional initiatives, City Council included property tax set asides in the FY 2018 adopted budget of 1.8 cents for the Parks and Recreation Bonds, .94 cents for the Water Street parking deck redevelopment and .18 cents for the 2nd 80/20 Plan. The FY 2022 property tax revaluation resulted in reducing the original 9.47 cents total property tax set aside for the aforementioned CIP programs to a revenue neutral total rate of 7.13 cents.

A key financial goal of the City for many years has been the maintenance of an unassigned General Fund balance of at least equal to or greater than 20% to 25% of the total annual operating budget of the General Fund. In addition, the City has desired to appropriate a consistent level of fund balance each year resulting from positive budget variances. These goals are met in the fiscal year 2022 results that are built into the 2022-2023 operating budgets. Several financial models are also used in the budget process and provide a means of projecting long-term resource requirements. Other practices followed are designed to avoid the meeting of recurring expense needs with one-time revenue resources and to ensure an ongoing mix of pay-as-you-go funding of capital needs with long-term debt.

MAJOR INITIATIVES

PUBLIC FACILITIES

The **Wilmington Convention Center (Center) Complex** offers a prime coastal location for conventions and meetings in North Carolina with a view of the Cape Fear River and the north end of Wilmington's historic downtown district. The Center's facility includes over 107,000 square feet of function space, an adjacent event lawn and a connected City of Wilmington parking deck. Significant features are the Center's dramatic interior design with red cedar walls and ceilings, reminiscent of the City's historic regional use in boat building.

The Center features enhanced specialty lighting as well as a maritime themed photo and art display, which reflects the historical local imagery and industry. The Center’s main service feature is the food & beverage operation: SAVOR...Wilmington Catering by ASM Global.



Convention Center						2022 vs.
	FYE	FYE	FYE	FYE	FYE	%
Event Types	2018	2019	2020	2021	2022	Growth
Convention/TS/Conference	13	12	13	2	19	850.0%
Public Shows	15	14	9	4	8	100.0%
Meetings/Other	22	35	58	154	49	-68.2%
Banquets	76	75	49	6	28	366.7%
TOTALS	126	136	129	166	104	-37.3%
Attendance	70,613	73,640	53,963	16,870	56,407	234.4%
Total Room Nights	12,290	12,885	10,907	1,160	15,037	1196.3%
Repeat Users	94	101	74	10	40	300.0%

Source: Wilmington Convention Center

- The Center hosted **104** events representing **56,407** in event attendance and **15,037** in hotel room nights during FY 2022. Total number of events decreased by 37.3% compared to FY 2021 mainly due to event cancellations because of the COVID-19 Delta variant.
- A few of the Convention highlights: NC Association of School Resource Officers, NC Police Executives Association, NC Association of County Commissioners, NC State Biological & Agricultural Engineering, NC League of Municipalities and NC Local Government Information Systems.

The Wilmington Convention Center is managed by ASM Global, the world’s leading venue management and services company, connecting people through the power of live experiences.

PUBLIC-PRIVATE PARTNERSHIPS

River Place is an approximate 483,500 square foot vertical mixed-use development located in the heart of the City of Wilmington’s central business district. The development will include 171 residential units, commercial space, office space, a public park, and a 403 space parking deck. The project was recently completed.

The Healing Place is a 200-bed group living facility intended for the treatment of opioid dependent individuals. A special use permit was approved by City Council for the use in February 2019. The project is currently under construction.

New Hanover County Government Center is a mixed-use project that includes a new 136,00 square-foot office building that will house New Hanover County’s government offices, a new public park area, and a mixed-use building that includes 283 residential units and 5,000 square-feet of retail space. The project is currently under construction.

AWARDS AND ACKNOWLEDGEMENTS

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 for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing achievement with the highest standards in government accounting and financial reporting.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Wilmington has received a Certificate of Achievement consecutively since 1984. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We especially express our appreciation to Cristal Jenkins, Katherine Dimopoulos, Regina Hopkins, Holly Bruhn, Dawn Coleman, Brian Johnson, Michael Pirsch and Chrissy Roane for their efforts and contributions to the preparation of this report and to Heather Hosford for the cover design.

Respectfully submitted,



Jennifer R. Maready
Finance Director



Bryon Dorey
Asst. Finance Director-Treasurer



Stephanie Jacobs
Asst. Finance Director-Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wilmington
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



W CITY OF
WILMINGTON
NORTH CAROLINA

FINANCIAL SECTION TAB (FRONT)

FINANCIAL SECTION TAB (BACK)



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Wilmington, North Carolina

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of City of Wilmington, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly after.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and information on Other Postemployment Benefits, the Local Governmental Employees' Retirement System and the Law Enforcement Officers' Special Separation Allowance on pages 122 - 135 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The major fund schedules, combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to 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. In our opinion based on our audit, the procedures performed as described above and the report of another auditor, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 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 the 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.

PBMares, LLP

Morehead City, North Carolina
November 29, 2022



W CITY OF
WILMINGTON
NORTH CAROLINA

Management's Discussion and Analysis (unaudited)

As management of the City of Wilmington, North Carolina (the City) we offer readers of the City of Wilmington's financial statements this narrative overview and analysis of the financial activities of the City of Wilmington for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

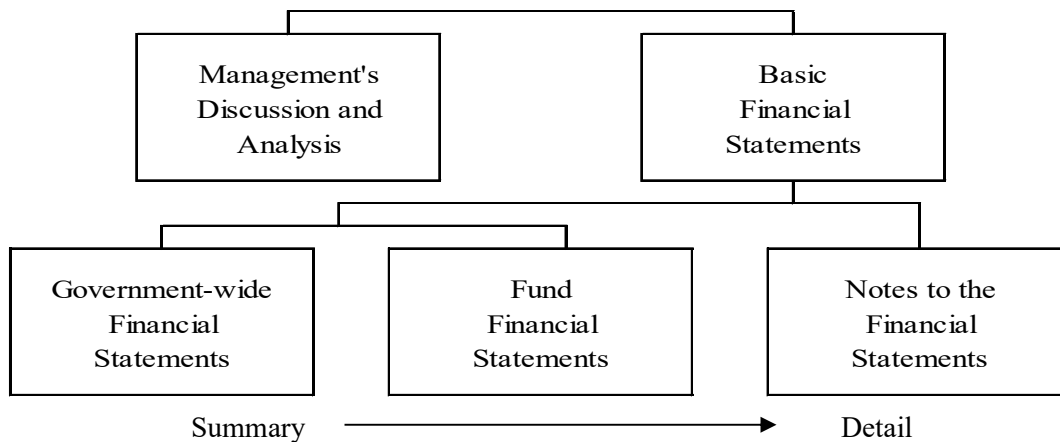
Financial Highlights

- In June 2021, the City received the first payment of \$12,964,976 from the US Treasury as part of the American Rescue Plan Act (ARPA) allocation of \$25,929,952. The second payment of \$12,964,976 was received in June 2022. These funds are being used to assist the City and our community in the recovery of the pandemic as well as maintain financial stability.
- The City continues to recover from Hurricane Florence that made landfall in September 2018 and Hurricane Isaias that made landfall in August 2020. Repairs continue to be made on City facilities damaged by Hurricane Florence. In fiscal year 2022, the City received FEMA reimbursements for Hurricane Florence and Isaias in the amounts of \$146,477 and \$809,944 respectively. The eligible reimbursements remaining from both storms are \$8.5 million for Florence and \$.092 million for Isaias. The City also received \$704,477 in FY 2022 for insurance payments related to Hurricane Florence.
- The assets and deferred outflows of resources of the City of Wilmington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$484,804,341 (*net position*).
- The government's total net position increased by \$36,508,400. Included in this amount are increases in the net position of governmental activities and business-type activities of \$33,315,950 and \$3,192,450 respectively.
- As of the close of the current fiscal year, the City of Wilmington's governmental funds combined ending fund balances decreased \$2,944,532 from the prior year to a total of \$235,431,053. Approximately 19.6% of this amount, or \$46,117,277, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$46,118,757 or 40% of total general fund expenditures and 33.2% of total general fund expenditures, including transfers for the fiscal year. This follows the City's Policy of maintaining a minimum unassigned fund balance of 20-25% of the operating budget.
- The City of Wilmington's total long-term liabilities decreased by \$38,745,329 or 9.4% during the current fiscal year. Total long-term liabilities decreased for governmental activities by \$35,492,170 and decreased by \$3,253,159 for the business-type activities.
- The City of Wilmington's bond rating is AAA/AAA/Aaa which has remained steady for Fitch, Standard & Poor's and Moody's.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Wilmington's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Wilmington.

Required Components of Annual Comprehensive Financial Report
Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City’s financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, the **required supplementary information** section contains funding information about the City’s pension plans and postemployment healthcare plan. Next, **supplemental information** is provided to show details about the City’s individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City’s financial status as a whole.

The two government-wide statements report the City’s net position and how it has changed. Net position is the difference between the total of the City’s assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to evaluate the City’s financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City’s basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.

The business-type activities are those that the City charges customers to provide. These include recycling and trash services, parking facilities, storm water management, and a golf course operated by the City. The final category is the component unit. Although legally separate from the City, the Cape Fear Public Transportation Authority is important to the City because the Authority is primarily fiscally dependent upon the City.

The government-wide financial statements are on pages 21 - 23 of this report.

Fund Financial Statements

The fund financial statements (see figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wilmington, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Wilmington can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. Financial statements for these funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Wilmington adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The City of Wilmington has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Wilmington uses enterprise funds to account for its golf course operations, recycling and trash services, storm water management, and operations of the parking facilities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Wilmington. The City uses an internal service fund to account for two activities – equipment maintenance and replacement and technology replacement. Because these operations benefit predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for reserves held by the government in a trustee capacity for others. Because the resources of fiduciary funds cannot be used to support the government’s own programs, such funds are specifically excluded from the government-wide statements. The City uses fiduciary funds to account for the assets of the Community Housing Development Organization’s net proceeds from the sale of housing, law enforcement seizures and postemployment trust funds, which include the City’s retiree healthcare program.

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 are on pages 47 - 119 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Wilmington’s progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 122 of this report.

Interdependence with Other Entities – The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows in intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

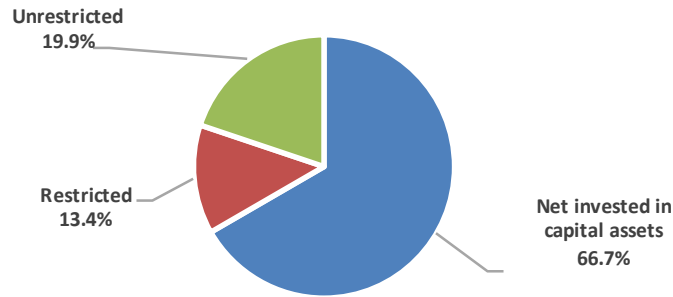
Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of resources of the City of Wilmington exceeded its liabilities and deferred inflows of resources by \$484,804,341 as of June 30, 2022. The City’s net position increased by \$36,508,400 for the fiscal year ended June 30, 2022. A significant portion of the City’s net position \$323,506,253 (66.7%) reflects the City’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City’s net position, \$64,819,782 (13.4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$96,478,306 (19.9%) is unrestricted.

Several aspects of the City’s financial operations positively influenced the total unrestricted government-wide net position:

- **Governmental Activities:** The City received an increase in Sales tax revenue of \$4,569,463 that exceeded the prior year. Charges for services increased by \$4,253,142 as the COVID restrictions eased and there was more activity with recreation and the convention center events. In addition to revenue increases, the City also realized minor total expense increases over the prior year mainly in general government related to the purchase of a new administration building at \$9 million. This increase is offset by overall reductions due to prolonged vacancies, high turnover and other service reductions in relation to the changes in the economy.
- **Business-type Activities:** Overall revenues increased from the prior by \$1,687,990 mostly due to charges for services that were higher than the prior year by \$2,027,842. The largest increase was seen with parking revenue due again to the businesses opening back up after COVID.

Total Net Position



**Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS:						
Current and other assets	\$306,930,680	\$285,941,625	\$ 64,574,176	\$ 55,549,686	\$ 371,504,856	\$341,491,311
Right-to-use lease assets	202,552	690,826	1,636,871	1,815,439	1,839,423	2,506,265
Capital assets	468,349,925	453,158,035	85,646,769	84,989,978	553,996,694	538,148,013
Total assets	<u>775,483,157</u>	<u>739,790,486</u>	<u>151,857,816</u>	<u>142,355,103</u>	<u>927,340,973</u>	<u>882,145,589</u>
DEFERRED OUTFLOWS OF RESOURCES						
	<u>28,188,977</u>	<u>29,128,228</u>	<u>3,287,691</u>	<u>3,083,010</u>	<u>31,476,668</u>	<u>32,211,238</u>
LIABILITIES:						
Long-term liabilities	319,684,388	355,867,384	52,892,611	57,961,209	372,576,999	413,828,593
Current and other liabilities	34,078,824	31,544,637	4,181,413	4,441,268	38,260,237	35,985,905
Total liabilities	<u>353,763,212</u>	<u>387,412,021</u>	<u>57,074,024</u>	<u>62,402,477</u>	<u>410,837,236</u>	<u>449,814,498</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>49,428,435</u>	<u>14,342,156</u>	<u>13,747,629</u>	<u>1,904,232</u>	<u>63,176,064</u>	<u>16,246,388</u>
NET POSITION:						
Net investment in capital assets	280,909,012	260,026,675	42,597,241	39,343,595	323,506,253	299,370,270
Restricted	64,217,735	53,089,657	602,047	543,492	64,819,782	53,633,149
Unrestricted	55,353,740	54,048,205	41,124,566	41,244,317	96,478,306	95,292,522
Total net position	<u>\$400,480,487</u>	<u>\$367,164,537</u>	<u>\$ 84,323,854</u>	<u>\$ 81,131,404</u>	<u>\$ 484,804,341</u>	<u>\$448,295,941</u>

Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 9,971,519	\$ 5,718,377	\$ 29,085,663	\$ 27,057,821	\$ 39,057,182	\$ 32,776,198
Operating grants and contributions	17,424,837	16,898,636	31,366	149,607	17,456,203	17,048,243
Capital grants and contributions	6,148,569	2,439,909	141,566	563,624	6,290,135	3,003,533
General revenues:						
Property taxes	82,558,376	80,518,378	-	-	82,558,376	80,518,378
Other taxes	54,725,001	48,403,482	-	-	54,725,001	48,403,482
Investment earnings	316,027	177,171	42,968	62,751	358,995	239,922
Other	6,498,497	4,785,962	457,372	237,142	6,955,869	5,023,104
Total revenues	<u>177,642,826</u>	<u>158,941,915</u>	<u>29,758,935</u>	<u>28,070,945</u>	<u>207,401,761</u>	<u>187,012,860</u>
Expenses:						
General government	34,635,188	32,303,341	-	-	34,635,188	32,303,341
Public safety	57,680,970	58,555,020	-	-	57,680,970	58,555,020
Transportation	20,691,751	21,380,068	-	-	20,691,751	21,380,068
Economic and physical development	8,718,652	7,237,706	-	-	8,718,652	7,237,706
Culture and recreation	13,097,808	12,782,133	-	-	13,097,808	12,782,133
Transit system	1,599,708	1,555,018	-	-	1,599,708	1,555,018
Interest and other charges	7,737,500	7,852,939	-	-	7,737,500	7,852,939
Recycling and Trash Svcs	-	-	9,777,524	9,347,492	9,777,524	9,347,492
Storm water management	-	-	8,327,457	9,141,384	8,327,457	9,141,384
Parking facilities	-	-	6,770,339	5,364,931	6,770,339	5,364,931
Golf	-	-	1,856,464	1,673,651	1,856,464	1,673,651
Total expenses	<u>144,161,577</u>	<u>141,666,225</u>	<u>26,731,784</u>	<u>25,527,458</u>	<u>170,893,361</u>	<u>167,193,683</u>
Increase in net position before transfers	33,481,249	17,275,690	3,027,151	2,543,487	36,508,400	19,819,177
Transfers from (to) other funds	<u>(165,299)</u>	<u>(2,412,505)</u>	<u>165,299</u>	<u>2,412,505</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>33,315,950</u>	<u>14,863,185</u>	<u>3,192,450</u>	<u>4,955,992</u>	<u>36,508,400</u>	<u>19,819,177</u>
Net position at beginning of year	<u>367,164,537</u>	<u>352,301,352</u>	<u>81,131,404</u>	<u>76,175,412</u>	<u>448,295,941</u>	<u>428,476,764</u>
Net position at end of year	<u>\$400,480,487</u>	<u>\$367,164,537</u>	<u>\$ 84,323,854</u>	<u>\$ 81,131,404</u>	<u>\$484,804,341</u>	<u>\$ 448,295,941</u>

Governmental activities. Governmental activities increased the City's net position by \$33,315,950. Key elements of this net increase are as follows:

- The increase in net position before transfers in the prior year was \$17,275,690 compared to this year of \$33,481,249, an increase of \$16,205,559.
 - Revenues increased by \$18,700,911 or 11.8% from the prior year. The current year increases over prior year were predominantly due to increases in sales tax revenue of \$4,569,463 and room occupancy tax revenue of \$1,782,135. Charges for services increased by \$4,253,142 from the prior year as restrictions eased and recreational and convention center activities returned. Capital grants and contributions increased by \$3,708,660 mostly related to the influx of funding from the US Treasury American Rescue Plan Act to help respond to the negative impacts of the pandemic.
 - Expenses increased by \$2,495,352 or 1.8% over the prior year. The largest increases were \$2.3 million in General Government and \$1.5 million in Economic and Physical Development. The largest decrease in expenses was seen in Public Safety by \$874 thousand due to the prolonged vacancies and turnover rates for police and fire.
- Transfers from (to) the Business-type Activities in the prior year were (\$2,412,505) compared to this year of (\$165,299) a decrease of \$2,247,206.
 - In the current fiscal year, transfers were made from the debt service fund to the parking fund for \$1,926,239 to cover the Riverplace parking deck debt service.
 - \$38,366 was transferred from the general fund to the recycling and trash services fund to continue working with the police department on neighborhood cleanup efforts.
 - \$213,336 were transfers to public improvement CP and special purpose funds from the recycling and trash fund to be used as grant matches for an electric refuse truck and backyard composting bins in the prior year. The electric refuse truck was not able to be purchased and the composting bins came in at a lower cost and therefore required less grant match than anticipated.
 - A transfer of \$1,874,735 was made to the fleet fund from the recycling and trash fund for the purchase of nine new refuse trucks.
 - A net transfer of capital assets of \$137,907 was made to the fleet fund relative to the equipment purchases from stormwater and recycling and trash services funds that will be on lease from the fleet fund.

Business-type activities. Business activities increased the City's net position by \$3,192,450. Key elements of the increase are as follows:

- The increase in net position before transfers in the prior year was \$2,543,487 compared to this year of \$3,027,151, an increase of \$483,664.
 - The increase in charges for service of \$2,027,842 is mainly from the parking fund as businesses opened back up from the pandemic followed by the golf fund as there continues to be an increase in participation. The largest decrease in revenue is in capital grants and contributions related to the grants received in the prior year for stormwater.
 - Expenses increased by \$1,204,326 or 4.7% from the prior year mainly due to improvements made to several parking decks.
- Transfers from (to) the Governmental Activities in the prior year were \$2,412,505 compared to this year of \$165,299, a decrease of \$2,247,206.
 - In the current fiscal year, transfers were made from the debt service fund to the parking fund for \$1,926,239 to cover the Riverplace parking deck debt service.
 - \$38,366 was transferred from the general fund to the recycling and trash services fund to continue working with the police department on neighborhood cleanup efforts.
 - \$213,336 were transfers to public improvement CP and special purpose funds from the recycling and trash fund to be used as grant matches for an electric refuse truck and backyard composting bins in the prior year. The electric refuse truck was not able to be purchased and the

composting bins came in at a lower cost and therefore required less grant match than anticipated.

- A transfer of \$1,874,735 was made to the fleet fund from the recycling and trash fund for the purchase of nine new refuse trucks.
- A net transfer of capital assets of \$137,907 was made to the fleet fund relative to the equipment purchases from stormwater and recycling and trash services funds that will be on lease from the fleet fund.

Financial Analysis of the City's Funds

As noted earlier, the City of Wilmington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of City of Wilmington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Wilmington's financing requirements. The General Fund is the chief operating fund of the City of Wilmington. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$46,118,757, a 3.7% decrease from the prior year; while total fund balance was \$73,145,369, a 9.9% decrease from the prior year. The City Council has determined that the City should maintain a minimum unassigned fund balance of 20-25% of the operating budget in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the City. This year, the City continued to have economic impacts from the COVID-19 pandemic as well as extended vacancies and high staff turnover. With these events, the minimum level of unassigned fund balance was still achieved.

The City currently has an unassigned fund balance of 31.1% of the operating budget, while total fund balance represents 49.3% of the same amount. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including transfers). Unassigned fund balance represents 40% of total General Fund expenditures, while total fund balance represents 63.4% of that same amount.

At June 30, 2022, the governmental funds of the City of Wilmington reported a combined fund balance of \$235,431,053, a 1.2% decrease or \$2,944,532 less than the prior year. The General Fund, Special Purpose Fund, Streets and Sidewalks Fund, Convention Center Fund, Debt Service Fund, and non-major special revenue and capital project funds are included in this combined amount.

The General Fund realized an \$8 million decrease to fund balance mainly due to the budgeted use of funds to purchase a building to be used for administration as the City has outgrown the current space. The General Fund revenues came in higher than budget and expenditures lower than budget. Revenues exceeded the budget by \$10 million. Sales tax revenues and Property tax receipts were higher than budgeted by \$6.5 million due growth, online sales, stimulus funding, etc. Other increases in revenues came from ABC revenue at \$1.5 million over budget and reimbursements from insurance of \$704 thousand for Hurricane Florence that made landfall in September 2018, and FEMA reimbursements of \$810 thousand for Hurricane Isaias that made landfall in August 2020. These reimbursements were not included in the amended budget. The City is still awaiting additional reimbursements amounting to \$8.6 million for these storms. The General Fund expenditures were \$9.6 million less than budgeted due to the continued impact from the pandemic and the economy which continues to bring extended position vacancies and higher than expected turnover experienced by several departments throughout the City. The reductions in expenditures include the continued impact from the pandemic as the City staff trainings were mostly held through video conference connections in place of in-person experiences. City operational expenses related to professional service contracts were also below budget, some related to delays in processes. The Convention Center Fund has an increase of \$3.8 million due mostly to revenue from events and room occupancy tax as they were able to fully open from the restrictions of COVID. The Streets and Sidewalks Fund saw an increase of \$2.6 million due to funding from the debt service fund to pay for street and sidewalk capital improvements. The Debt Service Fund had a decrease of \$2.9 million as the City's debt service payments increased. The non-major funds saw an increase of \$1.4 million due to an increase in the transfer of funding from various funds to provide funding for projects in parks and recreation as well as building capital improvement funds.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once more precise information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues (excluding transfers) were above budget estimates in total by \$10,073,767 for the fiscal year. This increase was mostly related to sales tax and ad valorem tax coming in higher than budget by \$6,224,283 and \$310,739 respectively. The City also received \$1,484,277 higher than estimated for ABC Revenues. The general fund revenues continue to receive positive impacts from the pandemic and economy mostly in sales tax revenues as these continue to increase and were up 13.2% from the prior year. Also, changes to the economy have resulted positively to interest rates as there has been an increase in earnings from investments bringing in \$134,012, an increase of \$89,301 from the prior year as well as a return of activity in City services and recreational participation increasing revenues over budget in these areas by \$536,541. Miscellaneous revenue from sale of assets and insurance reimbursement from damage caused by Hurricane Florence in September 2018 increased by \$1,290,165. The revenue from Powell Bill came in higher by \$260,277. The City continued to receive lower than expected revenues from the State Utility franchise and telecommunication taxes as businesses continue to change the way they operate.

Expenditures (excluding transfers) in the General Fund were \$9,600,791 less than the \$124,780,557 amended budget. The City experienced levels below the authorized budget in salaries and benefits due to continued high turnover and record vacancies as well as other operational expenditures such as utilities and insurance coverages. The reductions in expenditures include the continued impact from the pandemic as the City staff trainings were mostly held through video conference connections in place of in-person experiences. City operational expenses related to professional service contracts were also below budget, some related to delays in processes that reduced this need.

Proprietary Funds. The City of Wilmington's proprietary funds provide the same type of information found in the business-type activities of the government-wide statements but in more detail. The major enterprise funds are the Recycling and Trash Services Fund, Storm Water Management Fund and Parking Facilities Fund. Unrestricted net position of the Recycling and Trash Services Fund, Storm Water Management Fund, and the Parking Facilities Fund at the end of the fiscal year amounted to \$3,421,305, \$30,365,593, and \$7,256,905, respectively. These balances are all in-line with the previous year except for the Recycling and Trash Services Fund which had a decrease related to a transfer to the Fleet Replacement Fund of \$1.8 million to purchase nine new refuse trucks. The unrestricted net position of the non-major Golf enterprise fund totaled \$80,763. This is a decrease over the prior year as the golf course renovated the clubhouse this year which increased the value of their capital assets.

Capital Asset, Leases, and Debt Administration

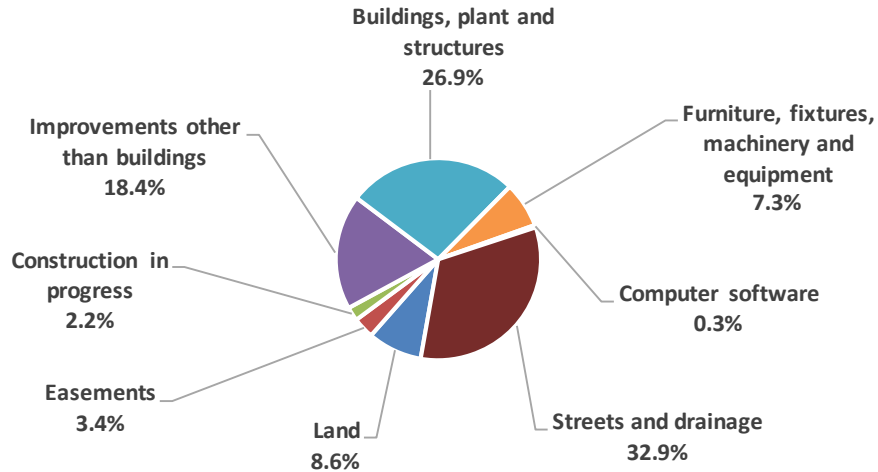
Capital assets. The City of Wilmington's investment in capital assets for its governmental and business-type activities as of June 30, 2022, was \$553,996,694 (net of accumulated depreciation). These assets include buildings, roads and bridges, drainage improvements, land, rights-of-ways and easements, park facilities, machinery and equipment, vehicles, and software.

Major capital asset transactions during the year include the following:

- An increase of \$23,311,448 in buildings, plant, and structures for governmental activity capital assets (see Figure 4) represented the largest increase. Of this amount, \$12,744,097 is for several facilities located at the City's Riverwalk Park and Amphitheatre which opened in July 2021. An increase of \$9,452,414 is for the purchase of a building to be used to house administration that has outgrown existing space and is located downtown adjacent to existing administration buildings. Improvements other than buildings saw an increase of \$19,181,064 mostly related to the City's Riverwalk Park and Amphitheatre as well. An offset to these increases is the decrease of \$23,790,069 in construction in progress where assets under construction previously were capitalized in the current year. Additionally, streets and drainage increased by \$6,286,526 as the City made several street improvements as well as accepted streets from new developments.

- An increase of \$1,911,932 in improvements other than buildings for business-type activities represented the largest increase related mostly to various storm water and drainage improvement projects throughout the City. Additionally, buildings, plant and structures increased by \$1,240,201 with the majority related to the renovations of the club house in the Golf Fund.

Capital Assets



**Capital Assets
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 64,007,698	\$ 61,354,823	\$ 8,491,754	\$ 8,491,754	\$ 72,499,452	\$ 69,846,577
Easements	25,500,997	24,548,938	3,424,585	3,057,286	28,925,582	27,606,224
Construction in progress	14,478,575	38,268,644	4,280,600	4,121,217	18,759,175	42,389,861
Total non-depreciable assets	<u>103,987,270</u>	<u>124,172,405</u>	<u>16,196,939</u>	<u>15,670,257</u>	<u>120,184,209</u>	<u>139,842,662</u>
Improvements other than buildings	86,549,337	67,368,273	68,813,216	66,901,284	155,362,553	134,269,557
Buildings, plant and structures	186,822,300	163,510,852	40,969,364	39,729,163	227,791,664	203,240,015
Furniture, fixtures, machinery and equipment	59,200,888	56,558,272	2,759,832	2,392,801	61,960,720	58,951,073
Computer software	3,181,191	3,181,191	102,792	102,792	3,283,983	3,283,983
Streets and drainage	<u>278,526,129</u>	<u>272,239,603</u>	-	-	<u>278,526,129</u>	<u>272,239,603</u>
Total assets being depreciated	614,279,845	562,858,191	112,645,204	109,126,040	726,925,049	671,984,231
Accumulated depreciation	<u>(249,917,190)</u>	<u>(233,872,561)</u>	<u>(43,195,374)</u>	<u>(39,806,319)</u>	<u>(293,112,564)</u>	<u>(273,678,880)</u>
Total capital assets being depreciated, net	<u>364,362,655</u>	<u>328,985,630</u>	<u>69,449,830</u>	<u>69,319,721</u>	<u>433,812,485</u>	<u>398,305,351</u>
Total capital assets, net	<u>\$468,349,925</u>	<u>\$453,158,035</u>	<u>\$ 85,646,769</u>	<u>\$ 84,989,978</u>	<u>\$553,996,694</u>	<u>\$538,148,013</u>

Additional information on the City's capital assets can be found in note 3 on pages 73 - 76 of this report.

Right-to-Use Leases. Effective with the fiscal year ending June 30, 2022, the City recorded the value of the right-to-use assets in accordance with GASB Statement Number 87, "Leases". Governmental Activities included right-to-use lease assets of \$202,552 and Business-type Activities included \$1,636,871 for the fiscal year ended June 30, 2022.

Long-term Debt. At June 30, 2022, the City does not have general obligation bonds authorized but unissued. The total bonded debt outstanding is \$97,225,000. Of the amount outstanding, \$79,910,000 is general obligation debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) of the storm water system.

The City of Wilmington's total bonded debt decreased by \$5,890,000 during the past fiscal year. At June 30, 2022, the general obligation debt was rated AAA/AAA/Aaa by Fitch, Standard and Poor's, and Moody's respectively. The revenue bonds of the Storm Water Fund have been rated AA+/Aa2 by Standard and Poor's, and Moody's respectively. North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for the City of Wilmington is \$1,714,744,902.

The City's total debt decreased by \$41,251,593 (10%) during the past fiscal year. The City did not issue any new debt in fiscal year 2022. The reduction is from planned debt service payments during the year of \$17,567,702 and pension liabilities of \$17,690,552 due to the City's proportionate share of the liability decreasing from .82659% to .79558% for FY22 based on experience adjustments and earnings on the plan investments.

Total Debt Outstanding
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 79,910,000	\$ 85,060,000	\$ -	\$ -	\$ 79,910,000	\$ 85,060,000
Revenue bonds	-	-	17,315,000	18,055,000	17,315,000	18,055,000
Installment Obligations	136,742,175	145,288,950	26,657,825	28,516,050	163,400,000	173,805,000
Other Long term obligations	6,465,944	7,738,646	-	-	6,465,944	7,738,646
Plus deferred amounts for issuance discounts	-	-	-	(1,413)	-	(1,413)
Plus deferred amounts for issuance premiums	25,263,250	26,576,412	1,229,911	1,351,129	26,493,161	27,927,541
Lease liability	202,431	690,826	1,661,434	1,815,439	1,863,865	2,506,265
Compensated absences	8,566,809	8,225,326	610,245	589,285	9,177,054	8,814,611
Net OPEB Liability	34,533,455	38,258,588	4,058,311	4,613,594	38,591,766	42,872,182
Net pension liability (LGERS)	10,841,098	26,515,457	1,359,885	3,022,125	12,200,983	29,537,582
Total pension liability (Separation Allowance)	<u>17,159,226</u>	<u>17,513,179</u>	<u>-</u>	<u>-</u>	<u>17,159,226</u>	<u>17,513,179</u>
Total	<u>\$319,684,388</u>	<u>\$355,867,384</u>	<u>\$ 52,892,611</u>	<u>\$ 57,961,209</u>	<u>\$372,576,999</u>	<u>\$413,828,593</u>

Additional information on the City of Wilmington's long-term debt can be found in note 3 on pages 96 - 110 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the conservative growth projections:

- As we end our second full year following the start of the pandemic, the City of Wilmington's unemployment rate was 3.7% at June 30, 2022 and was just above both the State average of 3.4% and the national average of 3.6%. Prior to COVID-19, the unemployment rate as of February 2020 was 3.5% for Wilmington compared to 3.6% for the State and 3.5% for the Nation.
- Sales tax receipts (county-wide) ended the year up by 15.5% over the prior fiscal year and the City of Wilmington's distribution saw a 13.28% increase which was affected by changes in projected property levies that affect the distribution method as well as the full year impact from COVID-19 environment relaxing and federal stimulus still entering the system. Local sales tax revenues for FY23 are estimated at \$37,647,425 reflecting a 16% increase over FY22 adopted levels and a 10% increase over the FY21 actuals. Sales Tax represents 29% of the total General Fund revenues. Reports and forecasts are mixed on the continued growth trend at these levels and may slow given the economic environment and inflation. Sales tax revenues for the FY23 budget was developed based on the City's trends of recent monthly collections and growth.

All of these factors were included in preparing the City of Wilmington's budget for the 2023 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. The FY23 budget includes a real property tax rate of 39.50 cents per \$100 assessed value, which is an adjustment of 1.42 cents or 3.7% above the FY22 real property tax rate of 38.08 cents per \$100 assessed valuation. The value of one penny of the tax rate is equivalent to approximately \$2,171,460 based on a 98.95% collection rate for Property and a 100% collection rate for Motor Vehicles. Of the \$0.3950, \$0.0713 continues to be dedicated to the Debt Service Fund to support capital projects related to the 1st 80/20 Debt Service 5-year CIP, the voter approved Transportation Bond, the voter approved Parks Bond, the Water Street Deck collaboration, and the 2nd 80/20 Debt Service 6-year CIP.

The Wilmington City Council established a Municipal Services District (MSD) for the Central Business District in December of 2016 to provide professional services above and beyond what is already provided by the City. This adopted budget includes a 1 cent increase to the tax rate adjusting it to \$0.0647 per \$100 assessed value, for both real and personal property, based on the total district's property values totaling \$826.9 million. The assessed values have decreased by \$9.8 million over FY22. Expected ad valorem revenues totaling \$529,407 have been budgeted for FY23.

The FY23 General Fund budget appropriates \$1.3 million of fund balance for multiple one-time equipment and service purchases. There are two studies included: Heart of Wilmington and update to the Historic National Register Inventory. The budgeted expenditures, excluding transfers, increased by \$8.9 million or 8.3% to \$117,145,400 from the adopted FY2022 budget of \$108,152,746. The city-wide FY23 adopted budget reflects a net increase of 30.67 positions. Each position request directly associates with the strategic plan and overall mission of the core values of the City.

Business-type Activities. Stormwater rates increased by 1% to \$8.51 per month per residence. Recycling and Trash Services will see a 5% rate adjustment effective beginning of fiscal year as a result from a rate study completed in FY21 and continued on-going increases with personnel expenses and landfill costs. Similar responses were required for both Golf and Parking to respond to increased on-going costs. Golf green fees will increase by \$2 and parking implemented various increases in-line with a recently completed benchmark study. All associated advisory boards agreed with the changes.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Wilmington, 305 Chestnut Street, 5th Floor, Wilmington, N.C. 28401. You can also call 910-341-7822, visit our website www.wilmingtonnc.gov or send an email to finance@wilmingtonnc.gov.

**THIS PAGE
INTENTIONALLY BLANK**

BASIC FINANCIAL STATEMENTS



W CITY OF
WILMINGTON
NORTH CAROLINA

CITY OF WILMINGTON, NORTH CAROLINA

Statement of Net Position

June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents/investments	\$ 165,036,171	\$ 43,122,431	\$ 208,158,602	\$ 702,012
Taxes receivable, net	1,504,590	-	1,504,590	-
Accounts receivable, net	921,486	2,556,819	3,478,305	9,919
Other receivables	378,288	119,287	497,575	-
Due from other governments	23,562,122	4,502,829	28,064,951	1,230,242
Due from management company	243,382	-	243,382	-
Inventories	733,647	154,802	888,449	344,307
Notes receivable	19,964,947	-	19,964,947	-
Prepays	1,669,036	128,129	1,797,165	-
Restricted assets for capital outlay:				
Cash and cash equivalents/investments	74,004,507	3,925,654	77,930,161	-
Lease receivable:				
Due within one year	723,369	52,861	776,230	-
Due in more than one year	18,189,135	10,011,364	28,200,499	-
Intangible right-to-use lease asset, net of accumulated amortization	202,552	1,636,871	1,839,423	-
Capital assets:				
Land, easements and construction in progress	103,987,270	16,196,939	120,184,209	4,164,113
Other capital assets, net of accumulated depreciation	364,362,655	69,449,830	433,812,485	22,616,446
Total assets	<u>775,483,157</u>	<u>151,857,816</u>	<u>927,340,973</u>	<u>29,067,039</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>28,188,977</u>	<u>3,287,691</u>	<u>31,476,668</u>	<u>358,643</u>
LIABILITIES				
Accounts payable	6,079,451	1,240,949	7,320,400	192,317
Due to other governments	29,053	6,880	35,933	-
Accrued liabilities	8,712,291	730,041	9,442,332	64,193
Customer and escrow deposits	948,190	119,105	1,067,295	-
Unearned revenues	26,457	158,481	184,938	-
Restricted liabilities:				
Accounts payable	1,059,511	1,925,957	2,985,468	-
Unearned revenues	17,223,871	-	17,223,871	-
Long-term liabilities:				
Due within one year	23,435,255	3,270,163	26,705,418	276,472
Due in more than one year	296,249,133	49,622,448	345,871,581	212,710
Total liabilities	<u>353,763,212</u>	<u>57,074,024</u>	<u>410,837,236</u>	<u>745,692</u>
DEFERRED INFLOWS OF RESOURCES	<u>49,428,435</u>	<u>13,747,629</u>	<u>63,176,064</u>	<u>313,416</u>
NET POSITION				
Net investment in capital assets	280,909,012	42,597,241	323,506,253	26,780,559
Restricted for:				
Stabilization by State statute	19,178,989	-	19,178,989	-
Leases	116,194	58,555	174,749	-
Community development housing loans	28,873,840	-	28,873,840	-
Convention center facility	11,460,055	-	11,460,055	-
Capital projects	3,315,485	543,492	3,858,977	-
Public safety	880,484	-	880,484	-
Economic and physical development	308,552	-	308,552	-
Cultural and recreational	84,136	-	84,136	-
Unrestricted	<u>55,353,740</u>	<u>41,124,566</u>	<u>96,478,306</u>	<u>1,586,015</u>
Net position	<u>\$ 400,480,487</u>	<u>\$ 84,323,854</u>	<u>\$ 484,804,341</u>	<u>\$28,366,574</u>

See notes to financial statements.

CITY OF WILMINGTON, NORTH CAROLINA

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 34,635,188	\$ 1,941,753	\$ 9,547,961	\$ -
Public safety	57,680,970	1,089,470	434,137	1,307,130
Transportation	20,691,751	2,140,123	5,912,176	2,430,671
Economic and physical development	8,718,652	3,577,317	1,480,537	45,768
Cultural and recreational	13,097,808	1,222,856	50,026	2,365,000
Transit system	1,599,708	-	-	-
Interest and other charges	7,737,500	-	-	-
Total governmental activities	<u>144,161,577</u>	<u>9,971,519</u>	<u>17,424,837</u>	<u>6,148,569</u>
Business-type activities:				
Recycling and trash services	9,777,524	9,982,147	87,058	-
Storm water management	8,327,457	12,811,857	(55,692)	141,566
Parking facilities	6,770,339	4,334,845	-	-
Golf	1,856,464	1,956,814	-	-
Total business-type activities	<u>26,731,784</u>	<u>29,085,663</u>	<u>31,366</u>	<u>141,566</u>
Total primary government	<u>\$ 170,893,361</u>	<u>\$ 39,057,182</u>	<u>\$ 17,456,203</u>	<u>\$ 6,290,135</u>
Component unit	<u>\$ 10,792,370</u>	<u>\$ 1,771,232</u>	<u>\$ 6,146,946</u>	<u>\$ 239,903</u>

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
Primary government:				
Governmental activities:				
General government	\$ (23,145,474)	\$ -	\$ (23,145,474)	\$ -
Public safety	(54,850,233)	-	(54,850,233)	-
Transportation	(10,208,781)	-	(10,208,781)	-
Economic and physical development	(3,615,030)	-	(3,615,030)	-
Cultural and recreational	(9,459,926)	-	(9,459,926)	-
Transit system	(1,599,708)	-	(1,599,708)	-
Interest and other charges	(7,737,500)	-	(7,737,500)	-
Total governmental activities	<u>(110,616,652)</u>	<u>-</u>	<u>(110,616,652)</u>	<u>-</u>
Business-type activities:				
Recycling and trash services	-	291,681	291,681	-
Storm water management	-	4,570,274	4,570,274	-
Parking facilities	-	(2,435,494)	(2,435,494)	-
Golf	-	100,350	100,350	-
Total business-type activities	<u>-</u>	<u>2,526,811</u>	<u>2,526,811</u>	<u>-</u>
Total primary government	<u>(110,616,652)</u>	<u>2,526,811</u>	<u>(108,089,841)</u>	<u>-</u>
Component unit	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,634,289)</u>
General revenues:				
Ad valorem taxes	82,558,376	-	82,558,376	-
Room occupancy tax	5,859,370	-	5,859,370	-
Grants and contributions not restricted to specific programs	3,774,465	-	3,774,465	-
Operating subsidy from primary government	-	-	-	1,534,358
Operating subsidy from other governments	-	-	-	361,567
Local option sales tax	38,986,074	-	38,986,074	-
Franchise tax	8,251,765	-	8,251,765	-
Video programming sales tax	1,172,474	-	1,172,474	-
Rental vehicle tax	455,318	-	455,318	-
Investment earnings	316,027	42,968	358,995	-
Miscellaneous	2,724,032	457,372	3,181,404	180,317
Total general revenues not including transfers	<u>144,097,901</u>	<u>500,340</u>	<u>144,598,241</u>	<u>2,076,242</u>
Transfers from (to) other funds	<u>(165,299)</u>	<u>165,299</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>143,932,602</u>	<u>665,639</u>	<u>144,598,241</u>	<u>2,076,242</u>
Change in net position	<u>33,315,950</u>	<u>3,192,450</u>	<u>36,508,400</u>	<u>(558,047)</u>
Net position at beginning of year	<u>367,164,537</u>	<u>81,131,404</u>	<u>448,295,941</u>	<u>28,924,621</u>
Net position at end of year	<u>\$ 400,480,487</u>	<u>\$ 84,323,854</u>	<u>\$ 484,804,341</u>	<u>\$ 28,366,574</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Balance Sheet -
Governmental Funds**

June 30, 2022

	<u>General Fund</u>	<u>Special Purpose Fund</u>	<u>Convention Center Fund</u>	<u>Streets and Sidewalks Fund</u>
ASSETS				
Cash and cash equivalents/investments	\$ 64,775,851	\$ 1,039,977	\$ 9,579,561	\$ 28,713,526
Taxes receivable, net	1,242,021	-	-	-
Accounts receivable, net	914,381	-	-	-
Other receivables	268,075	3,266	32,450	12,841
Due from other funds	286,222	-	-	-
Due from management company	-	-	243,382	-
Due from other governments	16,401,321	797,227	2,303,286	802,108
Notes receivable, net	217,620	70,947	-	-
Leases receivable	8,405,735	-	10,162,982	-
Inventories	655,582	-	-	-
Prepays	482,032	6,585	-	25,505
Restricted assets:				
Cash and cash equivalents/investments	<u>-</u>	<u>17,127,418</u>	<u>198</u>	<u>42,800,261</u>
Total assets	<u>\$ 93,648,840</u>	<u>\$ 19,045,420</u>	<u>\$ 22,321,859</u>	<u>\$ 72,354,241</u>
 LIABILITIES				
Accounts payable	\$ 1,313,280	\$ 483,774	\$ 682,822	\$ 2,054,523
Due to other funds	-	-	-	-
Due to other governments	25,858	-	-	-
Accrued liabilities	7,573,314	84,971	-	-
Customer and escrow deposits	911,184	-	-	-
Unearned revenue	10,457	-	16,000	-
Restricted liabilities:				
Accounts payable	-	-	-	976,687
Unearned revenue	<u>-</u>	<u>16,689,304</u>	<u>-</u>	<u>250,000</u>
Total liabilities	<u>9,834,093</u>	<u>17,258,049</u>	<u>698,822</u>	<u>3,281,210</u>
 DEFERRED INFLOWS OF RESOURCES				
Taxes receivable, net	1,242,021	-	-	-
Accounts receivable	841,613	3,063	-	-
Notes receivable	217,620	-	-	-
Leases	<u>8,368,124</u>	<u>-</u>	<u>10,086,937</u>	<u>-</u>
Total deferred inflows of resources	<u>10,669,378</u>	<u>3,063</u>	<u>10,086,937</u>	<u>-</u>

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 21,890,307	\$ 23,146,461	\$ 149,145,683
Taxes receivable, net	254,918	7,651	1,504,590
Accounts receivable, net	-	7,105	921,486
Other receivables	6,462	14,786	337,880
Due from other funds	-	51,463	337,685
Due from management company	-	-	243,382
Due from other governments	79,850	2,976,846	23,360,638
Notes receivable, net	-	19,676,380	19,964,947
Leases receivable	-	343,787	18,912,504
Inventories	-	-	655,582
Prepays	-	677	514,799
Restricted assets:			
Cash and cash equivalents/investments	<u>16,964</u>	<u>14,059,666</u>	<u>74,004,507</u>
Total assets	<u>\$ 22,248,501</u>	<u>\$ 60,284,822</u>	<u>\$ 289,903,683</u>
LIABILITIES			
Accounts payable	\$ 801	\$ 1,251,633	\$ 5,786,833
Due to other funds	-	337,685	337,685
Due to other governments	-	3,195	29,053
Accrued liabilities	-	30,557	7,688,842
Customer and escrow deposits	-	37,006	948,190
Unearned revenue	-	-	26,457
Restricted liabilities:			
Accounts payable	-	82,824	1,059,511
Unearned revenue	<u>-</u>	<u>284,567</u>	<u>17,223,871</u>
Total liabilities	<u>801</u>	<u>2,027,467</u>	<u>33,100,442</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes receivable, net	254,918	7,651	1,504,590
Accounts receivable	-	7,105	851,781
Notes receivable	-	1,887	219,507
Leases	<u>-</u>	<u>341,249</u>	<u>18,796,310</u>
Total deferred inflows of resources	<u>254,918</u>	<u>357,892</u>	<u>21,372,188</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Balance Sheet -
Governmental Funds (Continued)**

June 30, 2022

	General Fund	Special Purpose Fund	Convention Center Fund	Streets and Sidewalks Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Non Spendable:				
Leases	\$ 37,611	\$ -	76,045	\$ -
Inventories	655,582	-	-	-
Prepays	482,032	6,585	-	25,505
Restricted:				
Stabilization by State statute	18,862,743	-	-	-
Community development loans	-	70,947	-	-
Convention center	-	-	11,460,055	-
Capital projects	-	-	-	41,573,574
Debt service	-	-	-	-
Public safety	-	642,623	-	-
Economic and physical development	-	308,552	-	-
Cultural and recreational	-	84,136	-	-
Committed:				
Capital projects	-	-	-	27,473,952
Debt service	-	-	-	-
Public safety	867,787	315,848	-	-
Transportation	-	336,989	-	-
Economic and physical development	-	18,628	-	-
Cultural and recreational	203,611	-	-	-
Transit	400,000	-	-	-
General government	20,000	-	-	-
Affordable Housing	3,150,000	-	-	-
Municipal service district	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Assigned:				
Self-insurance	1,000,000	-	-	-
Subsequent year's expenditures	1,347,246	-	-	-
Unassigned	46,118,757	-	-	-
Unassigned (deficit), reported in:				
Nonmajor special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>73,145,369</u>	<u>1,784,308</u>	<u>11,536,100</u>	<u>69,073,031</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,648,840</u>	<u>\$ 19,045,420</u>	<u>\$ 22,321,859</u>	<u>\$ 72,354,241</u>

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES			
Non Spendable:			
Leases	\$ -	\$ 2,538	\$ 116,194
Inventories	-	-	655,582
Prepays	-	677	514,799
Restricted:			
Stabilization by State statute	86,312	229,934	19,178,989
Community development loans	-	28,802,893	28,873,840
Convention center	-	-	11,460,055
Capital projects	-	13,692,275	55,265,849
Debt service	16,964	-	16,964
Public safety	-	237,861	880,484
Economic and physical development	-	-	308,552
Cultural and recreational	-	-	84,136
Committed:			
Capital projects	-	14,356,804	41,830,756
Debt service	18,736,388	-	18,736,388
Public safety	-	-	1,183,635
Transportation	-	-	336,989
Economic and physical development	-	-	18,628
Cultural and recreational	-	-	203,611
Transit	-	-	400,000
General government	-	-	20,000
Affordable Housing	-	-	3,150,000
Municipal service district	-	552,961	552,961
Subsequent year's expenditures	-	25,000	25,000
Assigned:			
Self-insurance	-	-	1,000,000
Subsequent year's expenditures	3,153,118	-	4,500,364
Unassigned	-	-	46,118,757
Unassigned (deficit), reported in:			
Nonmajor special revenue funds	-	(1,480)	(1,480)
Total fund balances	<u>21,992,782</u>	<u>57,899,463</u>	<u>235,431,053</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,248,501</u>	<u>\$ 60,284,822</u>	<u>\$ 289,903,683</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2022

Total fund balances - governmental funds	\$235,431,053
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	460,080,518
Intangible right-to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	64,034
This amount represents the City's proportionate share of the net pension liability of the Local Governmental Employees' Retirement System (LGERS) relevant to governmental activities.	(10,703,692)
This amount represents the City's total pension liability of the Law Enforcement Officers' Special Separation Allowance (Separation Allowance).	(17,159,226)
This amount represents the City's net other postemployment benefits liability relevant to governmental activities.	(34,098,866)
Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	6,161,374
Benefit payments and pension administration costs for the Separation Allowance pension plan after the measurement date are deferred outflows of resources on the Statement of Net Position.	465,163
Internal services funds are used by management to charge the costs of equipment and personal computer replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	24,441,845
Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.	2,575,878
This amount represents pension related deferrals from the City's participation in the LGERS pension plan.	(6,204,735)
This amount represents pension related deferrals from the City's participation in the Separation Allowance pension plan.	2,833,341
This amount represents other postemployment benefits related deferrals.	(8,239,484)
Long-term liabilities including bonds payable, lease liabilities and accrued interest thereon are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(255,166,716)</u>
Net position - governmental activities	<u>\$400,480,487</u>

**THIS PAGE
INTENTIONALLY BLANK**

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds**

Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Purpose Fund</u>	<u>Convention Center Fund</u>	<u>Streets and Sidewalks Fund</u>
Revenues:				
Ad valorem taxes	\$ 67,093,255	\$ -	\$ -	\$ -
Room occupancy tax	-	-	5,859,370	-
Other taxes	48,649,130	-	-	-
Unrestricted intergovernmental	3,706,215	-	-	-
Restricted intergovernmental	3,329,677	11,759,980	-	1,841,208
Licenses and permits	927,312	-	-	-
Sales and services	3,214,205	-	3,408,883	-
Fines and forfeits	118,682	-	-	-
Investment earnings	134,012	7,011	9,123	92,106
Donations	-	80,990	-	41,490
Miscellaneous	1,968,661	1,591,137	244,566	-
Total revenues	<u>129,141,149</u>	<u>13,439,118</u>	<u>9,521,942</u>	<u>1,974,804</u>
Expenditures:				
Current:				
General government	39,107,154	5,601,577	-	-
Public safety	56,209,178	496,472	-	-
Transportation	8,833,595	3,310,689	-	8,525,445
Economic and physical development	87,119	512,002	5,751,156	-
Cultural and recreational	9,213,889	61,898	-	66,065
Transit system	1,534,358	65,350	-	-
Debt service:				
Principal retirement	308,603	16,559	545,000	-
Interest and other charges	14,551	241	1,878,825	-
Total expenditures	<u>115,308,447</u>	<u>10,064,788</u>	<u>8,174,981</u>	<u>8,591,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,832,702</u>	<u>3,374,330</u>	<u>1,346,961</u>	<u>(6,616,706)</u>
Other financing sources (uses):				
Transfers from other funds	-	803,798	2,500,576	9,229,544
Transfers to other funds	(23,415,716)	(4,016,398)	-	-
Issuance of lease	1,486,493	-	-	-
Total other financing sources (uses), net	<u>(21,929,223)</u>	<u>(3,212,600)</u>	<u>2,500,576</u>	<u>9,229,544</u>
Net change in fund balances	(8,096,521)	161,730	3,847,537	2,612,838
Fund balances at beginning of year	81,220,092	1,622,578	7,688,563	66,460,193
Change in reserve for inventories	21,798	-	-	-
Fund balances at end of year	<u>\$ 73,145,369</u>	<u>\$ 1,784,308</u>	<u>\$ 11,536,100</u>	<u>\$ 69,073,031</u>

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 15,391,712	\$ 489,417	\$ 82,974,384
Room occupancy tax	-	-	5,859,370
Other taxes	-	216,501	48,865,631
Unrestricted intergovernmental	-	-	3,706,215
Restricted intergovernmental	-	1,280,838	18,211,703
Licenses and permits	-	-	927,312
Sales and services	-	-	6,623,088
Fines and forfeits	-	-	118,682
Investment earnings	26,590	34,439	303,281
Donations	-	2,407,140	2,529,620
Miscellaneous	-	174,280	3,978,644
Total revenues	<u>15,418,302</u>	<u>4,602,615</u>	<u>174,097,930</u>
Expenditures:			
Current:			
General government	-	3,982,956	48,691,687
Public safety	-	1,599,278	58,304,928
Transportation	-	227,285	20,897,014
Economic and physical development	-	1,560,191	7,910,468
Cultural and recreational	-	5,493,542	14,835,394
Transit system	-	-	1,599,708
Debt service:			
Principal retirement	14,014,477	-	14,884,639
Interest and other charges	<u>6,752,196</u>	<u>-</u>	<u>8,645,813</u>
Total expenditures	<u>20,766,673</u>	<u>12,863,252</u>	<u>175,769,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,348,371)</u>	<u>(8,260,637)</u>	<u>(1,671,721)</u>
Other financing sources (uses):			
Transfers from other funds	9,459,832	10,408,724	32,402,474
Transfers to other funds	(7,018,395)	(733,067)	(35,183,576)
Issuance of lease	<u>-</u>	<u>-</u>	<u>1,486,493</u>
Total other financing sources (uses), net	<u>2,441,437</u>	<u>9,675,657</u>	<u>(1,294,609)</u>
Net change in fund balances	(2,906,934)	1,415,020	(2,966,330)
Fund balances at beginning of year	24,899,716	56,484,443	238,375,585
Change in reserve for inventories	<u>-</u>	<u>-</u>	<u>21,798</u>
Fund balances at end of year	<u>\$ 21,992,782</u>	<u>\$ 57,899,463</u>	<u>\$ 235,431,053</u>

CITY OF WILMINGTON, NORTH CAROLINA

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities

Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ (2,966,330)
Amounts reported for governmental activities in the statement of activities are different because:	
Change in fund balance due to change in reserve for inventory.	21,798
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. This is the amount by which capital outlays exceeded depreciation in the current period, including amounts for donations and disposals.	14,082,931
Governmental funds report intangible right-to use lease outlays as capital expenditures. However, in the statement of activities the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which intangible right-to-use lease outlays exceeded amortization in the current period, including amounts for lease terminations.	(626,791)
Some revenues in the statement of activities, including tax and other receipts do not provide current financial resources and are therefore not reported as revenues in the funds.	(494,876)
Contributions to the Local Governmental Retirement System (LGERS) pension plan in the current fiscal year are not included on the Statement of Activities.	6,161,374
Benefit payments and pension administration costs for the Law Enforcement Officers' Special Separation Allowance Allowance) after the measurement date are not included on Statement of Activities.	465,163
The issuance of long-term debt including leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	16,095,359
Some expenses reported in the statement of activities, including pension, other postemployment benefit and other expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,194,983)
Internal service funds are used by management to charge the costs of equipment and personal computer replacement to individual funds. The net revenue (expense) of these activities are reported with governmental activities.	<u>4,772,305</u>
Change in net position - governmental activities	<u>\$ 33,315,950</u>

See notes to financial statements.

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Annual Budget and Actual - General Fund**

Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem tax	\$ 66,782,516	\$ 66,782,516	\$ 67,093,255	\$ 310,739
Local option sales tax	32,485,457	32,545,290	38,769,573	6,224,283
Franchise tax	8,446,089	8,446,089	8,251,765	(194,324)
Video programming tax	1,259,766	1,259,766	1,172,474	(87,292)
Rental vehicle tax	324,700	324,700	455,318	130,618
Unrestricted intergovernmental	2,295,000	2,295,000	3,706,215	1,411,215
Restricted intergovernmental	3,094,361	3,094,361	3,329,677	235,316
Licenses and permits	829,000	829,000	927,312	98,312
Sales and services	2,677,664	2,677,664	3,214,205	536,541
Fines and forfeits	94,500	94,500	118,682	24,182
Interest earnings	40,000	40,000	134,012	94,012
Miscellaneous	324,669	678,496	1,968,661	1,290,165
Total revenues	<u>118,653,722</u>	<u>119,067,382</u>	<u>129,141,149</u>	<u>10,073,767</u>
Expenditures:				
Current:				
General Government	28,704,349	42,715,658	39,065,592	3,650,066
Public Safety	58,168,414	59,505,547	56,209,178	3,296,369
Transportation	9,826,235	9,877,737	8,833,595	1,044,142
Cultural and Recreational	10,852,767	10,823,948	9,213,889	1,610,059
Transit System	1,534,358	1,534,358	1,534,358	-
Debt Service:				
Principal retirement	-	308,738	308,603	135
Interest and other charges	-	14,571	14,551	20
Total expenditures	<u>109,086,123</u>	<u>124,780,557</u>	<u>115,179,766</u>	<u>9,600,791</u>
Excess of revenues over expenditures	<u>9,567,599</u>	<u>(5,713,175)</u>	<u>13,961,383</u>	<u>19,674,558</u>
Other financing sources (uses):				
Transfers to other funds	(19,363,811)	(23,645,370)	(23,544,397)	100,973
Lease liabilities issued	-	2,150,000	1,486,493	(663,507)
Appropriated fund balance	9,796,212	27,208,545	-	(27,208,545)
Total other financing uses	<u>(9,567,599)</u>	<u>5,713,175</u>	<u>(22,057,904)</u>	<u>(27,771,079)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(8,096,521)</u>	<u>\$ (8,096,521)</u>
Fund balance at beginning of year			81,220,092	
Change in reserve for inventories			<u>21,798</u>	
Fund balance at end of year			73,145,369	
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the General Fund for reporting purposes:				
Transfer from General Fund			128,681	
General government expenditures			(41,562)	
Economic and physical development expenditures			<u>(87,119)</u>	
Fund balance at end of year			<u>\$ 73,145,369</u>	

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Net Position -
Proprietary Funds**

June 30, 2022

	Enterprise Funds		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,544,502	\$ 27,677,423	\$ 7,597,083
Accounts receivable:			
Customers, net	1,292,755	1,264,064	-
Other receivables	62,868	12,539	29,896
Due from other governments	188,864	4,274,061	7,450
Lease receivable	-	-	52,861
Inventory of materials and supplies	42,145	59,303	-
Prepays	22,942	85,069	11,674
Restricted assets:			
Cash and cash equivalents	-	1,768,445	2,157,209
Total current assets	8,154,076	35,140,904	9,856,173
Noncurrent assets:			
Lease receivable	-	-	10,011,364
Intangible right-to-use lease asset, net of accumulated amortization	-	-	1,636,871
Capital assets:			
Land	-	1,533,071	6,849,290
Easements	-	3,232,833	191,752
Improvements other than buildings	-	65,936,508	231,282
Buildings, plant and structures	-	1,202,630	38,188,337
Intangible software	-	-	102,792
Furniture, fixtures, machinery and equipment	37,305	1,143,139	1,241,390
Construction in progress	-	4,280,600	-
Less accumulated depreciation	(28,362)	(26,146,387)	(15,168,848)
Total capital assets, net of accumulated depreciation	8,943	51,182,394	31,635,995
Total noncurrent assets	8,943	51,182,394	43,284,230
Total assets	8,163,019	86,323,298	53,140,403
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	364,261	778,981	24,291
Pension deferrals	578,053	451,080	24,221
Contributions to pension plan in current fiscal year	363,855	273,056	16,750
Charge on refunding	-	144,180	34,654
Total deferred outflows of resources	1,306,169	1,647,297	99,916

	Nonmajor Golf Fund	Total	Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,303,423	\$ 43,122,431	\$ 15,890,488
Accounts receivable:			
Customers, net	-	2,556,819	-
Other receivables	13,984	119,287	40,408
Due from other governments	32,454	4,502,829	201,484
Lease receivable	-	52,861	-
Inventory of materials and supplies	53,354	154,802	78,065
Prepays	8,444	128,129	1,154,237
Restricted assets:			
Cash and cash equivalents	-	3,925,654	-
Total current assets	<u>1,411,659</u>	<u>54,562,812</u>	<u>17,364,682</u>
Noncurrent assets:			
Lease receivable	-	10,011,364	-
Intangible right-to-use lease asset, net of accumulated amortization	-	1,636,871	138,518
Capital assets:			
Land	109,393	8,491,754	-
Easements	-	3,424,585	-
Improvements other than buildings	2,645,426	68,813,216	-
Buildings, plant and structures	1,578,397	40,969,364	-
Intangible software	-	102,792	19,000
Furniture, fixtures, machinery and equipment	337,998	2,759,832	29,990,887
Construction in progress	-	4,280,600	-
Less accumulated depreciation	<u>(1,851,777)</u>	<u>(43,195,374)</u>	<u>(21,740,480)</u>
Total capital assets, net of accumulated depreciation	<u>2,819,437</u>	<u>85,646,769</u>	<u>8,269,407</u>
Total noncurrent assets	<u>2,819,437</u>	<u>97,295,004</u>	<u>8,407,925</u>
Total assets	<u>4,231,096</u>	<u>151,857,816</u>	<u>25,772,607</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	80,048	1,247,581	68,052
Pension deferrals	94,453	1,147,807	127,061
Contributions to pension plan in current fiscal year	59,808	713,469	74,398
Charge on refunding	-	178,834	-
Total deferred outflows of resources	<u>234,309</u>	<u>3,287,691</u>	<u>269,511</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Net Position -
Proprietary Funds (Continued)**

June 30, 2022

	Enterprise Funds		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
LIABILITIES			
Current liabilities:			
Accounts payable:			
Trade	\$ 145,545	\$ 42,354	\$ 71,655
Contracts and retainage	-	721,899	224,087
Due to other governments	69	408	-
Accrued liabilities:			
Personnel costs	299,627	251,343	17,776
Interest	-	60,250	50,310
Current portion of long-term liabilities:			
Bonds payable	-	840,000	-
Installment obligations	-	70,000	1,785,911
Lease liability	-	-	157,467
Accrued vacation and sick leave	172,113	169,025	9,475
Customer and escrow deposits	-	119,105	-
Unearned revenues	-	-	-
Restricted liabilities:			
Accounts payable:			
Contracts and retainage payable	-	-	1,925,957
Total current liabilities	617,354	2,274,384	4,242,638
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	17,670,138	-
Installment obligations	-	174,773	24,661,914
Lease liability	-	-	1,503,967
Accrued vacation and sick leave	71,321	70,042	3,926
Net other postemployment benefits liability	2,507,638	944,804	7,526
Net pension liability	598,394	631,395	20,368
Total noncurrent liabilities	3,177,353	19,491,152	26,197,701
Total liabilities	3,794,707	21,765,536	30,440,339
DEFERRED INFLOWS OF RESOURCES			
Leases	-	-	10,005,670
Other postemployment benefits deferrals	1,286,015	349,974	7,963
Pension deferrals	958,218	605,892	41,374
Charge on refunding	-	760	-
Total deferred inflows of resources	2,244,233	956,626	10,055,007
NET POSITION			
Net investment in capital assets	8,943	34,339,348	5,429,513
Restricted for:			
Leases	-	-	58,555
Capital projects	-	543,492	-
Unrestricted	3,421,305	30,365,593	7,256,905
Net Position	\$ 3,430,248	\$ 65,248,433	\$ 12,744,973

	Nonmajor Golf Fund	Total	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable:			
Trade	\$ 35,409	\$ 294,963	\$ 292,618
Contracts and retainage	-	945,986	-
Due to other governments	6,403	6,880	-
Accrued liabilities:			
Personnel costs	50,735	619,481	51,525
Interest	-	110,560	-
Current portion of long-term liabilities:			
Bonds payable	-	840,000	-
Installment obligations	-	1,855,911	-
Lease liability	-	157,467	36,939
Accrued vacation and sick leave	66,172	416,785	94,360
Customer and escrow deposits	-	119,105	-
Unearned revenues	158,481	158,481	-
Restricted liabilities:			
Accounts payable:			
Contracts and retainage payable	-	1,925,957	-
Total current liabilities	<u>317,200</u>	<u>7,451,576</u>	<u>475,442</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	17,670,138	-
Installment obligations	-	24,836,687	-
Lease liability	-	1,503,967	101,287
Accrued vacation and sick leave	48,171	193,460	26,570
Net other postemployment benefits liability	598,343	4,058,311	434,589
Net pension liability	<u>109,728</u>	<u>1,359,885</u>	<u>137,406</u>
Total noncurrent liabilities	<u>756,242</u>	<u>49,622,448</u>	<u>699,852</u>
Total liabilities	<u>1,073,442</u>	<u>57,074,024</u>	<u>1,175,294</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	-	10,005,670	-
Other postemployment benefits deferrals	344,161	1,988,113	220,270
Pension deferrals	147,602	1,753,086	204,709
Charge on refunding	-	760	-
Total deferred inflows of resources	<u>491,763</u>	<u>13,747,629</u>	<u>424,979</u>
NET POSITION			
Net investment in capital assets	2,819,437	42,597,241	8,269,699
Restricted for:			
Leases	-	58,555	-
Capital projects	-	543,492	-
Unrestricted	<u>80,763</u>	<u>41,124,566</u>	<u>16,172,146</u>
Net Position	<u>\$ 2,900,200</u>	<u>\$ 84,323,854</u>	<u>\$ 24,441,845</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds**

Year Ended June 30, 2022

	Enterprise Funds		
	<u>Recycling and Trash Services Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>
Operating revenues:			
Charges for services	\$ 9,982,147	\$ 12,811,857	\$ 4,334,845
Other operating revenues	<u>75,768</u>	<u>76,811</u>	<u>244,070</u>
Total operating revenues	<u>10,057,915</u>	<u>12,888,668</u>	<u>4,578,915</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	4,580,348	2,118,566	211,108
Materials and fuels consumed	638,619	395,805	1,768
Landfill disposal fees	1,524,986	-	-
Services	1,199,765	1,554,975	1,884,082
Utilities	16,640	15,116	73,558
Depreciation	4,137	1,241,796	2,027,077
Amortization	-	-	178,568
Other operating expenses	<u>1,813,029</u>	<u>2,327,778</u>	<u>1,704,450</u>
Total operating expenses	<u>9,777,524</u>	<u>7,654,036</u>	<u>6,080,611</u>
Operating income (loss)	<u>280,391</u>	<u>5,234,632</u>	<u>(1,501,696)</u>
Nonoperating revenues (expenses):			
Investment earnings	7,052	27,065	7,533
Restricted intergovernmental	87,058	(39,697)	-
Interest and other charges	-	(673,421)	(689,728)
Gain on disposal of capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses), net	<u>94,110</u>	<u>(686,053)</u>	<u>(682,195)</u>
Income (loss) before capital contributions and transfers	374,501	4,548,579	(2,183,891)
Capital contributions	-	125,571	-
Transfers from other funds	251,702	-	1,926,239
Transfers to other funds	<u>(1,874,735)</u>	<u>(137,907)</u>	<u>-</u>
Change in net position	(1,248,532)	4,536,243	(257,652)
Net position at beginning of year	<u>4,678,780</u>	<u>60,712,190</u>	<u>13,002,625</u>
Net position at end of year	<u>\$ 3,430,248</u>	<u>\$ 65,248,433</u>	<u>\$ 12,744,973</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Operating revenues:			
Charges for services	\$ 1,956,814	\$ 29,085,663	\$ 7,999,613
Other operating revenues	60,723	457,372	61,523
Total operating revenues	<u>2,017,537</u>	<u>29,543,035</u>	<u>8,061,136</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	839,510	7,749,532	820,334
Materials and fuels consumed	376,503	1,412,695	25,391
Landfill disposal fees	-	1,524,986	-
Services	43,237	4,682,059	1,128,845
Utilities	46,895	152,209	12,238
Depreciation	123,895	3,396,905	2,795,988
Amortization	-	178,568	13,526
Other operating expenses	426,424	6,271,681	1,852,495
Total operating expenses	<u>1,856,464</u>	<u>25,368,635</u>	<u>6,648,817</u>
Operating income (loss)	<u>161,073</u>	<u>4,174,400</u>	<u>1,412,319</u>
Nonoperating revenues (expenses):			
Investment earnings	1,318	42,968	12,744
Restricted intergovernmental	-	47,361	-
Interest and other charges	-	(1,363,149)	(2,665)
Gain on disposal of capital assets, net	-	-	404,645
Total nonoperating revenues (expenses), net	<u>1,318</u>	<u>(1,272,820)</u>	<u>414,724</u>
Income (loss) before capital contributions and transfers	162,391	2,901,580	1,827,043
Capital contributions	-	125,571	329,459
Transfers from other funds	-	2,177,941	2,615,803
Transfers to other funds	-	(2,012,642)	-
Change in net position	162,391	3,192,450	4,772,305
Net position at beginning of year	<u>2,737,809</u>	<u>81,131,404</u>	<u>19,669,540</u>
Net position at end of year	<u>\$ 2,900,200</u>	<u>\$ 84,323,854</u>	<u>\$ 24,441,845</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Cash Flows -
Proprietary Funds**

Year Ended June 30, 2022

	Enterprise Funds		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 10,819,135	\$ 10,225,171	\$ 4,502,784
Receipts from interfund services provided	36,487	3,204,194	-
Payments to suppliers	(4,030,446)	(2,846,017)	(3,774,696)
Payments to or on behalf of employees	(4,392,851)	(2,997,789)	(197,793)
Payments for interfund services used	<u>(1,187,212)</u>	<u>(1,497,517)</u>	<u>(9,246)</u>
Net cash provided by operating activities	<u>1,245,113</u>	<u>6,088,042</u>	<u>521,049</u>
Cash flows from noncapital and related financing activities:			
Transfers from other funds	251,702	-	1,926,239
Transfers to other funds	(1,874,735)	-	-
Restricted intergovernmental	<u>87,058</u>	<u>86,418</u>	<u>-</u>
Net cash provided by (used in) noncapital and related financing activities	<u>(1,535,975)</u>	<u>86,418</u>	<u>1,926,239</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,685)	(3,652,050)	196,934
Principal payments on bonds	-	(740,000)	-
Principal payments on installment obligations	-	(75,000)	(1,783,225)
Principal payments on other long-term obligations	-	-	-
Principal payments on leases	-	-	(154,005)
Interest and other charges	-	(763,941)	(670,775)
Issuance costs on refunding installment obligations	-	-	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(6,685)</u>	<u>(5,230,991)</u>	<u>(2,411,071)</u>
Cash flows from investing activities:			
Investment earnings	<u>3,360</u>	<u>14,526</u>	<u>3,606</u>
Net increase (decrease) in cash and cash equivalents	(294,187)	957,995	39,823
Cash and cash equivalents at beginning of year	<u>6,838,689</u>	<u>28,487,873</u>	<u>9,714,469</u>
Cash and cash equivalents at end of year	<u>\$ 6,544,502</u>	<u>\$ 29,445,868</u>	<u>\$ 9,754,292</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,043,115	\$ 27,590,205	\$ 271,018
Receipts from interfund services provided	-	3,240,681	7,687,160
Payments to suppliers	(849,523)	(11,500,682)	(3,638,792)
Payments to or on behalf of employees	(741,136)	(8,329,569)	(910,768)
Payments for interfund services used	(41,121)	(2,735,096)	(6,114)
Net cash provided by operating activities	<u>411,335</u>	<u>8,265,539</u>	<u>3,402,504</u>
Cash flows from noncapital and related financing activities:			
Transfers from other funds	-	2,177,941	2,477,896
Transfers to other funds	-	(1,874,735)	-
Restricted intergovernmental	-	173,476	-
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>476,682</u>	<u>2,477,896</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(834,134)	(4,295,935)	(3,557,023)
Principal payments on bonds	-	(740,000)	-
Principal payments on installment obligations	-	(1,858,225)	-
Principal payments on other long-term obligations	-	-	(410,000)
Principal payments on leases	-	(154,005)	(13,818)
Interest and other charges	-	(1,434,716)	(4,797)
Issuance costs on refunding installment obligations	-	-	-
Proceeds from sale of capital assets	-	-	425,474
Net cash used in capital and related financing activities	<u>(834,134)</u>	<u>(8,482,881)</u>	<u>(3,560,164)</u>
Cash flows from investing activities:			
Investment earnings	<u>683</u>	<u>22,175</u>	<u>6,211</u>
Net increase (decrease) in cash and cash equivalents	(422,116)	281,515	2,326,447
Cash and cash equivalents at beginning of year	<u>1,725,539</u>	<u>46,766,570</u>	<u>13,564,041</u>
Cash and cash equivalents at end of year	<u>\$ 1,303,423</u>	<u>\$ 47,048,085</u>	<u>\$ 15,890,488</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Cash Flows -
Proprietary Funds (Continued)**

Year Ended June 30, 2022

	Enterprise Funds		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 6,544,502	\$ 27,677,423	\$ 7,597,083
Restricted cash and cash equivalents	<u>-</u>	<u>1,768,445</u>	<u>2,157,209</u>
Total cash and cash equivalents	<u>\$ 6,544,502</u>	<u>\$ 29,445,868</u>	<u>\$ 9,754,292</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 280,391	\$ 5,234,632	\$ (1,501,696)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	4,137	1,241,796	2,205,645
Changes in assets, liabilities and deferred items:			
Accounts receivable	874,976	587,321	(25,969)
Other receivables	(41,568)	-	-
Due from other governments	(77,269)	(47,032)	8,393
Lease receivable	-	-	(58,555)
Inventory of materials and supplies	(2,571)	24,849	-
Prepays	2,672	(67,369)	3,577
Deferred outflows of resources for pensions	(159,657)	(83,563)	(8,487)
Deferred outflows of resources for other postemployment benefits	115,505	(135,531)	11,851
Net pension liability	(880,684)	(599,794)	(37,635)
Net other postemployment benefits liability	(40,096)	(530,539)	209
Deferred inflows of resources for pensions	922,229	577,665	39,874
Deferred inflows of resources for other postemployment benefits	234,537	(145,023)	(1,372)
Accounts payable and accrued liabilities	37,615	(6,687)	(116,333)
Due to other governments	-	408	-
Accrued vacation and sick leave	(25,104)	36,909	1,547
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,245,113</u>	<u>\$ 6,088,042</u>	<u>\$ 521,049</u>
Noncash investing, capital and financing activities:			
Capital assets acquired on account	\$ -	\$ (384,519)	\$ 224,087
Transfer of capital assets between proprietary funds	-	(137,907)	-
Capital contributions from developers	-	127,571	-
Capital contributions from governmental funds	-	-	-
Donation of capital assets to governmental funds	<u>-</u>	<u>-</u>	<u>-</u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ (394,855)</u>	<u>\$ 224,087</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 1,303,423	\$ 43,122,431	\$ 15,890,488
Restricted cash and cash equivalents	-	3,925,654	-
Total cash and cash equivalents	<u>\$ 1,303,423</u>	<u>\$ 47,048,085</u>	<u>\$ 15,890,488</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 161,073	\$ 4,174,400	\$ 1,412,319
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	123,895	3,575,473	2,809,514
Changes in assets, liabilities and deferred items:			
Accounts receivable	-	1,436,328	(33,875)
Other receivables	-	(41,568)	-
Due from other governments	(2,746)	(118,654)	(69,083)
Lease receivable	-	(58,555)	-
Inventory of materials and supplies	(35,616)	(13,338)	(35,323)
Prepays	-	(61,120)	(695,564)
Deferred outflows of resources for pensions	(17,031)	(268,738)	(22,439)
Deferred outflows of resources for other postemployment benefits	16,597	8,422	13,798
Net pension liability	(144,127)	(1,662,240)	(194,445)
Net other postemployment benefits liability	15,143	(555,283)	(59,333)
Deferred inflows of resources for pensions	141,567	1,681,335	196,743
Deferred inflows of resources for other postemployment benefits	68,730	156,872	(35,312)
Accounts payable and accrued liabilities	45,296	(40,109)	105,935
Due to other governments	2,622	3,030	-
Accrued vacation and sick leave	7,608	20,960	9,569
Unearned revenues	28,324	28,324	-
Net cash provided by operating activities	<u>\$ 411,335</u>	<u>\$ 8,265,539</u>	<u>\$ 3,402,504</u>
Noncash investing, capital and financing activities:			
Capital assets acquired on account	\$ (83,751)	\$ (244,183)	\$ (98,613)
Transfer of capital assets between proprietary funds	-	(137,907)	137,907
Capital contributions from developers	-	127,571	-
Capital contributions from governmental funds	-	-	329,459
Donation of capital assets to governmental funds	-	-	(15,795)
Net effect of noncash activities	<u>\$ (83,751)</u>	<u>\$ (254,519)</u>	<u>\$ 352,958</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Fiduciary Net Position -
Fiduciary Funds**

June 30, 2022

	Other Postemployment Benefits Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 583,758
Investments:		
North Carolina Capital Management Trust, Government Portfolio	3,058,774	-
U.S. Government Agencies	-	77,879
Other receivables	2,461	85
Due from other governments	<u>-</u>	<u>16</u>
Total assets	<u>3,061,235</u>	<u>661,738</u>
 NET POSITION		
Restricted for postemployment benefits other than pensions	3,061,235	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>661,738</u>
Total fiduciary net position	<u>\$ 3,061,235</u>	<u>\$ 661,738</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Changes in Fiduciary Net Position -
Fiduciary Funds**

Year Ended June 30, 2022

	Other Postemployment Benefits Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,925,541	\$ -
Plan members	542,176	-
Total contributions	<u>2,467,717</u>	<u>-</u>
Law enforcement seizures	-	75,727
Investment earnings	4,906	166
Total additions	<u>2,472,623</u>	<u>75,893</u>
Deductions:		
Benefit payments	2,284,836	-
Payments by court order	-	19,180
Community housing administration reimbursements	-	237
Administrative expense	186,131	-
Total deductions	<u>2,470,967</u>	<u>19,417</u>
Change in fiduciary net position	<u>1,656</u>	<u>56,476</u>
Net position at beginning of year	<u>3,059,579</u>	<u>605,262</u>
Net position at end of year	<u>\$ 3,061,235</u>	<u>\$ 661,738</u>

**THIS PAGE
INTENTIONALLY BLANK**

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wilmington, North Carolina (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY

The City of Wilmington is a municipal corporation, incorporated in 1739, located in the southeastern corner of North Carolina with a population of 118,063. The City has a Council-Manager form of government with a seven-member council, which includes an elected mayor. As required by generally accepted accounting principles, these financial statements present the City and its component units, legally separate entities for which the City is financially accountable.

Blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units is combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary government. One component unit has no financial transactions or account balances and, therefore, does not appear in the financial statements. Each blended and discretely presented component unit has a June 30 year-end.

BLENDED COMPONENT UNIT

Wilmington Future, Inc.

Wilmington Future, Inc. (the Corporation), a North Carolina nonprofit corporation, exists to issue tax-exempt obligations pursuant to the Internal Revenue Code of 1986, as amended. The Corporation is governed by a three-member Board of Directors and may, by Board action, dismiss members and appoint up to four additional members. The Corporation has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Corporation does not issue separate financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

Cape Fear Public Transportation Authority

The Cape Fear Public Transportation Authority (Authority), operating as Wave Transit, is a public authority created in 2004 by a concurrent resolution of New Hanover County (County) and the City. The interlocal agreement adopted by the County and City provides for the operation of transportation facilities and transportation services throughout the City and up to 30 miles outside its corporate limits and effectively merged the transportation facilities and services provided by the County and the City. The interlocal agreement was amended on March 2, 2015 at which time the term of the agreement was changed to be effective for 20 years, with one 10 year renewal term after the initial term upon approval of the County and the City. Additionally, the agreement requires the Authority to maintain a minimal fund balance of eight percent of the operating budget. If the Authority uses money from the fund balance such that the fund balance falls below eight percent, the Authority is to submit a plan to the City and County to replenish the fund balance within 24 months.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

DISCRETELY PRESENTED COMPONENT UNIT (continued)

Cape Fear Public Transportation Authority (continued)

The interlocal agreement was amended a second time on January 21, 2020 which restructured the Authority's board composition to consist of 9 members (or a member's designee). The members of the board are designated to be the New Hanover County Manager, the City of Wilmington Manager, the City of Wilmington Attorney, a New Hanover County Deputy Attorney, the City of Wilmington Finance Director, the New Hanover County Finance Director, the Executive Director of the Wilmington Urban Area Metropolitan Planning Organization and 2 members, one appointed by New Hanover County and one by the City of Wilmington. Additionally, the amended agreement designates the New Hanover County Manger is to be the Board Chair and the City of Wilmington Manager the Board Vice-Chair in the even numbered years and vice-versa in the odd numbered years.

Each proposed annual budget shall be submitted to the County and City for approval by the County Commissioners and City Council. The County and City provide annual funding to the Authority as their budgets permit. Any debt necessary for the maintenance, improvement or expansion of the Authority will be incurred by the County or City for the benefit of the Authority. The Authority establishes and revises, from time-to-time, schedules of rates, fees and charges for the use of the services of the Authority. An interlocal agreement between the City and the Authority, effective July 1, 2005 and as amended May 15, 2013, provides that the City will (a) make available to the Authority on July 1 of each fiscal year the annual appropriation approved in the adopted City budget, and (b) allow the Authority access to additional necessary operating funds in an amount not to exceed \$400,000, less any additional operating funds provided by the County in excess of the County's annual appropriation for public transportation, as an advance on awarded federal and/or State operating funds that the Authority has not received. Advances shall be repaid the earlier of June 30 of each year or 120 days following the advance. In the event the Authority does not repay the advance, the City will withhold the outstanding balance from its annual appropriation. The agreement may be terminated by the mutual written consent of the parties or upon the lack of an award or termination of federal and/or State funding to the Authority. For financial reporting purposes, in conformity with GASB Codification Section 2100, the Authority is a component unit of the City and is included as such in the City's annual comprehensive financial report, as the Authority is fiscally dependent on the City.

A blended component unit is a separate legal entity whose operations are so intertwined with the Authority that it is, in substance, the same as the Authority. Making Waves Foundation (the Foundation), a North Carolina nonprofit corporation, is a blended component unit of the Authority as the Authority elects all of the board members of the Foundation's board of directors. The Foundation provides transportation fare subsidies for the Authority system to nonprofit agencies who provide assistance to members of the community in need and individuals who otherwise would not have access to transportation. These subsidies are returned to the Authority through fares. The Foundation is considered to almost exclusively benefit the Authority. The balances and transactions of the Foundation are blended with those of the Authority in the accompanying financial statements. The activity of the blended component unit in not considered to be materially significant as compared to the activity of the Authority. The Foundation does not issue separate financial statements.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

DISCRETELY PRESENTED COMPONENT UNIT (continued)

Cape Fear Public Transportation Authority (continued)

The Authority's complete financial statements for the year ended June 30, 2022 may be obtained at their administrative offices:

Cape Fear Public Transportation Authority
Forden Station
505 Cando Street
Wilmington, N.C. 28405

B. BASIS OF PRESENTATION

Government-wide Statements. The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, tax distributions, and investment earnings, result from non-exchange transactions or ancillary activities.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction and parks and recreation. Additionally, the City has legally adopted a CDBG/Home Grant and Loan Administration Fund. Under GASB 54 guidance, the CDBG/Home Grant and Loan Administration Fund is consolidated in the General Fund. The budgetary comparison for the CDBG/Home Grant and Loan Administration Fund has been included in the supplemental information.

Special Purpose Fund. This fund accounts for and reports the proceeds of the red-light camera program; federal forfeiture funds; North Carolina drug tax funds; and grants received from federal, state and local governments including the Department of Justice, Department of Transportation, Department of Treasury, Department of Homeland Security, and the North Carolina Departments of Transportation, Agriculture and Consumer Services, Environmental Quality, and Public Safety. Additionally, the City also maintains a UDAG Loan Fund for which a budget is not adopted in accordance with State law [G.S. 159-13(a)(3)] as this fund is established to account for monies held by the City as a common law trustee. Under GASB 54 guidance, the UDAG Loan Fund is consolidated in the Special Purpose Fund.

Convention Center Fund. This fund accounts for all the user charges, fees, other resources and all costs associated with the operation of the Wilmington Convention Center.

Streets and Sidewalks Fund. This fund accounts for resources used for the acquisition, construction, repair and maintenance of streets and sidewalks within the City of Wilmington.

Debt Service Fund. The Debt Service Fund accumulates resources to pay maturing principal and interest on general obligation bonds, certain installment obligations and other long-term obligations issued for governmental capital projects and equipment purchases as well as certain installment obligations issued to refund other long-term obligations issued for the construction of the Water Street parking deck and accounted for in the Parking Facilities Fund, a business-type activity. Additionally, this fund passes through and accumulates resources pursuant to the Council adopted Capital Improvement Plans, the Streets and Sidewalks Bond Referendum, and the Parks and Recreation Bond Referendum. In accordance with these plans, resources earmarked for the pay-as-you-go portion, or 20%, of the projected costs of certain capital projects are passed through to the related capital project funds while resources are accumulated to pay related debt service on the remaining 80% of the projected costs.

Maturing principal and interest on obligations issued to fund the construction of the Wilmington Convention Center are serviced by the Convention Center Fund. Obligations issued for equipment replacement, storm water management and parking facilities, plus related debt service, are recorded in the respective internal service and enterprise funds.

The City reports the following major enterprise funds:

Recycling and Trash Services Fund. The Recycling and Trash Services Fund accounts for the provision of refuse collection and disposal services by the City.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

Storm Water Management Fund. The Storm Water Management Fund accounts for storm water drainage services.

Parking Facilities Fund. Although the Parking Facilities Fund does not meet criteria to be a major fund, the City had determined that the fund is qualitatively material to the users of the financial statements. The Parking Facilities Fund accounts for the operation of the City's parking facilities and the on-street parking program.

Additionally, the City reports the following fund types:

Internal Service Funds. The City's Internal Service Funds account for fleet management services and replacement of technology to other departments of the City on a cost reimbursement basis.

Pension and Other Postemployment Benefits Trust Funds. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans or other postemployment benefit plans. The City's Other Postemployment Benefits Trust Fund accounts for the City's contributions for healthcare coverage provided to qualified retirees.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefits) trust funds. Custodial funds are used to account for assets the City holds on behalf of others that meet certain criteria and do not involve the measurement of operating results. The City maintains two Custodial Funds- the CHDO Proceeds Fund and the Law Enforcement Seizure Fund. The City's CHDO Proceeds Fund accounts for the Community Housing Development Organization's net proceeds from the sale of housing developed for first-time homebuyers. The Law Enforcement Seizure Fund accounts for confiscated monies held by the City pending court disposition.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, tax distributions, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

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 City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions and debt principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by the County and then remitted to and distributed by the State. Certain intergovernmental revenues and sales and services such as recreation fees are not susceptible to accrual because generally, they are not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. BUDGETARY DATA

Budgets for the City are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Debt Service Fund, CDBG/Home Administration Fund, Special Tax District Fund, and enterprise funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for capital projects funds, including the enterprise capital projects funds which are consolidated with the enterprise operating funds for reporting purposes. Additionally, project ordinances are adopted for special revenue funds, excluding the CDBG/Home Administration Fund and the Special Tax District Fund as noted previously. During the fiscal year, the City recorded opioid settlement funds received to a separate multi-year special revenue fund but as of fiscal year-end, no budget was adopted.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETARY DATA (continued)

Budgets are not adopted for special revenue loan funds and the Firemen's Relief Fund in accordance with State law [G.S. 159-13(a)(3)] as these funds are established to account for monies held by the City as a common law trustee. The City's internal service funds operate under financial plans that were adopted by the City Council at the time the City's budget ordinance was approved, as is required by North Carolina General Statutes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and the Community Development, the Home Investment Partnership and the Convention Center multi-year funds; at the fund level for all capital projects multi-year funds; and at the grant level for the Special Purpose multi-year fund. Amendments are required for any revisions that alter total expenditures of any fund.

All amendments must be approved by City Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY

DEPOSITS AND INVESTMENTS

All deposits of the City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The City's investments with a maturity of more than one year at acquisition are reported at fair value. The NCCMT Government Portfolio, a SEC—registered (2a-7) money market mutual fund which invests in treasuries and government agencies, is reported at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

CASH AND CASH EQUIVALENTS

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income; however, the City maintains separate investments of proceeds of bond issues and other financings. All cash and investment types, short-term and longer-term fixed income investments are essentially managed as demand deposits and are therefore considered to be cash and cash equivalents.

CITY OF WILMINGTON, NORTH CAROLINA

**Notes to Financial Statements (Continued)
June 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY
(continued)**

RESTRICTED ASSETS

Unspent donations and grants received in advance are classified as restricted assets because they are restricted to the capital projects or programs for which the funds were collected. Unexpended proceeds of the City’s general obligation bonds and limited obligation bonds are classified as restricted assets because their use is limited by bond covenants, bond indentures and other financing agreements to the purpose for which the debt was originally issued.

Cash and cash equivalents/investments are restricted in the accompanying governmental fund statements as follows:

	<u>Special Purpose Fund</u>	<u>Convention Center Fund</u>	<u>Streets and Sidewalks Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Governmental Activities</u>
Debt proceeds and related interest earnings	\$ -	\$ 198	\$ 39,739,776	\$ 16,964	\$ 13,775,099	\$ 53,532,037
Federal forfeiture funds	438,114	-	-	-	-	438,114
ARPA funds	15,848,237	-	-	-	-	15,848,237
Opioid settlement funds	-	-	-	-	29,567	29,567
Opioid pilot program	603,288	-	-	-	-	603,288
Grants received in advance	237,334	-	250,000	-	255,000	742,334
Donations	-	-	2,810,485	-	-	2,810,485
Other	445	-	-	-	-	445
	<u>\$ 17,127,418</u>	<u>\$ 198</u>	<u>\$ 42,800,261</u>	<u>\$ 16,964</u>	<u>\$ 14,059,666</u>	<u>\$ 74,004,507</u>

Cash and cash equivalents are restricted in the accompanying proprietary fund statements as follows:

	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>	<u>Business-Type Activities</u>
Debt proceeds and related interest earnings	<u>\$ 1,768,445</u>	<u>\$ 2,157,209</u>	<u>\$ 3,925,654</u>

AD VALOREM TAXES RECEIVABLE

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021. For collection purposes, taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

LEASE RECEIVABLE AND RELATED DEFERRED INFLOW OF RESOURCES

This City is a party to noncancellable leases as a lessor for land and buildings and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the noncancellable term of the lease using the City's estimated incremental borrowing rate as the discount rate. Subsequently, the lease receivable is reduced by the principal portion of fixed payments from the lessee and the interest portion is recorded as lease interest revenue. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period payment is received.

The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. Subsequently, the deferred inflow of resources is recognized as lease revenue over the life of the lease term using the straight-line method.

The City monitors changes in the circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

ALLOWANCES FOR DOUBTFUL ACCOUNTS

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the aging of account balances.

INVENTORIES AND PREPAID ITEMS

Inventories are maintained for major items used by the governmental funds and proprietary funds in their operations. They are valued at cost (first-in, first-out) in the governmental funds and proprietary funds, with the exception of the Golf Fund. The Golf Fund inventory is held for resale and is valued at the lower of cost (first-in, first-out) or market. Disbursements for inventory-type items in the General Fund are considered to be expenditures at the time of purchase. For the General Fund, inventory is offset by nonspendable fund balance.

Certain payments to vendors and employees reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

RIGHT-TO-USE LEASE ASSETS AND RELATED LEASE LIABILITY

This City is a party to noncancellable leases as a lessee for a parking lot, buildings and equipment and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the noncancellable term of the lease using the City's estimated incremental borrowing rate as the discount rate. Subsequently, the lease liability is reduced by the principal portion of fixed payments made to the lessor and the interest portion is recorded as interest expense.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

RIGHT-TO-USE LEASE ASSETS AND RELATED LEASE LIABILITY (continued)

The lease asset is recorded at the initiation of the lease in an amount equal to the initial amount of the related lease liability plus any lease payments made prior to the lease term, less incentives and plus ancillary charges necessary to place the lease into service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the related lease.

The City monitors changes in the circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements and proprietary fund financial statements in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Capital assets are defined by the City as assets with an initial, individual cost of more than a certain cost and an estimated useful life that extends past a single full reporting period. Minimum capitalization costs are as follows: land, rights-of-way and easements \$10,000; furniture, equipment and computer software \$5,000; buildings and improvements, plant structures \$25,000; infrastructure and certain improvements other than buildings \$100,000. Infrastructure includes streets and drainage systems. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets and those acquired by annexation prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or effective date of annexation. Donated capital assets and those acquired by annexation after June 30, 2015 are recorded at acquisition value. General infrastructure assets acquired prior to July 1, 2002 consist of streets and related rights-of-way that were acquired or received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Intangible assets consist of computer software, costs incurred during the application/development stage of internally generated software and rights-of-way and easements acquired subsequent to July 1, 2010. Those rights-of-way and easements acquired subsequent to July 1, 1980 and, prior to July 1, 2010, have been reported as part of the capital asset land value. The City's rights-of-way and easements have been determined to have indefinite life.

Interest costs incurred before the end of a construction period are recognized as expense in the period in which the cost is incurred and, therefore, are not included in the historical cost of capital assets reported in business-type activities.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

CAPITAL ASSETS (continued)

Capital assets are depreciated by the City using the straight-line method over the following estimated useful lives:

Asset class	Estimated useful lives
Infrastructure (including streets and drainage systems)	50 years
Buildings, plant, structures and improvements	40 years
Heating, ventilation and air conditioning improvements	20 years
Improvements other than buildings	20 years
Parking facilities plant and structures	20 years
Vehicles	5 years
Furniture and equipment	5 years
Computer software	5 years

The City may consider capital assets impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. Impaired assets will be appropriately reduced in value or discarded if idle. The City owns no significant capital assets that would be considered impaired.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion in the statement of net position – a loss on refunding, deferrals of pension expense, deferrals of other postemployment benefits expense, contributions made to the pension plan in the current fiscal year and benefit payments and administration costs paid subsequent to the measurement date. In addition to liabilities, the statement of net position and/or balance sheet can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – receivables that do not meet the availability criterion, leases, a gain on refunding, deferrals of pension expense and deferrals of other postemployment benefits expense.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable unamortized bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

LONG-TERM OBLIGATIONS (continued)

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

COMPENSATED ABSENCES

Under the City's current personnel ordinance, full-time employees accrue vacation days based on years of service and may accumulate up to twice their annual accrual level on December 31st of each year. Any unused days not exceeding twice the annual accrual level will be paid upon termination of employment.

Full time employees receive twelve paid holidays per year. If scheduled holidays cannot be taken, nonexempt employees who are in classifications approved for banking accrued holidays may accumulate all approved holidays and be paid for any unused days upon request. However, all accumulated holiday balances are liquidated prior to fiscal year end

Sick leave credits can be accumulated indefinitely and do not vest. Employees in good standing with a hire date before July 1, 2009 and with at least five years of continuous service may, upon the authorization of the city manager, be paid up to 25% of their unused sick leave upon termination of employment. Employees hired on or after July 1, 2009 are not eligible to be paid for unused sick leave upon termination. Any unused or unpaid sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes.

For the City's government-wide financial statements and its proprietary funds, an expense and a liability for compensated absences are recorded as the leave is earned (vacation and partial sick leave). The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of the time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

OPIOID SETTLEMENT FUNDS

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds 15% directly to the State ("State Abatement Fund"), 80% to abatement funds established by Local Governments ("Local Abatement Funds") and 5% to a County Incentive Fund.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

OPIOID SETTLEMENT FUNDS (continued)

The City received \$29,567 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the City created a special revenue fund, the Opioid Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2022. The MOA offered the City two options of expending the funds. The City opted for both Options A and B, which allows the City to fund one or more high-impact strategies from a list of evidence-based strategies as well as address a wider array of strategies to combat the opioid epidemic.

REIMBURSEMENT FOR PANDEMIC-RELATED EXPENDITURES

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated \$25.93 million of fiscal recovery funds to be paid in two equal installments. The first installment of \$12.965 million was received in June 2021. The second installment was received in June 2022. City staff and the City Council have elected to use \$9 million of the ARPA funds for Economic and Community Assistance, \$4.67 million for City/Community Infrastructure and \$12.26 million for City Response and Recovery. Revenue replacement funds are transferred to the appropriate funds once the disbursement has occurred for the intended use.

NET POSITION

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

FUND BALANCES

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The following are the City's nonspendable fund balances as of June 30, 2022:

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Inventories and prepaids - portion of fund balance that is not an available resource because it represents the year-end balances of ending inventories and prepaids, which are not spendable resources.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

FUND BALANCES (continued)

Restricted fund balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law. The following are the City's restricted fund balances as of June 30, 2022:

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for community development loans - portion of fund balance that is not an available resource because it represents the year-end balance of notes receivable where related amounts to be collected are restricted by revenue source for the purpose of providing community development loans.

Restricted for convention center - portion of fund balance that is restricted by revenue source for the operation of the convention center. This amount represents the unspent portion of the room occupancy tax specifically levied for construction and operation of the convention center as well as the interest earned thereon.

Restricted for capital projects - portion of fund balance that is restricted by loan documents for construction of major capital improvements including streets, sidewalks and public facilities. This amount represents the balance of unspent proceeds of certain debt obligations, unspent donations and unspent grants received in advance.

Restricted for debt service - portion of fund balance that is restricted by loan documents for issuance costs and debt service payments. This amount represents the balance of interest earnings in certain escrow accounts related to debt obligations.

Restricted for public safety – portion of fund balance that is restricted by revenue source for public safety expenditures such as firemen's relief benefits and certain law enforcement activities including operation of the Southeastern North Carolina Airborne Law Enforcement program.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

FUND BALANCES (continued)

Restricted for economic and physical development - portion of fund balance that is restricted by revenue source for community development and other projects which have an economic impact on the City.

Restricted for culture and recreation – portion of fund balance that is restricted by revenue source for the Empire dog park and other projects that provide cultural and recreational enhancement opportunities.

Committed fund balance - This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of the City Council (highest level of decision-making authority). The City Council can, by ordinance prior to the end of the fiscal year, commit fund balance in the form of a transfer out of the general fund to another fund appropriate for the designated purpose or by amending the fee schedule to reserve proceeds of certain fees for specific purposes. Once adopted, any modification or rescission of the specific purpose imposed by the ordinance including transfer of these funds out of their respective funds requires a subsequent ordinance by majority action of the City Council. The following are the City's committed fund balances as of June 30, 2022:

Committed for capital projects - portion of fund balance committed by City Council for the construction of building improvements, parks and recreation facilities and street and sidewalk improvements held in capital project funds.

Committed for debt service - portion of fund balance committed by City Council to pay for future debt service.

Committed for public safety - portion of fund balance committed by City Council for Law Enforcement Officers' Special Separation Allowance obligations, the Southeastern North Carolina Airborne Law Enforcement program and to provide matching funds for future public safety grant opportunities.

Committed for transportation - portion of fund balance committed by City Council for the Wilmington Urban Area Metropolitan Planning Organization and the safelight program.

Committed for economic and physical development - portion of fund balance committed by City Council to fund affordable housing programs, historic preservation education and other projects which have an economic impact on the City.

Committed for cultural and recreational - portion of fund balance committed by City Council to support projects that provide cultural and recreational enhancement opportunities.

Committed for transit - portion of fund balance committed by City Council to allow the Authority access to additional necessary operating funds as an advance on awarded federal and/or State operating funds that the Authority has not received.

Committed for general government - portion of fund balance committed by City Council to provide funds for future special travel and training opportunities for City Council, City Manager, Clerk and Attorney.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

FUND BALANCES (continued)

Committed for affordable housing - portion of fund balance committed by City Council to provide funds for future affordable and workforce housing initiatives.

Committed for municipal service district - portion of fund balance committed by City Council to support the services to be provided within the Downtown Municipal Services District.

Committed for subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The City Council approves the appropriation as part of the adoption of the annual budget.

Assigned fund balance - This classification includes amounts that the City intends to use for specific purposes. Assignments of fund balance are authorized by City Council. The following are the City's assigned fund balances as of June 30, 2022:

Assigned for self-insurance - portion of fund balance held for the future payment of the City's self-insured employee healthcare benefits. This assignment is determined by City Council in conjunction with management at Council retreats.

Assigned for subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The City Council approves the appropriation as part of the adoption of the annual budget.

Unassigned fund balance - This classification is the portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds as of June 30, 2022. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount; however, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City has revenue spending guidelines for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-City funds and City funds. For the purposes of the fund balance classifications, the expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and unassigned fund balances. The Finance Director may deviate from this order if it is in the best interest of the City.

The City has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that unassigned fund balance is at least equal to or greater than 20 to 25% of the combined annual operating budgets of the General Fund and Debt Service Fund. Any portion of the General Fund balance in excess of 20% of the combined annual operating budgets may be used for non-recurring expenditures and pay-as-you-go capital expenditures. For the General Fund at June 30, 2022, the portion of fund balance that is available for appropriation equates to unassigned fund balance.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY (continued)

DEFINED BENEFIT PENSION AND OPEB PLANS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and Law Enforcement Officers' Special Separation Allowance (the "Separation Allowance") and additions to or deductions from LGERS' and the Separation Allowance fiduciary net position have been determined on the same basis as they are reported by LGERS and Separation Allowance. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS and Separation Allowance.

For purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the healthcare benefit plan and additions to/deductions from the healthcare benefit plan fiduciary net position have been determined on the same basis as they are reported by the healthcare benefit plan. For this purpose, the healthcare benefit plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

F. COMPARATIVE DATA

Comparative data for the prior year has been presented in selected sections of the City's Annual Comprehensive Financial Report (ACFR) in order to provide an understanding of changes in the City's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the City's financial position and operations, or would cause the statements to be unduly complex or difficult to understand.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental funds balance sheet includes a reconciliation between total fund balances – governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One item of that reconciliation explains that “long-term liabilities including bonds payable and accrued interest thereon, are not due and payable in the current period and therefore are not reported in the funds.”

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION (continued)

The details of that item are as follows:

Lease liability	\$ (64,205)
Bonds payable	(79,910,000)
Installment obligations	(136,742,175)
Other long-term obligations	(6,465,944)
Unamortized premiums	(25,263,250)
Unamortized deferred outflows of resources	2,807,812
Unamortized deferred inflows of resources	(111,151)
Accrued interest payable	(971,924)
Accrued vacation and sick leave	(8,445,879)
	<u>\$ (255,166,716)</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One item of that reconciliation explains that “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. This is the amount by which capital outlays exceeded depreciation in the current period, including amounts for donations and disposals.”

The details of those items are as follows:

Capital outlay	\$ 27,021,025
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	2,888,334
Net transfers of capital assets from proprietary funds increase net position in the statement of activities, but do not appear in governmental funds because they are not financial resources.	(313,664)
The net book value of capital assets disposed decreases net position in the statement of activities, but does not appear in governmental funds because they are not financial resources.	(7,809)
Depreciation expense	<u>(15,504,955)</u>
	<u>\$ 14,082,931</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)

June 30, 2022

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (continued)

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.”

The details of this item are as follows:

Debt issued:	
Issuance of leases	\$ (1,486,494)
Principal payments:	
Leases	325,163
Bonds payable	5,150,000
Installment obligations	8,546,775
Other long-term obligations	862,702
Lease terminations	1,787,951
Amortization of premiums and loss on refundings	909,262
	<u>\$ 16,095,359</u>

The reconciliation further states that “some expenses reported in the statement of activities, including pension, other postemployment benefit and other expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this item are as follows:

Accrued vacation and sick leave	\$ (331,914)
Other postemployment benefits	1,956,961
Pension expense - Local Governmental Employees' Retirement System	(4,319,460)
Pension expense - Law Enforcement Special Separation Allowance	(1,502,286)
Accrued interest payable	1,716
	<u>\$ (4,194,983)</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS

A. ASSETS

DEPOSITS AND INVESTMENTS

All of the City's deposits are either insured or collateralized under the Pooling Method. Under the Pooling Method, which is a statewide collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by each unit's agent in the unit's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits.

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agents. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the City's deposits had a carrying amount of \$110,968,721 and a bank balance of \$114,216,648. Of the bank balance, \$1,013,845 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Cash on hand at June 30, 2022, was \$22,976.

At June 30, 2022, the investments and related maturities of the City were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	More Than 12 Months
North Carolina Capital Management Trust - Government Portfolio	Fair Value-Level 1	\$ 84,248,706	\$84,248,706	\$ -	\$ -
U.S. Treasuries	Fair Value-Level 1	23,231,795	-	6,489,685	16,742,110
Commercial paper	Fair Value-Level 2	45,815,414	10,874,589	34,940,825	-
U.S. Government Agencies	Fair Value-Level 2	<u>25,521,562</u>	<u>-</u>	<u>7,339,677</u>	<u>18,181,885</u>
Total investments		<u>\$ 178,817,477</u>	<u>\$95,123,295</u>	<u>\$48,770,187</u>	<u>\$34,923,995</u>

All investments are measured using the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets. Level one debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years. Also, the City's investment policy limits the weighted average maturity of the City's investment portfolio (including deposits) to no more than 12 months. The weighted average maturity of the investment portfolio as of June 30, 2022 is 1.97 months.

Credit Risk

The City has no formal policy on managing credit risk. As of June 30, 2022, the City's investment in the NCCMT Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAAM-mf by Moody's Investors Service. The City's investments in commercial paper were rated P1 by Standard & Poor's and A1 by Moody's Investors Service. The City's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal National Mortgage Association and Federal Farm Credit Bank) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk

The City's investment policy limits the amount that the City may invest in any one issuer to 25% of the City's total investments. More than 5% of the City's investments are in the Federal National Mortgage Association, the Federal Farm Credit Bank, JP Morgan Securities, LLC, Lloyds Bank Corporate Markets NY, Natixis NY, and Nordea Bank APB. These investments are 6.3%, 5.7%, 6.4%, 6.4%, 6.4% and 7% respectively, of the City's total investments.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES

Current receivables for governmental activities at the government-wide level at June 30, 2022, were as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Other</u>	<u>Other Governments</u>	<u>Notes</u>	<u>Management Company</u>	<u>Leases</u>	<u>Total</u>
General Fund	\$ 2,619,866	\$ 1,292,049	\$ 268,075	\$ 16,401,321	\$ 217,620	\$ -	\$ 8,405,735	\$ 29,204,666
Special Purpose Fund	-	-	3,266	797,227	70,947	-	-	871,440
Convention Center Fund	-	-	32,450	2,303,286	-	243,382	10,162,982	12,742,100
Streets and Sidewalks Fund	-	-	12,841	802,108	-	-	-	814,949
Debt Service Fund	519,626	-	6,462	79,850	-	-	-	605,938
Nonmajor Governmental Funds	7,651	7,105	14,786	2,976,846	20,538,072	-	343,787	23,888,247
Internal Service Funds	<u>-</u>	<u>-</u>	<u>40,408</u>	<u>201,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,892</u>
Total receivable	3,147,143	1,299,154	378,288	23,562,122	20,826,639	243,382	18,912,504	68,369,232
Allowance for doubtful accounts	<u>(1,642,553)</u>	<u>(377,668)</u>	<u>-</u>	<u>-</u>	<u>(861,692)</u>	<u>-</u>	<u>-</u>	<u>(2,881,913)</u>
Total governmental funds	<u>\$ 1,504,590</u>	<u>\$ 921,486</u>	<u>\$ 378,288</u>	<u>\$ 23,562,122</u>	<u>\$ 19,964,947</u>	<u>\$ 243,382</u>	<u>\$ 18,912,504</u>	<u>\$ 65,487,319</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES (continued)

The amount due from other governments for governmental activities consists of the following:

Local government sales and use taxes	\$	10,308,064
Franchise tax		1,889,855
Video programming sales tax		297,159
PEG channel support		6,369
Room occupancy tax		1,322,687
Refund of sales and use tax paid		957,254
Community Development Block Grant entitlement		158,683
Home Investment Partnership entitlement		212,127
ABC revenues		923,361
Firemen's relief funds		117,775
FEMA/Hurricane disaster assistance		4,487,847
Other grants and reimbursements		<u>2,880,941</u>
	\$	<u>23,562,122</u>

The amount of lease receivable for governmental activities consists of the following lease agreements:

On July 1, 2021, the City entered into a 141 month lease as Lessor for the use of 625 square feet of land at the Legion Stadium Sports Complex by AT&T. An initial lease receivable was recorded in the amount of \$302,145. As of June 30, 2022, the value of the lease receivable is \$283,055. The lessee is required to make monthly fixed payments of \$1,984. The lease has an interest rate of 1.76%. The value of the deferred inflow of resources as of June 30, 2022 was \$276,430, and the City recognized lease revenue of \$25,715 and interest revenue of \$4,715 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 119 month lease as Lessor for the use of Greenfield Lake Amphitheater by Live Nation. An initial lease receivable was recorded in the amount of \$404,482. As of June 30, 2022, the value of the lease receivable is \$369,126. The lessee is required to make quarterly fixed payments of \$10,000. The lease has an interest rate of 1.60%. The value of the deferred inflow of resources as of June 30, 2022 was \$364,011, and the City recognized lease revenue of \$40,471 and interest revenue of \$4,644 during the fiscal year. In addition, the City recognized \$81,206 in variable lease revenue for concession and ticket sales for the fiscal year.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES (continued)

On July 1, 2021, the City entered into a 120 month lease as Lessor for the use of Live Oak Bank Pavilion by Live Nation. An initial lease receivable was recorded in the amount of \$1,851,832. As of June 30, 2022, the value of the lease receivable is \$1,672,993. The lessee is required to make quarterly fixed payments of \$50,000. The lease has an interest rate of 1.60%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,666,649, and the City recognized lease revenue of \$185,183 and interest revenue of \$21,161 during the fiscal year. In addition, the City recognized \$309,084 in variable lease revenue for concession and ticket sales for the fiscal year.

On July 1, 2021, the City entered into a 558 month lease as Lessor for the use of the Convention Center Parking Deck by Embassy Suites Hotel. An initial lease receivable was recorded in the amount of \$8,132,995. As of June 30, 2022, the value of the lease receivable is \$8,024,073. The lessee is required to make monthly fixed payments of \$25,000. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2022 was \$7,958,092, and the City recognized lease revenue of \$174,903 and interest revenue of \$191,078 during the fiscal year. The lessee has 2 extension options, each for 120 months.

On November 1, 2021, the City entered into a 581 month lease as Lessor for the use of the Convention Center parking deck by Aloft Hotel. An initial lease receivable was recorded in the amount of \$2,158,568. As of June 30, 2022, the value of the lease receivable is \$2,138,909. The lessee is required to make monthly fixed payments of \$6,500. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2022 was \$2,128,846, and the City recognized lease revenue of \$29,722 and interest revenue of \$32,342 during the fiscal year. The lessee has 2 extension options, each for 120 months.

On July 1, 2021, the City entered into a 21 month lease as Lessor for the use of Cotton Exchange parking lot by Bullock, LLC. An initial lease receivable was recorded in the amount of \$18,819. As of June 30, 2022, the value of the lease receivable is \$8,083. The lessee is required to make monthly fixed payments of \$900. The lease has an interest rate of 0.51%. The value of the deferred inflow of resources as of June 30, 2022 was \$8,065, and the City recognized lease revenue of \$10,754 and interest revenue of \$63 during the fiscal year. The lessee had a termination period of 3 months as of the lease commencement.

On July 1, 2021, the City entered into a 1146 month lease as Lessor for a River Place ground lease with SCP-EW River Place, LLC. An initial lease receivable was recorded in the amount of \$1,723,790. As of June 30, 2022, the value of the lease receivable is \$1,715,916. The lessee is required to make monthly fixed payments of \$4,046. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,705,749, and the City recognized lease revenue of \$18,041 and interest revenue of \$40,678 during the fiscal year. The lessee has 2 extension options, the first for 300 months and the second for 288 months.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES (continued)

On July 1, 2021, the City entered into a 125 month lease as Lessor for the use of building space by the Wilmington Railroad Museum. An initial lease receivable was recorded in the amount of \$377,488. As of June 30, 2022, the value of the lease receivable is \$343,787. The lessee is required to make monthly fixed payments that total \$39,000 annually but are divided into different amounts to specific months seasonally. The lease has an interest rate of 1.60%. The value of the deferred inflow of resources as of June 30, 2022 was \$341,249, and the City recognized lease revenue of \$36,239 and interest revenue of \$5,300 during the fiscal year. The lessee has 1 extension option for 60 months.

On May 1, 2022, the City entered into a 15 month lease as Lessor for the use of space in the Harrelson Building by Masonboro Construction. An initial lease receivable was recorded in the amount of \$41,421. As of June 30, 2022, the value of the lease receivable is \$35,964. The lessee is required to make monthly fixed payments of \$2,760. The lease has an interest rate of 1.98%. The value of the deferred inflow of resources as of June 30, 2022 was \$35,530, and the City recognized lease revenue of \$5,891 and interest revenue of \$64 during the fiscal year.

On May 1, 2022, the City entered into a 132 month lease as Lessor for the use of space in the Harrelson Building by Remax. An initial lease receivable was recorded in the amount of \$740,360. As of June 30, 2022, the value of the lease receivable is \$730,803. The lessee is required to make monthly fixed payments of \$5,628. The lease has an interest rate of 2.77%. The value of the deferred inflow of resources as of June 30, 2022 was \$729,142, and the City recognized lease revenue of \$11,217 and interest revenue of \$1,697 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On May 1, 2022, the City entered into a 25 month lease as Lessor for the use of space in the Harrelson Building by CP Brunswick. An initial lease receivable was recorded in the amount of \$190,878. As of June 30, 2022, the value of the lease receivable is \$175,824. The lessee is required to make monthly fixed payments of \$7,714. The lease has an interest rate of 2.45%. The value of the deferred inflow of resources as of June 30, 2022 was \$175,176 and the City recognized lease revenue of \$15,702 and interest revenue of \$374 during the fiscal year.

On May 1, 2022, the City entered into a 176 month lease as Lessor for the use of space in the Harrelson Building by Brooks, Pierce, McLendon, Humphrey & Leonard, LLP. An initial lease receivable was recorded in the amount of \$2,129,488. As of June 30, 2022, the value of the lease receivable is \$2,109,558. The lessee is required to make monthly fixed payments of \$12,606. The lease has an interest rate of 2.99%. The value of the deferred inflow of resources as of June 30, 2022 was \$2,105,223, and the City recognized lease revenue of \$24,265 and interest revenue of \$5,282 during the fiscal year. The lessee has 2 extension options, each for 60 months.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES (continued)

On May 1, 2022, the City entered into a 176 month lease as Lessor for the use of space in the Harrelson Building by United Bank. An initial lease receivable was recorded in the amount of \$1,317,207. As of June 30, 2022, the value of the lease receivable is \$1,304,413. The lessee is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 2.94%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,302,148 and the City recognized lease revenue of \$15,059 and interest revenue of \$3,206 during the fiscal year. The lessee has 2 extension options, each for 60 months.

Receivables for business-type activities at the government-wide level at June 30, 2022, were as follows:

	Accounts	Other	Other Governments	Leases	Total
Recycling and Trash Services Fund	\$ 1,714,695	\$ 62,868	\$ 188,864	\$ -	\$ 1,966,427
Storm Water Management Fund	1,544,499	12,539	4,274,061	-	5,831,099
Parking Facilities Fund	-	29,896	7,450	10,064,225	10,101,571
Nonmajor Golf Fund	-	13,984	32,454	-	46,438
Total receivables	3,259,194	119,287	4,502,829	10,064,225	17,945,535
Allowance for doubtful accounts	(702,375)	-	-	-	(702,375)
Total business-type activities	<u>\$ 2,556,819</u>	<u>\$ 119,287</u>	<u>\$ 4,502,829</u>	<u>\$ 10,064,225</u>	<u>\$ 17,243,160</u>

The amount due from other governments for business-type activities consists of the following:

Refund of sales and use tax paid	\$ 111,361
Solid waste disposal tax	20,142
Cape Fear Public Utility Authority	327,056
FEMA/Hurricane disaster assistance	4,012,243
Other grants and reimbursements	32,027
	<u>\$ 4,502,829</u>

The amount of lease receivable for business-type activities consists of the following lease agreements:

On July 1, 2021, the City entered into a 1174 month lease as Lessor for the use of River Place parking deck by SCP-EW River Place, LLC. An initial lease receivable was recorded in the amount of \$10,064,520. As of June 30, 2022, the value of the lease receivable is \$10,020,041. The lessee is required to make monthly fixed payments of \$23,500. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2022 was \$9,961,646, and the City recognized lease revenue of \$102,874 and interest revenue of \$237,522 during the fiscal year. The lessee has 2 extension options, the first for 300 months and the second for 288 months.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RECEIVABLES (continued)

On July 1, 2021, the City entered into a 30 month lease as Lessor for the use of parking spaces at Market St & Princess St by the General Services Administration. An initial lease receivable was recorded in the amount of \$73,373. As of June 30, 2022, the value of the lease receivable is \$44,184. The lessee is required to make monthly fixed payments of \$2,469. The lease has an interest rate of 0.730%. The value of the deferred inflow of resources as of June 30, 2022 was \$44,024, and the City recognized lease revenue of \$29,349 and interest revenue of \$436 during the fiscal year. The lessee had a termination period of 3 months as of the lease commencement.

CAPITAL ASSETS

Capital asset activity for the primary government's governmental activities for the year ended June 30, 2022, was as follows:

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 61,354,823	\$ 2,652,875	\$ -	\$ -	\$ 64,007,698
Easements	24,548,938	952,059	-	-	25,500,997
Construction in progress	<u>38,268,644</u>	<u>8,318,024</u>	<u>-</u>	<u>(32,108,093)</u>	<u>14,478,575</u>
Total capital assets not being depreciated	<u>124,172,405</u>	<u>\$ 11,922,958</u>	<u>\$ -</u>	<u>\$ (32,108,093)</u>	<u>103,987,270</u>
Capital assets being depreciated:					
Improvements other than buildings	67,368,273	\$ 155,435	\$ -	\$ 19,025,629	86,549,337
Buildings, plant and structures	163,510,852	13,941,202	(34,708)	9,404,954	186,822,300
Furniture, fixtures, machinery and equipment	56,558,272	4,628,378	(2,234,449)	248,687	59,200,888
Computer software	3,181,191	-	-	-	3,181,191
Streets and drainage	<u>272,239,603</u>	<u>2,719,796</u>	<u>-</u>	<u>3,566,730</u>	<u>278,526,129</u>
Total capital assets being depreciated	<u>562,858,191</u>	<u>\$ 21,444,811</u>	<u>\$ (2,269,157)</u>	<u>\$ 32,246,000</u>	<u>614,279,845</u>
Less accumulated depreciation for:					
Improvements other than buildings	35,924,296	\$ 3,574,253	\$ -	\$ -	39,498,549
Buildings, plant and structures	55,104,477	4,404,640	(26,899)	-	59,482,218
Furniture, fixtures, machinery and equipment	44,186,068	4,607,945	(2,229,415)	-	46,564,598
Computer software	2,119,818	348,564	-	-	2,468,382
Streets and drainage	<u>96,537,902</u>	<u>5,365,541</u>	<u>-</u>	<u>-</u>	<u>101,903,443</u>
Total accumulated depreciation	<u>233,872,561</u>	<u>\$ 18,300,943</u>	<u>\$ (2,256,314)</u>	<u>\$ -</u>	<u>249,917,190</u>
Total capital assets being depreciated, net	<u>328,985,630</u>				<u>364,362,655</u>
Governmental activities capital assets, net	<u>\$ 453,158,035</u>				<u>\$ 468,349,925</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS (continued)

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

General government	\$ 1,562,507
Public safety	2,959,625
Transportation	5,891,156
Economic and physical development	1,332,461
Cultural and recreational	3,759,206
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	2,795,988
	\$ 18,300,943

Capital asset activity for each of the business-type activities for the year ended June 30, 2022, was as follows:

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Recycling and Trash Services:					
Capital assets being depreciated:					
Furniture, fixtures, machinery and equipment	\$ 38,470	\$ 6,685	\$ (7,850)	\$ -	\$ 37,305
Less accumulated depreciation for:					
Furniture, fixtures, machinery and equipment	32,075	\$ 4,137	\$ (7,850)	\$ -	28,362
Total capital assets being depreciated, net	6,395				8,943
Solid waste capital assets, net	6,395				8,943
Storm water:					
Capital assets not being depreciated:					
Land	1,533,071	\$ -	\$ -	\$ -	1,533,071
Easements	2,865,534	367,299	-	-	3,232,833
Construction in progress	3,154,306	2,041,698	-	(915,404)	4,280,600
Total capital assets not being depreciated	7,552,911	\$ 2,408,997	\$ -	\$ (915,404)	9,046,504
Capital assets being depreciated:					
Improvements other than buildings	64,410,576	\$ 610,528	\$ -	\$ 915,404	65,936,508
Buildings, plant and structures	1,202,630	-	-	-	1,202,630
Furniture, fixtures, machinery and equipment	893,189	387,857	-	(137,907)	1,143,139
Total capital assets being depreciated	66,506,395	\$ 998,385	\$ -	\$ 777,497	68,282,277
Less accumulated depreciation for:					
Improvements other than buildings	23,971,340	\$ 1,097,665	\$ -	\$ -	25,069,005
Buildings, plant and structures	375,502	30,065	-	-	405,567
Furniture, fixtures, machinery and equipment	557,749	114,066	-	-	671,815
Total accumulated depreciation	24,904,591	\$ 1,241,796	\$ -	\$ -	26,146,387
Total capital assets being depreciated, net	41,601,804				42,135,890
Storm water capital assets, net	49,154,715				51,182,394

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS (continued)

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Parking facilities:					
Capital assets not being depreciated:					
Land	\$ 6,849,290	\$ -	\$ -	\$ -	\$ 6,849,290
Easements	191,752	-	-	-	191,752
Construction in progress	<u>119,999</u>	<u>-</u>	<u>(9,930)</u>	<u>(110,069)</u>	<u>-</u>
Total capital assets not being depreciated	<u>7,161,041</u>	<u>\$ -</u>	<u>\$ (9,930)</u>	<u>\$ (110,069)</u>	<u>7,041,042</u>
Capital assets being depreciated:					
Improvements other than buildings	231,282	\$ -	\$ -	\$ -	231,282
Buildings, plant and structures	38,041,185	37,083	-	110,069	38,188,337
Furniture, fixtures, machinery and equipment	1,241,390	-	-	-	1,241,390
Computer Software	<u>102,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,792</u>
Total capital assets being depreciated	<u>39,616,649</u>	<u>\$ 37,083</u>	<u>\$ -</u>	<u>\$ 110,069</u>	<u>39,763,801</u>
Less accumulated depreciation for:					
Improvements other than buildings	75,071	\$ 11,564	\$ -	\$ -	86,635
Buildings, plant and structures	12,469,644	1,794,473	-	-	14,264,117
Furniture, fixtures, machinery and equipment	537,609	208,920	-	-	746,529
Computer Software	<u>59,447</u>	<u>12,120</u>	<u>-</u>	<u>-</u>	<u>71,567</u>
Total accumulated depreciation	<u>13,141,771</u>	<u>\$ 2,027,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,168,848</u>
Total capital assets being depreciated, net	<u>26,474,878</u>				<u>24,594,953</u>
Parking facilities capital assets, net	<u>33,635,919</u>				<u>31,635,995</u>
Golf:					
Capital assets not being depreciated:					
Land	109,393	\$ -	\$ -	\$ -	109,393
Construction in progress	<u>846,912</u>	<u>-</u>	<u>-</u>	<u>(846,912)</u>	<u>-</u>
Total capital assets not being depreciated	<u>956,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (846,912)</u>	<u>109,393</u>
Capital assets being depreciated:					
Improvements other than buildings	2,259,426	\$ 386,000	\$ -	\$ -	2,645,426
Buildings, plant and structures	485,348	246,137	-	846,912	1,578,397
Furniture, fixtures, machinery and equipment	<u>219,752</u>	<u>118,246</u>	<u>-</u>	<u>-</u>	<u>337,998</u>
Total capital assets being depreciated	<u>2,964,526</u>	<u>\$ 750,383</u>	<u>\$ -</u>	<u>\$ 846,912</u>	<u>4,561,821</u>
Less accumulated depreciation for:					
Improvements other than buildings	1,246,357	\$ 85,642	\$ -	\$ -	1,331,999
Buildings, plant and structures	273,614	23,797	-	-	297,411
Furniture, fixtures, machinery and equipment	<u>207,911</u>	<u>14,456</u>	<u>-</u>	<u>-</u>	<u>222,367</u>
Total accumulated depreciation	<u>1,727,882</u>	<u>\$ 123,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,851,777</u>
Total capital assets being depreciated, net	<u>1,236,644</u>				<u>2,710,044</u>
Golf capital assets, net	<u>2,192,949</u>				<u>2,819,437</u>
Business-type activities capital assets, net	<u>\$ 84,989,978</u>				<u>\$ 85,646,769</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

COMMITMENTS FOR CAPITAL PROJECTS

At June 30, 2022, the City has commitments for active projects as follows:

	Spent to date	Remaining commitment
Governmental funds:		
Capital projects	\$ 62,166,613	\$ 18,364,255
Enterprise funds:		
Storm Water capital projects	\$ 5,548,375	\$ 9,533,357
Parking Facilities capital projects	24,393,660	1,571,850
Nonmajor Golf capital projects	1,253,314	1,852
Total enterprise funds	\$ 31,195,349	\$ 11,107,059

RIGHT-TO-USE LEASE ASSETS

The City has recorded right-to-use lease assets for leased a leased parking lot, buildings and equipment. The related leases are discussed in the Leases subsection of the Long-Term Obligations section of this note.

Right-to-use lease asset activity for the primary government’s governmental activities for the year ended June 30, 2022, was as follows:

	July 1, 2021	Increases	Decreases	June 30, 2022
Governmental activities:				
Right-to-use assets:				
Leased equipment	\$ -	\$ 191,567	\$ -	\$ 191,567
Leased buildings	690,826	1,446,970	(2,093,414)	44,382
Total right-to-use assets	690,826	\$ 1,638,537	\$ (2,093,414)	235,949
Less accumulated amortization for:				
Leased equipment	-	\$ 16,754	-	16,754
Leased buildings	-	365,546	(348,903)	16,643
Total accumulated amortization	-	\$ 382,300	\$ (348,903)	33,397
Governmental activities right-to-use assets, net	\$ 690,826			\$ 202,552

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

RIGHT-TO-USE LEASE ASSETS (continued)

Right-to-use lease asset activity for the business-type activities for the year ended June 30, 2022, was as follows:

	July 1, 2021	Increases	Decreases	June 30, 2022
Parking facilities:				
Right-to-use assets:				
Leased parking lot	\$ 1,815,439	\$ -	\$ -	\$ 1,815,439
Less accumulated amortization for:				
Leased parking lot	-	\$ 178,568	\$ -	178,568
Business-type activities right-to-use assets, net	\$ 1,815,439			\$ 1,636,871

B. LIABILITIES

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS

1. Local Governmental Employees' Retirement System

Plan Description. The City is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

1. Local Governmental Employees' Retirement System (continued)

Benefits Provided. (Continued) LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.35% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$6,949,241 for the year ended June 30, 2022.

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the City reported a liability of \$12,200,983 for its proportionate share of the LGERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the City's proportion was 0.796%, which was a decrease of 0.031% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$4,837,543. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

1. Local Governmental Employees' Retirement System (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,881,571	\$ -
Changes of assumptions	7,665,334	-
Net difference between projected and actual earnings on pension plan investments	-	17,431,540
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,003,027
City contributions subsequent to the measurement date	6,949,241	-
Total	\$ 18,496,146	\$ 18,434,567

\$6,949,241 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2023	\$ 719,628
2024	(762,385)
2025	(1,510,748)
2026	(5,334,157)
	\$ (6,887,662)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

1. Local Governmental Employees' Retirement System (continued)

Actuarial Assumptions. (Continued) The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	<u>100%</u>	

Actuarial Assumptions. The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

1. Local Governmental Employees' Retirement System (continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 47,363,200	\$ 12,200,983	\$(16,735,479)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

2. Law Enforcement Officers' Special Separation Allowance

Plan Description. The City of Wilmington administers a public employee retirement system (the "Separation Allowance"), a single-employer, defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Plan Description. All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2020, the date of the latest actuarial valuation, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	47
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	253
Total	300

Summary of Significant Accounting Policies.

Basis of Accounting. The City has chosen to fund the Special Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

2. Law Enforcement Officers' Special Separation Allowance (continued)

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2030 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

Mortality rates are based on the Pub-2010 amount-weighted tables using generational improvements with Scale MP-2019.

Contributions. The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are paid by the City. The City paid \$899,219 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the City reported a total pension liability of \$17,159,226. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of \$1,937,774.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 345,357	\$ 124,435
Changes of assumptions	3,105,135	492,716
City benefit payments and plan administrative expense made subsequent to the measurement date	465,163	-
Total	\$ 3,915,655	\$ 617,151

\$465,163 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

2. Law Enforcement Officers' Special Separation Allowance (continued)

Year ending June 30:	
2023	\$ 857,850
2024	760,337
2025	747,198
2026	548,927
2027	<u>(80,971)</u>
	<u>\$ 2,833,341</u>

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 2.25 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

Sensitivity of the City's total pension liability to changes in the discount rate. (continued)

	1% Decrease <u>(1.25%)</u>	Discount Rate <u>(2.25%)</u>	1% Increase <u>(3.25%)</u>
Total pension liability	\$ 18,544,070	\$ 17,159,226	\$ 15,888,118

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	<u>2022</u>
Beginning balance	\$ 17,513,179
Service cost	753,707
Interest on total pension liability	329,738
Differences between expected and actual experience in the measurement of the total pension liability	(150,305)
Changes of assumptions or other inputs	(430,481)
Benefit payments	<u>(856,612)</u>
Ending balance of the total pension liability	<u>\$ 17,159,226</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for LGERS was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 12,200,983	\$ -	\$ 12,200,983
Proportion of the Net Pension Liability	0.796%	n/a	
Total Pension Liability	-	17,159,226	17,159,226
Pension Expense	4,837,543	1,937,774	6,775,317

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 3,881,571	\$ 345,357	\$ 4,226,928
Changes of assumptions	7,665,334	3,105,135	10,770,469
City contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	6,949,241	465,163	7,414,404
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 124,435	\$ 124,435
Changes of assumptions	-	492,716	492,716
Net difference between projected and actual earnings on pension plan investments	17,431,540	-	17,431,540
Changes in proportion and differences between City contributions and proportionate share of contributions	1,003,027	-	1,003,027

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

4. Supplemental Retirement Income Plan

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. For the year ended June 30, 2022, the City's required contribution was \$820,309 for the law enforcement officers.

The City has elected to make contributions on behalf of all employees to the Supplemental Retirement Income Plan or the 457 Deferred Compensation Plan, discussed later in NOTE 3. The City's contribution is 4.5% of covered payroll and contributions are made to the plan selected by the employee. The City Council established the contribution and can amend or discontinue it at any time. Employees can also make voluntary contributions to these plans.

Employer contributions to the Supplemental Retirement Income Plan, excluding required contributions for law enforcement officers, totaled \$1,655,139 for the year ended June 30, 2022. Employee contributions to this plan, including law enforcement officers, included in salary expense for the year ended June 30, 2022, were \$2,116,984.

5. Other Postemployment Benefits

Plan Description.

Plan Administration. Under the terms of a City Council resolution, the City of Wilmington provides specified healthcare benefits to eligible retirees through its medical self-insurance program as a single-employer defined benefit other postemployment benefit plan to cover retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least five years of creditable service with the City. The healthcare benefits for retired employees are the same as for active employees and are available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. Dependents of retirees may participate in the healthcare plan by paying premiums that vary depending upon their type of coverage. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

CITY OF WILMINGTON, NORTH CAROLINA

**Notes to Financial Statements (Continued)
June 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Plan Description. (continued)

Plan Membership. Membership of the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	General Employees	Firefighters	Law Enforcement Officers
Inactive plan members and dependents receiving benefits	45	64	63
Inactive plan members entitled to but not yet receiving benefits	-	-	-
Active plan members*	<u>205</u>	<u>108</u>	<u>128</u>
Total	<u><u>250</u></u>	<u><u>172</u></u>	<u><u>191</u></u>

* Excludes 556 active members who will not receive benefits due to the January 1, 2011 closure of the plan and 7 elected officials who are not eligible for future benefits.

Benefits Provided. The healthcare benefits for retired employees are the same as for active employees and are available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The retiree contribution to the cost of a selected type of coverage is equivalent at a minimum to the active employee premium but may also include a percentage of the City's portion of the premium depending on the date the retiree was last hired by the City and the years of creditable service the retiree achieved with the LGERS. For qualified retired employees hired on or after January 1, 2007 but before July 1, 2009, contribution requirements are the active employee premium plus a percentage of the premium paid by the City for active employees as determined by the following chart:

Years of Creditable Service with the North Carolina Local Governmental Employees' Retirement System		Percentage of City Premium Required of Retiree in Addition to Active Employee Premium
At Least:	Not More Than:	
5	9	75 %
10	14	50
15	19	25
20	-	-

Retired employees hired on or after January 1, 2007 but before January 1, 2011 may purchase healthcare benefits for their eligible dependents by paying the full cost of such dependent coverage. For qualified retired employees hired before January 1, 2007, contribution requirements for both individual and dependent coverage are limited to the active employee premium.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Benefits Provided. (continued)

Effective June 30, 2009, 39 employees accepted an early retirement incentive offer. Of these employees, 26 receive benefits under the City’s healthcare plan on a noncontributory basis until they become 65 years of age or Medicare eligible, whichever comes first, and can no longer participate in the plan. The remaining 13 employees continue to make the required retiree contributions but once age 65 or Medicare eligibility is reached and they can no longer participate in the healthcare plan, the City will fund a Health Reimbursement Account in the amount of \$10,500 over five years on behalf of the employee. The effects of these termination benefits were included in the actuarial valuation as of June 30, 2020.

Effective with employees hired on or after July 1, 2009 but before January 1, 2011, by City Council resolution, a retiree must participate in the North Carolina Local Governmental Employees’ Retirement System and have at least 10 years of creditable service with the City of Wilmington to be eligible for benefits under the City’s postemployment healthcare plan. Such a retiree will be required to contribute the active employee premium plus a percentage of the premium paid by the City for active employees based on the number of creditable years of service attained with the City as determined by the following chart:

Years of Continuous Service with the City of Wilmington		Percentage of City Premium Required of Retiree in Addition to Active Employee Premium
At Least:	Not More Than:	
10	15	80 %
15	20	60
20	25	40
25	30	20
30	-	-

Effective with employees hired on or after January 1, 2011, by City Council resolution, the City no longer provides an Employee Healthcare Plan for retirees.

Contributions. The City Council established the contribution requirements of plan members under the City’s medical self-insurance program and those contribution requirements may be amended by the City Council. Annually, the cost of each type of coverage is determined and a set amount of those costs are required of active employees. For the year ended June 30, 2022 active employee contribution requirements range from \$135 to \$682 per month depending on their choice of coverage. The retiree contribution to the cost of a selected type of coverage is equivalent at a minimum to the active employee premium but may also include a percentage of the City’s portion of the premium depending on the date the retiree was last hired by the City and the years of creditable service the retiree achieved with the LGERS.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Contributions. (continued)

The City initially elected to fund the healthcare benefits on a pay as you go basis; however, during the fiscal year-ended June 30, 2009, the City established an irrevocable trust for these benefits at First Citizens Bank and prefunded an additional amount to partially pay the future cost of coverage for benefits. For the current year, the City contributed \$1,925,541 or 6.85% of annual covered payroll for current premiums. The City is self-insured. Contributions of \$542,176 were made by retirees for healthcare premiums.

Investments.

Investment Policy. The City of Wilmington Employee Benefit Trust, established under the terms of a City Council resolution, authorizes the Trustee to invest and reinvest trust assets in accordance with North Carolina General Statutes and to diversify the investments to minimize the risk of losses. Investments in securities of the North Carolina Capital Management Trust's (NCCMT) Government Portfolio, a SEC-registered (2a-7) external investment pool, are measured at fair value. Administrative costs are charged to the individual funds.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Government Portfolio	100%	3.5%

Rate of return. For the year ended June 30, 2022, the annual money weighted rate of return on investments, net of investment expense, was 0.08 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability. The components of the net OPEB liability at June 30, 2022 were as follows:

Total OPEB liability	\$ 41,653,001
Plan fiduciary net position	<u>3,061,235</u>
City's net OPEB liability	<u>\$ 38,591,766</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.35%

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent (7.90 percent for law enforcement and 8.15 percent for firefighters), including wage inflation
Investment rate of return	3.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.00 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2030

The total OPEB liabilities were rolled forward to June 30, 2022 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on Pub-2010 mortality rates, with adjustments for LGERS experience and generational mortality improvements using scale MP-2019. For general employees, Pub-2010 General-Retirees base rates are projected from 2010 using generational improvement with Scale MP-2019. Rates for males are set forward 2 years and use 96% of rates under age 81 then blended to 100% at age 85 and beyond. Rates for females are 100% of rates under age 92 then blended to 110% at age 94 and beyond. The General Mortality Table for Employees was used for ages less than 50 because the retiree tables have no rates prior to age 50. For law enforcement officers and firefighters, Pub-2010 Safety Mortality Table for Retirees base rates are projected from 2010 using generational improvement with Scale MP-2019. Rates for males and females are set forward 1 year and use 97% of rates for all ages. Because the retiree tables have no rates prior to age 45, the Safety Mortality Table for Employees was used for ages less than 45.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2019, adopted by the LGERS Board.

Discount rate. The discount rate used to measure the total OPEB liability was 3.54 percent. The projection of cash flows used to determine the discount rate was based upon the Single Equivalent Interest Rate. However, because the OPEB's plan fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which is 3.50 percent per the Municipal Bond Index Rate at the measurement date.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	\$ 45,931,761	\$ 3,059,579	\$ 42,872,182
Changes for the year:			
Service cost	1,361,229	-	1,361,229
Interest	975,939	-	975,939
Differences between expected and actual experience	(16,715)	-	(16,715)
Changes of assumptions	(4,673,672)	-	(4,673,672)
Contributions	-	1,925,541	(1,925,541)
Net investment income	-	4,906	(4,906)
Benefit payments	(1,925,541)	(1,925,541)	-
Administrative expenses	-	(3,250)	3,250
Net changes	<u>(4,278,760)</u>	<u>1,656</u>	<u>(4,280,416)</u>
Balances at June 30, 2022	<u>\$ 41,653,001</u>	<u>\$ 3,061,235</u>	<u>\$ 38,591,766</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.17 percent in 2021 to 3.54 percent in 2022 on the measurement date and the projected measurement asset depletion date.

For the year ended June 30, 2022, the City recognized OPEB expense (income) of (\$502,256). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,150,696
Changes of assumptions	4,985,285	4,144,460
Net difference between projected and actual earnings on plan investments	<u>177,637</u>	<u>-</u>
Total	<u>\$ 5,162,922</u>	<u>\$ 14,295,156</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

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

Year ending June 30:	
2023	\$ (2,750,321)
2024	(2,669,596)
2025	(2,346,723)
2026	(1,220,152)
2027	<u>(145,442)</u>
	<u>\$ (9,132,234)</u>

Reconciliation for deferred outflows and deferred inflows for OPEB due to change in fund allocations:

	<u>Per Actuary</u>	<u>Change in Fund Allocation</u>	<u>Total Deferred Outflows</u>
Deferred Outflows Reconciliation - OPEB			
Governmental activities	\$ 4,619,988	\$ 210,652	\$ 4,830,640
Recycling and Trash Services Fund	335,480	28,781	364,261
Storm Water Management Fund	126,399	652,582	778,981
Parking Facilities Fund	1,007	23,284	24,291
Nonmajor Golf Fund	<u>80,048</u>	<u>-</u>	<u>80,048</u>
Total deferred outflows	<u>\$ 5,162,922</u>	<u>\$ 915,299</u>	<u>\$ 6,078,221</u>

	<u>Per Actuary</u>	<u>Change in Fund Allocation</u>	<u>Total Deferred Inflows</u>
Deferred Inflows Reconciliation - OPEB			
Governmental activities	\$ 12,791,877	\$ 430,465	\$ 13,222,342
Recycling and Trash Services Fund	928,879	357,136	1,286,015
Storm Water Management Fund	349,974	-	349,974
Parking Facilities Fund	2,788	5,175	7,963
Nonmajor Golf Fund	<u>221,638</u>	<u>122,523</u>	<u>344,161</u>
Total deferred inflows	<u>\$ 14,295,156</u>	<u>\$ 915,299</u>	<u>\$ 15,210,455</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to change in fund allocations for OPEB will be recognized in OPEB Expense in the funds as follows:

	<u>Governmental Activities</u>	<u>Recycling and Trash Services Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>	<u>Nonmajor Golf Fund</u>	<u>Total</u>
Years ending June 30:						
2023	\$ (105,384)	\$ (75,734)	\$ 220,308	\$ 8,779	\$ (47,969)	\$ -
2024	(45,328)	(104,524)	171,120	10,598	(31,866)	-
2025	(45,688)	(95,101)	166,367	(1,037)	(24,541)	-
2026	<u>(23,413)</u>	<u>(52,996)</u>	<u>94,787</u>	<u>(231)</u>	<u>(18,147)</u>	<u>-</u>
Total	<u>\$ (219,813)</u>	<u>\$ (328,355)</u>	<u>\$ 652,582</u>	<u>\$ 18,109</u>	<u>\$ (122,523)</u>	<u>\$ -</u>

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by MissionSquare Retirement. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergencies. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. A separate report was not issued for the plan.

The City provides a contribution of 3% of covered payroll to the 457 Deferred Compensation Plan for fire fighters. The City also matches the contributions made by the fire fighters to the 457 Deferred Compensation Plan up to 3% of covered payroll. The City Council established both the 3% contribution and the matching contribution and may amend or discontinue them at any time. Contributions by fire fighters to the plan, included in salary expense for the year ended June 30, 2022, were \$356,748 that was matched by the City.

Employer contributions to the 457 Deferred Compensation Plan totaled \$1,786,401 for the year ended June 30, 2022. This amount included the 3% contribution and matching contributions for fire fighters as well as the 4.5% employer contribution available to all employees. Employee contributions to the plan, excluding the fire fighter's matched deferral, included in salary expense for the year ended June 30, 2022, were \$1,004,095.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

OTHER EMPLOYMENT BENEFITS

The City has elected to provide death benefits to employees engaged in law enforcement through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City is not required to contribute for employees not engaged in law enforcement. For the fiscal year ended June 30, 2022, the City made contributions to the State for death benefits of \$22,969.

The City has elected to provide additional group-term life insurance benefits to employees for benefit eligible positions. The City provides Basic Life Insurance which includes an Accidental Death and Dismemberment provision. All full-time active employees are eligible for this benefit after the eligibility waiting period. The coverage is effective the first of the month following 60 days of employment. Lump sum death benefit payments to beneficiaries are equal to the employee's annual salary rounded to the next higher \$1,000, if not already a multiple of \$1,000, subject to a maximum benefit of \$150,000. However, in no event will the basic amount of life insurance be less than \$10,000. All death benefits are made by the insurance provider. The City has no liability beyond the payment of monthly premiums. For the fiscal year ended June 30, 2022, the City paid \$75,846 to the insurance provider for death benefit premiums for all eligible employees. Life insurance benefits in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The balance in deferred outflows of resources at the government-wide level of the City at June 30, 2022 is summarized as follows:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

	Governmental Activities	Business-type Activities
Deferred amount for loss on refunded debt	\$ 2,807,812	\$ 178,834
Contributions to pension plan in current year for the Local Governmental Employees' Retirement System (LGERS)	6,235,772	713,469
Benefit payments/administration costs paid subsequent to the measurement date for the Law Enforcement Officers' Special Separation Allowance (Separation Allowance)	465,163	-
Pension deferrals - LGERS	10,399,098	1,147,807
Pension deferrals - Separation Allowance	3,450,492	-
Pension deferrals for other postemployment benefits	4,830,640	1,247,581
	\$ 28,188,977	\$ 3,287,691

The balance in deferred inflows of resources at the government-wide level of the City at June 30, 2022 is summarized as follows:

	Governmental Activities	Business-type Activities
Deferred amount for gain on refunded debt	\$ 111,151	\$ 760
Leases	18,796,310	10,005,670
Pension deferrals - LGERS	16,681,481	1,753,086
Pension deferrals - Separation Allowance	617,151	-
Pension deferrals for other postemployment benefits	13,222,342	1,988,113
	\$ 49,428,435	\$ 13,747,629

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

UNEARNED REVENUES

The balance in unearned revenues at June 30, 2022 is summarized as follows:

	General Fund	Special Purpose Fund	Convention Center Fund	Streets & Sidewalks Fund	Nonmajor Governmental Funds	Nonmajor Golf Fund	Governmental Activities	Business- type Activities
Unrestricted:								
Prepaid parks and recreation pass cards	\$ 10,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,457	\$ -
Prepaid capital contribution - management company	-	-	16,000	-	-	-	16,000	-
Prepaid golf course green fees	-	-	-	-	-	158,481	-	158,481
Restricted:								
ARPA funds unspent	-	15,848,237	-	-	-	-	15,848,237	-
Opioid pilot program	-	603,288	-	-	-	-	603,288	-
Opioid settlement	-	-	-	-	29,567	-	29,567	-
Grants received in advance	-	237,334	-	250,000	255,000	-	742,334	-
Other	-	445	-	-	-	-	445	-
	<u>\$ 10,457</u>	<u>\$ 16,689,304</u>	<u>\$ 16,000</u>	<u>\$ 250,000</u>	<u>\$ 284,567</u>	<u>\$ 158,481</u>	<u>\$ 17,250,328</u>	<u>\$ 158,481</u>

LONG-TERM LIABILITIES

Leases

The City has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future lease payments as of the date of their inception.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

Leases (continued)

Governmental activities lease agreements as of June 30, 2022 were as follows:

On July 1, 2021, the City entered into a 60 month lease as lessee to use the 5th floor of the Harrelson Building for office space. An initial lease liability was recorded in the amount of \$1,209,747; however, the City acquired the building during the fiscal year which terminated the lease agreement. Prior to the termination, the City was required to make monthly fixed payments of \$19,692. The lease had an interest rate of 1.06%. At the time of termination, the value of the lease liability (\$1,040,747), the right-to-use lease asset (\$1,209,747) and the related accumulated amortization (\$201,625) were removed leaving no value as of June 30, 2022.

On July 1, 2021, the City entered into a 60 month lease as lessee to use the 2nd floor of the Harrelson Building for office space. An initial lease liability was recorded in the amount of \$883,666; however, the City acquired the building during the fiscal year which terminated the lease agreement. Prior to the termination, the City was required to make monthly fixed payments of \$14,385. The lease had an interest rate of 1.06%. At the time of termination, the value of the lease liability (\$747,204), the right-to-use lease asset (\$883,666) and the related accumulated amortization (\$147,278) were removed leaving no value as of June 30, 2022.

On July 1, 2021, the City entered into a 32 month lease as lessee for the use of an aircraft hangar for the Sable program. An initial lease liability was recorded in the amount of \$44,382. As of June 30, 2022, the value of the lease liability is \$27,823. The City is required to make monthly fixed payments of \$1,400. The lease has an interest rate of 0.73%. The value of the right-to-use lease asset as of June 30, 2022 is \$44,382 with accumulated amortization of \$16,643.

On December 1, 2021, the City entered into a 48 month lease as lessee for deployment #1 of computers under a PC as a service agreement. An initial lease liability was recorded in the amount of \$69,032. As of June 30, 2022, the value of the lease liability is \$58,810. The City is required to make annual fixed payments of \$18,280. The lease has an interest rate of 1.027%. The value of the right-to-use lease asset as of June 30, 2022 is \$69,032 with accumulated amortization of \$10,067.

On April 1, 2022, the City entered into a 27 month lease as lessee for the use of iNet gas detection equipment. An initial lease liability was recorded in the amount of \$24,627. As of June 30, 2022, the value of the lease liability is \$21,952. The City of is required to make monthly fixed payments of \$1,284. The lease has an interest rate of 2.24%. The value of the right-to-use lease asset as of June 30, 2022 is \$24,627 with accumulated amortization of \$2,736.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

Leases (continued)

On May 1, 2022, the City entered into a 48 month lease as lessee for deployment #2 of computers under a PC as a service agreement. An initial lease liability was recorded in the amount of \$83,012. As of June 30, 2022, the value of the lease liability is \$79,416. The City is required to make annual fixed payments of \$22,424. The lease has an interest rate of 2.65%. The value of the right-to-use lease asset as of June 30, 2022 is \$83,012 with accumulated amortization of \$3,459.

On May 1, 2022, the City entered into a 60 month lease as lessee for the use of a Systel plotter. An initial lease liability was recorded in the amount of \$14,896. As of June 30, 2022, the value of the lease liability is \$14,430. The City is required to make monthly fixed payments of \$265. The lease has an interest rate of 2.65%. The value of the right-to-use lease asset as of June 30, 2022 is \$14,896 with accumulated amortization of \$492.

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 67,281	\$ 3,036	\$ 70,317
2024	62,823	1,894	64,717
2025	41,353	930	42,283
2026	28,352	114	28,466
2027	2,622	32	2,654
	<u>\$ 202,431</u>	<u>\$ 6,006</u>	<u>\$ 208,437</u>

Business-type activities lease agreement as of June 30, 2022, was as follows:

On July 1, 2021, the City entered into a 122 month lease as lessee for the use of the 2nd Street lot for parking. An initial lease liability was recorded in the amount of \$1,815,439. As of June 30, 2022, the value of the lease liability is \$1,661,434. The City is required to make monthly fixed payments of \$13,553. The lease has an interest rate of 1.60%. The value of the right-to-use lease asset as of June 30, 2022 is \$1,815,439 with accumulated amortization of \$178,568.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

Leases (continued)

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 157,467	\$ 25,495	\$ 182,962
2024	160,011	22,951	182,962
2025	162,597	20,365	182,962
2026	165,224	17,738	182,962
2027	187,068	14,953	202,021
2028-2032	829,067	28,567	857,634
	<u>\$ 1,661,434</u>	<u>\$ 130,069</u>	<u>\$ 1,791,503</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds, which pledge the full faith, credit, and taxing power of the City, have been issued for governmental purposes and are serviced by the Debt Service Fund. All issues are tax-exempt with the exception of Public Improvements Bonds, Series 2014 issued for extension of the North Riverwalk and Public Improvements Bonds, Series 2016 also issued for the North Riverwalk and related projects, the Parks and Recreation Bonds, Series 2020 issued to pay a portion of the capital cost of the construction, installation and equipping of the North Riverfront Park, and the Parks and Recreation Bonds, Series 2021B issued to pay a portion of the capital cost of construction, installation, and equipping of a sports complex. Principal and interest requirements are provided by appropriation in the year in which they become due. In the event of default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

General obligation bonds outstanding at June 30, 2022 are comprised of the following issues:

	<u>Governmental activities</u>
\$3,050,000 Taxable Public Improvements Bonds, Series 2014 issued for extension of the North Riverwalk; principal payments due June 1 in installments of \$150,000 to \$155,000 through June 1, 2034; semiannual interest payments due June 1 and December 1 with rates from 3.00 to 4.20 percent.	\$ 1,810,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

	<u>Governmental activities</u>
<p>\$2,925,000 Taxable Public Improvement Bonds, Series 2016A issued for extension of North Riverwalk and related projects; principal payments due June 1 in installments of \$145,000 through June 1, 2036; semiannual interest payments due June 1 and December 1 with rates from 2.63 to 3.00 percent.</p>	\$ 2,030,000
<p>\$6,650,000 Refunding Public Improvement Bonds, Series 2016B issued to refund \$2,800,000, a portion of outstanding General Obligation Bonds, Series 2008A and \$4,500,000, a portion of outstanding General Obligation Bonds, Series 2008B; principal payments due annually on September 1, in installments of \$650,000 to \$675,000, through September 1, 2028; semiannual interest payments due on September 1 and March 1 at rates from 3.00 to 5.00 percent.</p>	4,665,000
<p>\$15,300,000 Street and Sidewalk Bonds, Series 2018 issued to pay the capital costs of the acquisition, construction, installation and equipping of street and sidewalk improvements; principal payments due annually on June 1, in installments of \$765,000, through June 1, 2038; semiannual interest payments due on June 1 and December 1 at rates from 2.70 to 5.00 percent.</p>	12,240,000
<p>\$16,165,000 Taxable Parks and Recreation Bonds, Series 2020 issued to pay a portion of the capital costs of the construction and equipping of Riverfront Park; principal payments due annually on June 1, in installments ranging from \$805,000 to \$810,000, through June 1, 2040; semiannual interest payments due on June 1 and December 1 at rates from 0.99 to 2.40 percent.</p>	14,545,000
<p>\$32,950,000, Parks and Recreation (\$4,250,000) and Streets and Sidewalks (\$28,700,000) Bonds, Series 2021A issued for the capital costs of street, sidewalk and parks and recreation improvements; principal payments due annually beginning on May 1 in installments ranging from \$700,000 to \$2,150,000 beginning May 1, 2026 through May 1, 2041; semiannual interest payments due on May 1 and November 1 at rates from 2.0 to 5.0 percent.</p>	32,950,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

	Governmental activities
\$10,050,000 Taxable Parks and Recreation Bonds, Series 2021B issued to pay a portion of the capital costs of the construction and equipping of a sports complex; principal payments due annually on May 1, in installments ranging from \$1,450,000 to \$2,150,000, through May 1, 2026; semiannual interest payments due on May 1 and November 1 at rates from 0.40 to 0.93 percent.	\$ 7,900,000
\$3,770,000 Refunding Bonds, Series 2021C issued to refund \$1,950,000, a portion of the Public Improvement Bonds, Series 2011A and \$2,650,000, a portion of the Public Improvement Bonds, Series 2011C; principal payments due annually on July 1, in installments ranging from \$375,000 to \$380,000 through July 1, 2031; semiannual interest payments due on July 1 and January 1 at a rate of 5.0 percent.	3,770,000
Serviced by Debt Service Fund	\$ 79,910,000

Annual debt service requirements to maturity for general obligation bonds at June 30, 2022 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 5,070,000	\$ 2,327,551
2024	5,075,000	2,211,307
2025	5,070,000	2,095,467
2026	5,065,000	1,978,257
2027	5,060,000	1,824,328
2028-2032	23,305,000	6,167,676
2033-2037	19,485,000	2,674,665
2038-2041	11,780,000	569,173
	\$ 79,910,000	\$ 19,848,424

Revenue Bonds

The City has issued tax exempt and taxable revenue bonds for improvements to the storm water systems. Principal and interest requirements are provided by appropriation in the year in which they become due.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Revenue Bonds (continued)

The City has pledged storm water fee customer revenues, net of specified operating expenses, to pay the storm water fee revenue bonds. The bonds are payable solely from storm water fee customer net revenues. Related principal and interest paid for the current year are \$1,485,925 or 23.0% of available net revenues of \$6,463,796. In the event of default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

Revenue bonds outstanding at June 30, 2022 are comprised of the following individual issues:

	<u>Business-type activities</u>
\$19,425,000 Storm Water Fee Revenue Bonds, Series 2015A issued for storm water system improvements and to refund \$6,960,000 of outstanding Series 2007 Storm Water Fee Revenue Bonds; principal installments due annually on June 1, in varying amounts from \$740,000 to \$1,250,000, through June 1, 2040; semiannual interest payments due June 1 and December 1, with rates from 3.0 to 5.0 percent.	\$ 17,315,000
Serviced by Storm Water Management Fund	<u>\$ 17,315,000</u>

Annual debt service requirements to maturity for revenue bonds at June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 840,000	\$ 713,200
2024	880,000	671,200
2025	925,000	627,200
2026	950,000	599,450
2027	985,000	566,200
2028-2032	5,535,000	2,222,325
2033-2037	4,440,000	1,075,375
2038-2040	<u>2,760,000</u>	<u>223,600</u>
	<u>\$ 17,315,000</u>	<u>\$ 6,698,550</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Revenue Bonds (continued)

Certain covenants are contained in the revenue bond order. The City was in compliance with the covenants during the fiscal year ended June 30, 2022. The revenue coverage calculation as of June 30, 2022 is as follows:

Revenues (1)		
Operating revenues	\$ 12,811,857	
Other operating revenue	37,114	
Investment earnings	27,065	\$ 12,876,036
Current Expenses (2)		
Operating expenses	7,654,036	
Less depreciation	(1,241,796)	6,412,240
Revenues available for debt service		<u>6,463,796</u>
Principal and interest requirements (3)		
Revenue bonds (at 120%)	1,863,840	
Other indebtedness (at 100%)	<u>79,800</u>	<u>1,943,640</u>
Revenues in excess of principal and interest requirements		<u>\$ 4,520,156</u>

(1) Includes all fees, other charges and investment income in accordance with bond covenants.

(2) Excludes interest and depreciation expense in accordance with bond covenants.

(3) Includes all indebtedness for succeeding fiscal year in accordance with bond covenants.

Installment Obligations

Limited Obligation Bonds have been issued for the purchase of real property, construction of public facilities, construction of parking facilities and improvements to streets, sidewalks, Riverwalk and riverfront. All issues are tax-exempt with the exception of Limited Obligation Bonds, Series 2020C, issued as permanent financing for the Water Street Parking Deck redevelopment and a portion of the financing to construct and equip the North Riverfront Park, and the Limited Obligation Bonds, Series 2021B, issued to finance a portion of construction and equipping of a sports complex and to refinance a portion of Limited Obligation Bonds, Series 2012.

The 2014A, 2016, 2017, 2020A and 2020C Limited Obligation Bonds are secured by assets being financed including the Convention Center and adjacent Parking Deck, Police Headquarters, Fire Headquarters and the Empie Park Fire Station. The 2015A, 2020B, 2021A, and 2021B Limited Obligation Bonds are secured by assets being financed including the Operations Center, Command Center, the Police/Fire Training Facility and Firing Range, and the Eastwood, Military Cutoff, Seagate, Masonboro Loop, Cinema Drive, and Shipyard Fire Stations. Principal and interest requirements are provided by appropriation in the year in which they become due. In the event of default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

Installment obligations outstanding at June 30, 2022 are comprised of the following individual issues:

	Governmental activities	Business-type activities
<p>\$21,565,000 Refunding Limited Obligation Bonds, Series 2014A issued to refund \$22,640,000, a portion of the Certificates of Participation, Series 2005A; principal payment due annually on June 1, in installments ranging from \$1,345,000 to \$1,460,000 through June 1, 2032; semiannual interest payments due on June 1 and December 1 at rates from 3.25 to 5.00 percent.</p> <p style="margin-left: 20px;">Serviced by Debt Service Fund</p> <p style="margin-left: 20px;">Serviced by Storm Water Management Fund</p>	<p>\$ 13,760,000</p> <p style="margin-left: 20px;">-</p>	<p>\$ -</p> <p style="margin-left: 20px;">210,000</p>
<p>\$16,130,000 Limited Obligation Bonds, Series 2015A issued for constructing and equipping the Cinema Drive Fire Station and the Shipyard Fire Station, constructing various street and sidewalk improvements and improving certain existing sections of the City’s riverwalk and riverfront; principal payments due annually on June 1, in installments ranging from \$950,000 to \$1,100,000 through June 1, 2035; semiannual interest payments due June 1 and December 1 at rates from 3.25 to 5.00 percent.</p> <p style="margin-left: 20px;">Serviced by Debt Service Fund</p>	<p>13,040,000</p>	<p>-</p>
<p>\$48,940,000 Limited Obligation Refunding Bonds, Series 2016 to refund \$44,500,000, a portion of the Certificates of Participation, Series 2008A and \$5,855,000, a portion of the Certificates of Participation, Series 2008B; principal payments due annually on June 1 in installments ranging from \$1,860,000 to \$3,895,000 through June 1, 2038; semiannual interest payments due on June 1 and December 1 at rates from 3.00 to 5.00 percent.</p> <p style="margin-left: 20px;">Serviced by Convention Center Fund</p>	<p>47,340,000</p>	<p>-</p>

CITY OF WILMINGTON, NORTH CAROLINA

**Notes to Financial Statements (Continued)
June 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

	<u>Governmental activities</u>	<u>Business-type activities</u>
<p>\$11,835,000 Limited Obligation Bonds, Series 2017, for improvements to streets, sidewalks, streetscapes, Riverwalk, riverfront, Thalian Hall, Greenfiled Lake dock and walkway, and acquisition of land for a firing range and public safety training facility; principal payments due annually on June 1 in installments ranging from \$590,000 to \$595,000 through June 1, 2037; semiannual interest payments due June 1 and December 1 at rates from 3.00 to 4.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>\$ 8,865,000</p>	<p>\$ -</p>
<p>\$25,605,000 Limited Obligation Bonds, Series 2020A for improvements to streets, sidewalks, streetscapes, the 6th Street bridge, Riverwalk and certain parks and recreation facilities and to refund \$14,000,000 of outstanding, taxable Limited Obligation Bonds, Series 2010B maturing on and after June 1, 2021; principal payments due annually on June 1 in installments ranging from \$690,000 to \$1,875,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 4.00 to 5.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>21,865,000</p>	<p>-</p>
<p>\$9,470,000 Limited Obligation Bonds, Series 2020B issued to construct and equip the police and fire training facility and firing range; principal payments due annually on June 1 in installments ranging from \$470,000 to \$475,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 1.75 to 5.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>8,525,000</p>	<p>-</p>

CITY OF WILMINGTON, NORTH CAROLINA

**Notes to Financial Statements (Continued)
June 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

	<u>Governmental activities</u>	<u>Business-type activities</u>
<p>\$34,745,000 Taxable Limited Obligation Bonds, Series 2020C to finance a portion of the capital cost of the North Waterfront Park Project and the Water Street Parking Deck Redevelopment Project and to refund the \$25,800,000 direct borrowing, taxable interim drawdown installment agreement executed with PNC Bank which was issued for the construction of the Water Street Parking Deck Redevelopment Project; principal payments due annually on June 1 in installments ranging from \$1,735,000 to \$1,740,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 1.34 to 3.09 percent.</p>		
Serviced by Debt Service Fund	\$ 7,340,000	\$ -
Serviced by the Parking Facilities Fund	-	23,925,000
<p>\$6,430,000 Limited Obligation Bonds, Series 2021A issued for improvements to street, streetscape, Riverwalk, parks and recreation and City Hall improvements; principal payments due annually on June 1, in installments ranging from \$100,000 to 375,000 beginning June 1, 2024 through June 1, 2041; semiannual interest payments due June 1 and December 1 at rates from 3.0 to 4.0 percent.</p>		
Serviced by Debt Service Fund	6,430,000	-
<p>\$12,760,000 Taxable Limited Obligation Bonds, Series 2021B to pay the capital costs of construction and equipping of a sports complex and to refund \$11,010,000, a portion of the Limited Obligation Bonds, Series 2012; principal payments due annually on June 1 in installments ranging from \$415,000 to \$2,485,000 through June 1, 2030; semiannual interest payments due June 1 and December 1 at rates from 0.32 to 2.03 percent.</p>		
Serviced by Debt Service Fund	9,577,175	-
Serviced by the Parking Facilities Fund	-	2,522,825
	<u>\$ 136,742,175</u>	<u>\$ 26,657,825</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

	<u>Governmental activities</u>	<u>Business-type activities</u>
Installment Obligations Serviced By:		
Debt Service Fund	\$ 89,402,175	\$ -
Convention Center Fund	47,340,000	-
Storm Water Management Fund	-	210,000
Parking Facilities Fund	-	26,447,825
	<u>\$ 136,742,175</u>	<u>\$ 26,657,825</u>

Annual debt service requirements to maturity for installment obligations at June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 9,724,089	\$ 5,209,014	\$ 1,855,911	\$ 613,521
2024	9,794,705	4,900,126	1,845,295	589,977
2025	9,861,981	4,510,504	1,828,019	562,938
2026	9,917,985	4,121,056	1,742,015	533,045
2027	9,897,577	3,725,473	1,727,423	503,785
2028-2032	44,330,838	12,835,989	7,019,162	2,033,657
2033-2037	33,145,000	5,101,549	6,650,000	1,200,405
2038-2041	10,070,000	581,337	3,990,000	246,582
	<u>\$ 136,742,175</u>	<u>\$ 40,985,048</u>	<u>\$ 26,657,825</u>	<u>\$ 6,283,910</u>

Other Long-Term Obligations

The City is financing the acquisition of certain real property for governmental and business-type activities through direct borrowings and inter-local installment agreements.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other Long-Term Obligations (continued)

Other long-term obligations outstanding at June 30, 2022 are comprised of the following individual issues:

Governmental
activities

\$6,265,838 installment agreement payable to New Hanover County. In July 2006, the City and County executed an interlocal agreement pursuant to which the parties agreed to cooperate in the financing of certain parks and recreation projects through a County general obligation bond referendum, a portion of which would be used to finance City projects and the City agreed to pay the County a portion of the County's debt service on related bonds issued. The County issued related general obligation bonds in June 2008 and later refunded a portion of these bonds in May 2016. This installment agreement represents the portion of the County's refunding debt service payable by the City to the County for City projects. Principal payments due to the County annually on August 1 in installments ranging from \$609,949 to \$622,996 through August 1, 2028; semiannual interest payments due August 1 and February 1 at rates from 4.00 to 5.00 percent.

\$ 4,227,239

\$2,491,458 installment agreement payable to New Hanover County. In July 2006, the City and County executed an interlocal agreement pursuant to which the parties agreed to cooperate in the financing of certain parks and recreation projects through a County general obligation bond referendum, a portion of which would be used to finance City projects and the City agreed to pay the County a portion of the County's debt service on related bonds issued. The County issued related general obligation bonds in June 2010 and later refunded a portion of these bonds in May 2016. This installment agreement represents the portion of the County's refunding debt service payable by the City to the County for City projects. Principal payments due to the County annually on August 1 in installments ranging from \$239,085 to \$251,505 through August 1, 2030; semiannual interest payments due August 1 and February 1 at rates from 3.00 to 5.00 percent.

2,238,705

Debt Service Fund

\$ 6,465,944

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other long-term liabilities disclosures (continued)

Annual debt service requirements to maturity for other long-term obligations are as follows:

Year Ending June 30	Governmental Activities	
	Installment Agreements	
	Principal	Interest
2023	\$ 861,454	\$ 275,672
2024	864,716	232,518
2025	867,977	189,200
2026	871,239	145,720
2027	874,501	102,077
2028-2031	<u>2,126,057</u>	<u>107,061</u>
	<u>\$ 6,465,944</u>	<u>\$ 1,052,248</u>

Other long-term liabilities disclosures

State statutes provide for a legal debt limit of 8% of the City's assessed value of taxable property. The City's legal debt limit as of June 30, 2022 amounts to \$1,714,744,902 resulting in an available legal debt margin of \$1,464,968,958.

Changes in long-term liabilities for governmental activities during fiscal year 2022 were as follows:

	Balance			Balance June 30, 2022	Due Within One Year
	July 1, 2021	Additions	Reductions		
General obligation bonds	\$ 85,060,000	\$ -	\$ (5,150,000)	\$ 79,910,000	\$ 5,070,000
Installment obligations	145,288,950	-	(8,546,775)	136,742,175	9,724,089
Other long-term obligations	7,328,646	-	(862,702)	6,465,944	861,454
Other long-term obligations - direct borrowings	410,000	-	(410,000)	-	-
Plus deferred amounts for issuance premiums	26,576,412	-	(1,313,162)	25,263,250	-
Lease liability	690,826	1,638,537	(2,126,932)	202,431	67,281
Compensated absences	8,225,326	6,852,785	(6,511,302)	8,566,809	6,777,021
Net OPEB Liability	38,258,588	-	(3,725,133)	34,533,455	-
Net pension liability (LGERS)	26,515,457	-	(15,674,359)	10,841,098	-
Total pension liability (Separation Allowance)	<u>17,513,179</u>	<u>-</u>	<u>(353,953)</u>	<u>17,159,226</u>	<u>935,410</u>
Governmental activity long-term liabilities	<u>\$355,867,384</u>	<u>\$ 8,491,322</u>	<u>\$ (44,674,318)</u>	<u>\$319,684,388</u>	<u>\$ 23,435,255</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other long-term liabilities disclosures (continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year-end, \$120,930 of compensated absences, \$434,589 of other postemployment benefits and \$137,406 of net pension liability are included in the above amounts. Also, for the governmental activities, compensated absences, net pension liabilities, other postemployment benefits obligation and claims and judgements are generally liquidated by the general fund.

Changes in long-term liabilities for business-type activities during fiscal year 2022 were as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Revenue bonds	\$ 18,055,000	\$ -	\$ (740,000)	\$ 17,315,000	\$ 840,000
Installment obligations	28,516,050	-	(1,858,225)	26,657,825	1,855,911
Less deferred amounts for issuance discounts	(1,413)	-	1,413	-	-
Plus deferred amounts for issuance premiums	1,351,129	-	(121,218)	1,229,911	-
Lease liability	1,815,439	-	(154,005)	1,661,434	157,467
Compensated absences	589,285	779,936	(758,976)	610,245	416,785
Net OPEB Liability	4,613,594	-	(555,283)	4,058,311	-
Net pension liability (LGERS)	3,022,125	-	(1,662,240)	1,359,885	-
Business-type activity long-term liabilities	<u>\$ 57,961,209</u>	<u>\$ 779,936</u>	<u>\$ (5,848,534)</u>	<u>\$ 52,892,611</u>	<u>\$ 3,270,163</u>

COMMITMENTS AND CONTINGENCIES

The City entered into a three-year contractual agreement beginning November 1, 2010 with SMG, LLP (SMG) for the operation of the City's Convention Center Facility (Center) for a management fee of \$100,000 per year; which was amended to extend the agreement until October 31, 2018. On October 16, 2018, City Council voted to approve continuing the agreement for another five years, through October 31, 2023. Under the agreement, the operations of the Center are maintained in a separate non-incorporated organization. Pursuit to the agreement, the revenue of the Center is to be placed in a separate account for the operation of the Center and all receipts are to be treated by SMG as if they are held in trust for the City. Additionally, the contract specifies that the cash and related assets held by SMG on behalf of the City are to be used for the operation, promotion, and maintenance of the Center. The City records the net equity of the venture as a receivable on the City's books. The Center's primary operations are the rental of facility space for events and meetings and providing catering and other ancillary services as part of the scheduled events. The Center's principal source of revenues is rental charges and food and beverage sales. For the year ended June 30, 2022, the City paid \$123,372 for this service. The City's obligation for the year ending June 30, 2023 is \$129,552 as the fee is adjusted based on the CPI-U-South Region index.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

COMMITMENTS AND CONTINGENCIES (continued)

The City's Second Street, Market Street, Convention Center and Riverplace parking decks, and the Second Street and Hannah Block parking lots are managed under a contract through January 2023 by an independent contractor. The contract also provides for the enforcement, maintenance, and administration of on street parking as well as special hourly event rates. For the year ended June 30, 2022, the City paid \$2,126,153 for these services. The contract costs are expected to be \$2,298,009 for the year ending June 30, 2023.

The City entered into an incentive agreement in March 2022 with Vantaca LLC to provide incentive payments to the company in exchange for the company's commitment to provide jobs at their facility in the City. Vantaca LLC is required to provide 104 new full-time equivalent employees with an average annual compensation of \$80,000 per year. The City's obligation under the agreement is \$16,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired on or before July 2023.

The City entered into an incentive agreement in April 2018 with New NGC Inc. dba National Gypsum Company to provide incentive payments to the company in exchange for the company's commitment to re-open, improve, equip, and staff their facility in the City. National Gypsum Company is required to make a direct investment in the facility of at least \$25 million and to provide 51 new full-time equivalent employees with an average annual compensation of \$57,000 per year. The City's obligation under the agreement is \$46,000 per year for five years commencing when National Gypsum Company secures a Certificate of Occupancy and demonstrates that the minimum required levels of new full-time employees had been hired and the minimum level of direct investment had been attained. The \$46,000 annual incentive is divided into two separate payments of: \$23,000 Direct Investment and \$23,000 New Full Time Equivalent Employees. Four of the five annual payments have been made accordingly: Fiscal Year 2019 \$35,169, fiscal year 2020 \$40,851, fiscal year 2021 \$41,424 and fiscal year 2022 \$43,167. This agreement has one last payment remaining for fiscal year 2023.

On June 14, 2014, the City and the Town of Wrightsville Beach entered into an inter-local agreement under which an approximately 12 acre tract, the site of the defunct Galleria Shopping Center previously annexed into Wrightsville Beach was de-annexed and subsequently annexed into the City for the purposes of promoting redevelopment. In consideration for the loss in property taxes to the Town of Wrightsville Beach, the City agreed to make annual payments over 29 years. Beginning July 15, 2015, the City will make payments of \$7,224 annually through July 2018; and \$30,000 annually from July 2019 through July 2043. A payment of \$7,224 was made in July of each year from 2015 through 2018. A payment of \$30,000 was made in July of each year from 2019 through 2023.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

COMMITMENTS AND CONTINGENCIES (continued)

Encumbrances are amounts needed to pay any commitment related to purchase orders and contracts that remain unperformed at year-end. The City's outstanding encumbrances at June 30, 2022 are as follows:

General Fund	\$ 1,834,111
Special Purpose Fund	813,886
Convention Center Fund	699,552
Streets and Sidewalks Fund	11,668,208
Recycling and Trash Services Fund	84,639
Storm Water Management Fund	9,591,936
Parking Facilities Fund	1,571,850
Nonmajor Governmental Funds	6,891,772
Nonmajor Golf Fund	1,852
Internal Service Funds	<u>3,236,779</u>
Total encumbrances	<u>\$ 36,394,585</u>

Jointly Governed Organizations

The City, in conjunction with New Hanover County, created the Cape Fear Public Utility Authority (CFPUA) to ensure the citizens of their localities the most reliable means of providing quality water and wastewater treatment. The City and New Hanover County each appoint five members and jointly appoint one member of the eleven-member board. The participating governments do not have any ongoing financial interest or ongoing financial responsibility, other than as disclosed in the long-term liability footnotes.

The City, in conjunction with New Hanover, Brunswick, Columbus and Pender Counties and the municipalities therein established the Cape Fear Council of Governments (Council). The Council was established for various purposes, but mainly to coordinate funding for federal and state assistance. Each participating government appoints a minimum of one member to the Council's board. The City paid fees of \$22,244 to the Council during the fiscal year ended June 30, 2022.

Related Organization

The nine-member Board of the Wilmington Housing Authority is appointed by the Mayor of the City of Wilmington. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of Wilmington is also disclosed as a related organization in the Notes to Financial Statements for the Wilmington Housing Authority.

The Wilmington Housing Authority discovered extensive mold throughout many of their properties in 2021 which required the displacement of approximately 150 families. Due to the costs of remediating these properties and providing housing and per diem for the displaced families, the Authority faced a significant funding gap in its remediation efforts. The Wilmington City Council authorized assistance to the Authority for its capital improvement housing remediation project up to an amount of \$1,650,000. Of this amount, \$100,000 was provided as a grant to the Authority that was paid in June 2022 with the remaining amount of \$1,550,000 to be a five-year 0% loan. The loan agreement was executed in September 2022.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)
June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

C. INTERFUND BALANCES AND ACTIVITY

The compositions of interfund and intra-entity balances as of June 30, 2022, are as follows:

	General Fund	Nonmajor Governmental Funds
	<u> </u>	<u> </u>
Receivable fund	<u>\$ 286,222</u>	<u>\$ 51,463</u>
Payable fund:		
Nonmajor Governmental Funds	<u>\$ 286,222</u>	<u>\$ 51,463</u>

The outstanding balances are from time lags between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers for the year ended June 30, 2022 were as follows:

	General Fund	Special Purpose Fund	Debt Service Fund	Nonmajor Governmental Funds	Recycling and Trash Services Fund	Storm Water Management Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transfers out	<u>\$23,415,716</u>	<u>\$4,016,398</u>	<u>\$7,018,395</u>	<u>\$ 733,067</u>	<u>\$ 1,874,735</u>	<u>\$ 137,907</u>	<u>\$ 37,196,218</u>
Transfers in:							
Special Purpose Fund	\$ 803,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,798
Convention Center Fund	-	2,500,576	-	-	-	-	2,500,576
Streets and Sidewalks Fund	7,040,000	-	2,189,544	-	-	-	9,229,544
Debt Service Fund	9,334,832	-	-	125,000	-	-	9,459,832
Nonmajor Governmental Funds	5,750,371	1,515,058	2,902,612	240,683	-	-	10,408,724
Recycling and Trash Service Fund	38,366	764	-	212,572	-	-	251,702
Parking Facilities Fund	-	-	1,926,239	-	-	-	1,926,239
Internal Service Funds	<u>448,349</u>	<u>-</u>	<u>-</u>	<u>154,812</u>	<u>1,874,735</u>	<u>137,907</u>	<u>2,615,803</u>
Total	<u>\$23,415,716</u>	<u>\$4,016,398</u>	<u>\$7,018,395</u>	<u>\$ 733,067</u>	<u>\$ 1,874,735</u>	<u>\$ 137,907</u>	<u>\$ 37,196,218</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

C. INTERFUND BALANCES AND ACTIVITY (continued)

The City uses transfers to 1) move revenues from the fund in which state statute or budget requires the revenues to be collected to the fund from which state statute or budget requires the funds to be expended, 2) move receipts committed to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) move receipts committed to fund the pay-go portion of capital improvement plans from the Debt Service Fund to the capital funds making the improvements, 4) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations such as grant matches and capital improvements, 5) move previous transfers to capital project funds back to the general fund as capital projects are cancelled in accordance with budgetary authorizations, 6) move \$2,500,576 from the American Rescue Plan Act Fund to the Convention Center Fund for revenue replacement, and 7) move \$1,420,000 from the American Rescue Plan Act Fund to the Building Improvements Fund for critical infrastructure investment.

NOTE 4 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; and injuries to employees. The City has chosen to establish a risk financing fund for risks associated with the employees' health and dental insurance plans. The risk financing fund is accounted for in the general fund where assets are set aside for claim settlements. In addition to premiums withheld from employees, premiums are paid into the general fund by other funds that incur claims and are available to pay claims, claim reserves and administrative costs of the programs. These interfund premiums are used to reduce the amount of claims expenditures reported in the general fund. As of June 30, 2022, such interfund premiums did not exceed reimbursable expenditures.

MEDICAL SELF-INSURANCE PROGRAM

The City has contracted with Universal Medical Resources (UMR) to administer its group medical self-insurance program. In addition, the City has a contract with UMR to provide for individual stop-loss above a specified amount which provides a method by which the group limits claims charged to its account. The specific stop-loss provides that during any one contract period the total accumulated claims expense paid for any one participant above \$210,000 will not be charged to the group during the remainder of that contract period for that participant.

As of June 30, 2022, the City has recorded a liability of \$777,524 for estimated unpaid claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 4 – RISK MANAGEMENT (continued)

MEDICAL SELF-INSURANCE PROGRAM (continued)

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2021</u>	<u>2022</u>
Medical Self-Insurance Program:		
Unpaid claims, beginning	\$ 600,000	\$ 1,004,000
Incurred claims (including IBNRs)	11,105,192	9,324,941
Claim payments	<u>(10,701,192)</u>	<u>(9,551,417)</u>
Unpaid claims, ending, due within one year	<u>\$ 1,004,000</u>	<u>\$ 777,524</u>

DENTAL SELF-INSURANCE PROGRAM

As of June 30, 2022, the City is a self-insurer for group dental insurance. The City has contracted with Delta Dental of North Carolina to administer the dental program. As of June 30, 2022, the City has recorded a liability of \$16,267 for estimated unpaid claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Changes in the balances of dental claims liabilities during the past two fiscal years are as follows:

	<u>2021</u>	<u>2022</u>
Dental Self-Insurance Program:		
Unpaid claims, beginning	\$ 47,881	\$ 8,065
Incurred claims (including IBNRs)	434,482	463,286
Claim payments	<u>(474,298)</u>	<u>(455,084)</u>
Unpaid claims, ending, due within one year	<u>\$ 8,065</u>	<u>\$ 16,267</u>

WORKERS' COMPENSATION SELF-INSURANCE PROGRAM

The City has contracted with Sedgewick Claims Management Services, Inc., a provider of claims administrative services, to administer its workers' compensation and employers' liability self-insurance program. The program provides that the City would be responsible for the first \$550,000 of cost and/or benefits payable to employees (other than public safety) resulting from any one accident or event, regardless of the number of persons injured. For public safety employees (police and fire), the City is responsible for the first \$750,000 of cost and/or benefits. Specific excess insurance would provide coverage above these dual self-insured retentions (\$550,000/\$750,000) up to maximum limits provided under the North Carolina Workers' Compensation Act and up to \$1,000,000 each accident or disease for employers' liability. As of June 30, 2022, the City has recorded a liability of \$1,080,026 for estimated claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 4 – RISK MANAGEMENT (continued)

WORKERS' COMPENSATION SELF-INSURANCE PROGRAM (continued)

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

Workers' Compensation Self-Insurance Program:	2021	2022
Unpaid claims, beginning	\$ 529,841	\$ 878,890
Incurred claims (including IBNRs)	1,719,185	1,565,258
Claim payments	<u>(1,370,136)</u>	<u>(1,364,122)</u>
Unpaid claims, ending, due within one year	<u>\$ 878,890</u>	<u>\$ 1,080,026</u>

COMMERCIAL COVERAGES

The City carries flood insurance with a loss limit of \$5,000,000 on most properties subject to a \$100,000 deductible. Certain items of property are excluded from this coverage, such as the City's Riverwalk and the Wilmington Convention Center. A separate flood insurance policy is purchased for the Wilmington Convention Center through the National Flood Insurance Program with the maximum policy limits of \$500,000 for building and \$500,000 for business personal property, subject to a \$25,000 deductible. As a result, the City has purchased an excess flood insurance policy providing an additional \$10,000,000 of coverage on the facility subject to the underlying flood policy being exhausted.

The finance officer of the City is individually bonded for \$500,000. The tax collector/collection officer, and the billing/collection manager are individually bonded for \$100,000 each. The remaining employees that have access to funds are insured under a crime policy with limits of \$1,000,000, with a \$25,000 retention.

The City carries commercial coverage for other risks of loss. There have been no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

The City is a party to a number of civil lawsuits and other legal actions, including a number of actions where the City's defense is being handled by the City's insurance carrier and any potential losses should be limited to the insurance policies' deductibles. There are also several claims for damages that have not yet resulted in either litigation or some other form of settlement or resolution. In the opinion of the City attorney and management, the ultimate outcome of these claims is either (a) not expected to have a significant impact on the City's financial position or (b) a reserve for estimated liabilities has been accrued on the financial statements.

Effective March 1, 2019, the City enacted regulations for short-term lodging uses. The ordinance established, among other code requirements, a registration fee and annual renewal requirement with financial penalties for failing to register. Over the past three years, there have been appeals to the Board of Adjustment regarding various elements of the ordinance. One case was further appealed to New Hanover County Superior Court and then to the North Carolina Court of Appeals as *Schroeder v. City of Wilmington*. The Court of Appeals ruled that portions of the ordinance violated were invalid. As a result, in June of 2022, the City issued refunds totaling \$508,899 for all previously-collected registration fees and any related fees and penalties related to the registration program. In addition to these refunds, following remand from the Court of Appeals to the New Hanover County Superior Court, on September 9, 2022, the City was further ordered to pay Plaintiffs' attorney fees and other costs in the amount of \$306,620.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

B. FEDERAL AND STATE ASSISTANCE PROGRAMS

The City has received proceeds from federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provisions for the refund of grant moneys have been made in the accompanying financial statements.

Also, under the terms of federal and State assistance programs, capital assets acquired partially or entirely with federal or State funds have disposition restrictions which provide for the disposition of assets or proceeds from an approved sale in accordance with federal or State regulations.

C. ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX

New Hanover County and the City of Wilmington each levy a 3% room occupancy tax pursuant to state enabling legislation. Session Law 2006-167 modified earlier legislation and created the Wilmington Convention Center District. That legislation also amended the method of distribution of the tax beginning July 1, 2008. Effective July 1, 2008, taxes levied by New Hanover County derived from accommodations in the district and 100% of the tax levied by the City of Wilmington must be used for construction, financing, operation, promotion, and maintenance of the convention center. For the year ended June 30, 2022, the City recognized \$5,859,370 in tax revenue as a result of the tax levy with a total of \$56,302,585 collected since the levy was enacted.

In accordance with Session Law 2002-139 Section 1.(e) as rewritten by Session Law 2006-167, the City of Wilmington must annually publish a detailed, audited report on its receipts and expenditures of the room occupancy tax proceeds during the preceding year. The text of the report must be included in the minutes of the City Council and placed on a public web site and must be made available in hard copy upon request. The City has included this required detailed report on its receipts and expenditures of the occupancy tax proceeds in the Supplemental Financial Data Section of this report.

The Special Purpose Fund accounts for the room occupancy tax authorized and received by the City from inception through a portion of fiscal year 2018. Over that period, sufficient occupancy tax revenues were transferred annually to the Convention Center Fund to support Convention Center operations. During fiscal year 2018, occupancy tax revenues began to be accounted for directly in the Convention Center Fund.

NOTE 6 – ANNEXATIONS

Under North Carolina General Statutes, cities may annex areas upon a receipt of a valid petition signed by the owners of all the real property located within such area. Since May of 2009 the Wilmington City Council has adopted seven voluntary annexation ordinances: 1) 5000 River Road [1,358.717 acres], 2) 7910 Market Street [26.57 acres], 3) 6469, 6501 and 6505 Gordon Road [9.99 acres], 4) 4625 Carolina Beach Road [.23 acres], 5) 7758, 7764, 7770, 7766, 7800, 7802, 7804, 7806 and 7810 Market Street [16.259 acres], 6) 7152 Market Street [0.11 acres], and 7) 205, 209, 213, and 217 Middle Sound Loop Road [4.82 acres].

In addition, 4 tracts, totaling approximately 74 acres, were voluntarily annexed into the City by the North Carolina General Assembly, through Session Law 2012-138, effective July 1, 2012.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 6 – ANNEXATIONS (continued)

A 12.64 acre area, known as the Galleria, was de-annexed from the Town of Wrightsville Beach and annexed into the City by the North Carolina General Assembly, through Session Law 2014-45, effective June 30, 2014. That site was recently sold in August of 2022 to another developer, but it is still anticipated that a mixed-use development consisting of residential, commercial, and office uses will be developed on the site.

A .72 acre area was de-annexed from Wrightsville Beach and annexed into the City by the North Carolina General Assembly, through Session Law 2018-107, effective June 30, 2018. It is anticipated that a mixed-use development consisting of residential, commercial, and office uses will be developed on the site.

NOTE 7 – CHANGE IN ACCOUNTING PRINCIPLES

The City implemented Governmental Accounting Standards Board (GASB) Statement Number 87, “Leases”, in the fiscal year ended June 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. As a result of the implementation for the year ended June 30, 2022, additional footnote disclosures have been included (see Note 1) to describe the impact for this change in accounting principle.

NOTE 8 – PRONOUNCEMENT ISSUED, NOT YET EFFECTIVE

The GASB has issued pronouncements prior to June 30, 2022 that have effective dates that may impact future financial presentations.

Management has not yet determined what, if any, impact implementation of the following statements may have on the financial statements of the City of Wilmington:

- GASB Statement Number 91, “Conduit Debt Obligations”, was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2023.
- GASB Statement Number 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, was issued to provide guidance for availability payment arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2023.
- GASB Statement Number 96, “Subscription-Based Information Technology Arrangements”, was issued to provide guidance on accounting and financial reporting for cloud computing and similar subscription-based information technology arrangements. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2023.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2022

NOTE 8 – PRONOUNCEMENT ISSUED, NOT YET EFFECTIVE (continued)

- GASB Statement Number 100, “Accounting Changes and Error Corrections”, was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of the Statement will be effective for the City beginning with its year ending June 30, 2024.
- GASB Statement Number 101 “Compensated Absences”, was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2025.

**THIS PAGE
INTENTIONALLY BLANK**

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

CITY OF WILMINGTON, NORTH CAROLINA

**Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Six Fiscal Years**

Schedule of Changes in Total Pension Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 17,513,179	\$ 12,877,207	\$ 12,157,366
Service costs	753,707	474,620	444,374
Interest on the total pension liability	329,738	406,705	429,245
Difference between expected and actual experience	(150,305)	223,583	209,000
Changes of assumptions and other inputs	(430,481)	4,334,262	367,075
Benefit payments	<u>(856,612)</u>	<u>(803,198)</u>	<u>(729,853)</u>
Ending balance of the total pension liability	<u>\$ 17,159,226</u>	<u>\$ 17,513,179</u>	<u>\$ 12,877,207</u>

Notes to the Required Schedules:

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Six Fiscal Years**

Schedule of Changes in Total Pension Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 12,120,460	\$ 11,041,905	\$ 10,964,122
Service costs	471,491	389,212	426,020
Interest on the total pension liability	373,210	415,527	382,911
Difference between expected and actual experience	261,415	168,953	-
Changes of assumptions and other inputs	(449,152)	658,802	(254,516)
Benefit payments	<u>(620,058)</u>	<u>(553,939)</u>	<u>(476,632)</u>
Ending balance of the total pension liability	<u>\$ 12,157,366</u>	<u>\$ 12,120,460</u>	<u>\$ 11,041,905</u>

Notes to the Required Schedules:

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Six Fiscal Years**

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 17,159,226	\$ 17,513,179	\$ 12,877,207
Covered payroll	\$ 16,038,277	\$ 16,238,727	\$ 16,413,865
Total pension liability as a percentage of its covered payroll	106.99%	107.85%	78.45%

Notes to the Required Schedules:

City of Wilmington has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 nor does the plan provide pay related benefits.

December 31, 2021 Measurement Date: Municipal Bond Index Rate increased from 1.93% to 2.25%.

December 31, 2020 Measurement Date: Municipal Bond Index Rate decreased from 3.26% to 1.93%. Based on the results of an experience study completed by the Actuary for the Local Government Employers Retirement System for the five-year period ending December 31, 2019, the following were updated: mortality rates, salary increase rates, service retirement dates, disability retirement rates, termination rates, real wage growth, and leave conversion service.

December 31, 2019 Measurement Date: Municipal Bond Index Rate decreased from 3.64% to 3.26%.

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Six Fiscal Years**

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 12,157,366	\$ 12,120,460	\$ 11,041,905
Covered payroll	\$ 15,816,969	\$ 14,924,613	\$ 15,426,775
Total pension liability as a percentage of its covered payroll	76.86%	81.21%	71.58%

Notes to the Required Schedules:

City of Wilmington has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 nor does the plan provide pay related benefits.

December 31, 2018 Measurement Date: Municipal Bond Index Rate increased from 3.16% to 3.64%.

December 31, 2017 Measurement Date: Municipal Bond Index Rate decreased from 3.86% to 3.16%.

December 31, 2016 Measurement Date: Municipal Bond Index Rate increased from 3.57% to 3.86%.

The assumed inflation rate has been reduced from 3.00% to 2.50% and assumed wage inflation has been increased from 0.50% to 1.00%.

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Six Fiscal Years ***

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability			
Service costs	\$ 1,361,229	\$ 1,899,113	\$ 1,442,050
Interest on the total OPEB liability	975,939	1,219,349	1,697,747
Difference between expected and actual experience	(16,715)	(12,621,498)	(1,093,804)
Changes of assumptions and other inputs	(4,673,672)	1,927,752	5,347,232
Benefit payments**	<u>(1,925,541)</u>	<u>(1,846,174)</u>	<u>(1,084,789)</u>
Net change in total OPEB liability	(4,278,760)	(9,421,458)	6,308,436
Total OPEB liability - beginning	<u>45,931,761</u>	<u>55,353,219</u>	<u>49,044,783</u>
Total OPEB liability - ending (a)	<u>\$ 41,653,001</u>	<u>\$ 45,931,761</u>	<u>\$ 55,353,219</u>
Plan fiduciary net position			
Contributions - employer***	\$ 1,925,541	\$ 1,846,174	\$ 1,084,789
Net investment income	4,906	694	46,287
Benefit payments**	(1,925,541)	(1,846,174)	(1,084,789)
Administrative expense	<u>(3,250)</u>	<u>(3,250)</u>	<u>(2,934)</u>
Net change in plan fiduciary net position	1,656	(2,556)	43,353
Plan fiduciary net position - beginning	<u>3,059,579</u>	<u>3,062,135</u>	<u>3,018,782</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,061,235</u>	<u>\$ 3,059,579</u>	<u>\$ 3,062,135</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 38,591,766</u>	<u>\$ 42,872,182</u>	<u>\$ 52,291,084</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.35%	6.66%	5.53%
Covered-employee payroll ****	\$ 28,097,222	\$ 28,097,222	\$ 29,959,407
City's net OPEB liability as a percentage of covered-employee payroll	137.35%	152.59%	174.54%

* This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

** Benefit payments are net of participant contributions.

*** Employer contributions include benefit payments and administrative expenses paid outside the Trust.

**** Contributions are based on choice of coverage.

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Six Fiscal Years ***

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service costs	\$ 1,573,456	\$ 1,619,641	\$ 1,735,746
Interest on the total OPEB liability	1,876,455	1,720,460	1,480,650
Difference between expected and actual experience	(5,698,585)	(378,659)	-
Changes of assumptions and other inputs	3,911,453	(1,377,963)	(2,419,235)
Benefit payments**	<u>(1,695,649)</u>	<u>(1,652,234)</u>	<u>(1,683,538)</u>
Net change in total OPEB liability	(32,870)	(68,755)	(886,377)
Total OPEB liability - beginning	<u>49,077,653</u>	<u>49,146,408</u>	<u>50,032,785</u>
Total OPEB liability - ending (a)	<u>\$ 49,044,783</u>	<u>\$ 49,077,653</u>	<u>\$ 49,146,408</u>
Plan fiduciary net position			
Contributions - employer***	\$ 1,695,649	\$ 1,652,234	\$ 2,558,413
Net investment income	61,751	31,906	7,628
Benefit payments**	(1,695,649)	(1,652,234)	(1,683,538)
Administrative expense	<u>(2,700)</u>	<u>(2,700)</u>	<u>(2,700)</u>
Net change in plan fiduciary net position	59,051	29,206	879,803
Plan fiduciary net position - beginning	<u>2,959,731</u>	<u>2,930,525</u>	<u>2,050,722</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,018,782</u>	<u>\$ 2,959,731</u>	<u>\$ 2,930,525</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 46,026,001</u>	<u>\$ 46,117,922</u>	<u>\$ 46,215,883</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.16%	6.03%	5.96%
Covered-employee payroll ****	\$ 29,959,407	\$ 34,820,821	\$ 34,820,821
City's net OPEB liability as a percentage of covered-employee payroll	153.63%	132.44%	132.72%

* This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

** Benefit payments are net of participant contributions.

*** Employer contributions include benefit payments and administrative expenses paid outside the Trust.

****Contributions are based on choice of coverage.

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Seven Fiscal Years**

Schedule of City Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 3,140,752	\$ 3,810,631	\$ 3,810,631
Contributions in relation to the actuarially determined contribution	1,925,541	1,846,174	1,084,789
Contribution deficiency (excess)	<u>\$ 1,215,211</u>	<u>\$ 1,964,457</u>	<u>\$ 2,725,842</u>
Covered-employee payroll*	\$ 28,097,222	\$ 28,097,222	\$ 29,959,407
Contributions as a percentage of covered-employee payroll	6.85%	6.57%	3.62%

* Covered-employee payroll does not include pay for active members who are ineligible for benefits. For years following the valuation when no new valuation is performed, covered payroll has been set equal to the covered payroll from the most recent valuation.

Notes to Schedule

Valuation date

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar amount closed
Amortization period	28 Years
Asset valuation method	Fair value
Inflation	2.5 percent
Healthcare cost trend rates	7.00 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2030
Salary increases	3.25 to 8.41 percent, including wage inflation
Investment rate of return	3.5 percent, net of OPEB plan investment expense, including price inflation
Retirement age	In the 2020 actuarial valuation, expected retirement ages of employees were based on the results of an actual experience study for the period January 1, 2015 to December 31, 2019, adopted by the LGERS
Mortality	In the 2020 actuarial valuation, life expectancies were based on Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Seven Fiscal Years**

Schedule of City Contributions

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 3,934,874	\$ 3,934,874	\$ 4,216,794	\$ 4,713,266
Contributions in relation to the actuarially determined contribution	1,695,649	1,652,234	2,558,413	3,089,486
Contribution deficiency (excess)	<u>\$ 2,239,225</u>	<u>\$ 2,282,640</u>	<u>\$ 1,658,381</u>	<u>\$ 1,623,780</u>
Covered-employee payroll*	\$ 29,959,407	\$ 34,820,821	\$ 34,820,821	\$ 34,820,821
Contributions as a percentage of covered-employee payroll	5.66%	4.74%	7.35%	8.87%

This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Six Fiscal Years ***

Schedule of Investment Returns

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	0.08%	0.03%	1.53%

* This schedule is presented to illustrate the requirement to show information for 10 years.
Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Other Postemployment Benefits
Required Supplementary Information
Last Six Fiscal Years ***

Schedule of Investment Returns

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	2.09%	1.09%	0.37%

* This schedule is presented to illustrate the requirement to show information for 10 years.
Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Local Governmental Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years ***

Schedule of City's Proportionate Share of Net Pension Liability (Asset)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Wilmington's proportion of the net pension liability (asset) (%)	0.79558%	0.82659%	0.86106%	0.87174%	0.85845%
Wilmington's proportion of the net pension liability (asset) (\$)	\$ 12,200,983	\$ 29,537,582	\$ 23,514,877	\$ 20,683,026	\$ 13,114,738
Wilmington's covered payroll *	\$ 57,098,725	\$ 56,303,103	\$ 55,802,965	\$ 52,630,129	\$ 52,150,017
Wilmington's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.37%	52.46%	42.14%	39.30%	25.15%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

** This will be the same percentage for all participant employers in the LGERS plan.

CITY OF WILMINGTON, NORTH CAROLINA

**Local Governmental Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years ***

Schedule of City's Proportionate Share of Net Pension Liability (Asset)

	2017	2016	2015	2014
Wilmington's proportion of the net pension liability (asset) (%)	0.86089%	0.91912%	0.86664%	0.86090%
Wilmington's proportion of the net pension liability (asset) (\$)	\$ 18,270,970	\$ 4,124,955	\$ (5,110,978)	\$ 10,377,151
Wilmington's covered payroll *	\$ 51,780,213	\$ 48,520,316	\$ 46,880,467	\$ 45,459,421
Wilmington's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.29%	8.50%	(10.90%)	22.83%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

** This will be the same percentage for all participant employers in the LGERS plan.

CITY OF WILMINGTON, NORTH CAROLINA

**Local Governmental Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years ***

Schedule of City Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 6,949,241	\$ 5,905,226	\$ 5,114,837	\$ 4,446,150	\$ 4,062,901
Contributions in relation to the contractually required contribution	6,949,241	5,905,226	5,114,837	4,446,150	4,062,901
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilmington's covered payroll	\$ 60,225,442	\$ 57,098,725	\$ 56,303,103	\$ 55,802,965	\$ 52,630,129
Contributions as a percentage of covered payroll	11.54%	10.34%	9.08%	7.97%	7.72%

* This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

CITY OF WILMINGTON, NORTH CAROLINA

**Local Governmental Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years ***

Schedule of City Contributions

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,805,576	\$ 3,531,195	\$ 3,422,257	\$ 3,257,102
Contributions in relation to the contractually required contribution	3,805,576	3,531,195	3,422,257	3,257,102
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilmington's covered payroll	\$ 52,150,017	\$ 51,780,213	\$ 48,520,316	\$ 46,880,467
Contributions as a percentage of covered payroll	7.30%	6.82%	7.05%	6.95%

* This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be presented as they are available.

**THIS PAGE
INTENTIONALLY BLANK**

**COMBINING & INDIVIDUAL
FUND STATEMENTS TAB (FRONT)**

**COMBINING & INDIVIDUAL
FUND STATEMENTS TAB (BACK)**

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Balance Sheet -
Nonmajor Governmental Funds**

June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 9,965,403	\$ 13,181,058	\$ 23,146,461
Taxes receivable, net	7,651	-	7,651
Accounts receivable	-	7,105	7,105
Other receivables	8,054	6,732	14,786
Due from other funds	51,463	-	51,463
Due from other governments	549,821	2,427,025	2,976,846
Notes receivable, net	19,676,380	-	19,676,380
Lease receivable	-	343,787	343,787
Prepays	677	-	677
Restricted assets:			
Cash and cash equivalents/investments	29,567	14,030,099	14,059,666
Total assets	<u>\$ 30,289,016</u>	<u>\$ 29,995,806</u>	<u>\$ 60,284,822</u>
LIABILITIES			
Accounts payable	\$ 89,322	\$ 1,162,311	\$ 1,251,633
Due to other funds	242,693	94,992	337,685
Due to other governments	2,487	708	3,195
Accrued liabilities	30,557	-	30,557
Customer and escrow deposits	37,006	-	37,006
Restricted liabilities:			
Accounts payable	-	82,824	82,824
Unearned revenue	29,567	255,000	284,567
Total liabilities	<u>431,632</u>	<u>1,595,835</u>	<u>2,027,467</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes receivable, net	7,651	-	7,651
Accounts receivable	-	7,105	7,105
Notes receivable	1,887	-	1,887
Leases	-	341,249	341,249
Total deferred inflows of resources	<u>9,538</u>	<u>348,354</u>	<u>357,892</u>
FUND BALANCES			
Non Spendable:			
Leases	-	2,538	2,538
Prepays	677	-	677
Restricted:			
Stabilization by State statute	229,934	-	229,934
Community development loans	28,802,893	-	28,802,893
Capital projects	-	13,692,275	13,692,275
Public safety	237,861	-	237,861
Committed:			
Capital projects	-	14,356,804	14,356,804
Municipal service district	552,961	-	552,961
Subsequent year's expenditures	25,000	-	25,000
Unassigned (deficit)	(1,480)	-	(1,480)
Total fund balances	<u>29,847,846</u>	<u>28,051,617</u>	<u>57,899,463</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,289,016</u>	<u>\$ 29,995,806</u>	<u>\$ 60,284,822</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Balance Sheet -
Nonmajor Special Revenue Funds**

June 30, 2022

	Opioid Settlement Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund	Commercial Loan Fund
ASSETS					
Cash and cash equivalents/investments	\$ -	\$ 73,876	\$ 301,216	\$ 798,413	\$ -
Taxes receivable, net	-	-	-	-	-
Other receivables	-	-	226	402	-
Due from other funds	-	51,463	-	-	-
Due from other governments	-	160,073	212,191	-	-
Notes receivable, net	-	-	9,162,421	15,000	1,309,200
Prepays	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents/investments	<u>29,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 29,567</u>	<u>\$ 285,412</u>	<u>\$ 9,676,054</u>	<u>\$ 813,815</u>	<u>\$ 1,309,200</u>
LIABILITIES					
Accounts payable	\$ -	\$ 20,124	\$ 84	\$ -	\$ -
Due to other funds	-	242,693	-	-	-
Due to other governments	-	-	-	2,487	-
Accrued liabilities	-	22,595	7,962	-	-
Customer and escrow deposits	-	-	7,807	-	-
Restricted liabilities:					
Unearned revenue	<u>29,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>29,567</u>	<u>285,412</u>	<u>15,853</u>	<u>2,487</u>	<u>-</u>
DEFERRED INLOWS OF RESOURCES					
Taxes receivable, net	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Non Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Stabilization by State statute	-	-	-	-	-
Community development loans	-	-	9,661,681	811,328	1,309,200
Public safety	-	-	-	-	-
Committed:					
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(1,480)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>9,660,201</u>	<u>811,328</u>	<u>1,309,200</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,567</u>	<u>\$ 285,412</u>	<u>\$ 9,676,054</u>	<u>\$ 813,815</u>	<u>\$ 1,309,200</u>

	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund	GF Housing Loan Fund
ASSETS					
Cash and cash equivalents/investments	\$ 581,959	\$ 397,773	\$ 5,088,061	\$ 30	\$ 1,549,804
Taxes receivable, net	-	-	-	-	-
Other receivables	257	189	1,932	-	286
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Notes receivable, net	2,165,804	4,022,685	2,260,864	-	-
Prepays	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents/investments	-	-	-	-	-
Total assets	<u>\$ 2,748,020</u>	<u>\$ 4,420,647</u>	<u>\$ 7,350,857</u>	<u>\$ 30</u>	<u>\$ 1,550,090</u>
LIABILITIES					
Accounts payable	\$ 21,022	\$ -	\$ 49	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Customer and escrow deposits	21,497	339	7,363	-	-
Restricted liabilities:					
Unearned revenue	-	-	-	-	-
Total liabilities	<u>42,519</u>	<u>339</u>	<u>7,412</u>	<u>-</u>	<u>-</u>
DEFERRED INLOWS OF RESOURCES					
Taxes receivable, net	-	-	-	-	-
Notes receivable	856	-	1,031	-	-
Total deferred inflows of resources	<u>856</u>	<u>-</u>	<u>1,031</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Non Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Stabilization by State statute	-	-	-	-	-
Community development loans	2,704,645	4,420,308	7,342,414	30	1,550,090
Public safety	-	-	-	-	-
Committed:					
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>2,704,645</u>	<u>4,420,308</u>	<u>7,342,414</u>	<u>30</u>	<u>1,550,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,748,020</u>	<u>\$ 4,420,647</u>	<u>\$ 7,350,857</u>	<u>\$ 30</u>	<u>\$ 1,550,090</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Balance Sheet -
Nonmajor Special Revenue Funds (Continued)**

June 30, 2022

	Forgivable Loans & Legal Fees Fund	Special Tax District	Firemen's Relief Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents/investments	\$ 258,472	\$ 795,552	\$ 120,247	\$ 9,965,403
Taxes receivable, net	-	7,651	-	7,651
Other receivables	4,288	414	60	8,054
Due from other funds	-	-	-	51,463
Due from other governments	531	59,251	117,775	549,821
Notes receivable, net	740,406	-	-	19,676,380
Prepays	-	677	-	677
Restricted assets:				
Cash and cash equivalents/investments	-	-	-	29,567
Total assets	<u>\$ 1,003,697</u>	<u>\$ 863,545</u>	<u>\$ 238,082</u>	<u>\$ 30,289,016</u>
LIABILITIES				
Accounts payable	\$ 500	\$ 47,322	\$ 221	\$ 89,322
Due to other funds	-	-	-	242,693
Due to other governments	-	-	-	2,487
Accrued liabilities	-	-	-	30,557
Customer and escrow deposits	-	-	-	37,006
Restricted liabilities:				
Unearned revenue	-	-	-	29,567
Total liabilities	<u>500</u>	<u>47,322</u>	<u>221</u>	<u>431,632</u>
DEFERRED INLOWS OF RESOURCES				
Taxes receivable, net	-	7,651	-	7,651
Notes receivable	-	-	-	1,887
Total deferred inflows of resources	<u>-</u>	<u>7,651</u>	<u>-</u>	<u>9,538</u>
FUND BALANCES				
Non Spendable:				
Prepays	-	677	-	677
Restricted:				
Stabilization by State statute	-	229,934	-	229,934
Community development loans	1,003,197	-	-	28,802,893
Public safety	-	-	237,861	237,861
Committed:				
Municipal service district	-	552,961	-	552,961
Subsequent year's expenditures	-	25,000	-	25,000
Unassigned (deficit)	-	-	-	(1,480)
Total fund balances	<u>1,003,197</u>	<u>808,572</u>	<u>237,861</u>	<u>29,847,846</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,003,697</u>	<u>\$ 863,545</u>	<u>\$ 238,082</u>	<u>\$ 30,289,016</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Balance Sheet -
Nonmajor Capital Projects Funds**

June 30, 2022

	<u>Parks and Recreation Fund</u>	<u>Building Improvements Fund</u>	<u>Public Improvements Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS				
Cash and cash equivalents/investments	\$ 6,228,795	\$ 6,952,263	\$ -	\$ 13,181,058
Accounts receivable	-	7,105	-	7,105
Other receivables	3,106	3,626	-	6,732
Due from other funds	-	-	-	-
Due from other governments	202,205	2,024,394	200,426	2,427,025
Lease receivable	-	343,787	-	343,787
Restricted assets:				
Cash and cash equivalents/investments	<u>14,030,099</u>	<u>-</u>	<u>-</u>	<u>14,030,099</u>
Total assets	<u>\$ 20,464,205</u>	<u>\$ 9,331,175</u>	<u>\$ 200,426</u>	<u>\$ 29,995,806</u>
LIABILITIES				
Accounts payable	\$ 502,190	\$ 620,208	\$ 39,913	\$ 1,162,311
Due to other funds	-	-	94,992	94,992
Due to other governments	-	708	-	708
Restricted liabilities:				
Accounts payable	82,824	-	-	82,824
Unearned revenue	<u>255,000</u>	<u>-</u>	<u>-</u>	<u>255,000</u>
Total liabilities	<u>840,014</u>	<u>620,916</u>	<u>134,905</u>	<u>1,595,835</u>
DEFERRED INFLOWS OF RESOURCES				
Accounts receivable	-	7,105	-	7,105
Leases	<u>-</u>	<u>341,249</u>	<u>-</u>	<u>341,249</u>
Total deferred inflows of resources	<u>-</u>	<u>348,354</u>	<u>-</u>	<u>348,354</u>
FUND BALANCES				
Non Spendable:				
Leases	-	2,538	-	2,538
Restricted:				
Capital projects	13,692,275	-	-	13,692,275
Committed:				
Capital projects	<u>5,931,916</u>	<u>8,359,367</u>	<u>65,521</u>	<u>14,356,804</u>
Total fund balances	<u>19,624,191</u>	<u>8,361,905</u>	<u>65,521</u>	<u>28,051,617</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,464,205</u>	<u>\$ 9,331,175</u>	<u>\$ 200,426</u>	<u>\$ 29,995,806</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds**

Year Ended June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Ad valorem taxes	\$ 489,417	\$ -	\$ 489,417
Other taxes	216,501	-	216,501
Restricted intergovernmental	896,457	384,381	1,280,838
Investment earnings	5,354	29,085	34,439
Donations	-	2,407,140	2,407,140
Miscellaneous	<u>130,791</u>	<u>43,489</u>	<u>174,280</u>
Total revenues	<u>1,738,520</u>	<u>2,864,095</u>	<u>4,602,615</u>
Expenditures:			
Current:			
General government	161,548	3,821,408	3,982,956
Public safety	109,357	1,489,921	1,599,278
Transportation	-	227,285	227,285
Economic and physical development	1,526,423	33,768	1,560,191
Cultural and recreational	<u>-</u>	<u>5,493,542</u>	<u>5,493,542</u>
Total expenditures	<u>1,797,328</u>	<u>11,065,924</u>	<u>12,863,252</u>
Deficiency of revenues under expenses	<u>(58,808)</u>	<u>(8,201,829)</u>	<u>(8,260,637)</u>
Other financing sources (uses):			
Transfers from other funds	5,105,535	5,303,189	10,408,724
Transfers to other funds	<u>(240,683)</u>	<u>(492,384)</u>	<u>(733,067)</u>
Total other financing sources, net	<u>4,864,852</u>	<u>4,810,805</u>	<u>9,675,657</u>
Net change in fund balances	4,806,044	(3,391,024)	1,415,020
Fund balances at beginning of year	<u>25,041,802</u>	<u>31,442,641</u>	<u>56,484,443</u>
Fund balances at end of year	<u>\$ 29,847,846</u>	<u>\$ 28,051,617</u>	<u>\$ 57,899,463</u>

**THIS PAGE
INTENTIONALLY BLANK**

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds**

Year Ended June 30, 2022

	Opioid Settlement Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund	Commercial Loan Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Restricted intergovernmental	-	678,991	217,466	-	-
Investment earnings	-	-	508	-	-
Miscellaneous	-	-	3,860	-	-
Total revenues	<u>-</u>	<u>678,991</u>	<u>221,834</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	117,945	43,603	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	498,696	181,139	-	-
Total expenditures	<u>-</u>	<u>616,641</u>	<u>224,742</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>62,350</u>	<u>(2,908)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers from other funds	-	650	-	507,852	-
Transfers to other funds	-	(63,000)	(177,033)	-	(650)
Total other financing sources (uses), net	<u>-</u>	<u>(62,350)</u>	<u>(177,033)</u>	<u>507,852</u>	<u>(650)</u>
Net change in fund balances	-	-	(179,941)	507,852	(650)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>9,840,142</u>	<u>303,476</u>	<u>1,309,850</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,660,201</u>	<u>\$ 811,328</u>	<u>\$ 1,309,200</u>

	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund	GF Housing Loan Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Investment earnings	433	270	2,867	-	90
Miscellaneous	9,043	-	113	-	-
Total revenues	<u>9,476</u>	<u>270</u>	<u>2,980</u>	<u>-</u>	<u>90</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	211,160	124,397	-	-
Total expenditures	<u>-</u>	<u>211,160</u>	<u>124,397</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,476</u>	<u>(210,890)</u>	<u>(121,417)</u>	<u>-</u>	<u>90</u>
Other financing sources (uses):					
Transfers from other funds	177,033	63,000	2,807,000	-	1,550,000
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses), net	<u>177,033</u>	<u>63,000</u>	<u>2,807,000</u>	<u>-</u>	<u>1,550,000</u>
Net change in fund balances	186,509	(147,890)	2,685,583	-	1,550,090
Fund balances at beginning of year	<u>2,518,136</u>	<u>4,568,198</u>	<u>4,656,831</u>	<u>30</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,704,645</u>	<u>\$ 4,420,308</u>	<u>\$ 7,342,414</u>	<u>\$ 30</u>	<u>\$ 1,550,090</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds (Continued)**

Year Ended June 30, 2022

	Forgivable Loans & Legal Fees Fund	Special Tax District	Firemen's Relief Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ 489,417	\$ -	\$ 489,417
Other taxes	-	216,501	-	216,501
Restricted intergovernmental	-	-	-	896,457
Investment earnings	294	753	139	5,354
Miscellaneous	-	-	117,775	130,791
Total revenues	<u>294</u>	<u>706,671</u>	<u>117,914</u>	<u>1,738,520</u>
Expenditures:				
Current:				
General government	-	-	-	161,548
Public safety	-	-	109,357	109,357
Economic and physical development	<u>13,733</u>	<u>497,298</u>	-	<u>1,526,423</u>
Total expenditures	<u>13,733</u>	<u>497,298</u>	<u>109,357</u>	<u>1,797,328</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,439)</u>	<u>209,373</u>	<u>8,557</u>	<u>(58,808)</u>
Other financing sources (uses):				
Transfers from other funds	-	-	-	5,105,535
Transfers to other funds	-	-	-	(240,683)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,864,852</u>
Net change in fund balances	(13,439)	209,373	8,557	4,806,044
Fund balances at beginning of year	<u>1,016,636</u>	<u>599,199</u>	<u>229,304</u>	<u>25,041,802</u>
Fund balances at end of year	<u>\$ 1,003,197</u>	<u>\$ 808,572</u>	<u>\$ 237,861</u>	<u>\$ 29,847,846</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds**

Year Ended June 30, 2022

	<u>Parks and Recreation Fund</u>	<u>Building Improvements Fund</u>	<u>Public Improvements Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Restricted intergovernmental	\$ 5,961	\$ 111,938	\$ 266,482	\$ 384,381
Investment earnings	22,443	6,583	59	29,085
Donations	2,407,140	-	-	2,407,140
Miscellaneous	<u>-</u>	<u>43,489</u>	<u>-</u>	<u>43,489</u>
Total revenues	<u>2,435,544</u>	<u>162,010</u>	<u>266,541</u>	<u>2,864,095</u>
Expenditures:				
General government	-	3,819,677	1,731	3,821,408
Public safety	-	1,339,363	150,558	1,489,921
Transportation	-	138,918	88,367	227,285
Economic and physical development	-	-	33,768	33,768
Cultural and recreational	<u>5,371,913</u>	<u>121,629</u>	<u>-</u>	<u>5,493,542</u>
Total expenditures	<u>5,371,913</u>	<u>5,419,587</u>	<u>274,424</u>	<u>11,065,924</u>
Deficiency of revenues under expenditures	<u>(2,936,369)</u>	<u>(5,257,577)</u>	<u>(7,883)</u>	<u>(8,201,829)</u>
Other financing sources (uses):				
Transfers from other funds	1,408,671	3,894,518	-	5,303,189
Transfers to other funds	<u>(125,000)</u>	<u>-</u>	<u>(367,384)</u>	<u>(492,384)</u>
Total other financing sources (uses), net	<u>1,283,671</u>	<u>3,894,518</u>	<u>(367,384)</u>	<u>4,810,805</u>
Net change in fund balances	(1,652,698)	(1,363,059)	(375,267)	(3,391,024)
Fund balances at beginning of year	<u>21,276,889</u>	<u>9,724,964</u>	<u>440,788</u>	<u>31,442,641</u>
Fund balances at end of year	<u>\$ 19,624,191</u>	<u>\$ 8,361,905</u>	<u>\$ 65,521</u>	<u>\$ 28,051,617</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Fiduciary Net Position -
Custodial Funds**

June 30, 2022

	CHDO Proceeds Fund	Law Enforcement Seizure Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 90,968	\$ 492,790	\$ 583,758
Investments:			
U.S. Government Agencies	77,879	-	77,879
Other receivables	85	-	85
Due from other governments	<u>16</u>	<u>-</u>	<u>16</u>
Total assets	<u>168,948</u>	<u>492,790</u>	<u>661,738</u>
NET POSITION			
Restricted for individuals, organizations, and other governments	<u>\$ 168,948</u>	<u>\$ 492,790</u>	<u>\$ 661,738</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds**

Year Ended June 30, 2022

	CHDO Proceeds Fund	Law Enforcement Seizure Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Law enforcement seizures	\$ -	\$ 75,727	\$ 75,727
Investment earnings	166	-	166
Total additions	<u>166</u>	<u>75,727</u>	<u>75,893</u>
Deductions:			
Payments by court order	-	19,180	19,180
Community housing administration reimbursements	237	-	237
Total deductions	<u>237</u>	<u>19,180</u>	<u>19,417</u>
Change in fiduciary net position	<u>(71)</u>	<u>56,547</u>	<u>56,476</u>
Net position at beginning of year	<u>169,019</u>	<u>436,243</u>	<u>605,262</u>
Net position at end of year	<u>\$ 168,948</u>	<u>\$ 492,790</u>	<u>\$ 661,738</u>

**THIS PAGE
INTENTIONALLY BLANK**

GENERAL FUND TAB (FRONT)

GENERAL FUND TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Ad valorem taxes:				
Current year	\$ 66,382,516	\$ 66,547,950	\$ 165,434	\$ 64,127,382
Prior years	220,000	298,242	78,242	185,514
Penalties and interest	180,000	247,063	67,063	238,692
Total	<u>66,782,516</u>	<u>67,093,255</u>	<u>310,739</u>	<u>64,551,588</u>
Other taxes:				
Local option sales tax	32,545,290	38,769,573	6,224,283	34,243,558
Franchise tax	8,446,089	8,251,765	(194,324)	8,247,813
Video programming sales tax	1,259,766	1,172,474	(87,292)	1,261,462
Rental vehicle tax	324,700	455,318	130,618	400,361
Total	<u>42,575,845</u>	<u>48,649,130</u>	<u>6,073,285</u>	<u>44,153,194</u>
Unrestricted intergovernmental:				
Beer and wine	525,000	458,257	(66,743)	513,260
ABC revenue	1,750,000	3,234,277	1,484,277	2,832,652
Court fees	20,000	13,681	(6,319)	16,086
Total	<u>2,295,000</u>	<u>3,706,215</u>	<u>1,411,215</u>	<u>3,361,998</u>
Restricted intergovernmental:				
Powell bill	2,949,111	3,209,388	260,277	2,871,940
PEG channel support	27,000	25,808	(1,192)	26,497
Categorical grants:				
Hurricane disaster assistance	-	-	-	5,268,622
Other	118,250	94,481	(23,769)	155,172
Total	<u>3,094,361</u>	<u>3,329,677</u>	<u>235,316</u>	<u>8,322,231</u>
Licenses and permits:				
Privilege licenses	12,000	12,950	950	12,108
Motor vehicle licenses	407,000	430,462	23,462	435,266
Other permits and fees	410,000	483,900	73,900	422,504
Total	<u>829,000</u>	<u>927,312</u>	<u>98,312</u>	<u>869,878</u>

CITY OF WILMINGTON, NORTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues: (continued)				
Sales and services:				
Recreation department sales and service	\$ 1,000,250	\$ 1,282,857	\$ 282,607	\$ 508,529
Other departmental charges	<u>1,677,414</u>	<u>1,931,348</u>	<u>253,934</u>	<u>1,711,563</u>
Total	<u>2,677,664</u>	<u>3,214,205</u>	<u>536,541</u>	<u>2,220,092</u>
Fines and forfeits:				
Fire code violations	1,000	700	(300)	200
False alarm citations	50,000	68,727	18,727	92,734
Civil citations	<u>43,500</u>	<u>49,255</u>	<u>5,755</u>	<u>43,975</u>
Total	<u>94,500</u>	<u>118,682</u>	<u>24,182</u>	<u>136,909</u>
Interest earnings:				
Investment earnings	40,000	92,008	52,008	33,617
Interest on liens	<u>-</u>	<u>42,004</u>	<u>42,004</u>	<u>11,094</u>
Total	<u>40,000</u>	<u>134,012</u>	<u>94,012</u>	<u>44,711</u>
Miscellaneous:				
Sale of real estate, equipment and material	162,688	460,713	298,025	7,722
Rents	144,669	78,211	(66,458)	124,123
Lease interest	-	81,885	81,885	-
Other	<u>371,139</u>	<u>1,347,852</u>	<u>976,713</u>	<u>545,731</u>
Total	<u>678,496</u>	<u>1,968,661</u>	<u>1,290,165</u>	<u>677,576</u>
 Total revenues	 <u>119,067,382</u>	 <u>129,141,149</u>	 <u>10,073,767</u>	 <u>124,338,177</u>
Expenditures:				
General government:				
City Council and Clerk		482,716		447,071
City Manager		2,570,954		2,594,440
City Attorney		1,310,471		1,103,737
Human Resource Management		1,192,187		1,096,437
Finance		2,267,558		2,227,183
Information Technology Services		4,692,348		4,159,275
Development Services		2,489,213		2,097,695
Public Services		17,024,165		5,689,227
Contributions to other agencies		2,481,473		1,875,752
Nondepartmental		<u>4,554,507</u>		<u>6,213,850</u>
Total	<u>42,715,658</u>	<u>39,065,592</u>	<u>3,650,066</u>	<u>27,504,667</u>

CITY OF WILMINGTON, NORTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Expenditures: (continued)				
Public safety:				
Police		\$ 35,462,916		\$ 34,238,075
Fire		20,746,262		19,703,507
Total	\$ 59,505,547	56,209,178	\$ 3,296,369	53,941,582
Transportation:				
Traffic engineering		3,572,078		3,312,491
Streets		2,218,774		2,749,470
Storm water management fee		3,042,743		2,939,139
Total	9,877,737	8,833,595	1,044,142	9,001,100
Cultural and recreational:				
Parks and recreation	10,823,948	9,213,889	1,610,059	8,841,524
Transit system:				
Cape Fear Public Transportation Authority	1,534,358	1,534,358	-	1,489,668
Debt service:				
Principal payments on leases		308,603		-
Interest and other charges		14,551		-
Total	323,309	323,154	155	-
Total expenditures	124,780,557	115,179,766	9,600,791	100,778,541
Excess (deficiency) of revenues over (under) expenditures	(5,713,175)	13,961,383	19,674,558	23,559,636
Other financing sources (uses):				
Operating transfers - out:				
Debt Service Fund	(9,334,832)	(9,334,832)	-	(9,334,832)
Special Purpose Fund	(803,798)	(803,798)	-	(687,131)
CDBG/Home Administration Fund	(129,654)	(128,681)	973	(101,779)
LF-Rental Rehab Fund	(507,852)	(507,852)	-	-
GF-HOP Loan Fund	(2,807,000)	(2,807,000)	-	(470,000)
Forgivable Loans and Legal Fees Fund	-	-	-	(103,000)
GF-Housing Loan Fund	(1,650,000)	(1,550,000)	100,000	-
Streets and Sidewalks Fund	(7,040,000)	(7,040,000)	-	(175,000)
Parks and Recreation Fund	(250,079)	(250,079)	-	(279,898)
Building Improvements Fund	(635,440)	(635,440)	-	(1,576,179)

CITY OF WILMINGTON, NORTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Other financing sources (uses): (continued)				
Operating transfers - out: (continued)				
Recycling and Trash Services Fund	\$ (38,366)	\$ (38,366)	\$ -	\$ (29,866)
Technology Replacement Fund	(448,349)	(448,349)	-	(673,194)
Total operating transfers - out	<u>(23,645,370)</u>	<u>(23,544,397)</u>	100,973	<u>(13,430,879)</u>
Issuance of lease	2,150,000	1,486,493	(663,507)	-
Appropriated fund balance	<u>27,208,545</u>	<u>-</u>	<u>(27,208,545)</u>	<u>-</u>
Total other financing sources (uses), net	<u>5,713,175</u>	<u>(22,057,904)</u>	<u>(27,771,079)</u>	<u>(13,430,879)</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,096,521)</u>	<u>\$ (8,096,521)</u>	<u>10,128,757</u>
Fund balance at beginning of year		81,220,092		71,201,147
Change in reserve for inventories		<u>21,798</u>		<u>(109,812)</u>
Fund balance at end of year		73,145,369		81,220,092
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the General Fund for reporting purposes:				
Transfer from General Fund		128,681		101,779
General government expenditures		(41,562)		(25,587)
Economic and physical development expenditures		(87,119)		(76,192)
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year		<u>\$ 73,145,369</u>		<u>\$ 81,220,092</u>

SPECIAL REVENUE FUNDS TAB (FRONT)

SPECIAL REVENUE FUNDS TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Special Purpose Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Taxes:					
Room occupancy tax	\$ 36,862,226	\$ 36,862,226	\$ -	\$ 36,862,226	\$ -
Restricted intergovernmental:					
Federal grants	34,257,477	6,945,415	10,101,135	17,046,550	(17,210,927)
State grants	9,426,610	6,833,586	1,175,004	8,008,590	(1,418,020)
Other governments	6,010,837	5,203,916	483,841	5,687,757	(323,080)
Total restricted intergovernmental	49,694,924	18,982,917	11,759,980	30,742,897	(18,952,027)
Investment earnings	401,751	469,869	7,011	476,880	75,129
Donations	346,498	255,551	80,990	336,541	(9,957)
Miscellaneous:					
Red light traffic cameras	13,791,590	12,468,008	1,588,026	14,056,034	264,444
Other program income	298,477	317,006	3,111	320,117	21,640
Sale of property	6,615	30,084	-	30,084	23,469
Other	66,835	113,706	-	113,706	46,871
Total miscellaneous	14,163,517	12,928,804	1,591,137	14,519,941	356,424
Total revenues	101,468,916	69,499,367	13,439,118	82,938,485	(18,530,431)
Expenditures:					
General government projects:					
Coronavirus relief funds - NHC	1,478,291	1,478,291	-	1,478,291	-
Coronavirus fiscal recovery - ARPA	16,909,952	31,298	5,601,577	5,632,875	11,277,077
Total general government projects	18,388,243	1,509,589	5,601,577	7,111,166	11,277,077
Public safety projects:					
Second chance reentry	600,000	600,000	-	600,000	-
Reset reentry system	200,000	190,019	-	190,019	9,981
Firefighter assistance - FEMA	109,015	108,857	-	108,857	158
Regional response hazmat 2019	69,000	50,735	-	50,735	18,265
Regional response hazmat 2020	69,000	54,313	-	54,313	14,687
Regional response hazmat 2021	69,000	62,301	-	62,301	6,699
Regional response hazmat 2022	69,000	-	48,503	48,503	20,497
Opioid pilot project - NCDPS 2021	750,000	-	146,712	146,712	603,288
Santa cop program	1,125	750	-	750	375
SABLE-helicopter unit	2,602,873	2,088,501	194,159	2,282,660	320,213
Federal forfeiture - SABLE	2,080,350	1,820,664	37,070	1,857,734	222,616
Strategy to address gangs	71,720	68,773	-	68,773	2,947
Regional crime lab	595,330	462,460	-	462,460	132,870
Port city super girls academy	25,200	17,875	-	17,875	7,325
Opioid pilot program	500,000	500,000	-	500,000	-
Internet crimes against children	60,111	-	-	-	60,111

CITY OF WILMINGTON, NORTH CAROLINA

**Special Purpose Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Actual		Totals to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures: (continued)					
Public safety projects: (continued)					
Federal forfeiture	\$ 2,381,006	\$ 2,291,726	\$ 23,704	\$ 2,315,430	\$ 65,576
North Carolina drug tax	1,015,542	920,491	46,324	966,815	48,727
Leases	16,817	-	-	-	16,817
Total public safety	11,285,089	9,237,465	496,472	9,733,937	1,551,152
Transportation projects:					
Red light traffic cameras	19,002,284	16,824,030	2,046,023	18,870,053	132,231
Metropolitan planning	8,520,634	6,292,568	1,197,732	7,490,300	1,030,334
TDM coordinator	708,045	498,548	(4,316)	494,232	213,813
Walk Wilmington pedestrian plan	71,250	-	71,250	71,250	-
Rail realignment study	300,000	300,000	-	300,000	-
Rails to trails study	50,000	50,000	-	50,000	-
Rail realign economic feasibility study	115,000	115,000	-	115,000	-
Total transportation	28,767,213	24,080,146	3,310,689	27,390,835	1,376,378
Economic and physical development projects:					
Innovate NC	13,827	13,827	-	13,827	-
Community waste reduction/recycle	114,000	113,149	-	113,149	851
Emergency watershed protection	438,205	248,008	-	248,008	190,197
Community waste reduction/recycling	20,300	15,554	17	15,571	4,729
Backyard composting 2020 campaign	23,235	19,415	-	19,415	3,820
Affordable housing program	1,183,720	1,177,939	-	1,177,939	5,781
Homeownership services	212,291	183,381	5,777	189,158	23,133
Annual housing summit	48,697	32,970	-	32,970	15,727
Lead hazard reduction	1,800,577	115,269	506,208	621,477	1,179,100
Permanent supportive housing	162,688	-	-	-	162,688
UDAG income projects	1,280,639	1,227,402	-	1,227,402	53,237
Historic preservation education	43,617	31,074	-	31,074	12,543
Brownfields program	400,000	385,601	-	385,601	14,399
Trolley station	3,716	2,123	-	2,123	1,593
Coronavirus relief funds - NHC	500,000	500,000	-	500,000	-
Total economic and physical development	6,245,512	4,065,712	512,002	4,577,714	1,667,798
Cultural and recreational projects:					
Living legends award	12,355	11,712	-	11,712	643
Dog park development	35,490	26,853	-	26,853	8,637
Bicycle advisory	11,315	7,532	2,358	9,890	1,425
July Fourth celebration	5,000	3,566	-	3,566	1,434
Nautical festival	51,375	48,466	-	48,466	2,909
Downtown business alliance	55,609	53,277	-	53,277	2,332
Market place downtown	8,658	1,771	-	1,771	6,887

CITY OF WILMINGTON, NORTH CAROLINA

**Special Purpose Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Actual		Totals to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures: (continued)					
Cultural and recreational projects: (continued)					
Rehder Garden	\$ 6,770	\$ 1,089	\$ -	\$ 1,089	\$ 5,681
Community enrichment initiative	1,325	92	-	92	1,233
TD green streets program	20,000	20,000	-	20,000	-
MLK center movie series	2,500	2,500	-	2,500	-
Spark the arts	2,000	2,000	-	2,000	-
Maides park pollinator garden	1,250	1,250	-	1,250	-
NCRPA DEI - wildlife explorers	1,500	1,500	-	1,500	-
NCRPA - omitted history	1,000	-	390	390	610
Trees forever	<u>130,205</u>	<u>39,251</u>	<u>59,150</u>	<u>98,401</u>	<u>31,804</u>
Total cultural and recreational	<u>346,352</u>	<u>220,859</u>	<u>61,898</u>	<u>282,757</u>	<u>63,595</u>
Transit system:					
Metropolitan Planning	<u>475,287</u>	<u>409,937</u>	<u>65,350</u>	<u>475,287</u>	<u>-</u>
Total transit system					
Debt service:					
Principal payments on leases	16,560	-	16,559	16,559	1
Interest and other charges	<u>257</u>	<u>-</u>	<u>241</u>	<u>241</u>	<u>16</u>
Total debt service	<u>16,817</u>	<u>-</u>	<u>16,800</u>	<u>16,800</u>	<u>17</u>
Total expenditures	<u>65,524,513</u>	<u>39,523,708</u>	<u>10,064,788</u>	<u>49,588,496</u>	<u>15,936,017</u>
Excess of revenues over expenditures	<u>35,944,403</u>	<u>29,975,659</u>	<u>3,374,330</u>	<u>33,349,989</u>	<u>(2,594,414)</u>
Other financing sources (uses):					
Operating transfers - in:					
UDAG Loan Fund	759,754	759,754	-	759,754	-
Community Development Fund	296,780	297,120	-	297,120	340
GF-HOP Loan Fund	1,086,000	1,086,000	-	1,086,000	-
Economic Development Loan Fund	291,453	292,304	-	292,304	851
Rental Rehabilitation Fund	438,000	438,000	-	438,000	-
Recycling and Trash Services Fund	40,383	40,021	-	40,021	(362)
Storm Water Management Fund	-	63	-	63	63
General Fund	<u>7,859,386</u>	<u>6,805,010</u>	<u>803,798</u>	<u>7,608,808</u>	<u>(250,578)</u>
Total operating transfers - in	<u>10,771,756</u>	<u>9,718,272</u>	<u>803,798</u>	<u>10,522,070</u>	<u>(249,686)</u>
Operating transfers - out:					
General Fund	(16,000)	(16,000)	-	(16,000)	-
Convention Center Fund	(44,162,226)	(37,390,490)	(2,500,576)	(39,891,066)	4,271,160
Building Improvements Fund	(1,558,507)	(43,449)	(1,515,058)	(1,558,507)	-
Community Development Fund	(3,100)	-	-	-	3,100
General Fund HOP Loan Fund	(1,680)	(1,679)	-	(1,679)	1

CITY OF WILMINGTON, NORTH CAROLINA

**Special Purpose Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses): (continued)					
Operating transfers - out: (continued)					
UDAG Loan Fund	\$ (117,077)	\$ (117,077)	\$ -	\$ (117,077)	\$ -
Home Investment Partnership Fund	(544,059)	(544,045)	-	(544,045)	14
Rehabilitation Loan Fund	(20,022)	(20,021)	-	(20,021)	1
Parking Fund	(300,000)	-	-	-	300,000
Public Improvements Fund	(9,540)	(9,539)	-	(9,539)	1
Recycling and Trash Services Fund	(765)	-	(764)	(764)	1
Total operating transfers - out	<u>(46,732,976)</u>	<u>(38,142,300)</u>	<u>(4,016,398)</u>	<u>(42,158,698)</u>	<u>4,574,278</u>
Issuance of lease	<u>16,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,817)</u>
Total other financing sources (uses), net	<u>(35,944,403)</u>	<u>(28,424,028)</u>	<u>(3,212,600)</u>	<u>(31,636,628)</u>	<u>4,307,775</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,551,631</u>	161,730	<u>\$ 1,713,361</u>	<u>\$ 1,713,361</u>
Fund balance at beginning of year			<u>1,551,631</u>		
Fund balance at end of year			1,713,361		
An unbudgeted UDAG Loan Fund is consolidated into the Special Purpose Fund for reporting purposes:					
Fund balance at beginning of year			<u>70,947</u>		
Fund balance at end of year			<u>\$ 1,784,308</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Convention Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Room occupancy tax	\$ 14,922,541	\$ 13,580,989	\$ 5,859,370	\$ 19,440,359	\$ 4,517,818
Restricted Intergovernmental:					
Hurricane disaster assistance	977,611	977,610	-	977,610	(1)
Sales and services:					
Convention center	36,588,680	29,900,402	2,775,965	32,676,367	(3,912,313)
Parking deck	4,498,695	3,718,800	632,918	4,351,718	(146,977)
Total sales and services	41,087,375	33,619,202	3,408,883	37,028,085	(4,059,290)
Investment earnings	155,000	1,915,303	9,123	1,924,426	1,769,426
Miscellaneous:					
Insurance reimbursement	26,234	26,233	-	26,233	(1)
Lease interest	-	-	244,566	244,566	244,566
Total Miscellaneous	26,234	26,233	244,566	270,799	244,565
Total revenues	57,168,761	50,119,337	9,521,942	59,641,279	2,472,518
Expenditures:					
Economic and physical development project:					
Convention Center operations	60,369,977	42,874,579	5,290,191	48,164,770	12,205,207
Parking deck operations	4,107,057	3,106,358	460,965	3,567,323	539,734
Total economic and physical development	64,477,034	45,980,937	5,751,156	51,732,093	12,744,941
Debt service:					
Principal retirement	13,905,000	13,360,000	545,000	13,905,000	-
Interest and other charges	34,969,011	33,085,795	1,878,825	34,964,620	4,391
Reserved for debt service	585,410	-	-	-	585,410
Total debt service	49,459,421	46,445,795	2,423,825	48,869,620	589,801
Total expenditures	113,936,455	92,426,732	8,174,981	100,601,713	13,334,742
Excess (deficiency) of revenues over (under) expenditures	(56,767,694)	(42,307,395)	1,346,961	(40,960,434)	15,807,260
Other financing sources (uses):					
Operating transfers - in:					
Special Purpose Fund	44,162,226	37,390,490	2,500,576	39,891,066	(4,271,160)
Building Improvements Fund	6,030,337	6,030,337	-	6,030,337	-
Total operating transfers - in	50,192,563	43,420,827	2,500,576	45,921,403	(4,271,160)

CITY OF WILMINGTON, NORTH CAROLINA

**Convention Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses) (continued):					
Issuance of installment obligations	\$ 5,995,949	\$ 5,995,949	\$ -	\$ 5,995,949	\$ -
Issuance of refunding installment obligations	57,850,000	57,850,000	-	57,850,000	-
Premium on refunding installment obligations	5,942,921	5,942,920	-	5,942,920	(1)
Payment to refunded installment obligation escrow agent	<u>(63,213,739)</u>	<u>(63,213,738)</u>	<u>-</u>	<u>(63,213,738)</u>	<u>1</u>
Total other financing sources, net	<u>56,767,694</u>	<u>49,995,958</u>	<u>2,500,576</u>	<u>52,496,534</u>	<u>(4,271,160)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,688,563</u>	3,847,537	<u>\$ 11,536,100</u>	<u>\$ 11,536,100</u>
Fund balance at beginning of year			<u>7,688,563</u>		
Fund balance at end of year			<u>\$ 11,536,100</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Federal grants	\$ 17,300,217	\$ 15,801,465	678,991	\$ 16,480,456	\$ (819,761)
Miscellaneous:					
Sale of property	23,000	23,000	-	23,000	-
Insurance reimbursement	1,607	1,607	-	1,607	-
Refunds	545,197	545,196	-	545,196	(1)
Total miscellaneous	569,804	569,803	-	569,803	(1)
Total revenues	17,870,021	16,371,268	678,991	17,050,259	(819,762)
Expenditures:					
Economic and physical development:					
HUD Reimbursement		100,895	-	100,895	
Acquisition		331,000	-	331,000	
Public facilities		1,907,465	-	1,907,465	
Disposition		26,320	-	26,320	
Demolition		59,126	-	59,126	
Domestic Violence		458,452	32,360	490,812	
Shelter for homeless		652,975	-	652,975	
Community Boys Club		30,000	-	30,000	
Community Land Trust		70,997	-	70,997	
CDC Kingdom		3,700	1,100	4,800	
Community in Schools		25,000	-	25,000	
Volunteers of America		78,000	-	78,000	
Coastal Horizon Center		30,117	-	30,117	
Family Services		58,825	-	58,825	
Dreams of Wilmington		65,000	-	65,000	
Food Bank of Coastal Carolina		10,000	-	10,000	
Bottom Neighborhood Association		19,639	-	19,639	
Brigade Boys and Girls Club		64,260	-	64,260	
Leading Into New Communities		343,635	-	343,635	
First Fruit Ministries		193,278	23,900	217,178	
Housing counseling		14,910	-	14,910	
Council of Governments		-	31,131	31,131	
Wilmington interfaith network		10,000	-	10,000	
Joint Project		1,395,126	118,740	1,513,866	
WRAAP		35,737	-	35,737	
YWCA - Kids Making It		25,000	-	25,000	
Salvation Army		30,000	-	30,000	
Shiloh		4,996	-	4,996	
StepUp		28,431	-	28,431	
Relocation		58,823	36,130	94,953	
Energy repairs/housing		392,897	8,113	401,010	
Capacity Building		34,926	-	34,926	
Small Business Development		25,000	-	25,000	

CITY OF WILMINGTON, NORTH CAROLINA

**Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Economic and physical development: (continued)					
Economic development		\$ 15,300	\$ -	\$ 15,300	
Charges for services		2,059,000	-	2,059,000	
Planning		619	-	619	
Total expenditures	\$ 9,345,493	8,659,449	251,474	8,910,923	\$ 434,570
Excess of revenues over expenditures	8,524,528	7,711,819	427,517	8,139,336	(385,192)
Other financing sources (uses):					
Operating transfers - in:					
Transfer from General Fund	9,321	9,321	-	9,321	-
Transfer from CDBG/HOME Admin Fund	100,896	100,895	-	100,895	(1)
Transfer from Special Purpose	3,100	-	-	-	(3,100)
Rental Rehabilitation Loan Fund	116,798	180,974	-	180,974	64,176
Commercial Loan Fund	28,063	32,301	650	32,951	4,888
Rehabilitation Loan Fund	586,262	586,261	-	586,261	(1)
General Fund HOP Loan Fund	27,300	27,300	-	27,300	-
Total operating transfers - in	871,740	937,052	650	937,702	65,962
Operating transfers - out:					
CDBG/HOME Administration Fund	(5,528,906)	(5,033,542)	(365,167)	(5,398,709)	130,197
Rental Rehabilitation Loan Fund	(99,550)	(99,550)	-	(99,550)	-
Commercial Loan Fund	(630,245)	(630,244)	-	(630,244)	1
Rehabilitation Loan Fund	(96,871)	(96,871)	-	(96,871)	-
CDBG HOP Loan Fund	(3,040,696)	(2,788,664)	(63,000)	(2,851,664)	189,032
Total operating transfers - out	(9,396,268)	(8,648,871)	(428,167)	(9,077,038)	319,230
Total other financing uses, net	(8,524,528)	(7,711,819)	(427,517)	(8,139,336)	385,192
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance at beginning of year			-		
Fund balance at end of year			-		
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the Community Development Fund for reporting purposes:					
Transfer from Community Development Fund			365,167		
General government expenditures			(117,945)		
Economic and physical development expenditures			(247,222)		
Fund balance at beginning of year			-		
Fund balance at end of year			\$ -		

CITY OF WILMINGTON, NORTH CAROLINA

**CDBG/Home Administration Fund
(A Subfund of the Community Development Fund)
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Expenditures:				
General government:				
Finance		\$ 203,110		\$ 191,123
Economic and physical development:				
Economic and community development		<u>425,738</u>		<u>466,665</u>
Total expenditures	<u>\$ 736,669</u>	<u>628,848</u>	<u>\$ 107,821</u>	<u>657,788</u>
Other financing sources:				
Operating transfers-in:				
General Fund	129,654	128,681	(973)	101,779
Community Development Fund	471,945	365,167	(106,778)	436,320
Home Investment Partnership Fund	<u>135,070</u>	<u>135,000</u>	<u>(70)</u>	<u>119,689</u>
Total operating transfers - in	<u>736,669</u>	<u>628,848</u>	<u>(107,821)</u>	<u>657,788</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance at beginning of year		-		-
Fund balance at end of year		<u>\$ -</u>		<u>\$ -</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Home Investment Partnership Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Federal grants	\$ 6,935,896	\$ 4,949,728	217,466	\$ 5,167,194	\$ (1,768,702)
Interest Earnings	-	506	307	813	813
Total revenues	<u>6,935,896</u>	<u>4,950,234</u>	<u>217,773</u>	<u>5,168,007</u>	<u>(1,767,889)</u>
Expenditures:					
Economic and physical development projects:					
HUD reimbursement		181,034	-	181,034	
Tenant Based Assistance		100,648	-	100,648	
Affordable Housing Infrastructure		13,910	-	13,910	
Land trust administration		10,000	-	10,000	
Relocation assistance		10,118	-	10,118	
Total expenditures	<u>516,127</u>	<u>315,710</u>	<u>-</u>	<u>315,710</u>	<u>200,417</u>
Excess of revenues over expenditures	<u>6,419,769</u>	<u>4,634,524</u>	<u>217,773</u>	<u>4,852,297</u>	<u>(1,567,472)</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	8,358	8,358	-	8,358	-
Special Purpose Fund	231,630	231,630	-	231,630	-
General Fund HOP Loan Fund	86,650	86,650	-	86,650	-
Home Loan Fund	<u>3,077,850</u>	<u>3,302,986</u>	<u>418,501</u>	<u>3,721,487</u>	<u>643,637</u>
Total operating transfers - in	<u>3,404,488</u>	<u>3,629,624</u>	<u>418,501</u>	<u>4,048,125</u>	<u>643,637</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Home Investment Partnership Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses): (continued)					
Operating transfers - out:					
CDBG/HOME Administration Fund	\$ (925,289)	\$ (790,219)	\$ (135,000)	\$ (925,219)	\$ 70
Rehabilitation Loan Fund	-	-	(177,033)	(177,033)	(177,033)
Home Loan Fund	<u>(8,898,968)</u>	<u>(6,783,788)</u>	<u>(515,286)</u>	<u>(7,299,074)</u>	<u>1,599,894</u>
Total operating transfers - out	<u>(9,824,257)</u>	<u>(7,574,007)</u>	<u>(827,319)</u>	<u>(8,401,326)</u>	<u>1,422,931</u>
Total other financing uses, net	<u>(6,419,769)</u>	<u>(3,944,383)</u>	<u>(408,818)</u>	<u>(4,353,201)</u>	<u>2,066,568</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 690,141</u>	(191,045)	<u>\$ 499,096</u>	<u>\$ 499,096</u>
Fund balance at beginning of year			<u>690,141</u>		
Fund balance at end of year			499,096		
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the Home Investment Partnership Fund for reporting purposes:					
Transfer from Home Investment Partnership Fund			135,000		
General government expenditures			(43,603)		
Economic and physical development expenditures			(91,397)		
An unbudgeted Home Loan Fund is consolidated into the Home Investment Partnership Fund for reporting purposes:					
Investment earnings			201		
Miscellaneous income			3,860		
Transfer from Home Investment Partnership Fund			515,286		
Economic and physical development expenditures			(89,742)		
Transfer to Home Investment Partnership Fund			(418,501)		
Fund balance at beginning of year			<u>9,150,001</u>		
Fund balance at end of year			<u>\$ 9,660,201</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Special Tax District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Ad valorem taxes:				
Current year	\$ 453,619	\$ 486,802	\$ 33,183	\$ 445,894
Prior years	-	1,539	1,539	2,405
Penalties and interest	-	1,076	1,076	878
Total ad valorem taxes	453,619	489,417	35,798	449,177
Local option sales tax	163,936	216,501	52,565	173,053
Investment earnings	600	753	153	749
Total revenues	618,155	706,671	88,516	622,979
Expenditures:				
Economic and physical development:				
Downtown municipal service district	718,155	497,298	220,857	441,569
Excess (deficiency) of revenues over (under) expenditures	(100,000)	209,373	309,373	181,410
Other financing sources:				
Appropriated fund balance	100,000	-	(100,000)	-
Net change in fund balance	\$ -	209,373	\$ 209,373	181,410
Fund balance at beginning of year		599,199		417,789
Fund balance at end of year		\$ 808,572		\$ 599,199

CAPITAL PROJECT FUNDS TAB (FRONT)

CAPITAL PROJECT FUNDS TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Streets and Sidewalks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Grants and contributions	\$ 14,004,381	\$ 5,803,063	\$ 1,841,208	\$ 7,644,271	\$ (6,360,110)
Hurricane disaster assistance	-	192,536	-	192,536	192,536
Total restricted intergovernmental	14,004,381	5,995,599	1,841,208	7,836,807	(6,167,574)
Investment earnings	1,781,480	1,796,724	92,106	1,888,830	107,350
Donations	307,982	3,694,126	41,490	3,735,616	3,427,634
Total revenues	16,093,843	11,486,449	1,974,804	13,461,253	(2,632,590)
Expenditures:					
Transportation:					
Riverfront assessment update	53,500	33,000	10,102	43,102	10,398
Bridge repairs	2,683,315	1,815,992	43,503	1,859,495	823,820
Water Street/Riverfront improvements	3,343,905	3,172,239	1,446	3,173,685	170,220
Water Street/Riverfront stabilization	472,782	436,463	-	436,463	36,319
Water Street improvements phase 2	6,804,097	4,222,531	657,889	4,880,420	1,923,677
Florence recovery - streets	200,000	155,877	-	155,877	44,123
Street rehabilitation	18,719,800	9,336,238	945,205	10,281,443	8,438,357
Pine Valley street/drainage rehabilitation	2,880,261	2,831,804	-	2,831,804	48,457
Cross City Trail III E streets rehabilitation	873,932	873,932	-	873,932	-
Greenville Loop rehabilitation	1,415,019	1,415,018	-	1,415,018	1
Audubon / Floral rehabilitation	1,061,786	1,061,784	-	1,061,784	2
41st Street rehabilitation	1,251,587	1,251,586	-	1,251,586	1
Brick street rehabilitation	1,000,000	497,093	-	497,093	502,907
Hawksbill causeway	1,075,000	59,811	(1,393)	58,418	1,016,582
McRae/Nixon/ 10th Street rehabilitation	1,302,331	1,074,558	49,625	1,124,183	178,148
Castle/Greenfield Street rehabilitation	1,840,800	1,251,611	394,212	1,645,823	194,977
Pine Valley East Street paving	1,097,783	1,075,051	-	1,075,051	22,732
Red Cross brick street rehabilitation	855,286	524,357	-	524,357	330,929
17th/Andrews/Harbor/Bragg rehabilitation	1,500,000	1,254,358	-	1,254,358	245,642
Harnett Street ADA ramps	100,000	-	51,742	51,742	48,258
Dawning Creek resurfacing	300,000	232,864	-	232,864	67,136
Pine Grove and Lincoln repair	575,000	464,165	-	464,165	110,835
Savannah Court resurfacing	50,000	-	46,849	46,849	3,151
South Oleander-Forest Hills-Echo Farms	500,000	-	46,571	46,571	453,429
Old East Wilmington-North College	1,000,000	-	978,527	978,527	21,473
College Acres Drive rehabilitation	281,232	-	-	-	281,232
Neighborhood traffic management	1,752,500	1,653,870	-	1,653,870	98,630
Eastwood Road path	29,214	-	-	-	29,214
Market/Water Streets bulkhead	1,509,237	1,380,736	-	1,380,736	128,501
Princess Place/17th to 25th Streets	151,247	151,246	-	151,246	1
Coordinated improvements-CFPUA	1,000,000	-	-	-	1,000,000
Pocket Park shoreline stabilization	564,200	553,036	-	553,036	11,164
Market Street H-piles stabilization	1,050,338	799,548	-	799,548	250,790
North/South 17th Street	1,505,002	1,492,272	-	1,492,272	12,730

CITY OF WILMINGTON, NORTH CAROLINA

**Streets and Sidewalks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
Sign inventory and assessment	\$ 90,000	\$ 469	\$ -	\$ 469	\$ 89,531
Way finding signage	89,683	35,170	1,520	36,690	52,993
Front/Castle pedestrian improvements	26,695	1,441	-	1,441	25,254
College/Oleander pedestrian crossing	100	-	-	-	100
Wrightsville/Greenville improvements	561,106	121,783	67,218	189,001	372,105
Park Avenue multi-use path	1,458,342	729,072	457,383	1,186,455	271,887
Military Cutoff/Eastwood multi-use path	23,249	23,248	-	23,248	1
Hinton Avenue multi-use path	507,346	120,978	62,875	183,853	323,493
Hooker Road multi-use path	1,210,287	147,496	89,012	236,508	973,779
5th and Wooster pedestrian crossing	394,979	365,714	4,890	370,604	24,375
Kerr Avenue bike lane/sidewalks	1,140,000	704,382	-	704,382	435,618
Gregory/Williston Streets	1,050,649	732,795	10,164	742,959	307,690
Love Grove emergency access	150,000	-	-	-	150,000
Coastline Inn riverfront stabilization	992,550	787,595	-	787,595	204,955
Sidewalk gap improvements	55,000	44,516	-	44,516	10,484
North 3rd Street bridge	634,854	614,442	-	614,442	20,412
Shipyards Boulevard bus pullout	508,476	458,407	-	458,407	50,069
Eastwood Road access management	5,155,000	2,462,243	42,230	2,504,473	2,650,527
Carolina Beach Road streetscape	4,300,000	15,315	-	15,315	4,284,685
North Front Street streetscape	3,708,289	284,355	985,027	1,269,382	2,438,907
Dawson/Wooster Streets improvements	1,100,000	227,019	38,763	265,782	834,218
Love Grove access	5,583,460	5,583,460	-	5,583,460	-
Pine Grove intersection improvements	2,500,000	226,268	125,355	351,623	2,148,377
Oleander/Pine Grove realignment	2,100,000	124,439	188,480	312,919	1,787,081
Racine/New Center Drive turn lane	723,440	771	16,845	17,616	705,824
Wrightsville/Wallace Avenue roundabout	1,500,000	184,348	19,587	203,935	1,296,065
Pine Grove/Greenville Loop roundabout	1,500,000	137,772	93,522	231,294	1,268,706
Pine Grove/Holly Tree roundabout	1,500,000	135,039	96,047	231,086	1,268,914
Contingency - roadway projects	10,933,411	-	-	-	10,933,411
Oleander/Hawthorn to 42nd Street	755,330	21,500	6,084	27,584	727,746
Wrightsville/Castle/Independence	174,757	25,679	97,786	123,465	51,292
Oleander/Wooster/Mimosa	874,060	52,965	286,690	339,655	534,405
Dawson/Wrightsville/Oleander	2,078	2,078	-	2,078	-
Wrightsville/College/Hawthorn	1,139,589	183,173	13,993	197,166	942,423
Wrightsville/44th/Independence	989,616	165,366	11,571	176,937	812,679
17th Street sidewalk/Wooster	235,794	62,149	53,512	115,661	120,133
Oleander/Pine Grove/College	159,855	159,854	-	159,854	1
23rd Street sidewalk/Princess Place	4,348	4,347	-	4,347	1
Delaney sidewalk improvements	79,746	79,745	-	79,745	1
McClelland sidewalk improvements	589,527	309	128,367	128,676	460,851
Fairlawn sidewalk improvements	292,982	292,982	-	292,982	-
Kerr/Wilshire crosswalk	30,120	30,120	-	30,120	-
16th Street/Dawson crosswalk	75,000	19,789	5,835	25,624	49,376
College/Wilshire crosswalk	40,973	40,973	-	40,973	-
8th Street/Dawson crosswalk	50,000	-	-	-	50,000

CITY OF WILMINGTON, NORTH CAROLINA

**Streets and Sidewalks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
8th Street/Wooster crosswalk	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
17th Street/Dawson crosswalk	75,000	19,789	5,834	25,623	49,377
Holly Tree/College crosswalk	550,551	50,634	32,001	82,635	467,916
Greenville Loop trail - Old Mill/Park	2,225,173	412,693	128,018	540,711	1,684,462
Kerr Avenue trail	907,439	14,280	132,315	146,595	760,844
Central College trail	1,951,079	1,599,131	-	1,599,131	351,948
Masonboro Loop multiuse path	2,982,142	415,357	87,577	502,934	2,479,208
Contingency - bike/pedestrian	1,321,888	-	-	-	1,321,888
Chestnut/Grace reconstruction	2,540,143	2,109,665	-	2,109,665	430,478
23rd Street connection/Scientific	2,660,528	503,022	143,669	646,691	2,013,837
Independence Boulevard	507,116	507,116	-	507,116	-
Cardinal Extension	196,488	196,487	-	196,487	1
Lullwater/Greenway	354,031	354,031	-	354,031	-
Medical Center / Glen Meade	364,235	364,233	-	364,233	2
Market Street LED upgrade	183,447	64,446	-	64,446	119,001
Sidewalk gap improvements	25,000	22,053	-	22,053	2,947
Kerr / MLK interchange	560,000	-	-	-	560,000
Dock Street pedestrian access	175,000	23,567	-	23,567	151,433
Eastwood/Military Cutoff interchange	560,000	-	-	-	560,000
Market Street hawk signal	200,000	1,027	33,996	35,023	164,977
Red Cross Riverwalk access	259,772	47,758	168,223	215,981	43,791
Red Cross streetscape	100,000	89,674	-	89,674	10,326
Manly Avenue	436,969	436,968	-	436,968	1
Independence Blvd screen wall repair	488,000	14,930	12,208	27,138	460,862
Dock Street shoreline stabilization	26,300	10,568	3,848	14,416	11,884
Downtown alley improvements	277,000	13,920	1,000	14,920	262,080
Northside bicycle improvements	30,000	-	12,877	12,877	17,123
Greenville Loop trail - College/Pine Grove	960,128	64,930	150,447	215,377	744,751
Greenville Loop trail - Pine Grove	548,645	-	-	-	548,645
Greenville Loop trail - Old Mill	3,291,867	107,016	310,290	417,306	2,874,561
Market Street access management	1,550,400	-	-	-	1,550,400
Downtown rail trail - phase 1	710,000	-	28,446	28,446	681,554
Wooster Street sidewalks	276,431	195,566	-	195,566	80,865
Sidewalk rehabilitation and repairs	3,766,958	2,750,908	244,936	2,995,844	771,114
Pedestrian/Bike improvements	1,690,615	1,020,868	5,665	1,026,533	664,082
Cross walk improvements 2017	150,000	15,026	131,921	146,947	3,053
Military Cutoff pedestrian improvements	60,471	-	-	-	60,471
Bridge #29 at Smith Creek walkway	8,750	-	-	-	8,750
Downtown tree wells	3,989	-	-	-	3,989
South 17th Street multiuse path	917,500	-	-	-	917,500
College Road UNCW sidewalk	36,000	-	36,000	36,000	-
Medical Center Drive sidewalks	3,300	-	-	-	3,300
Railroad realignment	6,000,000	1,205,805	729,140	1,934,945	4,065,055
Rail study	250,000	-	-	-	250,000
Total transportation	154,022,200	67,112,074	8,525,445	75,637,519	78,384,681

CITY OF WILMINGTON, NORTH CAROLINA

**Streets and Sidewalks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Cultural and recreational:					
Riverwalk North convention center	\$ 2,594,625	\$ 2,587,995	\$ -	\$ 2,587,995	\$ 6,630
Riverwalk North marina	8,502,550	8,396,862	57,942	8,454,804	47,746
Brooks Building riverwalk improvements	1,141,976	1,137,042	-	1,137,042	4,934
Riverwalk-Conlon Pier repair	658,150	506,479	3,125	509,604	148,546
Convention Center Bulkhead	233,643	209,952	-	209,952	23,691
Riverwalk North feasibility study	50,000	-	-	-	50,000
Riverfront assessment	<u>914,043</u>	<u>264,701</u>	<u>4,998</u>	<u>269,699</u>	<u>644,344</u>
Total cultural and recreational	<u>14,094,987</u>	<u>13,103,031</u>	<u>66,065</u>	<u>13,169,096</u>	<u>925,891</u>
Transit system:					
Public transportation	2,000,000	656,008	-	656,008	1,343,992
Transit capital grant match	<u>535,872</u>	<u>327,284</u>	<u>-</u>	<u>327,284</u>	<u>208,588</u>
Total transit system	<u>2,535,872</u>	<u>983,292</u>	<u>-</u>	<u>983,292</u>	<u>1,552,580</u>
Total expenditures	<u>170,653,059</u>	<u>81,198,397</u>	<u>8,591,510</u>	<u>89,789,907</u>	<u>80,863,152</u>
Excess of expenditures over revenues	<u>(154,559,216)</u>	<u>(69,711,948)</u>	<u>(6,616,706)</u>	<u>(76,328,654)</u>	<u>78,230,562</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	19,026,444	11,871,246	7,040,000	18,911,246	(115,198)
Debt Service fund	20,341,156	18,151,612	2,189,544	20,341,156	-
Building Improvements Fund	911,400	911,400	-	911,400	-
Storm Water Capital Project Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total operating transfers - in	<u>40,329,000</u>	<u>30,984,258</u>	<u>9,229,544</u>	<u>40,213,802</u>	<u>(115,198)</u>
Operating transfers - out:					
Parks and Recreation Fund	(320,000)	(320,000)	-	(320,000)	-
Building Improvements Fund	<u>(576,739)</u>	<u>(576,738)</u>	<u>-</u>	<u>(576,738)</u>	<u>1</u>
Total operating transfers - out	<u>(896,739)</u>	<u>(896,738)</u>	<u>-</u>	<u>(896,738)</u>	<u>1</u>
Issuance of bonds	53,533,892	53,533,892	-	53,533,892	-
Issuance of installment obligations	50,726,669	41,684,337	-	41,684,337	(9,042,332)
Premium on bonds	5,422,683	5,422,682	-	5,422,682	(1)
Premium on installment obligations	<u>5,443,711</u>	<u>5,443,710</u>	<u>-</u>	<u>5,443,710</u>	<u>(1)</u>
Total other financing sources, net	<u>154,559,216</u>	<u>136,172,141</u>	<u>9,229,544</u>	<u>145,401,685</u>	<u>(9,157,531)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 66,460,193</u>	2,612,838	<u>\$ 69,073,031</u>	<u>\$ 69,073,031</u>
Fund balance at beginning of year			66,460,193		
Fund balance at end of year			<u>\$ 69,073,031</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Parks and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Project Authorization	Actual		Totals to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 10,445,204	\$ 10,161,355	\$ 5,961	\$ 10,167,316	\$ (277,888)
Investment earnings	299,913	257,779	22,443	280,222	(19,691)
Donations	3,999,621	1,937,991	2,407,140	4,345,131	345,510
Other	8,672	8,672	-	8,672	-
Total revenues	14,753,410	12,365,797	2,435,544	14,801,341	47,931
Expenditures:					
Cultural and recreational:					
Water Street/Riverfront parks	317,285	297,339	-	297,339	19,946
Land acquisition and economic development	170,000	18,038	-	18,038	151,962
Riverfront Park improvements	73,191	67,741	-	67,741	5,450
Park facility maintenance	3,541,906	2,743,214	247,451	2,990,665	551,241
Recreation master plan	156,294	62,508	91,947	154,455	1,839
Olsen Park phase I	8,784,990	8,758,686	-	8,758,686	26,304
Cross city trail system	9,057,698	9,030,713	-	9,030,713	26,985
10th & Fanning park development	75,000	2,335	-	2,335	72,665
Tennis complex	3,240,091	3,235,430	-	3,235,430	4,661
Inland Greens acquisition	2,696,503	2,693,361	-	2,693,361	3,142
Portia Mills Hines Park	812,300	93,622	329,874	423,496	388,804
Greenfield Walkway/Dock	482,900	437,168	-	437,168	45,732
Legion Stadium equipment improvements	115,000	95,505	-	95,505	19,495
Bijou Park renovation	783,037	77,717	539,023	616,740	166,297
Echo Farms improvements	1,692,244	1,692,243	-	1,692,243	1
Riverfront Park development	33,961,292	29,258,614	3,725,041	32,983,655	977,637
Soccer complex	11,606,739	1,181,057	173,032	1,354,089	10,252,650
Derick Davis Center expansion	2,378,050	2,332,829	2,621	2,335,450	42,600
Park security enhancements	45,909	45,909	-	45,909	-
CCT-Eastwood Road parking	25,000	-	-	-	25,000
Wade Park building improvements	85,000	18,220	-	18,220	66,780
Tennis complex resurfacing	61,000	54,650	-	54,650	6,350
Parking lot improvements	24,000	23,150	-	23,150	850
Skate park office replacement	65,000	58,352	-	58,352	6,648
MLK Center expansion	3,422,061	232,361	25,500	257,861	3,164,200
Greenfield Park improvements	500,000	-	-	-	500,000
Olsen Park	2,000,000	175	-	175	1,999,825
Bradley Creek canoe/kayak	220,000	-	20,338	20,338	199,662
Halyburton maintenance building	305,000	-	-	-	305,000
Contingency 2016 Parks Bond	760,924	-	-	-	760,924
Riverfront park phase 1-A	1,725,708	36,885	1,650	38,535	1,687,173
Tennis reconstruction - Empie Park	613,000	-	-	-	613,000
Riverwalk maintenance	42,756	42,755	-	42,755	1
1898 Park Improvements	15,542	-	-	-	15,542
Riverwalk visitor center renovation	617,154	91,355	213,534	304,889	312,265
Riverfront Park promenade and alleys	510,300	-	-	-	510,300

CITY OF WILMINGTON, NORTH CAROLINA

**Parks and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued):					
Cultural and recreational (continued):					
Tree mitigation plantings	\$ 315,293	\$ 267,099	\$ 1,902	\$ 269,001	\$ 46,292
Total expenditures	<u>91,298,167</u>	<u>62,949,031</u>	<u>5,371,913</u>	<u>68,320,944</u>	<u>22,977,223</u>
Excess of expenditures over revenues	<u>(76,544,757)</u>	<u>(50,583,234)</u>	<u>(2,936,369)</u>	<u>(53,519,603)</u>	<u>23,025,154</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	4,589,803	4,191,955	250,079	4,442,034	(147,769)
Debt Service Fund	13,610,952	12,082,408	1,158,592	13,241,000	(369,952)
Streets and Sidewalks Fund	603,615	603,615	-	603,615	-
Storm Water Capital Project Fund	<u>552,923</u>	<u>552,923</u>	<u>-</u>	<u>552,923</u>	<u>-</u>
Total operating transfers - in	<u>19,357,293</u>	<u>17,430,901</u>	<u>1,408,671</u>	<u>18,839,572</u>	<u>(517,721)</u>
Operating transfers - out:					
General Fund	(330,000)	(330,000)	-	(330,000)	-
Debt Service Fund	(125,000)	-	(125,000)	(125,000)	-
Golf Capital Projects Fund	<u>(1,165,000)</u>	<u>(1,165,000)</u>	<u>-</u>	<u>(1,165,000)</u>	<u>-</u>
Total operating transfers - out	<u>(1,620,000)</u>	<u>(1,495,000)</u>	<u>(125,000)</u>	<u>(1,620,000)</u>	<u>-</u>
Issuance of bonds	30,465,000	30,465,000	-	30,465,000	-
Issuance of installment obligations	16,847,100	13,963,855	-	13,963,855	(2,883,245)
Issuance of other long-term obligations	10,830,663	10,830,666	-	10,830,666	3
Premium on bonds	<u>664,701</u>	<u>664,701</u>	<u>-</u>	<u>664,701</u>	<u>-</u>
Total other financing sources, net	<u>76,544,757</u>	<u>71,860,123</u>	<u>1,283,671</u>	<u>73,143,794</u>	<u>(3,400,963)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,276,889</u>	<u>(1,652,698)</u>	<u>\$ 19,624,191</u>	<u>\$ 19,624,191</u>
Fund balance at beginning of year			<u>21,276,889</u>		
Fund balance at end of year			<u>\$ 19,624,191</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Building Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Hurricane assistance	\$ 1,326,992	\$ 2,466,483	\$ -	\$ 2,466,483	\$ 1,139,491
Other	4,612,415	300,631	111,938	412,569	(4,199,846)
Total restricted intergovernmental	<u>5,939,407</u>	<u>2,767,114</u>	<u>111,938</u>	<u>2,879,052</u>	<u>(3,060,355)</u>
Investment earnings	<u>431,650</u>	<u>402,462</u>	<u>6,583</u>	<u>409,045</u>	<u>(22,605)</u>
Miscellaneous:					
Insurance reimbursement	134,473	134,472	-	134,472	(1)
Sale of real estate	578,820	578,820	-	578,820	-
Rents	287,336	410,033	38,189	448,222	160,886
Lease interest	-	-	5,300	5,300	5,300
Other	<u>35,521</u>	<u>35,521</u>	<u>-</u>	<u>35,521</u>	<u>-</u>
Total miscellaneous	<u>1,036,150</u>	<u>1,158,846</u>	<u>43,489</u>	<u>1,202,335</u>	<u>166,185</u>
Total revenues	<u>7,407,207</u>	<u>4,328,422</u>	<u>162,010</u>	<u>4,490,432</u>	<u>(2,916,775)</u>
Expenditures:					
General government:					
Water Street/Riverfront ADA	136,899	128,685	-	128,685	8,214
Northern riverfront project	4,100,000	4,088,941	-	4,088,941	11,059
Florence recovery - buildings	2,593,550	1,541,120	237,464	1,778,584	814,966
Window repair & replacements	317,775	-	126,500	126,500	191,275
Building security	270,708	238,490	-	238,490	32,218
Building improvements	4,316,232	3,266,988	478,397	3,745,385	570,847
City Hall improvements	1,923,368	1,918,183	-	1,918,183	5,185
Northern warehouse purchase	2,023,336	1,944,372	2,486	1,946,858	76,478
Administration building	1,000,000	-	-	-	1,000,000
Enterprise backup system	150,000	149,052	-	149,052	948
Microsoft enterprise agreement	300,000	281,738	-	281,738	18,262
414 Chestnut purchase/renovation	510,850	494,012	-	494,012	16,838
Castle Street Wave site	15,634	15,634	-	15,634	-
ADA compliance	3,046,141	3,046,140	-	3,046,140	1
HVAC replacement	3,957,043	1,180,942	2,578,969	3,759,911	197,132
IT core system replacement	4,967,320	3,204,027	169,121	3,373,148	1,594,172
Elevator modernization	402,500	283,264	96,126	379,390	23,110
Kenan fountain	192,086	-	-	-	192,086
Wellington station renovations	107,599	84,503	-	84,503	23,096
City Hall / Thalian Hall	347,000	81,354	73,891	155,245	191,755
Facility condition assessments	81,390	-	56,723	56,723	24,667
800 MHZ radios	<u>2,710,200</u>	<u>2,710,161</u>	<u>-</u>	<u>2,710,161</u>	<u>39</u>
Total general government	<u>33,469,631</u>	<u>24,657,606</u>	<u>3,819,677</u>	<u>28,477,283</u>	<u>4,992,348</u>
Public safety:					
Building improvements	433,323	430,657	58,467	489,124	(55,801)

CITY OF WILMINGTON, NORTH CAROLINA

**Building Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Public Safety: (continued)					
Firing range & training facility	\$ 12,624,160	\$ 12,085,750	\$ 366,409	\$ 12,452,159	\$ 172,001
Cinema Drive fire station	4,762,840	4,762,840	-	4,762,840	-
Shipyards fire station #5	5,207,037	5,037,867	-	5,037,867	169,170
River Lights fire station	5,392,250	147,234	185,114	332,348	5,059,902
Police headquarters chiller replacement	880,000	40,880	729,373	770,253	109,747
Total public safety	<u>29,299,610</u>	<u>22,505,228</u>	<u>1,339,363</u>	<u>23,844,591</u>	<u>5,455,019</u>
Transportation:					
Multi-modal facility study	<u>6,489,783</u>	<u>1,310,798</u>	<u>138,918</u>	<u>1,449,716</u>	<u>5,040,067</u>
Economic and physical development:					
Land acquisition and economic development	<u>7,249,945</u>	<u>6,895,394</u>	<u>-</u>	<u>6,895,394</u>	<u>354,551</u>
Cultural and recreational:					
Parks Maintenance Facility	4,816,950	951,395	18,098	969,493	3,847,457
Building improvements-1102 Orange	123,750	104,809	-	104,809	18,941
Greenfield Amphitheater repairs	117,229	15,434	79,653	95,087	22,142
City pool improvements	80,000	-	23,878	23,878	56,122
Building improvements	644,811	644,811	-	644,811	-
Total cultural and recreational	<u>5,782,740</u>	<u>1,716,449</u>	<u>121,629</u>	<u>1,838,078</u>	<u>3,944,662</u>
Total expenditures	<u>82,291,709</u>	<u>57,085,475</u>	<u>5,419,587</u>	<u>62,505,062</u>	<u>19,786,647</u>
Excess of expenditures over revenues	<u>(74,884,502)</u>	<u>(52,757,053)</u>	<u>(5,257,577)</u>	<u>(58,014,630)</u>	<u>16,869,872</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	29,797,509	29,097,446	635,440	29,732,886	(64,623)
Debt Service Fund	5,930,144	4,186,124	1,744,020	5,930,144	-
Special Purpose Fund	1,515,058	-	1,515,058	1,515,058	-
Streets and Sidewalks Fund	2,121,762	2,121,761	-	2,121,761	(1)
Parks & Recreation Fund	421,260	421,260	-	421,260	-
Public Improvements Fund	467,320	467,320	-	467,320	-
Storm Water Capital Project Fund	80,609	80,609	-	80,609	-
Total operating transfers - in	<u>40,333,662</u>	<u>36,374,520</u>	<u>3,894,518</u>	<u>40,269,038</u>	<u>(64,624)</u>
Operating transfers - out:					
General Fund	(545,614)	(545,614)	-	(545,614)	-
Streets and Sidewalks Fund	(47,000)	(47,000)	-	(47,000)	-
Parks and Recreation Fund	(26,666)	(26,666)	-	(26,666)	-
Total operating transfers - out	<u>(619,280)</u>	<u>(619,280)</u>	<u>-</u>	<u>(619,280)</u>	<u>-</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Building Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources: (continued)					
Issuance of bonds	\$ -	\$ 477	\$ -	\$ 477	\$ 477
Issuance of installment obligations	31,378,931	22,935,112	-	22,935,112	(8,443,819)
Issuance of other long-term obligations	1,535,488	1,535,488	-	1,535,488	-
Premium on installment obligations	<u>2,255,701</u>	<u>2,255,700</u>	-	<u>2,255,700</u>	<u>(1)</u>
Total other financing sources, net	<u>74,884,502</u>	<u>62,482,017</u>	<u>3,894,518</u>	<u>66,376,535</u>	<u>(8,507,967)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,724,964</u>	<u>(1,363,059)</u>	<u>\$ 8,361,905</u>	<u>\$ 8,361,905</u>
Fund balance at beginning of year			<u>9,724,964</u>		
Fund balance at end of year			<u>\$ 8,361,905</u>		

CITY OF WILMINGTON, NORTH CAROLINA

**Public Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 3,262,592	\$ 1,611,520	\$ 266,482	\$ 1,878,002	\$ (1,384,590)
Investment earnings	103,622	106,431	59	106,490	2,868
Total revenues	3,366,214	1,717,951	266,541	1,984,492	(1,381,722)
Expenditures:					
General government:					
Building improvements 2004-05	77,873	77,873	-	77,873	-
GTV upgrade	164,804	141,216	1,731	142,947	21,857
Main firewall replacement	80,000	67,824	-	67,824	12,176
ADA compliance	348,423	346,206	-	346,206	2,217
Total general government	671,100	633,119	1,731	634,850	36,250
Public safety:					
Fire SCBA replacement	893,624	892,932	-	892,932	692
OJP - Forensic Lab Information System	165,000	164,950	-	164,950	50
JAG equipment / NHC 2016	82,325	82,142	-	82,142	183
JAG equipment / NHC	88,928	88,277	-	88,277	651
DOJ COVID emergency supplement fund	234,749	147,324	62,938	210,262	24,487
Port Security Grant	655,686	651,486	-	651,486	4,200
JAG equipment 2019	86,357	64,936	16,356	81,292	5,065
JAG equipment / NHC 2018	90,639	43,421	32,712	76,133	14,506
JAG equipment / NHC 2020	38,552	-	38,552	38,552	-
JAG equipment / NHC 2021	43,402	-	-	-	43,402
Total public safety	2,379,262	2,135,468	150,558	2,286,026	93,236
Transportation:					
Emergency vehicle signal preemption	633,378	517,761	-	517,761	115,617
Emergency vehicle signal preemption II	1,271,020	-	88,367	88,367	1,182,653
Eastwood Road path	7,786	-	-	-	7,786
Pedestrian/bike improvements	548	548	-	548	-
Total transportation	1,912,732	518,309	88,367	606,676	1,306,056
Economic and physical development:					
DC fast charging station	163,430	110,780	33,768	144,548	18,882
Total economic and physical development	163,430	110,780	33,768	144,548	18,882
Total expenditures	5,126,524	3,397,676	274,424	3,672,100	1,454,424
Excess of expenditures over revenues	(1,760,310)	(1,679,725)	(7,883)	(1,687,608)	72,702

CITY OF WILMINGTON, NORTH CAROLINA

**Public Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses):					
Operating transfers - in:					
General Fund	\$ 2,262,825	\$ 2,255,644	\$ -	\$ 2,255,644	\$ (7,181)
Recycling and Trash Services Fund	212,572	212,572	-	212,572	-
Equipment Maintenance and Replacement Fund	<u>154,812</u>	<u>154,812</u>	<u>-</u>	<u>154,812</u>	<u>-</u>
Total operating transfers - in	<u>2,630,209</u>	<u>2,623,028</u>	<u>-</u>	<u>2,623,028</u>	<u>(7,181)</u>
Operating transfers - out:					
General Fund	(35,195)	(35,195)	-	(35,195)	-
Building Improvements Fund	(467,320)	(467,320)	-	(467,320)	-
Recycling and Trash Services Fund	(212,572)	-	(212,572)	(212,572)	-
Equipment Maintenance and Replacement Fund	<u>(154,812)</u>	<u>-</u>	<u>(154,812)</u>	<u>(154,812)</u>	<u>-</u>
Total operating transfers - out	<u>(869,899)</u>	<u>(502,515)</u>	<u>(367,384)</u>	<u>(869,899)</u>	<u>-</u>
Total other financing sources (uses), net	<u>1,760,310</u>	<u>2,120,513</u>	<u>(367,384)</u>	<u>1,753,129</u>	<u>(7,181)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 440,788</u>	<u>(375,267)</u>	<u>\$ 65,521</u>	<u>\$ 65,521</u>
Fund balance at beginning of year			<u>440,788</u>		
Fund balance at end of year			<u>\$ 65,521</u>		

**THIS PAGE
INTENTIONALLY BLANK**

DEBT SERVICE FUND TAB (FRONT)

DEBT SERVICE FUND TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Ad valorem taxes				
Current year	\$ 15,292,900	\$ 15,326,989	\$ 34,089	\$ 15,042,225
Prior years	-	64,723	64,723	39,456
Total ad valorem taxes	15,292,900	15,391,712	98,812	15,081,681
Investment earnings	37,153	26,590	(10,563)	42,530
Donations	125,000	-	(125,000)	-
Total revenues	15,455,053	15,418,302	(36,751)	15,124,211
Expenditures:				
Debt service:				
Principal retirement		14,014,477		11,406,280
Interest and other charges		6,752,196		6,491,355
Total expenditures	21,084,277	20,766,673	317,604	17,897,635
Excess expenditures over revenues	(5,629,224)	(5,348,371)	280,853	(2,773,424)
Other financing sources (uses):				
Operating transfer-in:				
General Fund	9,334,832	9,334,832	-	9,334,832
Parks and Recreation Fund	125,000	125,000	-	-
Total operating transfers - in	9,459,832	9,459,832	-	9,334,832
Operating transfers-out:				
Streets and Sidewalks Fund	(2,189,544)	(2,189,544)	-	(3,007,966)
Parks and Recreation Fund	(1,158,592)	(1,158,592)	-	(2,845,368)
Building Improvements Fund	(1,744,020)	(1,744,020)	-	(289,000)
Parking Facilities Fund	(1,926,239)	(1,926,239)	-	(1,948,790)
Total operating transfers-out	(7,018,395)	(7,018,395)	-	(8,091,124)
Issuance of refunding bonds	-	-	-	3,770,000
Issuance of refunding installment obligations	-	-	-	9,157,200
Premium on refunding bonds	-	-	-	887,030
Payment to refunded bond escrow agent	-	-	-	(4,629,133)
Payment to refunded installment obligation escrow agent	-	-	-	(9,000,601)
Appropriated fund balance	3,187,787	-	(3,187,787)	-
Total other financing sources, net	5,629,224	2,441,437	(3,187,787)	1,428,204
Net change in fund balance	\$ -	(2,906,934)	\$ (2,906,934)	(1,345,220)
Fund balance at beginning of year		24,899,716		26,244,936
Fund balance at end of year		\$ 21,992,782		\$ 24,899,716

**THIS PAGE
INTENTIONALLY BLANK**

ENTERPRISE FUNDS TAB (FRONT)

ENTERPRISE FUNDS TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Recycling and Trash Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Refuse collection	\$ 9,812,005	\$ 9,892,467	\$ 80,462	\$ 9,472,844
Recycling	57,500	89,430	31,930	58,239
Fines and forfeitures	500	250	(250)	400
Other operating revenues	-	76,018	76,018	17,608
Total operating revenues	<u>9,870,005</u>	<u>10,058,165</u>	<u>188,160</u>	<u>9,549,091</u>
Nonoperating revenues:				
Restricted intergovernmental	91,000	87,058	(3,942)	91,979
Investment earnings	<u>11,500</u>	<u>7,052</u>	<u>(4,448)</u>	<u>10,142</u>
Total nonoperating revenues	<u>102,500</u>	<u>94,110</u>	<u>(8,390)</u>	<u>102,121</u>
Total revenues	<u>9,972,505</u>	<u>10,152,275</u>	<u>179,770</u>	<u>9,651,212</u>
Expenditures:				
Operating expenditures:				
Administration		672,197		573,538
Customer refuse		3,754,918		3,431,485
Recycling		620,622		612,290
Yard waste		1,894,979		1,876,623
Downtown collection		1,054,754		989,118
Bulk/metal collections		723,615		631,538
Other operating expenditures		<u>894,828</u>		<u>874,171</u>
Total operating expenditures	<u>10,700,026</u>	<u>9,615,913</u>	<u>1,084,113</u>	<u>8,988,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(727,521)</u>	<u>536,362</u>	<u>1,263,883</u>	<u>662,449</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Recycling and Trash Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance	2021
	Budget	Actual	Positive (Negative)	Actual
Other financing sources (uses):				
Operating transfer - in:				
General Fund	\$ 38,366	\$ 38,366	\$ -	\$ 29,866
Special Purpose Fund	-	764	764	-
Public Improvements Fund	<u>212,572</u>	<u>212,572</u>	<u>-</u>	<u>-</u>
Total operating transfers - in	<u>250,938</u>	<u>251,702</u>	<u>764</u>	<u>29,866</u>
Operating transfer - out:				
Special Purpose Fund	-	-	-	(7,383)
Equipment, Maintenance and Replacement Fund	(1,874,735)	(1,874,735)	-	-
Public Improvements Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,572)</u>
Total operating transfers - out	<u>(1,874,735)</u>	<u>(1,874,735)</u>	<u>-</u>	<u>(219,955)</u>
Appropriated fund balance	<u>2,351,318</u>	<u>-</u>	<u>(2,351,318)</u>	<u>-</u>
Total other financing sources (uses), net	<u>727,521</u>	<u>(1,623,033)</u>	<u>(2,350,554)</u>	<u>(190,089)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(1,086,671)</u>	<u><u>\$ (1,086,671)</u></u>	<u>472,360</u>
Reconciliation from budgetary basis to full accrual basis:				
Deferred inflows of resources for accounts receivable		(250)		(350)
Vacation and sick leave accrual		25,104		(23,094)
Other postemployment benefits expense		(309,946)		(360,856)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		363,855		299,980
Pension expense		(245,743)		(488,870)
Depreciation		(4,137)		(4,988)
Capital asset expenditures		6,685		179,525
Change in inventory		2,571		39,574
Transfers of capital assets to enterprise funds		-		(179,525)
Transfers of capital assets from enterprise funds		<u>-</u>		<u>6,829</u>
Change in net position		<u><u>\$ (1,248,532)</u></u>		<u><u>\$ (59,415)</u></u>

CITY OF WILMINGTON, NORTH CAROLINA

**Storm Water Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022			
	Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues:				
Operating revenues:				
Charges for services:				
Utility fees	\$ 9,660,407	\$ 9,769,114	\$ 108,707	\$ 9,447,968
City streets	3,042,744	3,042,743	(1)	2,939,139
Other operating revenues	<u>88,000</u>	<u>91,811</u>	<u>3,811</u>	<u>187,821</u>
Total operating revenues	<u>12,791,151</u>	<u>12,903,668</u>	<u>112,517</u>	<u>12,574,928</u>
Nonoperating revenues:				
Investment earnings	<u>20,000</u>	<u>13,149</u>	<u>(6,851)</u>	<u>19,314</u>
Total revenues	<u>12,811,151</u>	<u>12,916,817</u>	<u>105,666</u>	<u>12,594,242</u>
Expenditures:				
Operating expenditures:				
Services		861,428		755,429
Maintenance		4,512,280		4,036,656
Engineering		522,181		148,912
Other operating expenditures		<u>1,397,388</u>		<u>1,453,060</u>
Total operating expenditures	<u>8,281,607</u>	<u>7,293,277</u>	<u>988,330</u>	<u>6,394,057</u>
Nonoperating expenditures:				
Interest and fiscal charges		763,941		866,097
Principal payments on bonds		740,000		715,000
Principal payments on installment obligations		<u>75,000</u>		<u>75,000</u>
Total nonoperating expenditures	<u>1,813,575</u>	<u>1,578,941</u>	<u>234,634</u>	<u>1,656,097</u>
Total expenditures	<u>10,095,182</u>	<u>8,872,218</u>	<u>1,222,964</u>	<u>8,050,154</u>
Excess of revenues over expenditures	<u>2,715,969</u>	<u>4,044,599</u>	<u>1,328,630</u>	<u>4,544,088</u>
Other financing sources (uses):				
Operating transfers out:				
Storm Water Capital Projects Fund	(2,975,000)	(2,975,000)	-	(3,400,000)
Payment to redeem outstanding bonds	-	-	-	(1,715,000)
Appropriated fund balance	<u>259,031</u>	<u>-</u>	<u>(259,031)</u>	<u>-</u>
Total other financing uses, net	<u>(2,715,969)</u>	<u>(2,975,000)</u>	<u>(259,031)</u>	<u>(5,115,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,069,599</u>	<u>\$ 1,069,599</u>	<u>(570,912)</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Storm Water Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		\$ (36,909)		\$ 3,491
Other postemployment benefits expense		811,093		618,511
Deferred outflow of resources for contributions made to pension plan in current fiscal year		273,056		204,303
Pension expense		(167,364)		(364,544)
Change in inventory		(24,849)		(15,650)
Capital asset expenditures		387,857		308,347
Depreciation		(1,241,796)		(1,193,107)
Amortization		-		(461)
Other noncapital expenses - Storm Water Capital Projects Fund		(361,846)		(1,559,619)
Operating transfer - Storm Water Capital Projects Fund		2,975,000		3,400,000
Investment earnings - Storm Water Capital Projects Fund		13,915		20,119
Principal payments on revenue bonds		740,000		715,000
Principal payments on installment obligations		75,000		75,000
Payment to redeem outstanding bonds		-		1,715,000
Interest expense adjustments		90,520		117,500
Capital contributions - others		125,571		532,202
Transfer of capital assets to Equipment Maintenance and Replacement Fund		(137,907)		(138,500)
Restricted intergovernmental		(39,697)		89,050
Other		(15,000)		(30,000)
Change in net position		<u>\$ 4,536,243</u>		<u>\$ 3,925,730</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Storm Water Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Totals to Date	
Revenues:					
Investment earnings	\$ 899,804	\$ 1,572,706	\$ 13,915	\$ 1,586,621	\$ 686,817
Restricted intergovernmental:					
Grants and contributions	3,291,256	896,438	15,995	912,433	(2,378,823)
Hurricane disaster assistance	4,629,875	4,693,575	(55,692)	4,637,883	8,008
Total restricted intergovernmental	7,921,131	5,590,013	(39,697)	5,550,316	(2,370,815)
Total revenues	8,820,935	7,162,719	(25,782)	7,136,937	(1,683,998)
Expenditures:					
Brenda Drive drainage	496,046	489,197	-	489,197	6,849
Storm water inventory mapping	721,856	721,855	-	721,855	1
Lincoln outfall	372,874	351,591	-	351,591	21,283
Bradley Creek/Michelle Drive	5,051,424	5,051,423	-	5,051,423	1
Doctors branch bank stabilization	1,063,967	1,063,967	-	1,063,967	-
Wisteria/Clearbrook area	5,593,232	3,765,848	-	3,765,848	1,827,384
Greenville Avenue/White Avenue	1,213,500	922,871	51,416	974,287	239,213
Brookshire/Beasley drainage	3,917,766	1,415,662	169,687	1,585,349	2,332,417
Old McCumbers drainage improvements	21,392	21,392	-	21,392	-
Clear Run branch improvements	11,946,409	2,059,064	244,976	2,304,040	9,642,369
Cross City Trail drainage improvements	231,548	231,548	-	231,548	-
New Macumbers outfall	1,000,000	-	-	-	1,000,000
Red Berry drainage improvements	294,217	53,478	10,200	63,678	230,539
Eagles Nest drainage improvements	6,000	5,450	-	5,450	550
Pine Valley Road drainage rehabilitation	350,838	350,836	-	350,836	2
North/South 17th Street improvements	39,915	39,915	-	39,915	-
Beech Street culvert replacement	141,325	141,325	-	141,325	-
Storm drainage rehabilitation	6,476,460	3,526,583	177,017	3,703,600	2,772,860
River Road culvert replacement	1,883,848	1,716,150	-	1,716,150	167,698
Williston Middle drainage repair	517,064	517,063	-	517,063	1
Pirates Cove drainage improvements	640,917	45,775	45,202	90,977	549,940
Amber Drive drainage improvements	111,945	111,945	-	111,945	-
Red Cross brick street rehabilitation	308,413	205,633	-	205,633	102,780
Scotland Lane drainage improvements	153,341	153,341	-	153,341	-
Whispering Pines/Masonboro drainage	2,085,000	-	115,109	115,109	1,969,891
Mineral Springs/Burnt Mill bank stabilization	137,310	61,431	42,052	103,483	33,827
Downey branch bank stabilization	132,041	17,642	58,828	76,470	55,571
New Orleans Place drainage improvements	10,000	-	2,500	2,500	7,500
Storm rehabilitation annual needs 2021	702,908	198,460	349,960	548,420	154,488
Adams Street storm rehabilitation	810,000	-	611,697	611,697	198,303
Legion Stadium storm rehabilitation	155,000	-	154,890	154,890	110
Metts Avenue storm rehabilitation	260,000	-	256,845	256,845	3,155
Columbia Avenue storm rehabilitation	50,000	-	10,678	10,678	39,322
University Commons storm rehabilitation	770,000	-	682,541	682,541	87,459
Carriage Hills wet pond rehabilitation	100,000	-	39,558	39,558	60,442
Water Street drainage improvements	644,000	548,411	-	548,411	95,589

CITY OF WILMINGTON, NORTH CAROLINA

**Storm Water Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Water Street drainage improvements phase II	\$ 375,204	\$ 295,096	\$ 47,547	\$ 342,643	\$ 32,561
Chestnut/grace storm water reconstruction	194,857	124,203	-	124,203	70,654
Florence recovery - storm water	<u>5,521,583</u>	<u>4,953,028</u>	<u>185,097</u>	<u>5,138,125</u>	<u>383,458</u>
Total expenditures	<u>54,502,200</u>	<u>29,160,183</u>	<u>3,255,800</u>	<u>32,415,983</u>	<u>22,086,217</u>
Excess of expenditures over revenues	<u>(45,681,265)</u>	<u>(21,997,464)</u>	<u>(3,281,582)</u>	<u>(25,279,046)</u>	<u>20,402,219</u>
Other financing sources (uses):					
Operating transfers - in:					
Storm Water Management Fund	<u>32,877,743</u>	<u>29,932,816</u>	<u>2,975,000</u>	<u>32,907,816</u>	<u>30,073</u>
Operating transfers - out:					
Streets and Sidewalks Fund	(263,970)	(263,970)	-	(263,970)	-
Parks and Recreation Fund	(533,523)	(533,523)	-	(533,523)	-
Building Improvements Fund	<u>(80,609)</u>	<u>(80,609)</u>	<u>-</u>	<u>(80,609)</u>	<u>-</u>
Total operating transfers - out	<u>(878,102)</u>	<u>(878,102)</u>	<u>-</u>	<u>(878,102)</u>	<u>-</u>
Issuance of bonds	12,913,149	11,953,561	-	11,953,561	(959,588)
Premium on bonds	<u>768,475</u>	<u>768,474</u>	<u>-</u>	<u>768,474</u>	<u>(1)</u>
Total other financing sources, net	<u>45,681,265</u>	<u>41,776,749</u>	<u>2,975,000</u>	<u>44,751,749</u>	<u>(929,516)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,779,285</u>	<u>\$ (306,582)</u>	<u>\$ 19,472,703</u>	<u>\$ 19,472,703</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Parking Facilities Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Parking fees	\$ 3,509,873	\$ 3,881,176	\$ 371,303	\$ 3,034,142
Parking violations	437,000	453,669	16,669	309,728
Other operating revenues	-	244,070	244,070	-
Total operating revenues	3,946,873	4,578,915	632,042	3,343,870
Nonoperating revenues:				
Interest earned	5,700	3,143	(2,557)	4,975
Total revenues	3,952,573	4,582,058	629,485	3,348,845
Expenditures:				
Operating expenditures:				
Street parking		1,169,335		1,025,069
Second Street deck		426,265		339,172
Market Street deck		611,601		504,647
Second Street lot		87,377		239,424
Hannah Block lot		32,206		26,511
River Place deck		417,551		301,654
Total operating expenditures	5,127,223	2,744,335	2,382,888	2,436,477
Nonoperating expenditures:				
Interest and fiscal charges		670,775		818,840
Principal payments on installment obligations		1,783,225		1,723,250
Principal payments on leases		154,005		-
Total nonoperating expenditures	2,643,529	2,608,005	35,524	2,542,090
Total expenditures	7,770,752	5,352,340	2,418,412	4,978,567
Excess expenditures over revenues	(3,818,179)	(770,282)	3,047,897	(1,629,722)

CITY OF WILMINGTON, NORTH CAROLINA

**Parking Facilities Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance	2021
	Budget	Actual	Positive (Negative)	Actual
Other financing sources (uses):				
Operating transfers - in:				
Debt Service Fund	\$ 1,926,239	\$ 1,926,239	\$ -	\$ 1,948,790
Operating transfers - out:				
Parking Facilities Capital Projects Fund	(1,483,336)	(1,483,336)	-	(51,000)
Issuance of refunding installment obligations	-	-	-	2,582,800
Issuance of lease	1,820,000	-	(1,820,000)	-
Payment to refunded installment obligations escrow agent	-	-	-	(2,538,631)
Appropriated fund balance	<u>1,555,276</u>	<u>-</u>	<u>(1,555,276)</u>	<u>-</u>
Total other financing sources, net	<u>3,818,179</u>	<u>442,903</u>	<u>(3,375,276)</u>	<u>1,941,959</u>
Net change in fund balance	<u>\$ -</u>	<u>(327,379)</u>	<u>\$ (327,379)</u>	312,237
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		(1,547)		(2,407)
Other postemployment benefits expense		(10,688)		(17,017)
Pension expense		(10,502)		(20,851)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		16,750		12,819
Depreciation		(2,027,077)		(2,021,668)
Amortization		(178,568)		-
Other noncapital expenses - Parking Facilities Capital Projects Fund		(1,124,644)		(84,692)
Customer receivables				10,256
Interest expense adjustment		(22,892)		-
Investment earnings - Parking Facilities Capital Projects Fund		4,390		5,324
Operating transfer - Parking Facilities Capital Projects Fund		1,483,336		51,000
Principal payments on installment obligations		1,783,225		1,723,250
Principal payments on leases		154,005		-
Issuance of refunding installment obligations		-		(2,582,800)
Payment to refunded installment obligations escrow agent		-		2,538,631
Interest expense accrual		<u>3,939</u>		<u>13,946</u>
Change in net position		<u>\$ (257,652)</u>		<u>\$ (61,972)</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Parking Facilities Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

From Inception and Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 128,925	\$ 4,390	\$ 133,315	\$ 133,315
Sale of air rights	1,015,338	1,015,338	-	1,015,338	-
Total revenues	1,015,338	1,144,263	4,390	1,148,653	133,315
Expenditures:					
Water Street parking deck	32,227,649	29,991,987	37,083	30,029,070	2,198,579
Hanna Block parking lot	1,005,844	1,005,552	-	1,005,552	292
Second Street parking deck repair	2,469,486	372,630	1,105,744	1,478,374	991,112
Market Street parking deck lights	195,000	84,631	-	84,631	110,369
Parking facility equipment	144,383	144,383	-	144,383	-
Deck camera replacements	566,156	444,381	-	444,381	121,775
PARCS equipment replacement	486,327	458,502	-	458,502	27,825
Smart meters - phase II	300,000	153,425	-	153,425	146,575
Market Street parking deck access improvements	139,050	119,999	(9,930)	110,069	28,981
Market Street parking deck major repair	320,000	2,500	18,900	21,400	298,600
Second Street parking deck elevator modernization	206,000	-	-	-	206,000
Total expenditures	38,059,895	32,777,990	1,151,797	33,929,787	4,130,108
Excess of expenditures over revenues	(37,044,557)	(31,633,727)	(1,147,407)	(32,781,134)	4,263,423
Other financing sources:					
Operating transfers - in:					
Debt Service Fund	1,369,371	1,369,371	-	1,369,371	-
Parking Facilities Fund	6,788,705	5,305,369	1,483,336	6,788,705	-
Total operating transfers - in	8,158,076	6,674,740	1,483,336	8,158,076	-
Issuance of installment obligations	4,315,000	4,315,000	-	4,315,000	-
Issuance of other long-term obligations	24,571,481	24,571,481	-	24,571,481	-
Total other financing sources	37,044,557	35,561,221	1,483,336	37,044,557	-
Net change in fund balance	\$ -	\$ 3,927,494	\$ 335,929	\$ 4,263,423	\$ 4,263,423

CITY OF WILMINGTON, NORTH CAROLINA

**Golf Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Fees and coupons	\$ 1,173,000	\$ 1,374,739	\$ 201,739	\$ 1,282,859
Cart rentals	262,000	356,307	94,307	304,463
Concessions	201,000	241,773	40,773	217,835
Other operating revenues	<u>56,396</u>	<u>60,723</u>	<u>4,327</u>	<u>57,999</u>
Total operating revenues	<u>1,692,396</u>	<u>2,033,542</u>	<u>341,146</u>	<u>1,863,156</u>
Nonoperating revenues:				
Interest earned	1,400	1,122	(278)	1,307
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,451</u>
Total nonoperating revenues	<u>1,400</u>	<u>1,122</u>	<u>(278)</u>	<u>6,758</u>
Total revenues	<u>1,693,796</u>	<u>2,034,664</u>	<u>340,868</u>	<u>1,869,914</u>
Expenditures:				
Operating expenditures:				
Golf course		1,729,924		1,372,277
Other operating expenditures		<u>212,014</u>		<u>159,754</u>
Total operating expenditures	<u>1,969,991</u>	<u>1,941,938</u>	<u>28,053</u>	<u>1,532,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(276,195)</u>	<u>92,726</u>	<u>368,921</u>	<u>337,883</u>
Other financing sources:				
Appropriated fund balance	<u>276,195</u>	<u>-</u>	<u>(276,195)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>92,726</u>	<u>\$ 92,726</u>	<u>337,883</u>
Reconciliation from budgetary basis to full accrual basis:				
Deferred inflows of resources for accounts receivable		(13,349)		3,553
Deferred inflows of resources for gift certificates		(2,656)		(13,349)
Vacation and sick leave accrual		(7,608)		(3,877)
Other postemployment benefits expense		(100,470)		(25,315)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		59,808		49,093
Pension Expense		(40,217)		(79,857)
Change in inventory		35,616		(5,494)
Capital asset expenditures		262,240		13,155
Depreciation		(123,895)		(89,325)
Investment earnings - Golf Capital Projects Fund		196		1,569
Disposal of capital assets		-		(1,387)
Operating transfer - Golf Capital Projects Fund		<u>-</u>		<u>965,000</u>
Change in net position		<u>\$ 162,391</u>		<u>\$ 1,151,649</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Golf Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

From Inception and Year Ended June 30, 2022

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Investment earnings	\$ -	\$ 4,926	\$ 196	\$ 5,122	\$ 5,122
Expenditures:					
Golf course improvements	<u>1,365,000</u>	<u>846,912</u>	<u>488,143</u>	<u>1,335,055</u>	<u>29,945</u>
Excess of expenditures over revenues	<u>(1,365,000)</u>	<u>(841,986)</u>	<u>(487,947)</u>	<u>(1,329,933)</u>	<u>35,067</u>
Other financing sources:					
Operating transfers - in:					
Debt Service Fund	200,000	200,000	-	200,000	-
Parks and Recreation Fund	<u>1,165,000</u>	<u>1,165,000</u>	<u>-</u>	<u>1,165,000</u>	<u>-</u>
Total other financing sources	<u>1,365,000</u>	<u>1,365,000</u>	<u>-</u>	<u>1,365,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 523,014</u>	<u>\$ (487,947)</u>	<u>\$ 35,067</u>	<u>\$ 35,067</u>

**THIS PAGE
INTENTIONALLY BLANK**

INTERNAL SERVICE FUNDS TAB (FRONT)

INTERNAL SERVICE FUNDS TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Net Position -
Internal Service Funds**

June 30, 2022

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,502,886	\$ 1,387,602	\$ 15,890,488
Other receivables	40,284	124	40,408
Due from other governments	154,947	46,537	201,484
Inventory of materials and supplies	78,065	-	78,065
Prepays	<u>1,126,926</u>	<u>27,311</u>	<u>1,154,237</u>
Total current assets	<u>15,903,108</u>	<u>1,461,574</u>	<u>17,364,682</u>
Noncurrent assets:			
Intangible right-to-use lease asset, net of accumulated amortization	<u>-</u>	<u>138,518</u>	<u>138,518</u>
Capital assets:			
Intangible software	19,000	-	19,000
Furniture, fixtures, machinery and equipment	29,990,887	-	29,990,887
Less accumulated depreciation	<u>(21,740,480)</u>	<u>-</u>	<u>(21,740,480)</u>
Total capital assets, net of accumulated depreciation	<u>8,269,407</u>	<u>-</u>	<u>8,269,407</u>
Total noncurrent assets	<u>8,269,407</u>	<u>138,518</u>	<u>8,407,925</u>
Total assets	<u>24,172,515</u>	<u>1,600,092</u>	<u>25,772,607</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	68,052	-	68,052
Pension deferrals	127,061	-	127,061
Contributions to pension plan in current fiscal year	<u>74,398</u>	<u>-</u>	<u>74,398</u>
Total deferred outflows of resources	<u>269,511</u>	<u>-</u>	<u>269,511</u>
LIABILITIES			
Current liabilities:			
Accounts payable	158,630	133,988	292,618
Accrued liabilities	51,525	-	51,525
Current portion of long-term liabilities:			
Lease liability	-	36,939	36,939
Accrued vacation and sick leave	<u>94,360</u>	<u>-</u>	<u>94,360</u>
Total current liabilities	<u>304,515</u>	<u>170,927</u>	<u>475,442</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Lease liability	-	101,287	101,287
Accrued vacation and sick leave	26,570	-	26,570
Net other postemployment benefits liability	434,589	-	434,589
Net pension liability	<u>137,406</u>	<u>-</u>	<u>137,406</u>
Total noncurrent liabilities	<u>598,565</u>	<u>101,287</u>	<u>699,852</u>
Total liabilities	<u>903,080</u>	<u>272,214</u>	<u>1,175,294</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits deferrals	220,270	-	220,270
Pension deferrals	<u>204,709</u>	<u>-</u>	<u>204,709</u>
Total deferred inflows of resources	<u>424,979</u>	<u>-</u>	<u>424,979</u>
NET POSITION			
Net investment in capital assets	8,269,407	292	8,269,699
Unrestricted	<u>14,844,560</u>	<u>1,327,586</u>	<u>16,172,146</u>
Total net position	<u>\$ 23,113,967</u>	<u>\$ 1,327,878</u>	<u>\$ 24,441,845</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position -
Internal Service Funds**

Year Ended June 30, 2022

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,464,223	\$ -	\$ 2,464,223
Charges for equipment replacement	4,767,640	767,750	5,535,390
Other operating revenues	<u>61,523</u>	<u>-</u>	<u>61,523</u>
Total operating revenues	<u>7,293,386</u>	<u>767,750</u>	<u>8,061,136</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	820,334	-	820,334
Materials and fuels consumed	25,391	-	25,391
Services	1,128,845	-	1,128,845
Utilities	12,238	-	12,238
Depreciation	2,795,988	-	2,795,988
Amortization	-	13,526	13,526
Other operating expenses	<u>900,047</u>	<u>952,448</u>	<u>1,852,495</u>
Total operating expenses	<u>5,682,843</u>	<u>965,974</u>	<u>6,648,817</u>
Operating income (loss)	<u>1,610,543</u>	<u>(198,224)</u>	<u>1,412,319</u>
Nonoperating revenues (expenses):			
Investment earnings	12,285	459	12,744
Interest and other charges	(2,665)	-	(2,665)
Gain on disposal of capital assets	<u>404,645</u>	<u>-</u>	<u>404,645</u>
Total nonoperating revenues, net	<u>414,265</u>	<u>459</u>	<u>414,724</u>
Income (loss) before transfers and capital contributions	2,024,808	(197,765)	1,827,043
Capital contributions	329,459	-	329,459
Transfers from other funds	<u>2,167,454</u>	<u>448,349</u>	<u>2,615,803</u>
Change in net position	4,521,721	250,584	4,772,305
Net position at beginning of year	<u>18,592,246</u>	<u>1,077,294</u>	<u>19,669,540</u>
Net position at end of year	<u>\$ 23,113,967</u>	<u>\$ 1,327,878</u>	<u>\$ 24,441,845</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Cash Flows -
Internal Service Funds**

Year Ended June 30, 2022

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 272,925	\$ (1,907)	\$ 271,018
Receipts from interfund services provided	6,919,410	767,750	7,687,160
Payments to suppliers	(2,769,691)	(869,101)	(3,638,792)
Payments to or on behalf of employees	(910,768)	-	(910,768)
Payments for interfund services used	<u>(6,114)</u>	<u>-</u>	<u>(6,114)</u>
Net cash provided by (used in) operating activities	<u>3,505,762</u>	<u>(103,258)</u>	<u>3,402,504</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	<u>2,029,547</u>	<u>448,349</u>	<u>2,477,896</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(3,557,023)	-	(3,557,023)
Principal payments on other long-term obligations	(410,000)	-	(410,000)
Principal payments on leases	-	(13,818)	(13,818)
Interest and other charges	(4,797)	-	(4,797)
Proceeds from sale of capital assets	<u>425,474</u>	<u>-</u>	<u>425,474</u>
Net cash used in capital and related financing activities	<u>(3,546,346)</u>	<u>(13,818)</u>	<u>(3,560,164)</u>
Cash flows from investing activities:			
Investment earnings	<u>5,876</u>	<u>335</u>	<u>6,211</u>
Net increases in cash and cash equivalents	1,994,839	331,608	2,326,447
Cash and cash equivalents at beginning of year	<u>12,508,047</u>	<u>1,055,994</u>	<u>13,564,041</u>
Cash and cash equivalents at end of year	<u>\$ 14,502,886</u>	<u>\$ 1,387,602</u>	<u>\$ 15,890,488</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Cash Flows -
Internal Service Funds (Continued)**

Year Ended June 30, 2022

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,610,543	\$ (198,224)	\$ 1,412,319
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,795,988	13,526	2,809,514
Changes in assets and liabilities:			
Accounts receivable	(33,875)	-	(33,875)
Due from other governments	(67,176)	(1,907)	(69,083)
Inventory of materials and supplies	(35,323)	-	(35,323)
Prepays	(668,253)	(27,311)	(695,564)
Deferred outflows of resources for pensions	(22,439)	-	(22,439)
Deferred outflows of resources for other postemployment benefits	13,798	-	13,798
Net pension liability	(194,445)	-	(194,445)
Net other postemployment benefits liability	(59,333)	-	(59,333)
Deferred inflows of resources for pensions	196,743	-	196,743
Deferred inflows of resources for other postemployment benefits	(35,312)	-	(35,312)
Accounts payable and accrued liabilities	(4,723)	110,658	105,935
Accrued vacation and sick leave	9,569	-	9,569
Net cash provided by (used in) operating activities	<u>\$ 3,505,762</u>	<u>\$ (103,258)</u>	<u>\$ 3,402,504</u>
Noncash investing, capital and financing activities:			
Capital assets acquired on account	\$ (98,613)	\$ -	\$ (98,613)
Transfer of capital assets between proprietary funds	137,907	-	137,907
Capital contributions from governmental funds	329,459	-	329,459
Donation of capital assets to governmental funds	(15,795)	-	(15,795)
Net effect of noncash activities	<u>\$ 352,958</u>	<u>\$ -</u>	<u>\$ 352,958</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Equipment, Maintenance and Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

Year Ended June 30, 2022

With Comparative Actual Amounts for Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services	\$ 2,492,064	\$ 2,464,223	\$ (27,841)	\$ 2,184,518
Charges for equipment replacement	4,675,205	4,767,640	92,435	4,804,205
Other operating revenues	5,000	29,962	24,962	19,502
Total operating revenues	<u>7,172,269</u>	<u>7,261,825</u>	<u>89,556</u>	<u>7,008,225</u>
Nonoperating revenues:				
Investment earnings	-	12,285	12,285	15,693
Sale of capital assets	-	457,035	457,035	506,790
Total nonoperating revenues	<u>-</u>	<u>469,320</u>	<u>469,320</u>	<u>522,483</u>
Total revenues	<u>7,172,269</u>	<u>7,731,145</u>	<u>558,876</u>	<u>7,530,708</u>
Expenditures:				
Operating expenditures:				
Garage operations		2,712,584		2,705,367
Capital and noncapital equipment		3,759,423		2,003,955
Total operating expenditures	<u>15,216,063</u>	<u>6,472,007</u>	<u>8,744,056</u>	<u>4,709,322</u>
Nonoperating expenditures:				
Interest and other charges		4,797		11,193
Principal payments on other long-term obligations		410,000		410,000
Total nonoperating expenditures	<u>414,797</u>	<u>414,797</u>	<u>-</u>	<u>421,193</u>
Total expenditures	<u>15,630,860</u>	<u>6,886,804</u>	<u>8,744,056</u>	<u>5,130,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,458,591)</u>	<u>844,341</u>	<u>9,302,932</u>	<u>2,400,193</u>
Other financing sources (uses):				
Operating transfer-in:				
Solid Waste Management Fund	1,147,335	1,874,735	727,400	-
Public Improvements Fund	154,812	154,812	-	-
Total operating transfers - in	1,302,147	2,029,547	727,400	-
Operating transfer-out:				
Public Improvements Fund	-	-	-	(154,812)
Appropriated fund balance	7,156,444	-	(7,156,444)	-
Total other financing sources (uses), net	<u>8,458,591</u>	<u>2,029,547</u>	<u>(6,429,044)</u>	<u>(154,812)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,873,888</u>	<u>\$ 2,873,888</u>	<u>2,245,381</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Equipment, Maintenance and Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

Year Ended June 30, 2022

With Comparative Actual Amounts for Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		\$ (9,569)		\$ 5,725
Other postemployment benefits expense		80,847		36,769
Deferred outflows of resources for contributions made to pension plan in current fiscal year		74,398		66,232
Pension Expense		(54,257)		(109,661)
Change in inventory		35,323		24,305
Capital asset expenditures		3,458,410		1,758,746
Depreciation		(2,795,988)		(2,409,817)
Principal payments on other long-term obligations		410,000		410,000
Interest expense accrual		2,132		2,132
Disposal of capital assets		(5,034)		(39,545)
Capital contributions from governmental funds		329,459		158,949
Transfers of capital assets from enterprise funds		137,907		318,025
Transfers of capital assets to enterprise funds		-		(6,829)
Donation of capital assets to governmental funds		(15,795)		(1,302,538)
Change in net position		<u>\$ 4,521,721</u>		<u>\$ 1,157,874</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Technology Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021**

	2022		Variance Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for equipment replacement	\$ 753,701	\$ 767,750	\$ 14,049	\$ 740,423
Nonoperating revenues:				
Investment earnings	-	459	459	320
Total revenues	753,701	768,209	14,508	740,743
Expenditures:				
Operating expenditures:				
Information technology operations		679,160		711,887
Capital and noncapital equipment		425,332		180,132
Total operating expenditures	1,700,745	1,104,492	596,253	892,019
Nonoperating expenditures:				
Principal payments on leases	64,503	13,818	50,685	-
Total expenditures	1,765,248	1,118,310	646,938	892,019
Excess of expenditures over revenues	(1,011,547)	(350,101)	661,446	(151,276)
Other financing sources:				
Operating transfer-in:				
General Fund	448,349	448,349	-	673,194
Issuance of leases	255,000	152,044	(102,956)	-
Appropriated fund balance	308,198	-	(308,198)	-
Total other financing sources	1,011,547	600,393	(411,154)	673,194
Net change in fund balance	\$ -	250,292	\$ 250,292	\$ 521,918
Reconciliation from budgetary basis to full accrual basis:				
Capital asset expenditures		-		25,519
Right-to-use leased assets capital outlay		152,044		-
Issuance of leases		(152,044)		-
Principal payments on leases		13,818		-
Amortization expense for intangible assets		(13,526)		-
Donations of capital assets to governmental funds		-		(25,519)
Change in net position		\$ 250,584		\$ 521,918

**THIS PAGE
INTENTIONALLY BLANK**

SUPPLEMENTAL
FINANCIAL DATA TAB (FRONT)

SUPPLEMENTAL
FINANCIAL DATA TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Capital Assets Used in the Operation of Governmental Funds ⁽¹⁾
Schedule By Type and Source**

June, 30 2022

Governmental funds capital assets:	
Land	\$ 64,007,698
Easements	25,500,997
Improvements other than buildings	86,549,337
Buildings, plant and structures	186,822,300
Furniture, fixtures, machinery and equipment	29,210,001
Computer software	3,162,191
Streets and drainage	278,526,129
Construction in progress	<u>14,478,575</u>
Total governmental funds capital assets	<u>\$ 688,257,228</u>
Investment in governmental funds capital assets by source:	
Prior years for which detail is not available	\$ 16,489,950
General Fund	31,130,413
Special Purpose Fund	6,379,710
Capital Project Funds	450,881,269
Accepted dedications	<u>183,375,886</u>
Total governmental funds capital assets	<u>\$ 688,257,228</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF WILMINGTON, NORTH CAROLINA

**Capital Assets Used in the Operation of Governmental Funds ⁽¹⁾
Schedule By Function and Activity**

June, 30 2022

Function and Activity	Land	Easements	Improvements other than Buildings	Buildings, Plant and Structures
General government:				
City Manager	\$ -	\$ -	\$ -	\$ -
Finance	-	-	-	-
Information technology services	-	-	-	-
Development services	-	-	-	-
General government	<u>8,488,812</u>	<u>10,026</u>	<u>4,000,563</u>	<u>41,515,437</u>
Total general government	<u>8,488,812</u>	<u>10,026</u>	<u>4,000,563</u>	<u>41,515,437</u>
Public safety:				
Police	2,016,744	-	36,250	32,719,282
Fire	<u>4,915,113</u>	-	<u>479,279</u>	<u>28,583,423</u>
Total public safety	<u>6,931,857</u>	-	<u>515,529</u>	<u>61,302,705</u>
Transportation:				
Traffic engineering	37,638	-	-	45,758
Transportation planning	294,882	-	-	625,459
Streets and drainage	<u>32,998,517</u>	<u>25,446,721</u>	<u>7,634,372</u>	<u>104,500</u>
Total transportation	<u>33,331,037</u>	<u>25,446,721</u>	<u>7,634,372</u>	<u>775,717</u>
Cultural and recreational:				
Parks and recreation	<u>9,012,798</u>	<u>44,250</u>	<u>74,373,873</u>	<u>35,007,937</u>
Economic and physical development	<u>6,243,194</u>	-	<u>25,000</u>	<u>48,220,504</u>
Total governmental funds capital assets	<u>\$ 64,007,698</u>	<u>\$ 25,500,997</u>	<u>\$ 86,549,337</u>	<u>\$ 186,822,300</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Function and Activity	Furniture, Fixtures, Machinery and Equipment	Computer Software	Streets and Drainage	Construction in Progress	Total
General government:					
City Manager	\$ 106,147	\$ -	\$ -	\$ -	\$ 106,147
Finance	30,354	-	-	-	30,354
Information Technology Services	1,700,505	2,453,493	-	943,296	5,097,294
Development Services	238,564	13,120	-	-	251,684
General government	<u>870,095</u>	<u>-</u>	<u>-</u>	<u>2,798,160</u>	<u>57,683,093</u>
Total general government	<u>2,945,665</u>	<u>2,466,613</u>	<u>-</u>	<u>3,741,456</u>	<u>63,168,572</u>
Public safety:					
Police	6,272,939	341,055	-	272,142	41,658,412
Fire	<u>17,058,365</u>	<u>-</u>	<u>-</u>	<u>312,102</u>	<u>51,348,282</u>
Total public safety	<u>23,331,304</u>	<u>341,055</u>	<u>-</u>	<u>584,244</u>	<u>93,006,694</u>
Transportation:					
Traffic engineering	671,633	19,721	-	196,585	971,335
Transportation Planning	-	13,576	-	470,026	1,403,943
Streets and drainage	<u>485,247</u>	<u>218,773</u>	<u>277,232,043</u>	<u>6,350,181</u>	<u>350,470,354</u>
Total transportation	<u>1,156,880</u>	<u>252,070</u>	<u>277,232,043</u>	<u>7,016,792</u>	<u>352,845,632</u>
Cultural and recreational:					
Parks and recreation	<u>911,348</u>	<u>33,404</u>	<u>1,294,086</u>	<u>2,733,076</u>	<u>123,410,772</u>
Economic and physical development	<u>864,804</u>	<u>69,049</u>	<u>-</u>	<u>403,007</u>	<u>55,825,558</u>
Total governmental funds capital assets	<u>\$ 29,210,001</u>	<u>\$ 3,162,191</u>	<u>\$ 278,526,129</u>	<u>\$ 14,478,575</u>	<u>\$ 688,257,228</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Capital Assets Used in the Operation of Governmental Funds ⁽¹⁾
Schedule of Changes By Function and Activity**

Year Ended June, 30 2022

Function and Activity	July 1, 2021	Additions	Deductions
General government:			
City Manager	\$ 106,147	\$ -	\$ -
Finance	30,354	-	-
Information Technology Services	4,981,085	116,209	-
Development Services	229,240	38,564	(16,120)
General government buildings	43,984,063	13,725,879	-
Total general government	<u>49,330,889</u>	<u>13,880,652</u>	<u>(16,120)</u>
Public safety:			
Police	40,433,378	1,563,581	(333,277)
Fire	50,082,618	1,499,780	(98,646)
Total public safety	<u>90,515,996</u>	<u>3,063,361</u>	<u>(431,923)</u>
Transportation:			
Traffic engineering	882,968	88,367	-
Transportation planning	1,265,025	138,918	-
Streets and drainage	343,275,253	7,230,915	-
Total transportation	<u>345,423,246</u>	<u>7,458,200</u>	<u>-</u>
Cultural and recreational:			
Parks and recreation	118,612,478	5,062,524	(148,699)
Economic and physical development			
	<u>55,455,645</u>	<u>444,622</u>	<u>(74,709)</u>
Total governmental funds capital assets	<u>\$ 659,338,254</u>	<u>\$ 29,909,359</u>	<u>\$ (671,451)</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Function and Activity	<u>Transfers</u>	<u>June 30, 2022</u>
General government:		
City Manager	\$ -	\$ 106,147
Finance	-	30,354
Information Technology Services	-	5,097,294
Development Services	-	251,684
General government buildings	<u>(26,849)</u>	<u>57,683,093</u>
Total general government	<u>(26,849)</u>	<u>63,168,572</u>
Public safety:		
Police	(5,270)	41,658,412
Fire	<u>(135,470)</u>	<u>51,348,282</u>
Total public safety	<u>(140,740)</u>	<u>93,006,694</u>
Transportation:		
Traffic engineering	-	971,335
Transportation planning	-	1,403,943
Streets and drainage	<u>(35,814)</u>	<u>350,470,354</u>
Total transportation	<u>(35,814)</u>	<u>352,845,632</u>
Cultural and recreational:		
Parks and recreation	<u>(115,531)</u>	<u>123,410,772</u>
Economic and physical development	<u>-</u>	<u>55,825,558</u>
Total governmental funds capital assets	<u>\$ (318,934)</u>	<u>\$ 688,257,228</u>

CITY OF WILMINGTON, NORTH CAROLINA

Schedule of Change in Ad Valorem Taxes Receivable

June 30, 2022

Fiscal Year	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 82,286,366	\$ 81,874,939	\$ 411,427
2020-2021	766,862	-	253,644	513,218
2019-2020	609,966	-	87,593	522,373
prior years	<u>1,999,859</u>	<u>-</u>	<u>307,385</u>	<u>1,692,474</u>
	3,376,687	82,286,366	82,523,561	3,139,492
Less allowance for uncollectible taxes	<u>(1,463,465)</u>	<u>(179,088)</u>	<u>-</u>	<u>(1,642,553)</u>
Totals ⁽¹⁾	<u>\$ 1,913,222</u>	<u>\$ 82,107,278</u>	<u>\$ 82,523,561</u>	<u>\$ 1,496,939</u>

Reconciliation of collections and credits:

New Hanover County tax office

remittances:

Taxes - ad valorem - current year - General Fund & Debt Service Fund \$ 82,237,904

Taxes - ad valorem - penalties and interest - General Fund 247,062

Total remittances 82,484,966

Other adjustments ⁽²⁾ 285,657

Less penalties and interest (247,062)

Total collections and credits \$ 82,523,561

(1) Total ad valorem tax receivable includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Service District.

(2) The source of this data, the New Hanover County Tax Office, has undergone a software conversion. At June 30, 2022, the software does not differentiate between discoveries, abatements and adjustments; therefore, the net change from original levy is presented as other adjustments.

CITY OF WILMINGTON, NORTH CAROLINA

Analysis of Current Tax Levy

For the Fiscal Year Ended June 30, 2022

	City - Wide		Total Levy			
			Registered Motor Vehicles	Registered Motor Vehicles		
	Property Valuation	Rate	Total Levy			Property excluding Registered Motor Vehicles
Original levy: ⁽¹⁾						
Property taxed at current year's rate	\$21,564,456,857	\$ 0.3808	\$82,117,452	\$78,399,404	\$3,718,048	
Motor vehicles taxed at prior, second & third prior year's rate	281,212,727	0.4984	1,401,564	-	1,401,564	
fourth prior year's rate	202,367	0.4834	978	-	978	
fifth and sixth prior year's rate	61,751	0.4850	300	-	300	
Penalties	-		<u>128,635</u>	<u>128,635</u>	-	
Total	21,845,933,702		83,648,929	78,528,039	5,120,890	
Discoveries: ⁽²⁾						
Current year taxes	-		<u>239,246</u>	<u>239,246</u>	-	
Total	-		83,888,175	78,767,285	5,120,890	
Abatements: ⁽²⁾	-		-	-	-	
Other adjustments ⁽²⁾	<u>(411,622,433)</u>		<u>(\$1,601,809)</u>	<u>(1,601,809)</u>	-	
Total property valuation	<u>\$21,434,311,269</u>					
Net levy			82,286,366	77,165,476	5,120,890	
Uncollected taxes at June 30, 2021			<u>411,427</u>	<u>411,427</u>	-	
Current year's taxes collected			<u>\$ 81,874,939</u>	<u>\$ 76,754,049</u>	<u>\$ 5,120,890</u>	
Current levy collection percentage			<u>99.50%</u>	<u>99.47%</u>	<u>100.00%</u>	

(1) Total levy includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Service District.

(2) The source of this data, the New Hanover County Tax Office, has undergone a software conversion. At June 30, 2022, the software does not differentiate between discoveries, abatements and adjustments; therefore, the net change from original valuation is presented as other adjustments.

CITY OF WILMINGTON, NORTH CAROLINA

**Schedule of Receipts and Expenditures -
Room Occupancy Tax**

From Inception and Year Ended June 30, 2022

Receipts prior years	<u>\$ 50,443,215</u>
Receipts:	
July, 2021	737,800
August, 2021	566,699
September, 2021	438,838
October, 2021	452,857
November, 2021	347,593
December, 2021	281,786
January, 2022	248,904
February, 2022	339,795
March, 2022	521,683
April, 2022	600,728
May, 2022	664,198
June, 2022	<u>658,489</u>
Receipts current year	<u>5,859,370</u>
Receipts to date	<u>\$ 56,302,585</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Schedule of Receipts and Expenditures -
Room Occupancy Tax (Continued)**

From Inception and Year Ended June 30, 2022

Disbursements prior years	\$ 44,693,839
Disbursements:	
Operating costs - Convention Center	403,181
Marketing	455,360
Debt service	1,561,916
Fiscal agent fees	<u>2,200</u>
Disbursements current year	<u>2,422,657</u>
Disbursements to date	<u>\$ 47,116,496</u>

The information presented is required by Session Law 2002-139 Section 1.(e) as rewritten by session law 2006-167 Reports – each entity responsible for administering and spending the proceeds of a tax levied under this section must each annually publish a detailed, audited report on its receipts and expenditures of the room occupancy tax proceeds during the preceding year. The text of the report must be included in the minutes of the entity’s governing body and placed on a public web site, and must be made available in hard copy upon request.

**THIS PAGE
INTENTIONALLY BLANK**

STATISTICAL SECTION TAB (FRONT)

STATISTICAL SECTION TAB (BACK)

**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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the readers understand how the city’s financial performance and well-being have changed over time.	212 - 225
Revenue Capacity These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.	226 - 229
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.	230 - 236
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.	237
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 activities it performs.	238 - 243

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

CITY OF WILMINGTON, NORTH CAROLINA

Net Position by Component

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 200,558,434	\$ 212,542,837	\$ 208,606,209	\$ 220,482,002
Restricted	35,729,753	40,472,965	39,505,449	40,527,283
Unrestricted (1), (2), (3), (4)	<u>43,041,191</u>	<u>32,846,564</u>	<u>42,766,980</u>	<u>53,837,868</u>
Total governmental activities net assets	<u>\$ 279,329,378</u>	<u>\$ 285,862,366</u>	<u>\$ 290,878,638</u>	<u>\$ 314,847,153</u>
Business-type activities:				
Net investment in capital assets	\$ 28,826,675	\$ 31,426,724	\$ 29,662,351	\$ 30,970,797
Restricted	2,104,545	2,005,412	1,938,140	1,549,898
Unrestricted (1), (4)	<u>14,151,447</u>	<u>14,894,628</u>	<u>19,539,071</u>	<u>23,497,622</u>
Total business-type activities net assets	<u>\$ 45,082,667</u>	<u>\$ 48,326,764</u>	<u>\$ 51,139,562</u>	<u>\$ 56,018,317</u>
Primary government:				
Net investment in capital assets	\$ 229,385,109	\$ 243,969,561	\$ 238,268,560	\$ 251,452,799
Restricted	37,834,298	42,478,377	41,443,589	42,077,181
Unrestricted	<u>57,192,638</u>	<u>47,741,192</u>	<u>62,306,051</u>	<u>77,335,490</u>
Total primary government net assets	<u>\$ 324,412,045</u>	<u>\$ 334,189,130</u>	<u>\$ 342,018,200</u>	<u>\$ 370,865,470</u>

Notes:

- (1) Unrestricted governmental and business-type activities net position is restated in fiscal year 2014 to record the City's proportionate share of the Local Governmental Employees' Retirement System's beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014), pursuant to GASB Statement No. 68.
- (2) Unrestricted governmental activities net position is restated in fiscal year 2015 to present the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, as part of governmental activities, pursuant to GASB Statement No. 73.
- (3) Unrestricted governmental net position is restated in fiscal year 2016 to record the City's total pension liability of the Law Enforcement Officer's Special Separation Allowance and the effects on net position of benefit payments and administrative expenses paid by the City during the measurement period (calendar year ending December 31, 2016), pursuant to GASB Statement No. 73.
- (4) Unrestricted governmental and business-type activities net position is restated in fiscal year 2017 to record the City's net other postemployment benefits liability, pursuant to GASB Statement No. 75.

TABLE 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 222,453,072	\$ 222,365,472	\$ 240,380,429	\$ 244,648,339	\$ 260,026,675	\$ 280,909,012
41,349,356	42,500,030	52,687,351	55,579,604	53,089,657	64,217,735
<u>49,108,721</u>	<u>36,410,461</u>	<u>19,982,339</u>	<u>52,073,409</u>	<u>54,048,205</u>	<u>55,353,740</u>
<u>\$ 312,911,149</u>	<u>\$ 301,275,963</u>	<u>\$ 313,050,119</u>	<u>\$ 352,301,352</u>	<u>\$ 367,164,537</u>	<u>\$ 400,480,487</u>
\$ 33,518,870	\$ 32,935,755	\$ 33,297,271	\$ 32,725,013	\$ 39,343,595	\$ 42,597,241
1,455,998	1,055,998	1,055,998	485,936	543,492	602,047
<u>27,162,767</u>	<u>31,660,796</u>	<u>38,490,587</u>	<u>42,964,463</u>	<u>41,244,317</u>	<u>41,124,566</u>
<u>\$ 62,137,635</u>	<u>\$ 65,652,549</u>	<u>\$ 72,843,856</u>	<u>\$ 76,175,412</u>	<u>\$ 81,131,404</u>	<u>\$ 84,323,854</u>
\$ 255,971,942	\$ 255,301,227	\$ 273,677,700	\$ 277,373,352	\$ 299,370,270	\$ 323,506,253
42,805,354	43,556,028	53,743,349	56,065,540	53,633,149	64,819,782
<u>76,271,488</u>	<u>68,071,257</u>	<u>58,472,926</u>	<u>95,037,872</u>	<u>95,292,522</u>	<u>96,478,306</u>
<u>\$ 375,048,784</u>	<u>\$ 366,928,512</u>	<u>\$ 385,893,975</u>	<u>\$ 428,476,764</u>	<u>\$ 448,295,941</u>	<u>\$ 484,804,341</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 19,005,283	\$ 19,631,088	\$ 20,942,970	\$ 21,981,320
Public safety	43,916,157	46,131,851	45,301,661	48,796,835
Transportation	13,431,747	13,850,270	14,623,301	15,483,263
Economic and physical development	6,045,907	6,196,637	7,758,498	6,890,269
Environmental protection	-	-	6,229	17,854
Cultural and recreational	9,398,082	9,465,475	9,992,088	10,187,498
Transit system	1,296,849	1,285,000	1,678,074	1,523,022
Interest and other charges	9,008,791	8,399,202	7,868,677	8,773,139
Total governmental activities expenses	<u>102,102,816</u>	<u>104,959,523</u>	<u>108,171,498</u>	<u>113,653,200</u>
Business-type activities:				
Recycling and trash services	9,576,553	10,433,131	9,689,997	8,800,178
Storm water management	6,718,269	6,788,592	7,195,516	6,909,622
Parking facilities	2,695,420	2,802,364	3,143,322	2,925,836
Golf	1,294,985	1,293,363	1,331,375	1,365,365
Total business-type activities expenses	<u>20,285,227</u>	<u>21,317,450</u>	<u>21,360,210</u>	<u>20,001,001</u>
Total primary government expenses	<u>\$ 122,388,043</u>	<u>\$ 126,276,973</u>	<u>\$ 129,531,708</u>	<u>\$ 133,654,201</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 3,466,422	\$ 3,961,251	\$ 3,757,329	\$ 1,614,695
Public safety	1,369,009	1,078,557	991,754	936,090
Transportation	1,396,371	1,469,697	1,522,176	1,645,916
Economic and physical development	2,883,759	3,264,492	3,318,334	3,886,639
Cultural and recreational	725,220	777,142	858,460	883,347
Operating grants and contributions	9,487,283	7,113,819	8,368,567	7,553,003
Capital grants and contributions	5,392,585	5,128,944	2,260,265	15,403,679
Total governmental activities program revenues	<u>24,720,649</u>	<u>22,793,902</u>	<u>21,076,885</u>	<u>31,923,369</u>
Business-type activities:				
Charges for services:				
Recycling and trash services	8,385,641	8,433,430	8,803,224	8,996,252
Storm water management	8,372,383	8,810,446	9,441,985	9,928,041
Parking facilities	3,105,607	3,156,906	3,253,754	3,399,380
Golf	1,129,265	852,982	874,778	1,247,303

TABLE 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 24,897,698	\$ 26,388,276	\$ 47,767,484	\$ 25,863,172	\$ 32,303,341	\$ 34,635,188
51,805,339	52,304,423	62,138,353	58,668,628	58,555,020	57,680,970
17,757,240	16,938,651	18,469,985	18,192,731	21,380,068	20,691,751
6,918,462	7,249,221	7,910,229	8,249,770	7,237,706	8,718,652
-	-	-	-	-	-
11,290,134	11,401,557	11,362,869	13,762,924	12,782,133	13,097,808
2,799,556	1,437,257	1,460,155	1,696,925	1,555,018	1,599,708
7,169,163	7,569,643	7,366,318	6,970,781	7,852,939	7,737,500
<u>122,637,592</u>	<u>123,289,028</u>	<u>156,475,393</u>	<u>133,404,931</u>	<u>141,666,225</u>	<u>144,161,577</u>
8,260,576	8,500,496	8,832,873	10,232,326	9,347,492	9,777,524
7,152,715	7,989,010	7,759,203	13,973,357	9,141,384	8,327,457
2,927,402	4,477,517	3,216,815	4,162,438	5,364,931	6,770,339
1,458,687	1,444,079	1,650,273	1,652,780	1,673,651	1,856,464
<u>19,799,380</u>	<u>22,411,102</u>	<u>21,459,164</u>	<u>30,020,901</u>	<u>25,527,458</u>	<u>26,731,784</u>
<u>\$ 142,436,972</u>	<u>\$ 145,700,130</u>	<u>\$ 177,934,557</u>	<u>\$ 163,425,832</u>	<u>\$ 167,193,683</u>	<u>\$ 170,893,361</u>
\$ 1,424,614	\$ 1,341,845	\$ 1,066,542	\$ 1,822,490	\$ 1,642,496	\$ 1,941,753
1,028,767	1,011,421	1,117,151	928,093	1,021,619	1,089,470
1,770,500	1,733,382	1,644,353	1,587,388	1,653,218	2,140,123
3,865,824	4,301,935	4,678,390	4,216,149	841,187	3,577,317
846,872	857,897	1,073,155	880,433	559,857	1,222,856
8,803,433	6,479,533	24,933,225	17,634,226	16,898,636	17,424,837
3,779,344	1,253,284	6,463,891	17,674,759	2,439,909	6,148,569
<u>21,519,354</u>	<u>16,979,297</u>	<u>40,976,707</u>	<u>44,743,538</u>	<u>25,056,922</u>	<u>33,544,925</u>
9,168,326	9,245,211	9,329,350	9,611,671	9,531,483	9,982,147
10,678,945	11,517,793	11,837,173	12,383,673	12,387,107	12,811,857
3,367,787	3,408,219	3,551,650	3,096,076	3,343,870	4,334,845
1,204,706	1,240,596	1,460,888	1,682,236	1,795,361	1,956,814

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position (Continued)

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Program Revenues (continued)				
Business-type activities (continued):				
Operating grants and contributions	\$ 161,026	\$ 97,018	\$ 106,836	\$ 73,830
Capital grants and contributions	137,394	49,500	774,874	405,208
Total business-type activities program revenues	<u>21,291,316</u>	<u>21,400,282</u>	<u>23,255,451</u>	<u>24,050,014</u>
Total primary government program revenues	<u>\$ 46,011,965</u>	<u>\$ 44,194,184</u>	<u>\$ 44,332,336</u>	<u>\$ 55,973,383</u>
Net (expense)/revenue				
Governmental activities	\$ (77,382,167)	\$ (82,165,621)	\$ (87,094,613)	\$ (81,729,831)
Business-type activities	<u>1,006,089</u>	<u>82,832</u>	<u>1,895,241</u>	<u>4,049,013</u>
Total primary government net expense	<u>\$ (76,376,078)</u>	<u>\$ (82,082,789)</u>	<u>\$ (85,199,372)</u>	<u>\$ (77,680,818)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem taxes	\$ 57,152,307	\$ 58,981,967	\$ 60,524,844	\$ 65,339,216
Room occupancy tax	2,582,709	2,771,391	3,080,208	3,337,377
Local option sales tax	17,384,331	19,168,840	21,216,765	22,990,436
Franchise tax	5,985,128	6,120,923	8,174,142	8,392,055
Video programming sales tax	1,404,639	1,397,010	1,442,808	1,390,363
Rental vehicle tax	233,079	224,043	267,219	298,745
Unrestricted grants and contributions	1,804,127	1,943,781	1,949,695	2,078,287
Investment earnings	342,649	346,850	263,771	336,799
Net decrease in fair value of investments	(429,320)	-	-	-
Miscellaneous	612,071	589,940	1,794,794	970,198
Transfers from (to) other funds	<u>(729,380)</u>	<u>(2,846,136)</u>	<u>(279,647)</u>	<u>(535,736)</u>
Total governmental activities	<u>86,342,340</u>	<u>88,698,609</u>	<u>98,434,599</u>	<u>104,597,740</u>
Business-type activities:				
Investment earnings	85,108	90,641	69,492	93,856
Net decrease in fair value of investments	(117,037)	-	-	-
Miscellaneous	-	224,488	1,364,753	200,150
Transfers from (to) other funds	<u>729,380</u>	<u>2,846,136</u>	<u>279,647</u>	<u>535,736</u>
Total business-type activities	<u>697,451</u>	<u>3,161,265</u>	<u>1,713,892</u>	<u>829,742</u>
Total primary government	<u>\$ 87,039,791</u>	<u>\$ 91,859,874</u>	<u>\$ 100,148,491</u>	<u>\$ 105,427,482</u>

TABLE 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 449,020	\$ 77,899	\$ 93,833	\$ 5,528,043	\$ 149,607	\$ 31,366
-	1,015,338	121,175	-	563,624	141,566
<u>24,868,784</u>	<u>26,505,056</u>	<u>26,394,069</u>	<u>32,301,699</u>	<u>27,771,052</u>	<u>29,258,595</u>
<u>\$ 46,388,138</u>	<u>\$ 43,484,353</u>	<u>\$ 67,370,776</u>	<u>\$ 77,045,237</u>	<u>\$ 52,827,974</u>	<u>\$ 62,803,520</u>
\$ (101,118,238)	\$ (106,309,731)	\$ (115,498,686)	\$ (88,661,393)	\$ (116,609,303)	\$ (110,616,652)
5,069,404	4,093,954	4,934,905	2,280,798	2,243,594	2,526,811
<u>\$ (96,048,834)</u>	<u>\$ (102,215,777)</u>	<u>\$ (110,563,781)</u>	<u>\$ (86,380,595)</u>	<u>\$ (114,365,709)</u>	<u>\$ (108,089,841)</u>
\$ 66,670,221	\$ 72,729,763	\$ 76,858,987	\$ 78,232,370	\$ 80,518,378	\$ 82,558,376
3,824,615	3,780,078	5,061,597	3,811,622	4,077,235	5,859,370
24,371,379	24,689,205	28,923,348	30,274,790	34,416,611	38,986,074
8,251,577	8,280,297	8,730,544	8,392,030	8,247,813	8,251,765
1,408,749	1,374,281	1,323,879	1,278,838	1,261,462	1,172,474
313,471	296,213	382,984	384,757	400,361	455,318
2,314,364	2,179,507	2,900,175	2,475,238	3,506,998	3,774,465
506,832	1,459,258	2,889,157	1,827,459	177,171	316,027
-	-	-	-	-	-
791,188	783,117	1,353,525	1,582,621	1,278,964	2,724,032
(771,186)	(955,300)	(1,151,354)	(347,099)	(2,412,505)	(165,299)
<u>107,681,210</u>	<u>114,616,419</u>	<u>127,272,842</u>	<u>127,912,626</u>	<u>131,472,488</u>	<u>143,932,602</u>
135,225	334,606	920,501	570,681	62,751	42,968
-	-	-	-	-	-
143,503	209,978	184,547	132,978	237,142	457,372
771,186	955,300	1,151,354	347,099	2,412,505	165,299
<u>1,049,914</u>	<u>1,499,884</u>	<u>2,256,402</u>	<u>1,050,758</u>	<u>2,712,398</u>	<u>665,639</u>
<u>\$ 108,731,124</u>	<u>\$ 116,116,303</u>	<u>\$ 129,529,244</u>	<u>\$ 128,963,384</u>	<u>\$ 134,184,886</u>	<u>\$ 144,598,241</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position (Continued)

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Change in Net Position				
Governmental activities (1), (2), (3), (4)	\$ 8,960,173	\$ 6,532,988	\$ 11,339,986	\$ 22,867,909
Business-type activities (1), (4)	<u>1,703,540</u>	<u>3,244,097</u>	<u>3,609,133</u>	<u>4,878,755</u>
Total primary government	<u>\$ 10,663,713</u>	<u>\$ 9,777,085</u>	<u>\$ 14,949,119</u>	<u>\$ 27,746,664</u>

Notes:

- (1) In fiscal year 2015, pursuant to the implementation of GASB Statement No. 68, the City's proportionate share of the Local Governmental Employees' Retirement System's beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014) totaling \$7,120,049 were recognized as an adjustment to beginning net position in the current year. Of this amount, \$6,323,714 related to governmental activities and \$796,335 related to business-type activities.
- (2) In fiscal year 2016, pursuant to the implementation of GASB Statement No. 73, the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, were recognized in governmental activities as an adjustment to beginning net position in the amount of \$1,100,606.
- (3) In fiscal year 2017, pursuant to the implementation of GASB Statement No. 73, the City's total pension liability of the Law Enforcement Officer's Special Separation Allowance and the effects on net position of benefit payments and administrative expenses paid by the City during the measurement period (calendar year ending December 31, 2016) totaling \$8,498,976 were recognized as an adjustment to beginning net position in the current year.
- (4) In fiscal year 2018, pursuant to the implementation of GASB Statement No. 75, the City's beginning net other postemployment benefits liability totaling \$22,020,798 was recognized as an adjustment to beginning net position in the current year. Of this amount, \$19,941,874 related to governmental activities and \$2,078,924 related to business-type activities.

TABLE 2

Fiscal Year					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 6,562,972	\$ 8,306,688	\$ 11,774,156	\$ 39,251,233	\$ 14,863,185	\$ 33,315,950
<u>6,119,318</u>	<u>5,593,838</u>	<u>7,191,307</u>	<u>3,331,556</u>	<u>4,955,992</u>	<u>3,192,450</u>
<u>\$ 12,682,290</u>	<u>\$ 13,900,526</u>	<u>\$ 18,965,463</u>	<u>\$ 42,582,789</u>	<u>\$ 19,819,177</u>	<u>\$ 36,508,400</u>

CITY OF WILMINGTON, NORTH CAROLINA

Fund Balances of Governmental Funds

**Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
General fund				
Nonspendable	\$ 1,669,337	\$ 1,562,635	\$ 1,538,800	\$ 1,507,848
Restricted	11,237,732	11,435,444	12,008,976	12,717,909
Committed (1)	9,613	42,970	88,073	1,066,118
Assigned	1,295,158	1,610,000	2,090,966	6,744,343
Unassigned	<u>29,245,251</u>	<u>31,383,688</u>	<u>39,880,339</u>	<u>39,322,702</u>
Total general fund	<u>\$ 43,457,091</u>	<u>\$ 46,034,737</u>	<u>\$ 55,607,154</u>	<u>\$ 61,358,920</u>
All other governmental funds				
Nonspendable	\$ 8,102	\$ 16,891	\$ 13,533	\$ 11,344
Restricted	49,882,087	39,854,806	40,316,562	41,923,582
Committed	12,732,992	10,659,480	19,142,750	17,542,590
Assigned	-	-	-	-
Unassigned deficit	<u>(7,526,870)</u>	<u>(3,235,662)</u>	<u>(1,451,305)</u>	<u>(686,906)</u>
Total all other governmental funds	<u>\$ 55,096,311</u>	<u>\$ 47,295,515</u>	<u>\$ 58,021,540</u>	<u>\$ 58,790,610</u>

Notes: Includes General, Debt Service, Special Revenue and Capital Project Funds.

(1) Committed fund balance is restated in fiscal year 2015 to present the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, as part of the General Fund, pursuant to GASB Statement No. 73.

TABLE 3

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,491,417	\$ 1,335,687	\$ 1,236,657	\$ 1,280,350	\$ 1,179,009	\$ 1,175,225
12,895,809	13,637,741	19,729,125	19,926,185	17,039,944	18,862,743
1,332,296	1,430,717	1,510,695	1,350,283	4,919,605	4,641,398
8,960,200	3,215,840	4,020,000	4,376,519	10,171,500	2,347,246
<u>34,473,018</u>	<u>36,831,068</u>	<u>31,052,237</u>	<u>44,267,810</u>	<u>47,910,034</u>	<u>46,118,757</u>
<u>\$ 59,152,740</u>	<u>\$ 56,451,053</u>	<u>\$ 57,548,714</u>	<u>\$ 71,201,147</u>	<u>\$ 81,220,092</u>	<u>\$ 73,145,369</u>
\$ 63,349	\$ 77,325	\$ 5,156	\$ 4,797	\$ 6,585	\$ 111,350
51,622,940	63,116,382	43,135,094	66,937,129	93,325,717	97,206,126
20,318,880	26,972,671	42,179,716	62,116,259	60,656,797	61,816,570
-	-	-	100,000	3,187,787	3,153,118
<u>(721,702)</u>	<u>(2,403,053)</u>	<u>(343,687)</u>	<u>(86,422)</u>	<u>(21,393)</u>	<u>(1,480)</u>
<u>\$ 71,283,467</u>	<u>\$ 87,763,325</u>	<u>\$ 84,976,279</u>	<u>\$ 129,071,763</u>	<u>\$ 157,155,493</u>	<u>\$ 162,285,684</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds

**Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes:				
Ad valorem taxes (1)	\$ 57,193,858	\$ 59,403,121	\$ 60,530,615	\$ 65,195,129
Room occupancy tax	2,582,709	2,771,391	3,080,208	3,337,377
Local option sales tax	17,384,331	19,168,840	21,216,765	22,990,436
Franchise tax	5,985,128	6,120,923	8,174,142	8,392,055
Video programming sales tax	1,404,639	1,397,010	1,442,808	1,390,363
Rental vehicle tax	233,079	224,043	267,219	298,745
Unrestricted intergovernmental	1,627,624	1,771,881	1,782,895	1,917,812
Restricted intergovernmental	17,940,589	13,062,264	12,852,324	9,294,002
Licenses and permits	2,808,334	3,092,735	2,962,469	739,925
Sales and services	5,358,905	5,394,557	6,119,686	6,310,273
Fines and forfeits	142,141	253,712	206,164	208,172
Investment earnings	286,621	337,943	237,956	306,476
Net decrease in fair value of investments	(384,493)	-	-	-
Donations	623,174	74,273	374,911	2,850,402
Miscellaneous	1,432,588	1,510,756	2,232,889	1,897,323
Total revenues	<u>114,619,227</u>	<u>114,583,449</u>	<u>121,481,051</u>	<u>125,128,490</u>
Expenditures				
General government	17,345,766	21,834,095	19,231,860	21,022,781
Public safety	41,719,713	42,382,161	46,861,709	48,728,194
Transportation	18,240,703	17,109,467	15,486,218	16,259,346
Economic and physical development	4,846,784	4,705,182	6,401,630	5,821,479
Environmental protection	-	-	30,000	-
Cultural and recreational	9,536,408	10,484,545	10,390,225	9,387,653
Transit system	1,296,849	1,285,000	1,678,074	1,523,022
Debt service				
Principal retirement	12,531,308	12,915,558	12,183,558	9,865,621
Interest and other charges	9,256,345	8,893,071	8,348,321	9,142,250
Total expenditures	<u>114,773,876</u>	<u>119,609,079</u>	<u>120,611,595</u>	<u>121,750,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,649)</u>	<u>(5,025,630)</u>	<u>869,456</u>	<u>3,378,144</u>

TABLE 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 66,565,824	\$ 72,719,264	\$ 76,893,451	\$ 77,906,517	\$ 80,082,446	\$ 82,974,384
3,824,615	3,780,078	5,061,597	3,811,622	4,077,235	5,859,370
24,371,379	24,689,205	28,923,348	30,274,789	34,416,611	38,986,074
8,251,577	8,280,297	8,730,544	8,392,030	8,247,813	8,251,765
1,408,749	1,374,281	1,323,879	1,278,838	1,261,462	1,172,474
313,471	296,213	382,984	384,757	400,361	455,318
2,036,486	2,030,182	2,745,750	2,326,113	3,361,998	3,706,215
9,599,088	6,873,658	25,634,324	19,199,391	17,706,619	18,211,703
691,594	666,089	778,125	840,146	869,878	927,312
6,311,529	7,317,144	7,588,543	6,769,508	3,056,345	6,623,088
170,291	183,557	134,763	109,275	136,909	118,682
462,236	1,325,685	2,723,319	1,699,918	161,159	303,281
-	-	-	-	-	-
321,736	57,285	173,792	425,215	499,231	2,529,620
1,931,162	1,829,057	2,167,679	2,327,793	1,938,103	3,978,644
<u>126,259,737</u>	<u>131,421,995</u>	<u>163,262,098</u>	<u>155,745,912</u>	<u>156,216,170</u>	<u>174,097,930</u>
23,550,837	25,031,197	47,976,747	25,108,826	31,006,461	48,691,687
50,644,028	51,920,607	61,347,469	59,838,805	55,978,248	58,304,928
18,541,367	19,894,256	17,063,854	21,368,980	22,533,186	20,897,014
7,640,212	6,058,398	7,436,076	7,074,814	6,543,447	7,910,468
-	-	-	-	-	-
9,958,608	10,567,078	12,257,425	17,908,795	33,509,358	14,835,394
1,379,556	1,437,257	1,460,155	1,696,925	1,555,018	1,599,708
8,710,370	10,248,620	8,623,090	9,419,671	11,931,280	14,884,639
7,079,902	7,354,834	7,549,609	7,329,924	8,391,180	8,645,813
<u>127,504,880</u>	<u>132,512,247</u>	<u>163,714,425</u>	<u>149,746,740</u>	<u>171,448,178</u>	<u>175,769,651</u>
<u>(1,245,143)</u>	<u>(1,090,252)</u>	<u>(452,327)</u>	<u>5,999,172</u>	<u>(15,232,008)</u>	<u>(1,671,721)</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds(Continued)

**Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Other financing sources (uses)				
Transfers from other funds	\$ 12,440,785	\$ 23,093,276	\$ 14,766,335	\$ 16,159,158
Transfers to other funds	(13,672,844)	(26,419,412)	(15,524,249)	(17,178,498)
Issuance of bonds	-	3,050,000	-	2,925,000
Issuance of refunding bonds	-	-	-	6,650,000
Issuance of installment obligations	-	-	18,562,657	-
Issuance of refunding installment obligations	-	-	23,195,000	48,940,000
Premium on bonds	-	59,359	-	50,259
Premium on refunding bonds	-	-	-	1,286,956
Premium on refunding installment obligations	-	-	2,400,578	5,942,920
Premium on installment obligations	-	-	1,230,241	-
Payment to redeem installment obligations	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(7,831,032)
Payment to refunded installment obligation escrow agent	-	-	-	(54,381,288)
Payment to refund outstanding installment obligations	-	-	(25,267,632)	-
Payment to defeased other long-term obligation escrow agent	-	-	-	(605,613)
Lease liability issued	-	-	-	-
Total other financing sources (uses), net	<u>(1,232,059)</u>	<u>(216,777)</u>	<u>19,362,930</u>	<u>1,957,862</u>
Net change in fund balances (2)	<u>\$ (1,386,708)</u>	<u>\$ (5,242,407)</u>	<u>\$ 20,232,386</u>	<u>\$ 5,336,006</u>
Debt service as a percentage of noncapital expenditures	21.7%	21.1%	19.0%	16.9%

Notes: Includes General, Debt Service, Special Revenue and Capital Project Funds.

(1) Includes related penalties and interest.

(2) In fiscal year 2016, pursuant to the implementation of GASB Statement No. 73, the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, were recognized in the General Fund as an adjustment to beginning fund balance in the amount of \$1,100,606.

TABLE 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 23,004,926	\$ 26,812,830	\$ 46,630,514	\$ 16,551,039	\$ 20,414,882	\$ 32,402,474
(24,141,773)	(28,102,056)	(47,844,139)	(17,291,548)	(23,656,965)	(35,183,576)
-	15,300,000	-	16,165,000	43,000,000	-
-	-	-	-	3,770,000	-
11,835,000	-	-	31,450,000	7,450,000	-
-	-	-	11,785,000	9,157,200	-
-	956,434	-	27,038	4,994,294	-
-	-	-	-	887,030	-
-	-	-	2,312,362	-	-
735,310	-	-	4,676,071	1,057,788	-
-	-	-	(14,000,000)	-	-
-	-	-	-	(4,629,133)	-
-	-	-	-	(9,000,601)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,486,493
<u>11,433,463</u>	<u>14,967,208</u>	<u>(1,213,625)</u>	<u>51,674,962</u>	<u>53,444,495</u>	<u>(1,294,609)</u>
<u>\$ 10,188,320</u>	<u>\$ 13,876,956</u>	<u>\$ (1,665,952)</u>	<u>\$ 57,674,134</u>	<u>\$ 38,212,487</u>	<u>\$ (2,966,330)</u>
13.7%	14.9%	11.1%	13.2%	14.8%	15.8%

TABLE 5

CITY OF WILMINGTON, NORTH CAROLINA

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Taxable Value as a Percentage of Actual Value
2013	\$ 11,125,165,816	\$ 1,485,306,622	\$ 145,138,176	\$ 12,755,610,614 (1)	\$ 0.4500	100 %
2014	11,226,688,818	1,802,866,972 (2)	137,249,826	13,166,805,616	0.4500	100
2015	11,361,218,431	1,660,382,686	130,003,476	13,151,604,593	0.4600	100
2016	11,586,636,726	1,690,135,456	162,132,117	13,438,904,299	0.4850	100
2017	11,740,731,169	1,789,601,995	157,903,065	13,688,236,229	0.4850	100
2018	12,863,094,528	1,913,844,363	163,430,006	14,940,368,897 (1)	0.4834	100
2019	13,115,266,637	1,999,764,065	164,418,917	15,279,449,619	0.4984	100
2020	13,294,244,266	2,100,147,355	173,212,406	15,567,604,027	0.4984	100
2021	13,582,179,209	2,235,024,676	163,895,489	15,981,099,374	0.4984	100
2022	18,981,187,663	2,281,086,055	172,037,551	21,434,311,269 (1)	0.3808	100

Source: New Hanover County Tax Office

Notes: (1) Property in New Hanover County is appraised at least once every eight years on average as required by state law. Property is assessed at 100 percent of value. Tax rates are per \$100 of assessed value.

(2) Includes three months of additional motor vehicle valuation, a one time amount of \$268,152,046, due to the transition to the State's Tax and Tag Program.

TABLE 6

CITY OF WILMINGTON, NORTH CAROLINA

**Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)**

Last Ten Fiscal Years

Fiscal Year Ended	City of Wilmington			Total Direct Rate	New Hanover County Overlapping Rates	Total Direct & Overlapping Rates
	General	Debt Service	Capital Projects			
2013	\$ 0.4000	\$ 0.0453	\$ 0.0047	\$ 0.4500	\$ 0.5540	\$ 1.0040
2014	0.4000	0.0453	0.0047	0.4500	0.5540	1.0040
2015	0.4100	0.0453	0.0047	0.4600	0.5540	1.0140
2016	0.4150	0.0613	0.0087	0.4850	0.5740	1.0590
2017	0.4150	0.0613	0.0087	0.4850	0.6230	1.1080
2018	0.3887	0.0826	0.0121	0.4834	0.5700	1.0534
2019	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2020	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2021	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2022	0.3095	0.0622	0.0091	0.3808	0.4750	0.8558

Source: New Hanover County Tax Office

Notes: Overlapping rates are those of the county government that apply to property owners within the City of Wilmington. This is in addition to the City tax rate that is levied on residents within the corporate limits. The City tax rate may not exceed \$1.50 per \$100 of assessed value under state law.

TABLE 7

CITY OF WILMINGTON, NORTH CAROLINA

Top Ten Taxpayers

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 231,026,048	1	1.08 %	\$ 224,454,760	1	1.76 %
River Ventures LLC	91,428,200	2	0.43	72,952,580	2	0.57
Mayfaire Town Center LP	90,542,646	3	0.42	32,632,300	7	0.26
Bedrock Holdings II LLC	88,171,000	4	0.41	-	-	-
Live Oak Banking Company	80,447,617	5	0.38	-	-	-
RPP Holdings LLC	73,961,300	6	0.35	-	-	-
Duke Energy Progress	73,896,221	7	0.34	57,314,933	3	0.45
Wilmington Independent Living LLC	63,619,967	8	0.30	-	-	-
Arboretum West Mixed Use LLC	61,057,700	9	0.28	-	-	-
Avalon Apartments LLC	60,553,685	10	0.28	-	-	-
RSE Independence LLC (mall)	-	-	-	54,078,800	4	0.42
BellSouth Tel Co.	-	-	-	37,870,575	5	0.30
GS II University Centre LLC	-	-	-	36,441,000	6	0.29
Wal Mart	-	-	-	31,957,707	8	0.25
Piedmont Natural Gas Co Inc	-	-	-	31,703,661	9	0.25
NNP IV Cape Fear River LLC	-	-	-	30,010,200	10	0.24
	<u>\$ 914,704,384</u>		<u>4.27 %</u>	<u>\$ 609,416,516</u>		<u>4.79 %</u>

Source: New Hanover County Tax Office

TABLE 8

CITY OF WILMINGTON, NORTH CAROLINA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Tax Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 57,290,274	\$ 56,262,465	98.21 %	\$ 840,232	\$ 57,102,697	99.67 %
2014	59,345,505	58,401,236	98.41	710,295	59,111,531	99.61
2015	60,699,959	59,873,924	98.64	593,078	60,467,002	99.62
2016	65,268,084	64,538,131	98.88	470,041	65,008,172	99.60
2017	66,617,502	65,992,717	99.06	390,259	66,382,976	99.65
2018	72,487,354	71,879,009	99.16	368,362	72,247,371	99.67
2019	76,556,885	75,989,085	99.26	276,842	76,265,927	99.62
2020	77,774,831	77,013,812	99.02	238,646	77,252,458	99.33
2021	79,936,469	79,169,607	99.04	253,644	79,423,251	99.36
2022	82,286,366	81,874,939	99.50	-	81,874,939	99.50

Source: New Hanover County Tax Office

TABLE 9

CITY OF WILMINGTON, NORTH CAROLINA

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Obligations	Other Long-term Obligations	Leases	Revenue Bonds	Installment Obligations	Other Long-term Obligations	Leases			
2013	\$28,990,000	\$145,715,500	\$ 14,559,692	\$ -	\$11,680,000	\$ 6,509,500	\$ 3,365,817	\$ -	\$ 210,820,509	4.95 %	\$ 1,922
2014	27,240,000	138,353,000	13,806,634	-	11,180,000	6,077,000	3,010,000	-	199,666,634	4.46	1,786
2015	22,850,000	148,985,157	15,916,641	-	24,365,000	7,789,843	570,000	-	220,476,641	4.78	1,936
2016 (3)	24,828,722	141,258,327 (2)	15,271,432	-	25,243,186	7,517,779	380,000	-	214,499,446	4.39	1,857
2017 (3)	22,591,838	147,708,866	14,127,200	-	24,477,513	6,518,375	190,000	-	215,613,792	4.16	1,839
2018 (3)	36,733,135	139,866,424	12,974,755	-	23,678,759	5,515,476	2,710,000	-	221,478,549	3.92	1,828
2019 (3)	34,315,874	133,730,197	11,844,881	-	22,814,417	4,450,005	16,932,954	-	224,088,328	3.83	1,838
2020 (3)	48,126,128	162,739,963	10,684,658	-	21,913,312	30,389,771	-	-	273,853,832	4.39	2,228
2021 (3)	92,863,406	162,449,048	9,351,554	-	19,354,145	28,556,621	-	-	312,574,774	N/A	2,707
2022 (3)	87,457,649	153,104,275	7,819,445	202,431	18,510,138	26,692,598	-	1,661,434	295,447,970	N/A	2,502

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

(1) See Table 14, Demographic and Economic Statistics for personal income and population data.

(2) The operations of the water, sewer and groundwater systems, business-type activities, were transferred to the Cape Fear Public Utility Authority (CFPUA) in 2009. Outstanding installment obligations related to those systems were not assigned to the CFPUA and continued to be obligations of the City. The obligations were classified as governmental activities and reimbursed to the City by the CFPUA. The CFPUA refunded the installment obligations in June 2016 and accordingly the obligations are considered defeased.

(3) Amounts presented are net of original issuance discounts and premiums.

CITY OF WILMINGTON, NORTH CAROLINA

Ratios of General Bond Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2013	\$ 28,990,000	0.23 %	\$ 264
2014	27,240,000	0.21	244
2015	22,850,000	0.17	201
2016 (3)	24,828,722	0.18	215
2017 (3)	22,591,838	0.17	193
2018 (3)	36,733,135	0.25	303
2019 (3)	34,315,874	0.22	281
2020 (3)	48,126,128	0.31	392
2021 (3)	92,863,406	0.58	804
2022 (3)	87,457,649	0.41	741

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

(1) See Table 5, Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value.

(2) Population data can be found in Table 14, Schedule of Demographic and Economic Statistics.

(3) Amounts presented are net of original issuance discounts and premiums.

CITY OF WILMINGTON, NORTH CAROLINA

Direct and Overlapping Governmental Activities Debt

June 30, 2022

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
New Hanover County	\$ 439,733,387	44.39 %	\$ 195,197,650
City of Wilmington direct debt			<u>248,583,800</u>
Total direct and overlapping debt			<u>\$ 443,781,450</u>

Source: Assessed value data used to estimate applicable percentages provided by the New Hanover Tax Office. Debt outstanding data provided by each government.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Wilmington. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total assessed value.

**THIS PAGE
INTENTIONALLY BLANK**

CITY OF WILMINGTON, NORTH CAROLINA

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$1,020,448,849	\$1,053,344,449	\$ 1,052,128,367	\$ 1,075,112,344
Total net debt applicable to debt limit	<u>193,885,509</u>	<u>186,131,634</u>	<u>196,111,641</u>	<u>173,712,584</u>
Legal debt margin	<u>\$ 826,563,340</u>	<u>\$ 867,212,815</u>	<u>\$ 856,016,726</u>	<u>\$ 901,399,760</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	19.00%	17.67%	18.64%	16.16%
Total net debt applicable to the debt limit as a percentage of the debt limit excluding installment obligations reimbursed by the Cape Fear Public Utility Authority (1)	17.49%	16.29%	17.35%	14.98%

Legal Debt Margin Calculation for Fiscal Year 2022

Total assessed valuation at June 30, 2022	<u>\$ 21,434,311,269</u>
Debt limit: 8% of total assessed value	\$ 1,714,744,902
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 79,910,000
Other debt (excluding revenue bonds)	<u>169,865,944</u>
Gross debt	249,775,944
Total net debt applicable to debt limit	<u>249,775,944</u>
Available legal debt margin	<u>\$ 1,464,968,958</u>

Notes: Under state law, the City of Wilmington's debt limit should not exceed 8% of the City's assessed valuation.

Total net debt is total outstanding bonded debt (other than revenue bonds) plus other outstanding debt minus funding and refunding bonds authorized but not yet issued and bonded debt incurred for water and sewer enterprise operations.

(1) The operations of the groundwater systems, business-type activities, were transferred to the Cape Fear Public Utility Authority (CFPUA) in 2009. Included in the City's gross debt are installment obligations related to those systems not assigned to the CFPUA and remain obligations of the City. These obligations are classified as governmental activities and are reimbursed to the City by the CFPUA. The CFPUA refunded the installment obligations in June 2016 and accordingly the obligations are considered defeased.

TABLE 12

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$1,095,058,898	\$1,195,229,512	\$1,222,355,970	\$1,245,408,322	\$1,278,487,950	\$ 1,714,744,902
<u>175,309,527</u>	<u>181,546,469</u>	<u>185,743,646</u>	<u>230,393,176</u>	<u>266,603,646</u>	<u>249,775,944</u>
<u>\$ 919,749,371</u>	<u>\$1,013,683,043</u>	<u>\$1,036,612,324</u>	<u>\$1,015,015,146</u>	<u>\$1,011,884,304</u>	<u>\$ 1,464,968,958</u>
16.01%	15.19%	15.20%	18.50%	20.85%	14.57%
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF WILMINGTON, NORTH CAROLINA

Pledged-Revenue Coverage

Last Ten Fiscal Years

Storm Water Fee Revenue Bonds						
Fiscal Year Ended June 30	Gross Revenues ⁽¹⁾	Less Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾		Coverage
				Principal	Interest	
2013	\$ 8,356,458	\$ 5,440,283	\$ 2,916,175	\$ 500,000	\$ 552,731	2.77
2014	8,925,596	5,389,963	3,535,633	520,000	531,481	3.36
2015	9,547,999	5,724,310	3,823,689	705,000	939,663	2.32
2016	10,073,409	5,349,878	4,723,531	750,000	972,666	2.74
2017	10,875,222	5,278,373	5,596,849	775,000	946,619	3.25
2018	11,851,414	5,944,984	5,906,430	810,000	917,294	3.42
2019	12,548,121	5,746,174	6,801,947	840,000	887,509	3.94
2020	18,291,948	11,961,560	6,330,388	865,000	856,244	3.68
2021	12,673,412	7,197,565	5,475,847	740,000	745,925	3.69
2021	12,876,036	6,412,240	6,463,796	840,000	713,200	4.16

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

(1) Gross revenues include all fees, other charges and investment income.

(2) Operating expenses do not include interest, depreciation and amortization expenses.

(3) Principal and interest expenses are for the succeeding fiscal year according to the terms of the bond covenants.

CITY OF WILMINGTON, NORTH CAROLINA

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year Ended June 30	Population ⁽¹⁾	Personal Income (amounts expressed in thousands)	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Ratio ⁽⁵⁾
2013	109,689	\$ 4,260,979	\$ 38,846	37.8	12,518	7.3 %
2014	111,773	4,479,415	40,076	37.9	12,630	5.5
2015	113,910	4,611,874	40,487	37.9	12,725	5.5
2016	115,498	4,881,176	42,262	38.1	12,771	5.1
2017	117,255	5,186,892	44,236	38.2	12,824	4.4
2018	121,150	5,648,861	46,627	38.5	12,364	4.1
2019	121,910	5,855,215	48,029	38.6	12,171	4.2
2020	122,891	6,240,405	50,780	39.0	12,381	7.9
2021	115,465 ⁽⁶⁾	N/A	N/A	39.4	12,329	4.7
2022	118,063	N/A	N/A	39.6	12,252	3.7

Sources and notes:

- (1) Office of State Budget and Management's certified municipal estimates.
- (2) United States Bureau of Economic Analysis.
- (3) Office of State Budget and Management, Median age statistics are for New Hanover County as a whole, which includes the City of Wilmington.
- (4) New Hanover County Public Schools.
- (5) North Carolina Employment Security Commission (LAUS). City of Wilmington.
- (6) With the completion of the 2020 Census, the Office of State Budget and Management's certified municipal population estimate was corrected downward.

TABLE 15

CITY OF WILMINGTON, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (1)
Novant Health*	8,424	1	6.87 %	5,485	1	5.50 %
New Hanover County Schools**	3,762	2	3.07	3,520	2	3.53
University of North Carolina (Wilmington)*	2,540	3	2.07	1,859	4	1.86
New Hanover County**	1,892	4	1.54	1,570	5	1.57
Thermo Fisher Scientific (PPD)*	1,800	5	1.47	1,484	6	1.49
General Electric Nuclear Fuel/Aircraft***	1,768	6	1.44	2,175	3	2.18
City of Wilmington*	1,106	7	0.90	992	10	1.00
Cape Fear Community College*	1,037	8	0.85	1,293	8	1.30
Corning, Inc*	1,000	9	0.81	1,000	9	1.00
Wilmington Health*	1,000	10	0.81	-	-	-
Verizon Wireless*	-	-	-	1,206	7	1.21
Total	<u>24,329</u>		<u>19.83 %</u>	<u>20,584</u>		<u>20.65 %</u>

Sources: Greater Wilmington Business Journal, New Hanover County, New Hanover County Board of Education, and GE Aviation and GE Hitachi Nuclear Energy, PPD, Cape Fear Community College, Walmart Stores, Inc.

Notes:

* Located within the City of Wilmington

** Located partially in the City of Wilmington

*** Located within New Hanover County

(1) Total employment numbers available from North Carolina Employment Security Commission only on a county basis.

TABLE 16

CITY OF WILMINGTON, NORTH CAROLINA

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	146	147	160	163	170	172	176	179	188	197
Public Safety										
Police										
Sworn personnel	266	266	273	273	278	278	281	281	278	278
Civilians	58	59	63	73	76	78	78	71	76	76
Fire										
Sworn personnel	210	210	210	208	211	210	207	207	207	207
Civilians	10	10	10	11	13	13	13	15	15	16
Code enforcement	8	8	5	5	6	6	6	6	6	7
Transportation	56	57	58	58	58	59	60	60	59	60
Economic and Physical Development	8	8	8	8	8	8	8	8	8	8
Cultural and Recreational	74	74	75	88	92	93	100	102	100	105
Solid Waste	83	83	83	83	75	75	75	75	75	75
Storm Water Management	60	60	60	60	60	60	60	60	62	61
Parking Facilities	2	2	2	2	2	2	2	2	3	3
Golf Course	11	11	11	14	13	13	13	13	13	13
Total	<u>992</u>	<u>995</u>	<u>1,018</u>	<u>1,046</u>	<u>1,062</u>	<u>1,067</u>	<u>1,079</u>	<u>1,079</u>	<u>1,090</u>	<u>1,106</u>

(1)

Source: City Budget Office.

Notes:

(1) This table does not represent part-time employees prior to fiscal year 2016.

TABLE 17

CITY OF WILMINGTON, NORTH CAROLINA

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Calls dispatched	173,980	176,195	178,865	200,474	185,576	186,668	178,039	161,001	163,504	151,958
Part I crimes	6,094	6,024	5,880	5,840 (1)	4,985	4,674	4,188	4,273	4,016	3,923
Fire										
Actual fires	497	492	453	492	485	494	511	499	504	561
Fire department responses	10,548	12,386	12,545	13,310	14,025	13,482	14,047	11,540	9,425	10,417
Fire inspections completed	4,680	5,964	5,082	4,400	5,336	4,855	5,079	5,458	5,298	6,639 (3)
Streets and Sidewalks Maintenance										
Miles of streets resurfaced	8	22	11	15	11	16	9	21	14	11
Solid Waste										
Tons of residential refuse	22,475	22,120	22,661	22,955	24,265	27,030	28,999	28,859	26,174	25,571
Tons of recyclables	6,109	5,853	6,096	7,059	6,998	7,232	7,573	7,186	6,745	6,320
Storm Water										
Number of customers	29,238	29,354	29,378	31,273	36,890	37,633	37,859	38,217	38,479	38,757
ERUs	90,450	91,342	92,043	92,622	92,026	93,206	94,222	95,447	95,002	96,380
Golf Course										
Total number of regular rounds	45,460	32,605 (2)	26,126 (2)	34,678	34,642	35,849	41,406	44,874	48,180	50,262

Source: Various City departments.

Notes: Indicators are not available for the general government function.

(1) The police department increased the number of focus patrols by 49% in the fiscal year 2016.

(2) The municipal golf course was closed for a portion of fiscal year 2014 and 2015 for greens renovations.

(3) The fire department had an increase in the number of fire inspections in fiscal year 2022 due to COVID related back-logged inspections.

**THIS PAGE
INTENTIONALLY BLANK**

CITY OF WILMINGTON, NORTH CAROLINA

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year		
	2013	2014	2015
Police			
Stations / facilities	2	2	2
Patrol units	270	283	285
Fire			
Fire stations	11	11	11
Transportation			
Streets (miles)	398	399	399
Streetlights (2)	686	688	690
Cultural and Recreational			
Parks	37	39	39
Parks acreage	414	421	421
Trail miles	23	23	27
Athletic and recreation facilities	16	16	16
Athletic and recreation facilities acreage	323	323	323
Solid Waste			
Collection trucks	52	56	46
Storm Water			
Storm sewers (miles)	452	509 (1)	509
Parking			
Parking Decks	4	4	4
Fleet			
Vehicles (excluding patrol units)	226	242	237

Source: Various City departments.

Notes: No capital assets indicators are available for the general government function.

- (1) Beginning in fiscal year 2014, the City's estimated storm sewer miles is derived from geographic information system mapping of its storm water infrastructure inventory. In prior years, this estimate was derived by the approximate mileage of City maintained streets.
- (2) The number of streetlights does not include leased streetlights which are owned and maintained by Duke Energy Progress.
- (3) The athletic and recreation facilities acreage increase between fiscal year 2020 and 2021 is due to the acquisition of land for the nCino Sports Park & Complex. Completion of project expected fall of 2022.

TABLE 18

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
2	2	2	2	2	2	2
271	286	290	296	299	337	349
10	10	10	9	9	9	9
400	403	404	406	412	413	414
716	740	761	763	774	854	879
39	39	39	40	40	40	40
421	421	421	421	421	421	421
27	27	27	29	32	32	32
16	16	16	16	16	16	16
323	323	323	323	323	380 (3)	380
46	46	47	47	47	46	45
526	528	529	530	557	575	576
4	4	3	3	4	4	4
215	215	226	239	238	230	242

**THIS PAGE
INTENTIONALLY BLANK**

COMPLIANCE SECTION TAB (FRONT)

COMPLIANCE SECTION TAB (BACK)



**REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
City of Wilmington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and budgetary comparison of the General Fund of City of Wilmington, North Carolina (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Wilmington's basic financial statements, and have issued our report thereon dated November 29, 2022.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City. Our audit, described below, does not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
November 29, 2022



**REPORT ON COMPLIANCE
FOR THE MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Wilmington, North Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Wilmington, North Carolina's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the City's major federal program for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Wilmington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City, which received \$5,119,380 in federal awards during the year ended June 30, 2022. Our audit, described below, does not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with the Uniform Guidance and the State Single Audit Implementation Act.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
November 29, 2022



**REPORT ON COMPLIANCE
FOR THE MAJOR STATE PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Wilmington, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited City of Wilmington, North Carolina's (the City) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the City's major state program for the year ended June 30, 2022. The City's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City, which received \$1,088,184 in State awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with the Uniform Guidance and the State Single Audit Implementation Act.

In our opinion, the City of Wilmington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major State program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
November 29, 2022

CITY OF WILMINGTON, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

I – Schedule of Findings and Questioned Costs

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over the major federal program:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor’s report issued on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal program:

Federal Assistance Listing	Name of Federal Program or Cluster
21.027	American Rescue Plan Act

CITY OF WILMINGTON, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2022

II – Financial Statement Findings

None reported.

III – Federal Award Findings and Questioned Costs

None reported.

IV – State Award Findings and Questioned Costs

None reported.

CITY OF WILMINGTON, NORTH CAROLINA

**CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2022**

No corrective action plan is required for the year ended June 30, 2022.

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
Federal Awards:							
<u>U.S. Department of Housing and Urban Development</u>							
Office of Community Planning & Development:							
Direct Programs:							
Community Development Block Grants:							
Community Development Block Grants	14.218	B-13-MC-370010	-	\$ 46,899	\$ -	\$ -	\$ -
Community Development Block Grants	14.218	B-16-MC-370010	-	1,686	-	-	-
Community Development Block Grants	14.218	B-17-MC-370010	-	10,810	-	-	-
Community Development Block Grants	14.218	B-18-MC-370010	-	290	-	-	-
Community Development Block Grants	14.218	B-19-MC-370010	-	17,738	-	-	-
Community Development Block Grants	14.218	B-20-MC-370010	-	26,420	-	-	-
Community Development Block Grants	14.218	B-21-MC-370010	-	593,980	-	-	1,992
Community Development Block Grants	14.218	B-20-MW-37-0010	-	31,130	-	-	-
Total Community Development Block Grants				<u>728,953</u>	<u>-</u>	<u>-</u>	<u>1,992</u>
Home Investment Partnerships Program:							
Home Investment Partnerships Program	14.239	M-16-MC-37-0207	-	51,817	-	-	-
Home Investment Partnerships Program	14.239	M-18-MC-37-0207	-	49,999	-	-	-
Home Investment Partnerships Program	14.239	M-20-MC-37-0207	-	31,100	-	-	-
Home Investment Partnerships Program	14.239	M-21-MC-37-0207	-	153,900	-	-	540,503
Total Home Investment Partnerships Program				<u>286,816</u>	<u>-</u>	<u>-</u>	<u>540,503</u>
Lead Hazard Reduction Demonstration Grant Program:							
HUD-Lead Based Paint Hazard Reduction	14.905	NCLHB0725-19	-	506,208	-	-	-
Total U.S. Department of Housing and Urban Development				<u>1,521,977</u>	<u>-</u>	<u>-</u>	<u>542,495</u>

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
Federal Awards (continued):							
<u>U.S. Department of Transportation</u>							
DOT Federal Railroad Administration:							
Direct Program:							
Wilmington Rail Realignment	20.325	69A36520501370CRSNC	-	\$ 579,906	\$ -	\$ -	\$ -
Federal Transit Administration:							
Pass-through N.C. Department of Transportation:							
Metropolitan Transportation Planning:							
Transportation Planning	20.505	22-08-116	36230.27.21.6	58,492	-	65,350	7,316
Transportation Planning	20.505	22-08-116	36230.27.21.6	-	7,309	-	-
Total Metropolitan Transportation Planning				<u>58,492</u>	<u>7,309</u>	<u>65,350</u>	<u>7,316</u>
Federal Highway Administration:							
Pass-through N.C. Department of Transportation:							
Highway Planning and Construction Cluster:							
Wrightsville/Greenville Improvement	20.205	U-5534 C	44096.1.F4;.2.F4;.3.F4	741	-	-	-
Park Avenue Multiuse Path	20.205	U-5534 F	44096.1.F7;.2.F7;.3.F7	367,386	-	-	89,996
Hinton Avenue Multiuse Path	20.205	U-5534 H	44096.1.F9;.2.F9;.3.F9	572	-	-	-
Hooker Road Multiuse Path	20.205	U-5534 G	44096.1.F8;.2.F8;.3.F8	642	-	-	-
5th Avenue & Wooster	20.205	U-5527 B	50077.1.F3;.2.F3;.3.F3	4,890	-	-	-
Gregory / Williston Streets	20.205	SR-5001CL	40924.3.88	(82,074)	-	-	-
Gregory / Williston Streets	20.205	SR-5001CL	40924.3.88	72,904	-	-	19,333
Holly Tree / College Crosswalk	20.205	U-5534 Q	44096.1.F18;.2.F18;.3.F18	26,995	-	-	5,006
Signal Pre-empt Emergency Vehicle	20.205	U-5534 T	44096.1.22;.3.22	(6,211)	-	-	6,211
Multi Modal Phase 1B	20.205	U-6234	48930.1.1;.3.1	111,939	-	-	26,979
Market Street HAWK Signal	20.205	EB-6028	48749.1.1;.3.1	27,634	-	-	6,361
Pre-Emptive Signals Phase II	20.205	U-6235	48931.1.1;.3.1	70,887	-	-	17,480
Transportation Planning	20.205	7500024887	49599.1.18	371,197	-	-	92,799
Transportation Planning	20.205	7500024887	44094.1.3	498,401	-	-	124,600
Total Highway Planning and Construction Cluster				<u>1,465,903</u>	<u>-</u>	<u>-</u>	<u>388,765</u>
Total U.S. Department of Transportation				<u>2,104,301</u>	<u>7,309</u>	<u>65,350</u>	<u>396,081</u>

See Notes to Schedule of Expenditures
of Federal and State Awards

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
Federal Awards (continued):							
<u>U.S. Department of Commerce</u>							
Office for Coastal Management: National Oceanic and Atmospheric Administration Pass-through National Fish and Wildlife Foundation							
Clear Run Branch Improv	11.473	0318.19.06996	-	\$ 15,996	\$ -	\$ -	\$ 320,527
<u>U.S. Department of Justice</u>							
OJP Bureau of Justice Assistance: DOJ Covid Emergency Support Fund							
	16.034	2020-VD-BX-1369	-	62,938	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program:							
'18 JAG-Equipment with New Hanover County	16.738	2018-DJ-BX-0077	-	32,712	-	-	-
'19 JAG-Equipment with New Hanover County	16.738	2019-DJ-BX-0609	-	16,356	-	-	-
Total Edward Byrne Memorial Justice Grant Program				49,068	-	-	-
Pass-through New Hanover County							
'20 JAG-Equipment with New Hanover County	16.738	2020-DJ-BX-0931	-	38,552	-	-	-
Total Edward Byrne Memorial Justice				87,620	-	-	-
Criminal Division:							
Equitable Sharing Program-Federal Forfeiture	16.922	-	-	77,573	-	-	-
Total U.S. Department of Justice				228,131	-	-	-

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
Federal Awards (continued):							
<u>U.S. Department of The Treasury</u>							
Departmental Offices:							
Direct Program:							
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-0864	-	\$ 9,522,153	\$ -	\$ 2,999,833	\$ -
Total U.S. Department of The Treasury				<u>9,522,153</u>	<u>-</u>	<u>2,999,833</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>							
Federal Emergency Management Agency:							
Direct Program:							
Pass-through N.C. Department of Public Safety:							
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	<u>6,005</u>	<u>2,002</u>	<u>-</u>	<u>-</u>
Total Pass-through N.C. Dept. of Crime Control and Public Safety:				<u>6,005</u>	<u>2,002</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>6,005</u>	<u>2,002</u>	<u>-</u>	<u>-</u>
Total Federal Awards				<u>13,398,563</u>	<u>9,311</u>	<u>3,065,183</u>	<u>1,259,103</u>
State Awards:							
<u>N.C. Department of Environmental Quality</u>							
VW Settlement - DC Fast Charging Station	N/A	45523VW	-	<u>-</u>	<u>33,768</u>	<u>-</u>	<u>-</u>
Total N.C. Department of Environmental Quality				<u>-</u>	<u>33,768</u>	<u>-</u>	<u>-</u>

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<u>N.C. Department of Public Safety</u>							
OPIOID Pilot Project 2021	-	CityofWilmington 2021-2023	-	\$ -	\$ 146,712	\$ -	\$ -
<u>N.C. Department of Transportation</u>							
Powell Bill Funds	DOT - 4	Agmt 4000029276	32570	-	3,209,388	-	354
Municipal Agreement - Schedules C and D	-	-	3.1065SM; 3.2065SM	-	425,591	-	-
Small Construction Agreement	-	-	48935	-	149,234	-	-
Total N.C. Department of Transportation				-	3,784,213	-	354
Total State Awards				-	3,964,693	-	354
Total Federal and State Awards				\$ 13,398,563	\$ 3,974,004	\$ 3,065,183	\$ 1,259,457

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2022

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards represents the activity of all federal and State awards to the City of Wilmington, North Carolina, excluding those of its discretely presented component unit. The City's reporting entity is defined in Note 1 to the City's basic financial statements. Expenditures are reported on the schedule only at such time as there is an approved award and as activity occurs that obligates the City to make a payment, not when the award has been received. As a result, certain expenditures incurred in a prior year may be reported for the first time in the current year or as a reimbursement of expenditures reported in a prior year. All federal and state awards, received directly or indirectly (passthrough) from federal and state agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards has been prepared on the modified accrual basis, which is described in Note 1 of the City's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State Single Audit Implementation Act. Therefore, amounts presented in this schedule will frequently differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 3 – SUBRECIPIENTS

Federal and State awards have been passed through to subrecipients as follows for the year ended June 30, 2022:

<u>Program Title</u>	<u>Number</u>	<u>Amount</u>
Transportation Planning	20.505	\$ 65,350
COVID - 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 2,999,833

NOTE 4 – INDIRECT COST

The City of Wilmington has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.