



Comprehensive Annual FINANCIAL REPORT

City of Wilmington, North Carolina

For the Fiscal Year Ended June 30, 2020



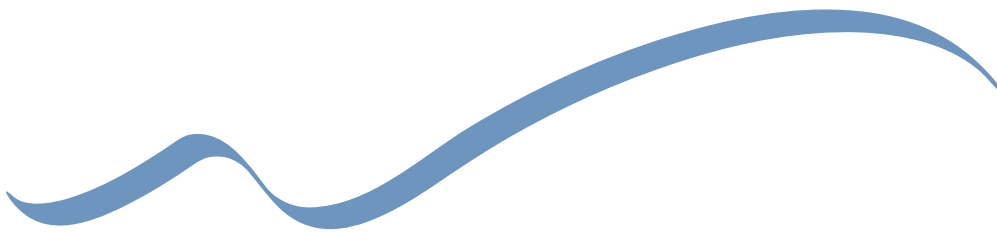
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For the Fiscal Year Ended June 30, 2020



Prepared by the Finance Department



INTRODUCTORY SECTION TAB (FRONT)

INTRODUCTORY SECTION TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

Comprehensive Annual Financial Report

Year Ended June 30, 2020

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 - xl
Certificate of Achievement	xli
 FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis (Unaudited)	5 - 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20 - 21
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22 - 25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28 - 29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Annual Budget and Actual - General Fund	31
Statement of Net Position - Proprietary Funds	32 - 35
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	36 - 37
Statement of Cash Flows - Proprietary Funds	38 - 41
Statement of Fiduciary Net Position - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	43
Notes to Financial Statements	45 - 111
 Required Supplementary Information (Unaudited):	
Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability	115

CITY OF WILMINGTON, NORTH CAROLINA

Table of Contents (Continued)

FINANCIAL SECTION (Continued)	Page
Required Supplementary Information (Unaudited): (Continued)	
Law Enforcement Officers' Special Separation Allowance - Notes to the Required Schedules	115
Law Enforcement Officers' Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll	116
Law Enforcement Officers' Special Separation Allowance - Notes to the Required Schedules	116
Other Postemployment Benefits - Schedule of Changes in the City's Net OPEB Liability and Related Ratios	117
Other Postemployment Benefits - Schedule of City Contributions	118 - 119
Other Postemployment Benefits - Schedule of Investment Returns	120
Local Governmental Employees' Retirement System - Schedule of City's Proportionate Share of Net Pension Liability (Asset)	122 - 123
Local Governmental Employees' Retirement System - Schedule of City Contributions	124 - 125
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Funds: Governmental Funds	127
Special Revenue Funds	128 - 130
Capital Projects Funds	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Funds: Governmental Funds	132
Special Revenue Funds	134 - 136
Capital Projects Funds	137
Combining Statement of Changes in Assets and Liabilities - Agency Funds	138
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual: General Fund	139 - 142
Special Revenue Funds: Special Purpose Fund	143 - 145
Convention Center Fund (A Subfund of the Special Purpose Fund)	146 - 147
Community Development Fund	148 - 149
CDBG/Home Administration Fund (A Subfund of the Community Development Fund)	150
Home Investment Partnership Fund	151 - 152
Special Tax District Fund	153
Capital Projects Funds: Streets and Sidewalks Fund	155 - 158
Parks and Recreation Fund	159 - 160
Building Improvements Fund	161 - 162
Public Improvements Fund	163
Debt Service Fund	165

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:	
Solid Waste Management Fund	167 - 168
Storm Water Management Fund	169 - 170
Storm Water Capital Projects Fund	171 - 172
Parking Facilities Fund	173 - 174
Parking Facilities Capital Projects Fund	175
Golf Fund	176
Golf Capital Projects Fund	177
Internal Service Funds:	
Combining Statement of Net Position	179
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	180
Combining Statement of Cash Flows	181 - 182
Schedules of Revenues and Expenditures - Budget and Actual (Non - GAAP):	
Equipment, Maintenance and Replacement Fund	183 - 184
Personal Computer Replacement Fund	185
Supplemental Financial Data:	
Schedules of Governmental Funds Capital Assets:	
Schedule by Type and Source	187
Schedule by Function and Activity	188 - 189
Schedule of Changes by Function and Activity	190 - 191
Schedule of Change in Ad Valorem Taxes Receivable	192
Analysis of Current Tax Levy	193
Schedule of Receipts and Disbursements - Room Occupancy Tax	194 - 195
STATISTICAL SECTION (Unaudited)	197
Table 1: Net Position by Component - Last Six Fiscal Years	198 - 199
Table 2: Changes in Net Position - Last Six Fiscal Years	200 - 205
Table 3: Fund Balances of Governmental Funds - Last Ten Fiscal Years	206 - 207
Table 4: Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	208 - 211
Table 5: Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	212

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	213
Table 7: Top Ten Taxpayers - Current Year and Nine Years Ago	214
Table 8: Property Tax Levies and Collections - Last Ten Fiscal Years	215
Table 9: Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	216
Table 10: Ratios of General Bond Debt Outstanding - Last Ten Fiscal Years	217
Table 11: Direct and Overlapping Governmental Activities Debt	218
Table 12: Legal Debt Margin Information - Last Ten Fiscal Years	220 - 221
Table 13: Pledged-Revenue Coverage - Last Ten Fiscal Years	222
Table 14: Demographic and Economic Statistics - Last Ten Fiscal Years	223
Table 15: Principal Employers - Current Year and Nine Years Ago	224
Table 16: Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years	225
Table 17: Operating Indicators by Function - Last Ten Fiscal Years	226
Table 18: Capital Asset Statistics by Function - Last Ten Fiscal Years	228 - 229
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>	231 - 232
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	233 - 234
Report on Compliance for the Major State Program and Report on Internal Control Over Compliance Required by the State Single Audit Implementation Act	235 - 236
Schedule of Findings and Questioned Costs	237 - 239
Corrective Action Plan	240
Summary Schedule of Prior Audit Findings	241
Schedule of Expenditures of Federal and State Awards	242 - 246
Notes to Schedule Expenditures of Federal and State Awards	247



City Council

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

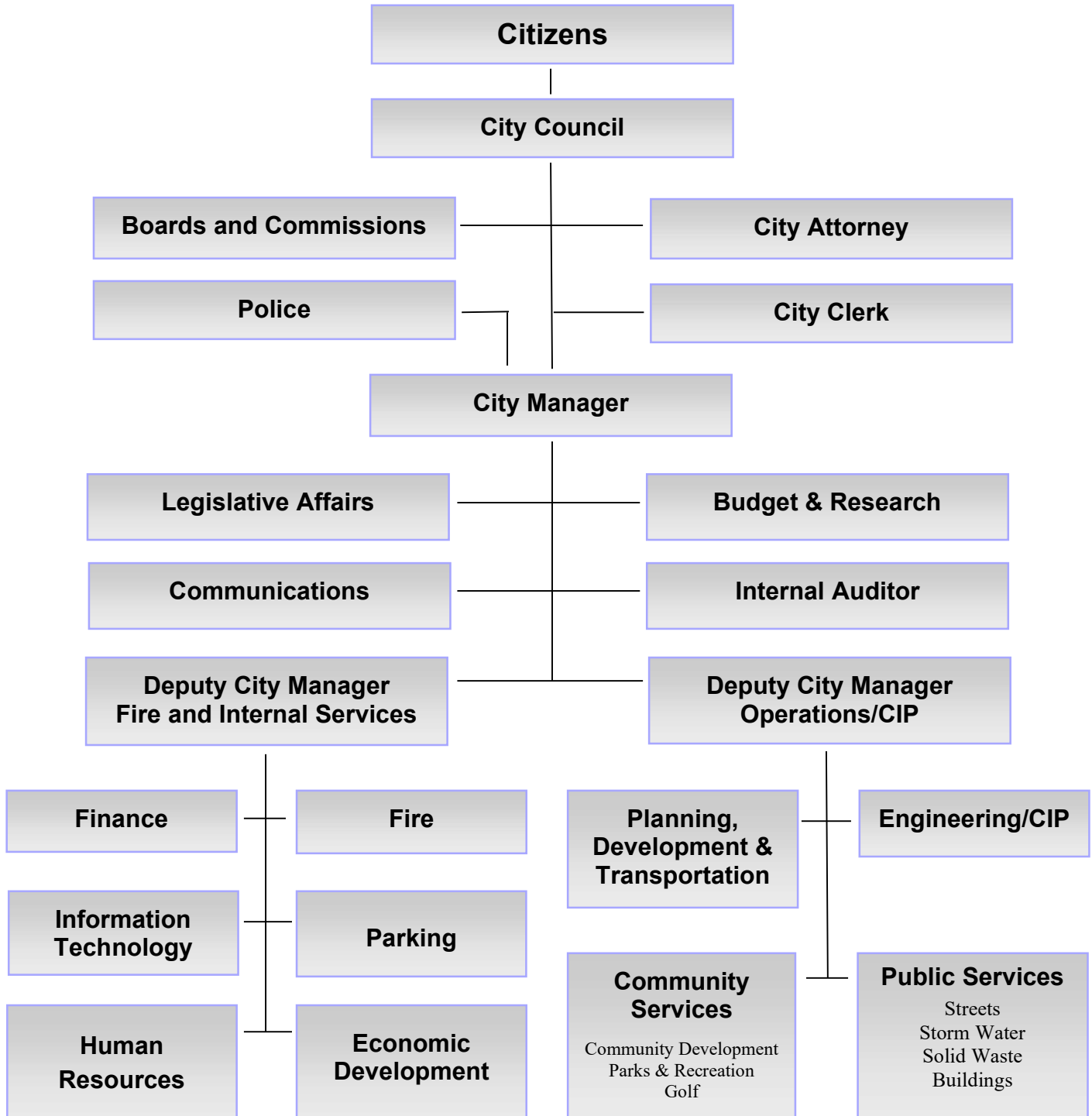
City Manager

Sterling B. Cheatham

Finance Director

Jennifer R. Maready





January 8, 2021



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 Comprehensive Annual Financial Report of the City of Wilmington, North Carolina for the fiscal year ended June 30, 2020. 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 Comprehensive Annual 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 RSM US 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, 2020 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, 2020 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 122,891 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 solid waste 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

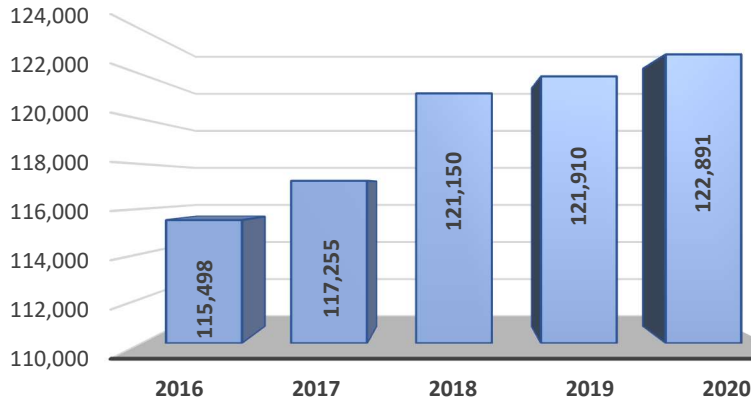
The City serves as the economic, cultural, and services hub for southeastern North Carolina. The historic attractions, mild climate, water related activities, and business opportunities have made the region one of the fastest growing areas in the nation. The Port City continued to receive accolades from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

- In its *Best Performing Cities 2020* report, the Milken Institute ranked the Wilmington MSA 45th in the US, moving up 10 spots from its 2018 ranking.
- Wilmington placed 30th out of the 200 largest metropolitan areas in the US on Forbes magazine's *Best Places for Business and Careers*
- Southern Living voted Wilmington 12th on their list of *South's Best Cities 2020* by the reader's choice awards.
- WalletHub's *2020 Best Real Estate Markets* ranked Wilmington 58th overall out of 300 markets in the country.
- The financial advising website, Value Penguin placed Wilmington 8th in its *2020 Best Cities for Tourist*
- Livability ranked the City 43rd in its *2020 Top 100 Best Places to Live*.

The City of Wilmington was also ranked as one of the top four "Cleanest Cities" in the country for air quality per the American Lung Association's 2020 annual *State of the Air* report. The Association prepares an annual "report card" on air quality Americans are exposed to. This marks the fourth consecutive year the City has been ranked in the top 10 and its highest ranking to date.

In September 2020, Wilmington received another honor as America's first World War II Heritage City for its historic importance of the United States' involvement in World War II. From 1941 to 1946, the North Carolina Shipbuilding Company located in Wilmington was the largest employer in the state with 23,000 people working to build cargo ships for the war effort. The shipyard built over 243 ships during a five-year span, approximately a ship a week. The City was also home to three prisoner of war camps, housing over 500 Nazis. Nearly 250 men from Wilmington died defending the U.S. and two New Hanover High School graduates received the Congressional Medal of Honor. The award was presented to the City by President Donald Trump during a ceremony at the USS North Carolina Battleship memorial in September 2020.

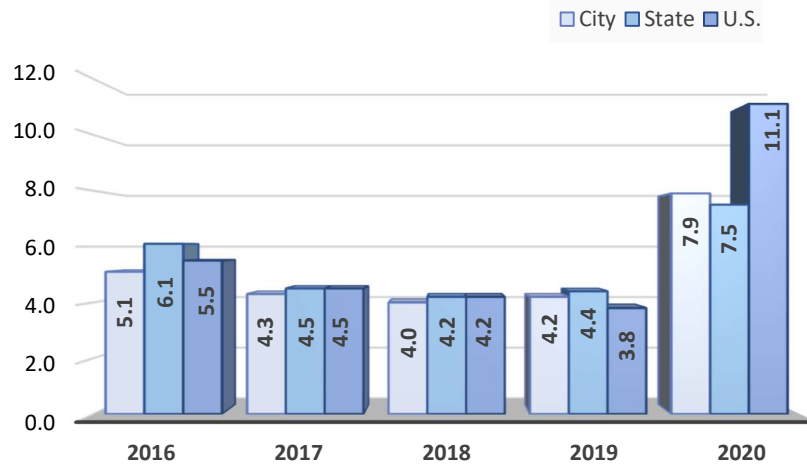
Five-Year Population Growth



The City's population has increased 62.04% since 2000. The North Carolina Office of State Budget and Management projects the region's population will continue to increase, growing by 15.5% over the next 10 years.

The COVID-19 pandemic pushed Wilmington's unemployment rate higher than the State, however it continued to trail National levels. Leisure and Hospitality was one of the hardest hit employment sectors for the region.

Five-Year Unemployment Rates



Top Ten Taxpayers

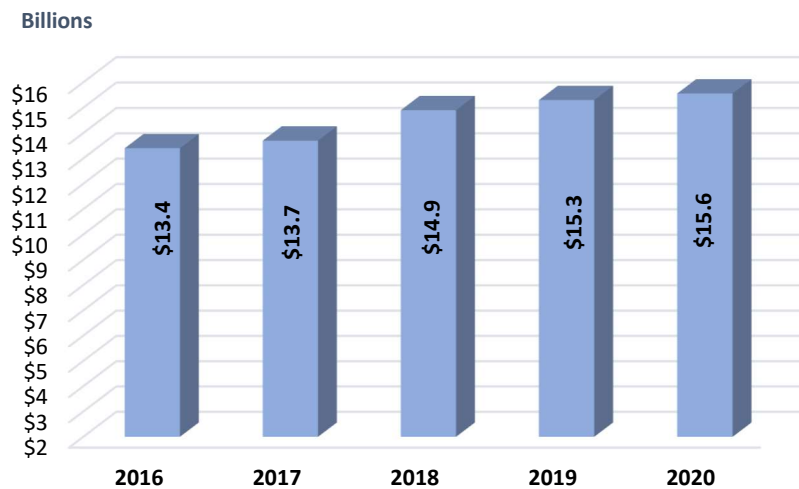
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	
Corning Inc.	\$ 261,606,881	1.68	%
Bedrock Holdings LLC	79,194,800	0.51	
River Ventures LLC	74,933,400	0.48	
Mayfaire Town Center LP	69,712,613	0.45	
Duke Energy Progress Inc	67,446,261	0.43	
RSE Independence LLC	63,255,800	0.41	
NNP IV Cape Fear River LLC	56,351,805	0.36	
Live Oak Bank Company	52,357,277	0.34	
Wilmington Independent Living LLC	40,784,500	0.26	
Carolina Bay Properties of Wilm LLC	39,355,900	0.25	
	<u>\$ 804,999,237</u>	<u>5.17</u>	%

Source: New Hanover County Tax Office

No single taxpayer comprises more than 1.68% 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 (FY18) and will be appraised in 2021 (FY 22).

Five-Year Assessed Values



LOCAL ECONOMY

Top Ten Employers

Employer	Sector	Employees	Percentage of Total County Employment (1)
New Hanover Health Network*	Health Care	7,500	6.83 %
New Hanover County Schools**	Education	3,575	3.26
University of North Carolina (Wilmington)*	Education	2,409	2.19
New Hanover County**	Government	1,813	1.65
General Electric Nuclear Fuel/Aircraft***	Uranium Enrichment & Nuclear Fuel	1,550	1.41
Pharmaceutical Products Development*	Pharmaceuticals	1,500	1.37
Verizon Wireless*	Telecommunications	1,167	1.06
Wal-Mart**	Retail	1,125	1.02
City of Wilmington*	Government	1,079	0.98
Cape Fear Community College*	Education	820	0.75
Total		<u>22,538</u>	<u>20.53 %</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.

* 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.

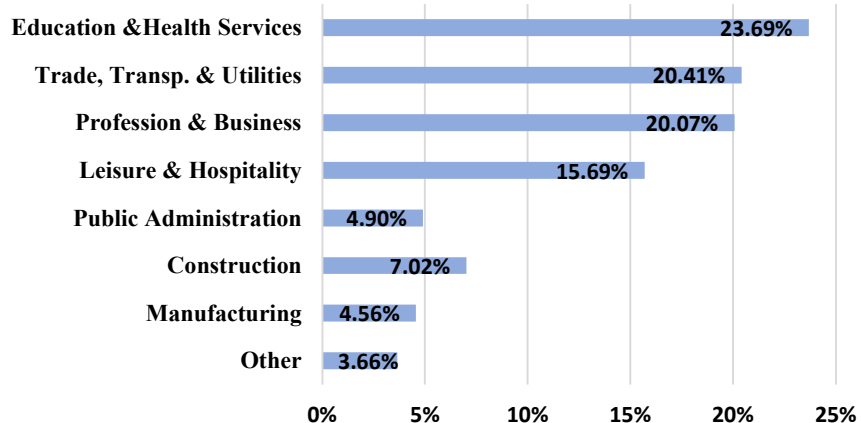
No industry or employer dominates the local economy.

The 10 largest employers continue to show the diversity of the City's economy by representing 7 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 home to the Global Headquarters of PPD, 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 2019

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. On January 3, 2017, GEH announced that it was awarded a three-year contract by OKG AB to support the dismantling of two reactors at the Oskarshamn Nuclear Power Plant near Oskarshamn, Sweden. The work, which included dismantling, cutting and packing reactor internals for final disposal was completed in December 2019. On April 26, 2017, it was announced that GEH was awarded a contract of more than \$140 million by Exelon Generation. The service agreement, which runs through the Spring 2021 outage season, has GEH providing a full portfolio of outage and inspection services to Exelon throughout the U.S. and Canada. In October 2018, GEH was awarded a \$33.7 million project by the U.S. Department of Energy. The two-and-a-half-year project aims to develop and demonstrate new fuel rods that could be commercially deployed.

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 January 2016, GNF announced a \$90 million contract from Energy Northwest to continue providing reloads of its high-performance GNF2 fuel for Energy Northwest's nuclear reactor near Richland, Washington. GNF has fueled the Columbia Generating Station since 2009 and will now continue through 2027. In October 2018, the U.S. Department of Energy awarded a \$33.7 million project to GE to continue the development of advanced fuel rod technologies for the nuclear industry, with significant project work happening at the GNF plant. The two-and-a-half-year project aims to develop and demonstrate new fuel rods that could be commercially deployed and set new standards in plant safety.

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 Aviation. In June 2019, GE Aviation and CFM International announced record-setting orders out of the Paris Air Show for more than 1,150 LEAP engines as well as long-term service agreements valued at about \$50 billion. The GE9X engine, the largest engine produced by GE Aviation, received more than 7,000 orders after its debut at the Paris Air Show. GE9X's 105,000-pound thrust is the only power option for the Boeing 777X which completed its second flight test in January 2020. GE Aviation expects to continue hiring at its plant outside of the City in 2020. The FAA rescinded its

temporary grounding of Boeing's 737 MAX in November 2020, which had been in place since March 2019. GE Aviation anticipates production levels of its CFM LEAP engine to return to normal after the announcement.

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 400 full-time employees at its Wilmington headquarters.



MegaCorp Logistics was named to Business North Carolina magazine's 2018 N.C. *Mid-Market Fast 40 List*, which ranks mid-size companies based on revenue and employment growth. The company was also named to the 2018 *Grant Thornton North Carolina 100®*, which ranks the state's largest private companies by revenue. MegaCorp was again named to Inc. Magazine's *Top 5000 Fastest Growing Companies* with an average growth of 136.2 percent. Headquartered in Wilmington since 2009, MegaCorp specializes in full and less-than-truckload shipments throughout North America and currently employs 154 people in its Wilmington office, and over 664,095 jobs over the past three years nationwide.

N2 Publishing is the 25th fastest-growing media company in America. It was founded in the City in 2004 and publishes neighborhood magazines. It now has 950 publications nationwide and employs 230 people. Inc. Magazine ranked the company *Best Workplaces* in 2018 and again in 2019.

nCino founded in 2012, was originally a wholly owned subsidiary of local bank Live Oak Bancshares. The bank 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 1100 financial institutions including Santander, TD Bank and Truist Financial. They have offices in five countries and employ over 900 people worldwide.



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 400 banks and credit unions and has over 180 employees.

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 February 2020, the company went public, raising \$1.62 billion. It was one of the largest IPO’s of the year. PPD was ranked the 32nd best employer in North Carolina by Forbes magazine for 2020 and 419th on *America’s Best Employers* list for 2019. PPD has over 20,000 employees worldwide.



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. The acquisition will expand its sterile fill-finish capacities. The company has five locations across the country employing over 900 employees.

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 began expansion of its main campus in September 2020.

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.

Multiple other contract research organizations have recently expanded to the City including: IQVIA, INC Research, Modoc Research, Chiltern, Novella Clinical 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

Mayfaire 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. 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 was released for construction in April of 2020.

Galleria is a mixed-use development consisting of residential, commercial, and office uses anticipated to be developed on the site. On September 16, 2020, the Wilmington Subdivision Review Board approved a preliminary plan for the streets and utilities associated with the future project. Construction plans for these improvements are currently under review.

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. Construction plans for a 4-story hotel with 104 rooms is currently under review by the Technical Review Committee.

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 is currently under construction and nearing completion. The infill development of an existing out-parcel for an 8,800 square-foot restaurant (Walk On's) is currently under construction.

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. The project review is complete, but construction has not yet begun on this project.

Wilmington Pawville is an 11,000 square foot veterinary and boarding facility located at 3532 Carolina Beach Road. The project is currently 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.

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. The project is currently under construction.

Courtyard at Midtown is a commercial development located at 3701 Shipyard Boulevard that includes two 3-story buildings with 30,000 square feet of office spaces, 26,000 square feet of medical office spaces, and 4,000 square feet of restaurant space. The project has been released for construction.

Bradley Creek Station is a 3-story, 76,000 square foot building that includes medical and professional office space, retail space, and restaurant space. The project is located at 5809 Oleander Drive and is currently under construction.

Friends School of Wilmington is a private school with a maximum of 250 students located at 350 Peiffer Avenue. The project is currently under construction.

AAA Car Wash is an automated carwash located at 3430 S. College Road. The project is currently under construction.

Hourglass Studios is a 2-story, 13,000 square foot recording studio located at 613 Surry Street. A resubmittal for this project is currently under review.

Intracoastal Internal Medicine is a 9,400 square foot medical office located at 2580 Pickard Road. The project is currently under construction.

Garris Road Storage is a self-storage development consisting of a 3-story, 102,000 square foot climate-controlled building and 16,000 square feet of office/flex space. The project is currently under construction.

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. Construction plans are currently under review.

TOURISM

Tourism is the area's largest economic component in terms of employment and revenues. Nearby beaches, the historic river front area, and the USS North Carolina Battleship Memorial 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 2019, travel and tourism generated an economic impact of \$658 million in New Hanover County, an increase of 7.5% over 2018. An estimated 6,680 jobs in the region were supported by tourism, generating \$158.15 million in payroll last year.



FILM

Film and television productions continue to be a vibrant sector in North Carolina's economy, especially for Wilmington. In 2019, production companies generated more than \$167 million dollars of direct in-state expenses, the most in the last five years and created more than 11,800 job opportunities for North Carolina. Wilmington received a disproportionately large share of this benefit as being one of the top filming locations in the State. The City has been home to over 400 productions, including box office hits like *Iron Man 3*, *We're the Millers* and *Divine Secrets of the Ya-Ya Sisterhood* to name a few as well as soon to be released *Halloween Kills*.



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 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



A voluntary annexation was approved in 2009 that brought approximately 1,358 acres into the City limits. **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. Thirteen subdivisions with a total of 1,471 lots have been approved by the City's Subdivision Review Board. 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, 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.

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 review by the Technical Review Committee.

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.

Studio 17 Apartments is a 3-story, 32-unit apartment development located at 514 S. 17th Street. The project is currently under construction.

Summerwalk is a 26.25 acre residential and commercial development located at the intersection of Greenville Loop Road and Oleander Drive. Phase 1 of the project, which includes approximately 20.46 acres, is zoned to allow 123 dwelling units (19 single family detached housing units and 104 townhome units). Phase 2, which includes approximately 5.79 acres, is zoned to allow for 62,400 square feet of retail and office space. Construction of Phase 1 of this development is now complete.

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 project 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 is currently under construction.

Amberleigh Shores Phase II is a 287-unit multi-family development located at 7770 Market Street. This is the second phase of the overall Amberleigh Shore development. This project is currently under construction.

The Mini Pearl is a 33-unit apartment building located at 724 S. 5th Street, adjacent to *The Pearl*. The project is currently under construction.

Airlie at Wrightsville Sound is a 49-lot single family development located at 315 Airlie Road. The project is currently under construction.

Dawson Street Lofts is a 48-unit residential building located at 865 Dawson Street. The project is part of a larger redevelopment project of a Wilmington Housing Authority property. The project is currently under construction.

Arboretum Village is a 98-unit townhome development located at 294 Military Cutoff Road. The project is currently under construction.

Arboretum West is a mixed-use development located at 108 Station Road and includes 360 apartment units, 10,000 square feet of office space, 3,000 square feet of retail space, and 5,000 square feet of restaurant space. This project is 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.

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 review by the City's Technical Review Committee.

The Modern is a mixed-use project with eight residential units and 3,400 square-feet of commercial space. Plans are currently under review by the City's Technical Review Committee.

The Varsity is a mixed-use project with 24 residential units and 6,175 square feet of commercial space. Plans are currently under review by the City's Technical Review Committee.

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. Formal construction plans are currently in design.

College Acres Apartments is a multi-family development that includes nine duplexes structures and five apartment buildings with 12 units in each for a total of 78 residential units. The project is currently under review by the City's Technical Review Committee.

HEALTHCARE

New Hanover Regional Medical Center (NHRMC) is the ninth largest hospital, and largest county-owned hospital in North Carolina with 700 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. The hospital employs 6,100 and another 750 volunteers.



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. SafeCare Group ranked it in its *Top 100* as did Women's Choice – *America's 100 Best Hospitals for Patient Experience*. In 2020, NHRMC's Betty H. Cameron Women's and Children's Hospital was ranked as one of the *Best Maternity Care Hospitals* by Newsweek.

In October 2020, the New Hanover County Board of Commissioners approved the sale of the hospital to Novant Health which would net the County \$2 billion. \$1.25 billion will be invested in an independent endowment fund to benefit the County and its citizens.

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 over 20 locations (including Convenient Care and Urgent Care). Wilmington Health has provided premier healthcare to the residents of Southeastern North Carolina for over 40 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 Manager, 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. 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. 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 25 ports in the country, having moved 134,670 TEUs (20-foot equivalent units), in 2019, a 7% increase. The Journal of Commerce named the Port of Wilmington the most productive port and Wilmington's Container Terminal as most productive terminal for 2019.

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.



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 set a new record for refrigerated container volume having moved 1,459 containers through the port during the month of April 2020. Refrigerated cargoes have increased by 225% from 2014 to 2019.

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 76,000 jobs and \$700 million each year in state and local tax revenues.

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.

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. For the calendar year 2019, the Airport served 1,075,963 passengers, an increase of 15% over 2018. 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 airport is undergoing a \$60 million expansion and renovation project. Phases 1 and 2 are complete with the third and final phase anticipated to begin in late 2020. Once completed, the ILM terminal will grow by 75%, adding 4 new gates, expanded concessions and restaurant space, and enhanced baggage claim area.

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 2019 enrollment of 17,499 full-time-equivalent undergraduate and graduate students.

UNCW ranks 92nd among Top Public National Universities, according to *U.S. News & World Report*, tying with Ohio University and the University of Houston. It was ranked 32nd on *Kiplinger's Best Public College Values 2019* list and was one of only four UNC system schools featured in the *Fiske Guide to Colleges 2020*, 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, 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.



Sound Stage and make a masterpiece in the Art Studio.

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

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.

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.

The Hannah Block Historic USO/Community Art Center provides a welcoming, quality facility to local performing and visual artist. The City owned facility is available to non-profit organizations, and has five studios for rehearsals of plays, musicals, and recitals. The center also has a kitchen and auditorium that seats over 200. It can be rented for weddings, parties and corporate and private functions.

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. The Arts Council, in collaboration with Tri-State Sculptors, has installed 12 sculptures as part of the popular Pedestrian Art public art program.



CFCC's **Wilson Center** is home to a 1500-seat performance hall, 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.

RECREATION



The city offers its citizens an array of recreational activities by providing 40 parks, 16 athletic centers, 7 trails, 2 golf courses, boat docks, event center and an amphitheater.

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, 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 six 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.

The joint City/New Hanover County Miracle Field located at [Olsen Park](#) 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.

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. This facility includes a family restroom building, a fully accessible viewing stand, 5 softball fields, an outdoor volleyball court, and concessions.

ATHLETIC FACILITIES

[Legion Stadium Sports Complex](#) is home to the [Wilmington Sharks](#), one of nine teams in the Coastal Plain League. The facility is also the home field to the New Hanover High School football, soccer, lacrosse and baseball teams. The complex has hosted many special events as well, such as

the Pop Warner football playoffs, Hanover Kennel Club Dog Show, American Cancer Society's Relay for Life and Special Olympics Fall Games.

The City's three community swimming pools are managed by the Wilmington Family YMCA. The YMCA offers swim lessons, water aerobics and safety and certification training.



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 USTA's NC Combo State Tennis Championship each November. Over 2,500 players come from all over North Carolina to compete in the tournament.

GOLF



Southeastern North Carolina is home to several top-rated golf courses. The City of Wilmington operates two courses. Purchased in 2011, **Inland Greens** is a 33-acre park/golf course. It features a nine-hole par 3 golf course and passive park, which includes a $\frac{3}{4}$ 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 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*.

BOATING



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. The City offers a total of 1,200 feet of floating dock space with multiple floating face docks and can accommodate vessels up to 100 feet. Power (30 and 50 amp) and water are available. The docks are within walking distance of area attractions, hotels, shopping, dining, theater, nightlife, laundry

facilities, post office, banks and supplies. Dockage is available by reservation only. The dock master monitors channel 16 on VHF.

Privately owned **Port City Marina** has been in operation for approximately 7 years with over 200 state-of-the-art floating concrete wet slips and a full complement of first-class amenities and services for boats and boaters of all types. The marina can accommodate boats up to 250 feet, with controlled depth of 10-feet within the basin, and deeper craft slips along the Cape Fear River. Amenities include an open-air concert venue and restaurant. American Cruise Lines and Noble Caledonia have both docked at the marina as part of their Wilmington routes.



Wilmington is home to **Airlie Gardens**. At the heart of the gardens is a 300-year-old oak tree with plenty of hanging Spanish moss. Take a leisurely stroll on one of the many paths and visit the butterfly house and bottle sculpture. If you visit in the spring, the flowers will provide a colorful backdrop to any photo album. By the pier, you can see an osprey nesting in a dead tree.

AMPHITHEATER

Greenfield Lake Amphitheater 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 most recent acts to play the amphitheater include Nathaniel Rateliff and the Night Sweats, Willie Nelson, Peter Frampton, and Old Dominion.



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. 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.

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.

The **Battleship Half Marathon and Battleship 5K** have been held the past 20 years, on the second Sunday in November, Wilmington plays host to the **Battleship Half Marathon and Battleship 5K races**.

Both races start and finish at the Battleship North Carolina, right across the Cape Fear River from downtown Wilmington and is 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 Beach 2 Battleship Triathlon**. This race has been named one of the top five (5) 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 almost 18,000 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 recognized it as "One of the Coolest Film Festivals in the World" 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** is headed by veteran Police Chief Donnie Williams. The 339-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 120,000 residents and the thousands of motorists who visit the Port City daily.

The police and fire departments opened their new Haynes Lacewell Police and Fire Training



Facility in late 2019. The 30,000 square foot facility is equipped with state of the art technology and includes a use-of-force simulator for de-escalation tactics, a driving simulator, 100-yard indoor shooting range, indoor K-9 training and outdoor obstacle course, an armory and classrooms. The facility is named in honor of Sergeant Edward Lee Haynes, one of the first African -American police officers for the City and fallen firefighter, Captain Eric Lacewell.



The Wilmington Police Department also oversees the day to day operations of the **Southeastern NC Air-Borne Law Enforcement unit (SABLE)** which is a regional, multi-agency effort between the City of Wilmington, Leland police, New Hanover and Pender County Sheriff departments. The unit utilizes helicopters and drones to assist law enforcement agencies with crimes in progress, search for lost or stranded persons or suspects, surveillance, vehicle pursuits as well assistance during natural disasters.



FIRE

The **Wilmington Fire Department** is led by Fire Chief Buddy Martinette. The 222 personnel are managed in three divisions: Operations, Support Services and Administration. The Operations Division consists of fire suppression personnel and the Safety Section. Support Services oversees the Training Division, Fire and Life Safety, and Community Risk Reduction. The Administrative Division includes the Office of the Chief, Accreditation, Human Resources, Public Information, the annual operating budget, Business Development and Facility Maintenance.

In calendar year 2019, the fire department responded to 11,540 calls for service. These responses included 6,106 emergency medical incidents and 499 fire related responses. 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 \$2.74 million, but the amount saved exceeded \$16.6 million. The department completed 72,288 hours of training and 9,400 inspections.



The Fire and Life Safety Section provides fire safety inspections of businesses, plan reviews of new and existing buildings, and conducts fire investigations. The Community Risk Reduction section plays an integral part in the department efforts to reduce fire and unintentional injuries. This section



also assists the Operations Division by involving fire personnel to reduce risks in their response area. The fire companies evaluate hazards in their areas and develop plans to address those risks. In 2019, nearly 400 smoke alarms were installed in homes throughout the community and another 400 caregivers were trained on the proper installation of a child safety seat. Community Risk Reduction also coordinates all public education for our citizens to include fire extinguisher training, smoke alarms installations, fire drills, school visits, and station tours. WFD estimates more than 22,000 public contacts were made in 2019. WFD conducts two Citizen Fire Academy's each year to allow residents to gain knowledge on how the fire department operates. The academy includes 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.

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 2020 results that are built into the 2020-2021 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 (formerly SMG).

Convention Center						2020 vs. 2019
Event Types	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	% Growth
Convention/TS/Conference	8	8	13	12	13	8.3%
Public Shows	19	15	15	14	9	-35.7%
Meetings/Other	26	31	22	35	58	65.7%
Banquets	86	73	76	75	49	-34.7%
TOTALS	139	127	126	136	129	-5.1%
Attendance	72,301	74,486	70,613	73,640	53,963	-26.7%
Total Room Nights	11,791	11,091	12,290	12,885	10,907	-15.4%
Repeat Users	78	85	94	101	74	-26.7%

Source: Wilmington Convention Center

- The Center hosted **129** events representing **53,963** in event attendance and **10,907** in hotel room nights during FY 2020. Total number of events decreased by 5.1% compared to FY 2019 mainly due to event cancellations related to COVID-19 restrictions.
- New events included 2 banquets, 2 assemblies/other, 38 meetings and 5 conventions, while repeat events continue to be the Center's strongest bookings.

The Wilmington Convention Center is managed by ASM Global (formerly SMG and AEG Facilities) the world's leading venue management and services company, connecting people through the power of live experiences.

PUBLIC PRIVATE PARTNERSHIP DEVELOPMENT

The City entered into a Public-Private Partnership to develop a 1.2-acre downtown tract the city owned and where an obsolete parking deck sat. The development broke ground in the spring of 2017. **River Place** is a 483,500 square foot vertical mixed-use development located in the heart of the City of Wilmington's central business district. The development includes 171 residential units, commercial space, office space, a public park, and a 403-space parking deck owned by the City. The project began accepting tenants and residents in August 2020.



PARKS

As part of “Wilmington Vision 2020: A Waterfront Downtown” strategic plan, City Council approved the construction of a \$29 million waterfront park in 2016. **North Waterfront Park** is a 6.6-acre development on the Cape Fear River that will feature a park, green space, walking trails, splash pad and amphitheater. The project was partially funded by a voter approved Parks Bond. The park is slated to be completed by the summer of 2021.



RAIL REALIGNMENT

The Rail Realignment Project will replace and improve the existing freight rail route between Navassa(Davis) Yard and the Port of Wilmington by creating a new, shorter route that no longer runs through some of Wilmington's busiest streets and most densely populated areas. Once a new freight route is in operation, the City would work to repurpose the existing route for public use. The project will improve freight rail operations, public mobility, public safety, economic development, and quality of life in the region. Studies are under way and are expected to be conducted in three phases: Screening Assessment, Alternatives Analysis and Environmental Review with Preliminary engineering. The United States Department of Transportation provided the City a \$2 million grant to fund preliminary engineering and federal environmental review of the project.

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. 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 Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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, Kelly Casebier, Denise Chambless, Katherine Dimopoulos, Holly Bruhn, Jenna Hathcock and Rob Taylor 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Wilmington, North Carolina (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 16, the pension and other postemployment benefits schedules, as listed in the table of contents, on pages 115 through 125, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, budgetary schedules and other schedules listed in the table of contents, the 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, and the introductory section and statistical tables of the basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules and other schedules listed in the table of contents, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, budgetary schedules and other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Wilmington, North Carolina as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 30, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The accompanying supplementary information, such as the comparative budgetary general fund, special revenue funds, debt service fund, and enterprise funds schedules, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The comparative budgetary general fund, special revenue funds, debt service fund, and enterprise funds schedules information have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, comparative budgetary general fund, special revenue funds, debt service fund, and enterprise funds schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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.

RSM US LLP

Wilmington, North Carolina
January 8, 2021



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, 2020. 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

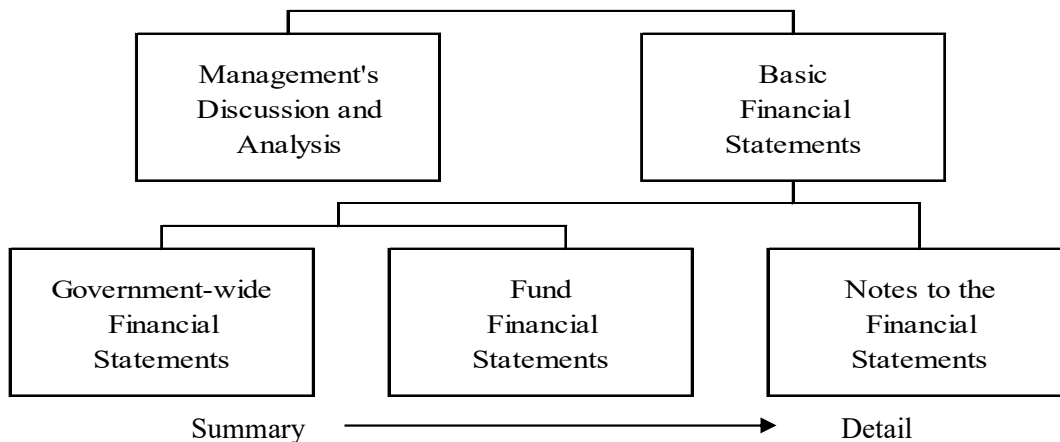
- The City experienced Hurricane Florence in September 2018 for which the recovery effort continues, as well as Hurricane Dorian in September 2019, then the COVID-19 pandemic that began in March 2020. In fiscal year 2020, the City received \$14 million in reimbursements from FEMA for the two hurricanes and is awaiting \$13.9 million more for eligible recovery costs. In June 2020, the City received \$331,719 in coronavirus relief funding from New Hanover County as part of the CARES ACT to assist with responding to the pandemic.
- 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 \$428,476,764 (*net position*).
- The government's total net position increased by \$42,582,789. Included in this amount are increases in the net position of governmental activities and business-type activities of \$39,251,233 and \$3,331,556 respectively.
- As of the close of the current fiscal year, the City of Wilmington's governmental funds combined ending fund balances increased \$57,747,917 from the prior year to a total of \$200,272,910. Approximately 22.1% of this amount, or \$44,181,388, 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 \$44,267,810 or 46.8% of total general fund expenditures and 41.7% of total general fund expenditures, including transfers for the fiscal year. This is in compliance with 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 increased by \$57,167,955 or 18.1% during the current fiscal year. Total long-term liabilities increased for governmental activities by \$48,044,221 and increased by \$9,123,734 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 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 solid waste 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 19 - 21 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, solid waste 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 45 - 111 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 115 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.

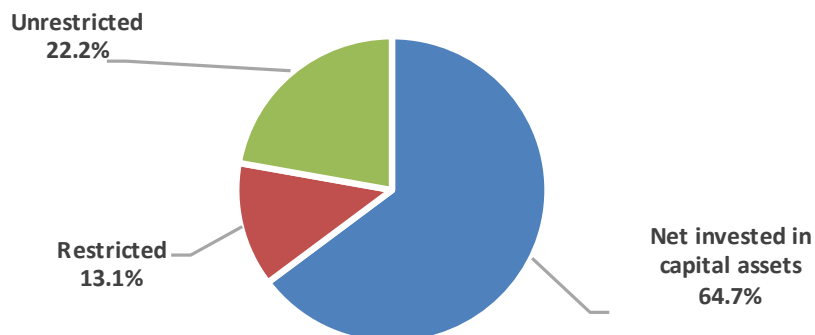
Government-Wide Financial Analysis

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 \$428,476,764 as of June 30, 2020. The City’s net position increased by \$42,582,789 for the fiscal year ended June 30, 2020. A significant portion of the City’s net position \$277,373,352 (64.7%) 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, \$56,065,540 (13.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$95,037,872 (22.2%) is unrestricted.

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

- **Governmental Activities:** Property tax accounted for \$1,373,383 of revenues that exceeded the prior year. The City received FEMA reimbursement for Hurricane Florence and Hurricane Dorian recovery in the amount of \$9.3 million. The City also accepted dedicated streets and easements from developers valued at \$15.8 million. In addition to revenue increases, the City also realized expense reductions primarily due to prolonged vacancies and restrictions put in place due to COVID-19.
- **Business-type Activities:** Charges for services accounted for \$594,595 of revenues that exceeded the prior year. Additionally, the City received \$4.7 million of FEMA reimbursements for storm drainage repairs caused by Hurricane Florence.

Total Net Position



**Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS:						
Current and other assets	\$229,122,953	\$175,518,293	\$ 58,075,164	\$ 50,646,846	\$ 287,198,117	\$226,165,139
Capital assets	<u>432,900,041</u>	<u>404,814,426</u>	<u>82,013,754</u>	<u>76,367,873</u>	<u>514,913,795</u>	<u>481,182,299</u>
Total assets	<u>662,022,994</u>	<u>580,332,719</u>	<u>140,088,918</u>	<u>127,014,719</u>	<u>802,111,912</u>	<u>707,347,438</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>23,997,727</u>	<u>22,817,127</u>	<u>2,750,397</u>	<u>2,648,428</u>	<u>26,748,124</u>	<u>25,465,555</u>
LIABILITIES:						
Long-term liabilities	311,292,430	263,248,209	61,044,181	51,920,447	372,336,611	315,168,656
Current and other liabilities	<u>16,172,916</u>	<u>20,195,971</u>	<u>4,835,138</u>	<u>4,111,757</u>	<u>21,008,054</u>	<u>24,307,728</u>
Total liabilities	<u>327,465,346</u>	<u>283,444,180</u>	<u>65,879,319</u>	<u>56,032,204</u>	<u>393,344,665</u>	<u>339,476,384</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,254,023</u>	<u>6,655,547</u>	<u>784,584</u>	<u>787,087</u>	<u>7,038,607</u>	<u>7,442,634</u>
NET POSITION:						
Net investment in capital assets	244,648,339	240,380,429	32,725,013	33,297,271	277,373,352	273,677,700
Restricted	<u>55,579,604</u>	<u>52,687,351</u>	<u>485,936</u>	<u>1,055,998</u>	<u>56,065,540</u>	<u>53,743,349</u>
Unrestricted	<u>52,073,409</u>	<u>19,982,339</u>	<u>42,964,463</u>	<u>38,490,587</u>	<u>95,037,872</u>	<u>58,472,926</u>
Total net position	<u>\$352,301,352</u>	<u>\$313,050,119</u>	<u>\$ 76,175,412</u>	<u>\$ 72,843,856</u>	<u>\$ 428,476,764</u>	<u>\$385,893,975</u>

Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 9,434,553	\$ 9,579,591	\$ 26,773,656	\$ 26,179,061	\$ 36,208,209	\$ 35,758,652
Operating grants and contributions	17,634,226	24,933,225	5,528,043	93,833	23,162,269	25,027,058
Capital grants and contributions	17,674,759	6,463,891	-	121,175	17,674,759	6,585,066
General revenues:						
Property taxes	78,232,370	76,858,987	-	-	78,232,370	76,858,987
Other taxes	44,142,037	44,422,352	-	-	44,142,037	44,422,352
Investment earnings	1,827,459	2,889,157	570,681	920,501	2,398,140	3,809,658
Other	4,057,859	4,253,700	132,978	184,547	4,190,837	4,438,247
Total revenues	<u>173,003,263</u>	<u>169,400,903</u>	<u>33,005,358</u>	<u>27,499,117</u>	<u>206,008,621</u>	<u>196,900,020</u>
Expenses:						
General government	25,863,172	47,767,484	-	-	25,863,172	47,767,484
Public safety	58,668,628	62,138,353	-	-	58,668,628	62,138,353
Transportation	18,192,731	18,469,985	-	-	18,192,731	18,469,985
Economic and physical development	8,249,770	7,910,229	-	-	8,249,770	7,910,229
Culture and recreation	13,762,924	11,362,869	-	-	13,762,924	11,362,869
Transit system	1,696,925	1,460,155	-	-	1,696,925	1,460,155
Interest and other charges	6,970,781	7,366,318	-	-	6,970,781	7,366,318
Solid waste management	-	-	10,232,326	8,832,873	10,232,326	8,832,873
Storm water management	-	-	13,973,357	7,759,203	13,973,357	7,759,203
Parking facilities	-	-	4,162,438	3,216,815	4,162,438	3,216,815
Golf	-	-	1,652,780	1,650,273	1,652,780	1,650,273
Total expenses	<u>133,404,931</u>	<u>156,475,393</u>	<u>30,020,901</u>	<u>21,459,164</u>	<u>163,425,832</u>	<u>177,934,557</u>
Increase in net position before transfers	39,598,332	12,925,510	2,984,457	6,039,953	42,582,789	18,965,463
Transfers from (to) other funds	<u>(347,099)</u>	<u>(1,151,354)</u>	<u>347,099</u>	<u>1,151,354</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>39,251,233</u>	<u>11,774,156</u>	<u>3,331,556</u>	<u>7,191,307</u>	<u>42,582,789</u>	<u>18,965,463</u>
Net position at beginning of year	<u>313,050,119</u>	<u>301,275,963</u>	<u>72,843,856</u>	<u>65,652,549</u>	<u>385,893,975</u>	<u>366,928,512</u>
Net position at end of year	<u>\$352,301,352</u>	<u>\$313,050,119</u>	<u>\$ 76,175,412</u>	<u>\$ 72,843,856</u>	<u>\$428,476,764</u>	<u>\$ 385,893,975</u>

Governmental activities. Governmental activities increased the City's net position by \$39,251,233. Key elements of this net increase are as follows:

- The increase in net position before transfers in the prior year was \$12,925,510 compared to this year of \$39,598,332, an increase of \$26,672,822.
 - Revenues increased by \$3,602,360 or 2.13% from the prior year. The current year increases over prior year were predominantly due to an increase in capital grants and contributions of \$15,794,677 for dedicated streets and easements accepted by the City for various developments throughout the City. Operating grants and contributions were lower than the prior year as the reimbursements received this fiscal year from FEMA for Hurricane Florence that made landfall

in September 2018 were less than prior year as well as a small amount received this year from Hurricane Dorian that made landfall in September 2019. The City also received an increase of \$1.4 million in property tax and \$1.4 million increase in sales tax revenues. Room occupancy tax revenue declined \$1.2 million due to the impacts of COVID-19.

- Expenses decreased by \$23,070,462 or 14.74% over the prior year. The largest decreases were \$21.9 million in General Government and \$3.5 million in Public Safety due predominantly to the massive response and recovery efforts from Hurricane Florence that occurred in fiscal year 2019. The City also experienced reductions in these areas due to the restrictions put in place beginning in March 2020 due to COVID-19. Social distancing requirements caused reduction of services and closures of recreational activities where administrative staff were working remote and front-line services had to make modification to the services provided to adhere to the safety measures.
- Transfers from (to) the Business-type Activities in the prior year were (\$1,151,354) compared to this year of (\$347,099) a decrease of \$804,255.
 - This decrease is a transfer of land that occurred in the prior year from the general fund to the parking fund that was purchased as economic development in relation to the Water Street parking deck redevelopment project.
 - In the current fiscal year, transfers were made from the debt service fund to the parking fund for \$102,233 and to the golf fund for \$200,000, both for capital projects to be financed from pay-go accumulated in the debt service fund.
 - \$29,866 was transferred from the general fund to the solid waste fund to continue working with the police department on neighborhood cleanup efforts.
 - A transfer of capital assets for easements of \$15,000 were made to the parking fund relative to the water street parking deck redevelopment project.

Business-type activities. Business activities increased the City's net position by \$3,331,556. Key elements of the increase are as follows:

- The increase in net position before transfers in the prior year was \$6,039,953 compared to this year of \$2,984,457, a decrease of \$3,055,496.
 - The City implemented a 1% storm water rate increase over the prior year contributing to the increase in charges for service of \$594,595. The largest increase in revenue is in operating grants and contributions related to \$4.7 million in reimbursements from FEMA for damage to the City's storm drainage system caused by Hurricane Florence in September 2018.
 - Expenses increased by \$8,561,737 or 39.9% from the prior year mainly due to the storm drainage repairs resulting from damage caused from Hurricane Florence in September 2018. In addition, the solid waste fund made the final payments to the fleet fund for several refuse trucks that were scheduled to be paid in full over the next few years.
- Transfers from (to) the Governmental Activities in the prior year were \$1,151,354 compared to this year of \$347,099, a decrease of \$804,255.
 - This increase is a transfer of land from the general fund to the parking fund that was purchased as economic development in relation to the Water Street parking deck redevelopment project.
 - In the current fiscal year, transfers were made from the debt service fund to the parking fund for \$102,233 and to the golf fund for \$200,000, both for capital projects to be financed from pay-go accumulated in the debt service fund.
 - \$29,866 was transferred from the general fund to the solid waste fund to continue working with the police department on neighborhood cleanup efforts.
 - A transfer of capital assets for easements of \$15,000 were made to the parking fund relative to the water street parking deck redevelopment project.

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 \$44,267,810, a 42.6% increase over the prior year; while total fund balance was \$71,201,147, a 23.7% increase 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 desired level of minimum unassigned fund balance was increased with the fiscal year 2019 Budget from the minimum amount of 15-20%. This year, the City experienced an unforeseen need with Hurricane Dorian as well as the COVID-19 pandemic that required restrictions to be placed on spending as there was, and continues to be, unknown impacts to the economy. With these events, the minimum level of unassigned fund balance was still achieved.

The City currently has an unassigned fund balance of 38.5% of the operating budget, while total fund balance represents 61.9% 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 46.8% of total General Fund expenditures, while total fund balance represents 75.3% of that same amount.

At June 30, 2020, the governmental funds of the City of Wilmington reported a combined fund balance of \$200,272,910, a 40.5% increase or \$57,747,917 more from the prior year. The General Fund, Streets and Sidewalks Fund, Parks and Recreation Fund, Debt Service Fund, and non-major special revenue and capital project funds are included in this combined amount.

The General Fund realized a \$13.6 million increase due to the revenues coming in higher than budget and expenditures lower than budget. The increase in revenues came from reimbursements from FEMA of \$5.8 million for Hurricane Florence that made landfall in September 2018 and Hurricane Dorian that made landfall in September 2019. These reimbursements were not included in the amended budget. The City is still awaiting additional reimbursements amounting to \$13.9 million for these storms. Sales tax revenues and Property tax receipts were higher than budgeted due to a positive economy through March 2020 when the pandemic began. The General Fund expenditures were \$8.7 million less than budgeted due to the impact from the pandemic and social issues which caused prolonged position vacancies and higher than expected turnover experienced by several departments throughout the City. The reduction of services and closures of recreation activity centers due to the pandemic as well as spending restrictions placed on staff, as the impacts to the City's finances were unknown, resulted in the decrease in spending. Insurance and workers compensation claims were also less than budgeted due to continued safety training measures. The Streets and Sidewalks Fund saw an increase of \$6.9 million due to the debt issuance of \$13.6 million of transportation bonds for street and sidewalk capital improvements. The Parks and Recreation Fund had an increase of \$21.6 million due to the issuance of debt for the Parks bond and limited obligation bond mostly for the North Waterfront Park project. The Debt Service Fund had an increase of \$5.4 million as the City refunded a 2010 limited obligation bond and transferred less funding to capital projects in the current year. The non-major funds saw an increase of \$10.2 million due to the issuance of limited obligation bonds in the Buildings Improvements Fund mostly for the Police/Fire Training Center.

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 by \$9,182,108 for the fiscal year. This increase was mostly related to Hurricane Florence FEMA reimbursements of \$5,864,064 from the September 2018 storm as well as sales tax and ad valorem tax coming in higher than budget by \$3,048,230 and \$218,975 respectively. The City also received \$575,000 for an insurance settlement that was unexpected. The impact to the general fund revenues due to the pandemic were seen mostly in sales tax revenues as these were up 11.3% from the prior year before COVID-19 with the year ending at 4.7% above the prior year as a result of the impact to the

economy. Also, interest rates dropped impacting earnings from investments as well as a loss of fee revenue from a reduction of City services and activities.

Expenditures (excluding transfers) in the General Fund were \$8,722,450 less than the \$103,262,301 amended budget. The City experienced levels below the authorized budget in salaries and benefits as well as other operational expenditures such as utilities and insurance coverages. The reductions in expenditures include the impact from the pandemic as the City had to reduce services and close recreational activity centers that could not meet the social distancing requirements. City operational expenses related to these activities were reduced as a result. Also, restrictions were placed on staff training and travel as well as professional service contracts.

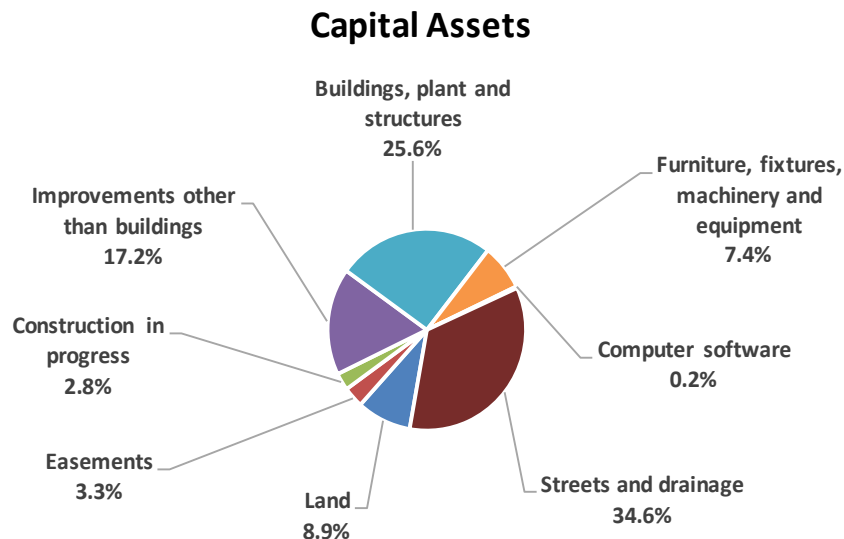
Proprietary Funds. The City of Wilmington's proprietary funds provide the same type of information found in the business-type activities of the government-wide statements but in more detail. The major enterprise funds are the Solid Waste Management Fund, Storm Water Management Fund and Parking Facilities Fund. Unrestricted net position of the Solid Waste Management Fund, Storm Water Management Fund and the Parking Facilities Fund at the end of the fiscal year amounted to \$4,733,641, \$30,811,911, and \$7,339,275, respectively. The unrestricted net position of the non-major Golf enterprise fund totaled a positive amount of \$79,636, opposite from the deficit in the prior year. Parking revenues were down due to the pandemic causing restrictions and closures of businesses in the downtown area.

Capital Asset 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, 2020 was \$514,913,795 (net of accumulated depreciation). These assets include buildings, roads and bridges, drainage improvements, land, right-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 \$17,759,133 in streets and drainage for governmental activity capital assets (see Figure 4) represented the largest increase. Of this amount, the City accepted \$10,154,210 of contributed streets and \$5,640,467 of easements from developments. A large portion of the easements and street acceptances are related to the new River Lights Phase I development. Additionally, buildings increased by \$11,720,730 as the new Police/Fire Training Center was completed.
- An increase of \$23,386,097 in buildings, plant and structures for business-type activities represented the largest increase for the completion of the Water Street parking deck redevelopment project. The capitalization of the parking deck resulted in the decrease in construction in progress.



Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 60,466,805	\$ 60,451,461	\$ 8,066,354	\$ 8,035,304	\$ 68,533,159	\$ 68,486,765
Easements	23,613,026	17,897,352	1,818,629	1,567,470	25,431,655	19,464,822
Construction in progress	17,929,001	14,197,227	3,378,524	20,926,581	21,307,525	35,123,808
Total non-depreciable assets	<u>102,008,832</u>	<u>92,546,040</u>	<u>13,263,507</u>	<u>30,529,355</u>	<u>115,272,339</u>	<u>123,075,395</u>
Improvements other than buildings	66,447,396	66,044,038	65,549,131	64,413,256	131,996,527	130,457,294
Buildings, plant and structures	159,890,166	148,169,436	37,675,470	14,289,373	197,565,636	162,458,809
Furniture, fixtures, machinery and equipment	55,222,440	52,614,843	2,109,467	1,390,161	57,331,907	54,005,004
Computer software	2,563,545	2,563,545	58,184	58,184	2,621,729	2,621,729
Streets and drainage	<u>267,211,691</u>	<u>249,452,558</u>	<u>-</u>	<u>-</u>	<u>267,211,691</u>	<u>249,452,558</u>
Total assets being depreciated	551,335,238	518,844,420	105,392,252	80,150,974	656,727,490	598,995,394
Accumulated depreciation	<u>(220,444,029)</u>	<u>(206,576,034)</u>	<u>(36,642,005)</u>	<u>(34,312,456)</u>	<u>(257,086,034)</u>	<u>(240,888,490)</u>
Total capital assets being depreciated, net	<u>330,891,209</u>	<u>312,268,386</u>	<u>68,750,247</u>	<u>45,838,518</u>	<u>399,641,456</u>	<u>358,106,904</u>
Total capital assets, net	<u>\$432,900,041</u>	<u>\$404,814,426</u>	<u>\$ 82,013,754</u>	<u>\$ 76,367,873</u>	<u>\$514,913,795</u>	<u>\$481,182,299</u>

Additional information on the City's capital assets can be found in note 3 on pages 65 - 68 of this report.

Long-term Debt. At June 30, 2020, the City has general obligation bonds authorized but unissued of \$28,700,000 of Streets and Sidewalks Bonds and \$14,300,000 of Parks and Recreation Bonds. The total bonded debt outstanding is \$66,375,000. Of the amount outstanding, \$45,890,000 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.

General Obligation and Revenue Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 45,890,000	\$ 31,915,000	\$ -	\$ -	\$ 45,890,000	\$ 31,915,000
Revenue bonds	<u>-</u>	<u>-</u>	<u>20,485,000</u>	<u>21,325,000</u>	<u>20,485,000</u>	<u>21,325,000</u>
Total	<u>\$ 45,890,000</u>	<u>\$ 31,915,000</u>	<u>\$ 20,485,000</u>	<u>\$ 21,325,000</u>	<u>\$ 66,375,000</u>	<u>\$ 53,240,000</u>

The City of Wilmington's total bonded debt increased by \$13,135,000 during the past fiscal year. At June 30, 2020, 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 \$1,245,408,322.

The City's total debt increased by \$43,809,530 (21.2%) during the past fiscal year. The addition of debt was offset by principal retirements for the year ended June 30, 2020 totaling \$47,313,997. Included in this amount are reductions due to the refunding of the Limited Obligation Bonds, Series 2010B and the refunding of the interim drawdown installment obligation for the redevelopment of the Water Street Parking Deck.

Total Debt Outstanding
Figure 6

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 45,890,000	\$ 31,915,000	\$ -	\$ -	\$ 45,890,000	\$ 31,915,000
Revenue bonds	-	-	20,485,000	21,325,000	20,485,000	21,325,000
Installment Obligations	145,385,250	122,722,405	30,099,750	4,087,595	175,485,000	126,810,000
Other Long term obligations	9,018,176	10,085,692	-	16,932,954	9,018,176	27,018,646
Total	\$200,293,426	\$164,723,097	\$ 50,584,750	\$ 42,345,549	\$250,878,176	\$207,068,646

Additional information on the City of Wilmington's long-term debt can be found in note 3 on pages 88 - 101 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the conservative growth projections:

- Due to COVID-19, the City of Wilmington's unemployment rate was 7.9% at June 30, 2020 and was just above the State average of 7.5% and below the national average of 11.1%. 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 0.16% over the prior fiscal year and the City of Wilmington's distribution saw a 4.67% increase which was affected by changes in projected property levies that affect the distribution method as well as the impact from COVID-19 in March through June. Local sales tax revenues for FY21 are estimated at \$28,310,354 reflecting a 4.6% increase over FY20 adopted levels and a 0.16% increase over the FY19 actuals. Sales Tax represents 23% of the total General Fund revenues. The NC League of Municipalities estimates projected FY21 local sales tax distributions will be 4.6% over FY20's collection. Wilmington tends to be higher than the State average due to the city's location and tourism industry resulting in about 1.5% to 2% over the State projections but given the pandemic and unknown impacts locally, the forecast remains at a 4.6% growth estimate.
- In response to COVID-19, there were several State of Emergencies issued by the Governor of North Carolina, New Hanover County Board of Commissioners and the City Council of Wilmington. With each State of Emergency came several restrictions for residents and businesses, a stay at home order being one of those first issued. As time progressed, the restrictions eased but remain far from pre-Covid status. Businesses had been restricted to selling essential items only with restaurants only allowed to sell curbside, take-out or delivery and then a limit to the number of patrons, mask wearing and social distancing requirements to follow. Many businesses have had to close their doors and lay-off employees. The City temporarily moved to a work from home option for office staff and a social distancing requirement for the Public Safety and Public Services staff. All staff training has been limited to meet license requirements or necessary for operations. The impact of the virus has been felt by the City mostly through loss of revenue in sales tax, activity fees, and room occupancy tax. The City had

been receiving higher than projected revenues up to the point of the first state of emergency declaration. This increase in sales tax revenue, the reimbursements received in FY 20 from FEMA for Hurricane Florence damage in 2018, and the reduction in operating expenses due to spending restrictions and closures, were enough to offset the losses felt during the pandemic, which still allowed FY20 to end with positive financial results in the General Fund.

All of these factors were included in preparing the City of Wilmington's budget for the 2021 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities. The Ad Valorem tax rate remain the same at \$0.4984 per \$100 assessed valuation. The value of one penny of the tax rate is equivalent to approximately \$1,583,152 based on a 99.21% collection rate for Property and a 100% collection rate for Motor Vehicles. Of the \$0.4984, \$0.0947 is dedicated to the Debt Service Fund to support capital projects related to the 1st 80/20 Debt Service CIP, the voter approved Transportation Bond, the voter approved Parks Bond, the Water Street Deck Collaboration and the 4th year of the 2nd 80/20 Debt Service CIP, a 6-year plan.

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 continues the tax rate of \$0.07 per \$100 assessed value, for both real and personal property, based on the total district's property values totaling \$623.5 million. The assessed values have increased by \$58.3 million over FY20. Expected revenues totaling \$432,655 have been budgeted for FY21.

The FY21 General Fund budget appropriates \$3.3 million of fund balance for multiple purposes including an expense related to the final year of a 3-year public safety legal obligation, capital improvement project needs as well as one-time purchases. The budgeted expenditures, excluding transfers, increased by \$983.6 thousand or 0.96% to \$103,364,686 from the adopted FY2020 budget. The city-wide FY21 adopted budget reflects a net increase of 10.4 positions that include an increase of twelve (12) full time positions across various departments as well as a decrease to part time staffing of 1.6. Each position request directly associates with the strategic plan and overall mission of the core values of the city.

The FY21 budget continues to have spending restrictions as the duration and effects from COVID-19 remain unknown. While capital expenditures and new positions were approved with the budget adoption, a hold of fulfilling most of these requests has been put in place until January 2021 to better understand the City's financial position at that time.

Business-type Activities. Stormwater rates increased by 1% to \$8.35 per month per residence. Solid Waste and Parking fees remain unchanged.

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.

BASIC FINANCIAL STATEMENTS



CITY OF WILMINGTON, NORTH CAROLINA

Statement of Net Position

June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents/investments	\$ 141,944,615	\$ 43,428,168	\$ 185,372,783	\$ 242,607
Taxes receivable, net	1,484,665	-	1,484,665	-
Accounts receivable, net	892,136	3,804,119	4,696,255	-
Other receivables	1,719,863	144,388	1,864,251	-
Due from component unit	200,000	-	200,000	-
Due from other governments	23,754,665	5,416,972	29,171,637	607,467
Due from management company	272,524	-	272,524	-
Inventories	762,033	123,034	885,067	174,467
Notes receivable	20,489,594	-	20,489,594	-
Prepays	547,621	72,049	619,670	128,844
Restricted assets for capital outlay:				
Cash and cash equivalents/investments	37,055,237	5,086,434	42,141,671	-
Capital assets:				
Land, easements and construction in progress	102,008,832	13,263,507	115,272,339	4,124,862
Other capital assets, net of accumulated depreciation	330,891,209	68,750,247	399,641,456	26,032,005
Total assets	662,022,994	140,088,918	802,111,912	31,310,252
DEFERRED OUTFLOWS OF RESOURCES	23,997,727	2,750,397	26,748,124	252,625
LIABILITIES				
Accounts payable	5,046,648	2,003,129	7,049,777	143,102
Due to other governments	1,426	2	1,428	150,000
Due to primary government	-	-	-	200,000
Accrued liabilities	6,764,666	759,449	7,524,115	60,329
Customer and escrow deposits	1,057,040	119,105	1,176,145	-
Unearned revenues	342,117	117,859	459,976	-
Restricted liabilities:				
Accounts payable	2,961,019	1,835,594	4,796,613	-
Long-term liabilities:				
Due within one year	19,178,600	2,994,272	22,172,872	244,245
Due in more than one year	292,113,830	58,049,909	350,163,739	417,287
Total liabilities	327,465,346	65,879,319	393,344,665	1,214,963
DEFERRED INFLOWS OF RESOURCES	6,254,023	784,584	7,038,607	7,472
NET POSITION				
Net investment in capital assets	244,648,339	32,725,013	277,373,352	30,156,867
Restricted for:				
Stabilization by State statute	20,208,643	-	20,208,643	-
Community development housing loans	23,549,316	-	23,549,316	-
Convention center facility	7,765,796	-	7,765,796	-
Capital projects	2,810,485	485,936	3,296,421	-
Public safety	1,024,207	-	1,024,207	-
Economic and physical development	167,958	-	167,958	-
Cultural and recreational	53,199	-	53,199	-
Unrestricted	52,073,409	42,964,463	95,037,872	183,575
Net position	\$ 352,301,352	\$ 76,175,412	\$ 428,476,764	\$30,340,442

See notes to financial statements.

CITY OF WILMINGTON, NORTH CAROLINA

Statement of Activities

Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 25,863,172	\$ 1,822,490	\$ 359,072	\$ -
Public safety	58,668,628	928,093	526,530	53,267
Transportation	18,192,731	1,587,388	4,151,412	17,536,806
Economic and physical development	8,249,770	4,155,768	2,129,642	12,000
Environmental protection	-	60,381	-	-
Cultural and recreational	13,762,924	880,433	853,482	72,686
Transit system	1,696,925	-	-	-
Hurricane disaster recovery	-	-	9,324,736	-
Interest and other charges	<u>6,970,781</u>	<u>-</u>	<u>289,352</u>	<u>-</u>
Total governmental activities	<u>133,404,931</u>	<u>9,434,553</u>	<u>17,634,226</u>	<u>17,674,759</u>
Business-type activities:				
Solid waste management	10,232,326	9,611,671	97,215	-
Storm water management	13,973,357	12,383,673	5,430,828	-
Parking facilities	4,162,438	3,096,076	-	-
Golf	<u>1,652,780</u>	<u>1,682,236</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>30,020,901</u>	<u>26,773,656</u>	<u>5,528,043</u>	<u>-</u>
Total primary government	<u>\$ 163,425,832</u>	<u>\$ 36,208,209</u>	<u>\$ 23,162,269</u>	<u>\$ 17,674,759</u>
Component unit	<u>\$ 10,411,488</u>	<u>\$ 1,716,758</u>	<u>\$ 4,511,694</u>	<u>\$ 5,132,056</u>

	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			
Functions/Programs	Governmental Activities	Business-type Activities	Total	Component Unit
Primary government:				
Governmental activities:				
General government	\$ (23,681,610)	\$ -	\$ (23,681,610)	\$ -
Public safety	(57,160,738)	-	(57,160,738)	-
Transportation	5,082,875	-	5,082,875	-
Economic and physical development	(1,952,360)	-	(1,952,360)	-
Environmental protection	60,381	-	60,381	-
Cultural and recreational	(11,956,323)	-	(11,956,323)	-
Transit system	(1,696,925)	-	(1,696,925)	-
Hurricane disaster recovery	9,324,736	-	9,324,736	-
Interest and other charges	(6,681,429)	-	(6,681,429)	-
Total governmental activities	(88,661,393)	-	(88,661,393)	-
Business-type activities:				
Solid waste management	-	(523,440)	(523,440)	-
Storm water management	-	3,841,144	3,841,144	-
Parking facilities	-	(1,066,362)	(1,066,362)	-
Golf	-	29,456	29,456	-
Total business-type activities	-	2,280,798	2,280,798	-
Total primary government	(88,661,393)	2,280,798	(86,380,595)	-
Component unit	-	-	-	949,020
General revenues:				
Ad valorem taxes	78,232,370	-	78,232,370	-
Room occupancy tax	3,811,622	-	3,811,622	-
Grants and contributions not restricted to specific programs	2,475,238	-	2,475,238	-
Operating subsidy from primary government	-	-	-	1,446,280
Operating subsidy from other governments	-	-	-	441,505
Local option sales tax	30,274,790	-	30,274,790	-
Franchise tax	8,392,030	-	8,392,030	-
Video programming sales tax	1,278,838	-	1,278,838	-
Rental vehicle tax	384,757	-	384,757	-
Investment earnings	1,827,459	570,681	2,398,140	-
Miscellaneous	1,582,621	132,978	1,715,599	121,216
Total general revenues not including transfers	128,259,725	703,659	128,963,384	2,009,001
Transfers from (to) other funds	(347,099)	347,099	-	-
Total general revenues and transfers	127,912,626	1,050,758	128,963,384	2,009,001
Change in net position	39,251,233	3,331,556	42,582,789	2,958,021
Net position at beginning of year	313,050,119	72,843,856	385,893,975	27,382,421
Net position at end of year	\$ 352,301,352	\$ 76,175,412	\$ 428,476,764	\$ 30,340,442

CITY OF WILMINGTON, NORTH CAROLINA

**Balance Sheet -
Governmental Funds**

June 30, 2020

	General Fund	Streets and Sidewalks Fund	Parks and Recreation Fund
ASSETS			
Cash and cash equivalents/investments	\$ 57,904,941	\$ 17,478,282	\$ 9,716,904
Taxes receivable, net	1,233,831	-	-
Accounts receivable, net	849,664	-	23,672
Other receivables	1,717,404	-	-
Due from other funds	489,476	-	-
Due from component unit	200,000	-	-
Due from management company	-	-	-
Due from other governments	16,793,831	1,214,158	680,251
Notes receivable, net	217,620	-	-
Inventories	743,596	-	-
Prepays	536,754	-	-
Restricted assets:			
Cash and cash equivalents/investments	<u>-</u>	<u>20,330,777</u>	<u>16,724,304</u>
Total assets	<u>\$ 80,687,117</u>	<u>\$ 39,023,217</u>	<u>\$ 27,145,131</u>
LIABILITIES			
Accounts payable	\$ 539,746	\$ 2,582,177	\$ 510,217
Due to other funds	-	-	-
Due to other governments	-	-	-
Accrued liabilities	5,683,348	-	-
Customer and escrow deposits	877,743	-	-
Unearned revenue	117,380	-	-
Restricted liabilities:			
Accounts payable	<u>-</u>	<u>1,554,871</u>	<u>1,406,148</u>
Total liabilities	<u>7,218,217</u>	<u>4,137,048</u>	<u>1,916,365</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes receivable, net	1,233,831	-	-
Accounts receivable	816,302	-	8,672
Notes receivable	<u>217,620</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>2,267,753</u>	<u>-</u>	<u>8,672</u>

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 26,028,958	\$ 19,769,094	\$ 130,898,179
Taxes receivable, net	244,196	6,638	1,484,665
Accounts receivable, net	-	18,800	892,136
Other receivables	-	2,459	1,719,863
Due from other funds	-	-	489,476
Due from component unit	-	-	200,000
Due from management company	-	272,524	272,524
Due from other governments	224,395	4,631,497	23,544,132
Notes receivable, net	-	20,271,974	20,489,594
Inventories	-	-	743,596
Prepays	-	4,797	541,551
Restricted assets:			
Cash and cash equivalents/investments	133	23	37,055,237
Total assets	<u>\$ 26,497,682</u>	<u>\$ 44,977,806</u>	<u>\$ 218,330,953</u>
LIABILITIES			
Accounts payable	\$ 8,550	\$ 1,246,870	\$ 4,887,560
Due to other funds	-	489,476	489,476
Due to other governments	-	1,426	1,426
Accrued liabilities	-	85,022	5,768,370
Customer and escrow deposits	-	179,297	1,057,040
Unearned revenue	-	224,737	342,117
Restricted liabilities:			
Accounts payable	-	-	2,961,019
Total liabilities	<u>8,550</u>	<u>2,226,828</u>	<u>15,507,008</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes receivable, net	244,196	6,638	1,484,665
Accounts receivable	-	21,862	846,836
Notes receivable	-	1,914	219,534
Total deferred inflows of resources	<u>244,196</u>	<u>30,414</u>	<u>2,551,035</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	General Fund	Streets and Sidewalks Fund	Parks and Recreation Fund
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Non Spendable:			
Inventories	\$ 743,596	\$ -	\$ -
Prepays	536,754	-	-
Restricted:			
Stabilization by State statute	19,926,185	-	-
Community development loans	-	-	-
Convention center	-	-	-
Capital projects	-	18,775,906	15,318,156
Debt service	-	-	-
Public safety	-	-	-
Economic and physical development	-	-	-
Cultural and recreational	-	-	-
Committed:			
Capital projects	-	16,110,263	9,901,938
Debt service	-	-	-
Public safety	838,050	-	-
Transportation	-	-	-
Economic and physical development	-	-	-
Cultural and recreational	292,233	-	-
Transit	200,000	-	-
General government	20,000	-	-
Municipal service district	-	-	-
Subsequent year's expenditures	-	-	-
Assigned:			
Self-insurance	1,000,000	-	-
Subsequent year's expenditures	3,376,519	-	-
Unassigned	44,267,810	-	-
Unassigned (deficit), reported in:			
Nonmajor special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>71,201,147</u>	<u>34,886,169</u>	<u>25,220,094</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 80,687,117</u>	<u>\$ 39,023,217</u>	<u>\$ 27,145,131</u>

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES			
Non Spendable:			
Inventories	\$ -	\$ -	\$ 743,596
Prepays	-	4,797	541,551
Restricted:			
Stabilization by State statute	224,395	58,063	20,208,643
Community development loans	-	23,549,316	23,549,316
Convention center	-	7,765,796	7,765,796
Capital projects	-	-	34,094,062
Debt service	133	-	133
Public safety	-	1,024,207	1,024,207
Economic and physical development	-	167,958	167,958
Cultural and recreational	-	53,199	53,199
Committed:			
Capital projects	-	9,186,187	35,198,388
Debt service	26,020,408	-	26,020,408
Public safety	-	325,352	1,163,402
Transportation	-	306,191	306,191
Economic and physical development	-	6,194	6,194
Cultural and recreational	-	-	292,233
Transit	-	-	200,000
General government	-	-	20,000
Municipal service district	-	259,726	259,726
Subsequent year's expenditures	-	100,000	100,000
Assigned:			
Self-insurance	-	-	1,000,000
Subsequent year's expenditures	-	-	3,376,519
Unassigned	-	-	44,267,810
Unassigned (deficit), reported in:			
Nonmajor special revenue funds	-	(86,422)	(86,422)
Total fund balances	<u>26,244,936</u>	<u>42,720,564</u>	<u>200,272,910</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,497,682</u>	<u>\$ 44,977,806</u>	<u>\$ 218,330,953</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

Total fund balances - governmental funds	\$ 200,272,910
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.	424,216,584
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.	(20,816,193)
This amount represents the City's total pension liability of the Law Enforcement Officers' Special Separation Allowance (Separation Allowance).	(12,877,207)
This amount represents the City's net other postemployment benefits liability relevant to governmental activities.	(45,946,173)
Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	4,558,324
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.	394,810
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.	17,989,748
Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.	2,551,035
This amount represents pension related deferrals from the City's participation in the LGERS pension plan.	7,109,403
This amount represents pension related deferrals from the City's participation in the Separation Allowance pension plan.	662,039
This amount represents other postemployment benefits related deferrals.	1,224,290
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.	<u>(227,038,218)</u>
Net position - governmental activities	<u>\$ 352,301,352</u>

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CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	General Fund	Streets and Sidewalks Fund	Parks and Recreation Fund
Revenues:			
Ad valorem taxes	\$ 62,737,901	\$ -	\$ -
Room occupancy tax	-	-	-
Other taxes	40,173,665	-	-
Unrestricted intergovernmental	2,326,113	-	-
Restricted intergovernmental	9,041,512	1,672,691	629,468
Licenses and permits	840,146	-	-
Sales and services	2,655,229	-	-
Fines and forfeits	109,275	-	-
Investment earnings	811,942	369,526	43,633
Donations	-	120,515	286,600
Miscellaneous	<u>1,056,752</u>	<u>-</u>	<u>-</u>
Total revenues	<u>119,752,535</u>	<u>2,162,732</u>	<u>959,701</u>
Expenditures:			
Current:			
General government	21,638,220	-	-
Public safety	54,391,453	-	-
Transportation	8,475,245	10,172,767	-
Economic and physical development	58,380	-	-
Cultural and recreational	8,609,844	579,702	8,697,859
Transit system	1,446,280	194,645	-
Debt service:			
Principal retirement	-	-	-
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>94,619,422</u>	<u>10,947,114</u>	<u>8,697,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,133,113</u>	<u>(8,784,382)</u>	<u>(7,738,158)</u>
Other financing sources (uses):			
Transfers from other funds	-	2,129,081	1,823,396
Transfers to other funds	(11,554,463)	-	-
Issuance of bonds	-	-	16,165,000
Issuance of installment obligations	-	10,699,592	11,280,408
Issuance of refunding installment obligations	-	-	-
Premium on bonds	-	-	27,038
Premium on installment obligations	-	2,858,381	-
Premium on refunding installment obligations	-	-	-
Payment to redeem installment obligation	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,554,463)</u>	<u>15,687,054</u>	<u>29,295,842</u>
Net change in fund balances	13,578,650	6,902,672	21,557,684
Fund balances at beginning of year	57,548,714	27,983,497	3,662,410
Change in reserve for inventories	<u>73,783</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 71,201,147</u>	<u>\$ 34,886,169</u>	<u>\$ 25,220,094</u>

See notes to financial statements.

	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 14,786,936	\$ 381,680	\$ 77,906,517
Room occupancy tax	-	3,811,622	3,811,622
Other taxes	-	156,749	40,330,414
Unrestricted intergovernmental	-	-	2,326,113
Restricted intergovernmental	289,352	7,566,368	19,199,391
Licenses and permits	-	-	840,146
Sales and services	-	4,114,279	6,769,508
Fines and forfeits	-	-	109,275
Investment earnings	335,179	139,638	1,699,918
Donations	-	18,100	425,215
Miscellaneous	-	1,271,041	2,327,793
Total revenues	<u>15,411,467</u>	<u>17,459,477</u>	<u>155,745,912</u>
Expenditures:			
Current:			
General government	-	3,470,606	25,108,826
Public safety	-	5,447,352	59,838,805
Transportation	-	2,720,968	21,368,980
Economic and physical development	-	7,016,434	7,074,814
Cultural and recreational	-	21,390	17,908,795
Transit system	-	56,000	1,696,925
Debt service:			
Principal retirement	8,914,671	505,000	9,419,671
Interest and other charges	<u>5,414,949</u>	<u>1,914,975</u>	<u>7,329,924</u>
Total expenditures	<u>14,329,620</u>	<u>21,152,725</u>	<u>149,746,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,081,847</u>	<u>(3,693,248)</u>	<u>5,999,172</u>
Other financing sources (uses):			
Transfers from other funds	9,334,832	3,263,730	16,551,039
Transfers to other funds	(5,105,327)	(631,758)	(17,291,548)
Issuance of bonds	-	-	16,165,000
Issuance of installment obligations	-	9,470,000	31,450,000
Issuance of refunding installment obligations	11,785,000	-	11,785,000
Premium on bonds	-	-	27,038
Premium on installment obligations	-	1,817,690	4,676,071
Premium on refunding installment obligations	2,312,362	-	2,312,362
Payment to redeem installment obligation	<u>(14,000,000)</u>	<u>-</u>	<u>(14,000,000)</u>
Total other financing sources (uses)	<u>4,326,867</u>	<u>13,919,662</u>	<u>51,674,962</u>
Net change in fund balances	5,408,714	10,226,414	57,674,134
Fund balances at beginning of year	20,836,222	32,494,150	142,524,993
Change in reserve for inventories	-	-	73,783
Fund balances at end of year	<u>\$ 26,244,936</u>	<u>\$ 42,720,564</u>	<u>\$ 200,272,910</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, 2020

Net change in fund balances - total governmental funds	\$ 57,674,134
Amounts reported for governmental activities in the statement of activities are different because:	
Change in fund balance due to change in reserve for inventory.	73,783
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.	24,940,073
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.	178,662
Contributions to the Local Governmental Retirement System (LGRS) pension plan in the current fiscal year are not included on the Statement of Activities.	4,558,324
Benefit payments and pension administration costs for the Law Enforcement Officers' Special Separation Allowance (Separation Allowance) after the measurement date are not included on the Statement of Activities.	394,810
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, 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.	(42,553,965)
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.	(9,061,547)
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>3,046,959</u>
Change in net position - governmental activities	<u>\$ 39,251,233</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Ad valorem tax	\$ 62,518,926	\$ 62,518,926	\$ 62,737,901	\$ 218,975
Local option sales tax	27,069,810	27,069,810	30,118,040	3,048,230
Franchise tax	8,390,961	8,390,961	8,392,030	1,069
Video programming tax	1,370,000	1,370,000	1,278,838	(91,162)
Rental vehicle tax	300,000	300,000	384,757	84,757
Unrestricted intergovernmental	2,794,693	2,794,693	2,326,113	(468,580)
Restricted intergovernmental	3,114,495	3,455,911	9,041,512	5,585,601
Licenses and permits	800,000	800,000	840,146	40,146
Sales and services	2,610,514	2,610,514	2,655,229	44,715
Fines and forfeits	145,000	145,000	109,275	(35,725)
Interest earnings	826,540	826,540	811,942	(14,598)
Miscellaneous	269,473	288,072	1,056,752	768,680
Total revenues	<u>110,210,412</u>	<u>110,570,427</u>	<u>119,752,535</u>	<u>9,182,108</u>
Expenditures:				
General Government	29,211,927	25,842,112	21,617,029	4,225,083
Public Safety	56,295,825	56,450,683	54,391,453	2,059,230
Transportation	6,421,913	9,319,834	8,475,245	844,589
Cultural and Recreational	10,124,519	10,203,392	8,609,844	1,593,548
Transit System	1,446,280	1,446,280	1,446,280	-
Total expenditures	<u>103,500,464</u>	<u>103,262,301</u>	<u>94,539,851</u>	<u>8,722,450</u>
Excess of revenues over expenditures	<u>6,709,948</u>	<u>7,308,126</u>	<u>25,212,684</u>	<u>17,904,558</u>
Other financing sources (uses):				
Transfers from other funds	250,000	250,000	-	(250,000)
Transfers to other funds	(11,099,371)	(11,697,549)	(11,634,034)	63,515
Appropriated fund balance	4,139,423	4,139,423	-	(4,139,423)
Total other financing uses	<u>(6,709,948)</u>	<u>(7,308,126)</u>	<u>(11,634,034)</u>	<u>(4,325,908)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>13,578,650</u>	<u>\$ 13,578,650</u>
Fund balance at beginning of year			57,548,714	
Change in reserve for inventories			<u>73,783</u>	
Fund balance at end of year			<u>\$ 71,201,147</u>	
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			79,571	
General government expenditures			(21,191)	
Economic and physical development expenditures			<u>(58,380)</u>	
Fund balance at end of year			<u>\$ 71,201,147</u>	

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Net Position -
Proprietary Funds**

June 30, 2020

	Enterprise Funds		
	Solid Waste Management Fund	Storm Water Management Fund	Parking Facilities Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,760,421	\$ 28,269,666	\$ 7,309,175
Accounts receivable:			
Customers, net	1,966,200	1,837,919	-
Other receivables	-	2,103	115,587
Due from other governments	104,501	5,129,138	166,320
Inventory of materials and supplies	-	99,802	-
Prepays	29,659	30,481	-
Restricted assets:			
Cash and cash equivalents	-	1,856,479	3,229,955
Total current assets	<u>8,860,781</u>	<u>37,225,588</u>	<u>10,821,037</u>
Noncurrent assets:			
Capital assets:			
Land	-	1,107,671	6,849,290
Easements	-	1,626,877	191,752
Improvements other than buildings	-	63,058,423	231,282
Buildings, plant and structures	-	1,202,630	35,987,492
Intangible software	-	-	58,184
Furniture, fixtures, machinery and equipment	34,214	733,588	1,022,817
Construction in progress	-	2,273,274	1,022,320
Less accumulated depreciation	<u>(29,660)</u>	<u>(23,721,731)</u>	<u>(11,141,193)</u>
Total capital assets, net of accumulated depreciation	<u>4,554</u>	<u>46,280,732</u>	<u>34,221,944</u>
Total assets	<u>8,865,335</u>	<u>83,506,320</u>	<u>45,042,981</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	478,129	461,308	47,214
Pension deferrals	399,647	374,657	16,141
Contributions to pension plan in current fiscal year	255,750	190,710	10,908
Charge on refunding	-	198,239	109,301
Total deferred outflows of resources	<u>1,133,526</u>	<u>1,224,914</u>	<u>183,564</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,088,906	\$ 43,428,168	\$ 11,046,436
Accounts receivable:			
Customers, net	-	3,804,119	-
Other receivables	26,698	144,388	-
Due from other governments	17,013	5,416,972	210,533
Inventory of materials and supplies	23,232	123,034	18,437
Prepays	11,909	72,049	6,070
Restricted assets:			
Cash and cash equivalents	-	5,086,434	-
Total current assets	<u>1,167,758</u>	<u>58,075,164</u>	<u>11,281,476</u>
Noncurrent assets:			
Capital assets:			
Land	109,393	8,066,354	-
Easements	-	1,818,629	-
Improvements other than buildings	2,259,426	65,549,131	-
Buildings, plant and structures	485,348	37,675,470	-
Intangible software	-	58,184	19,000
Furniture, fixtures, machinery and equipment	318,848	2,109,467	27,141,869
Construction in progress	82,930	3,378,524	1,302,538
Less accumulated depreciation	<u>(1,749,421)</u>	<u>(36,642,005)</u>	<u>(19,779,950)</u>
Total capital assets, net of accumulated depreciation	<u>1,506,524</u>	<u>82,013,754</u>	<u>8,683,457</u>
Total assets	<u>2,674,282</u>	<u>140,088,918</u>	<u>19,964,933</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	91,976	1,078,627	81,611
Pension deferrals	74,640	865,085	94,255
Contributions to pension plan in current fiscal year	41,777	499,145	57,368
Charge on refunding	-	307,540	-
Total deferred outflows of resources	<u>208,393</u>	<u>2,750,397</u>	<u>233,234</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	Enterprise Funds		
	Solid Waste Management Fund	Storm Water Management Fund	Parking Facilities Fund
LIABILITIES			
Current liabilities:			
Accounts payable:			
Trade	\$ 191,517	\$ 99,026	\$ 151,353
Contracts and retainage	-	1,502,430	58,803
Due to other governments	-	-	-
Accrued liabilities:			
Personnel costs	387,663	182,351	9,671
Interest	-	72,733	68,195
Current portion of long-term liabilities:			
Bonds payable	-	865,000	-
Installment obligations	-	75,000	1,723,250
Other long-term obligations	-	-	-
Accrued vacation and sick leave	151,395	126,848	5,827
Customer and escrow deposits	-	119,105	-
Unearned revenues	-	-	-
Restricted liabilities:			
Accounts payable:			
Contracts and retainage payable	-	-	1,835,594
Total current liabilities	<u>730,575</u>	<u>3,042,493</u>	<u>3,852,693</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	21,048,312	-
Installment obligations	-	342,629	28,248,892
Other long-term obligations	-	-	-
Accrued vacation and sick leave	94,049	78,801	3,620
Net other postemployment benefits liability	2,887,945	2,172,657	4,719
Net pension liability	<u>1,177,933</u>	<u>1,006,629</u>	<u>45,159</u>
Total noncurrent liabilities	<u>4,159,927</u>	<u>24,649,028</u>	<u>28,302,390</u>
Total liabilities	<u>4,890,502</u>	<u>27,691,521</u>	<u>32,155,083</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits deferrals	348,774	234,052	5,988
Pension deferrals	21,390	17,340	877
Charge on refunding	-	1,861	-
Total deferred inflows of resources	<u>370,164</u>	<u>253,253</u>	<u>6,865</u>
NET POSITION			
Net investment in capital assets	4,554	25,488,613	5,725,322
Restricted for:			
Capital projects	-	485,936	-
Unrestricted	<u>4,733,641</u>	<u>30,811,911</u>	<u>7,339,275</u>
Net Position	<u>\$ 4,738,195</u>	<u>\$ 56,786,460</u>	<u>\$ 13,064,597</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable:			
Trade	\$ -	\$ 441,896	\$ 159,088
Contracts and retainage	-	1,561,233	-
Due to other governments	2	2	-
Accrued liabilities:			
Personnel costs	38,836	618,521	52,956
Interest	-	140,928	4,264
Current portion of long-term liabilities:			
Bonds payable	-	865,000	-
Installment obligations	-	1,798,250	-
Other long-term obligations	-	-	410,000
Accrued vacation and sick leave	46,952	331,022	54,981
Customer and escrow deposits	-	119,105	-
Unearned revenues	117,859	117,859	-
Restricted liabilities:			
Accounts payable:			
Contracts and retainage payable	-	1,835,594	-
Total current liabilities	203,649	7,829,410	681,289
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	21,048,312	-
Installment obligations	-	28,591,521	-
Other long-term obligations	-	-	410,000
Accrued vacation and sick leave	55,906	232,376	62,105
Net other postemployment benefits liability	677,995	5,743,316	601,595
Net pension liability	204,663	2,434,384	264,300
Total noncurrent liabilities	938,564	58,049,909	1,338,000
Total liabilities	1,142,213	65,879,319	2,019,289
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits deferrals	150,652	739,466	184,439
Pension deferrals	3,650	43,257	4,691
Charge on refunding	-	1,861	-
Total deferred inflows of resources	154,302	784,584	189,130
NET POSITION			
Net investment in capital assets	1,506,524	32,725,013	7,863,457
Restricted for:			
Capital projects	-	485,936	-
Unrestricted	79,636	42,964,463	10,126,291
Net Position	\$ 1,586,160	\$ 76,175,412	\$ 17,989,748

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Enterprise Funds		
	<u>Solid Waste Management Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>
Operating revenues:			
Charges for services	\$ 9,611,671	\$ 12,383,673	\$ 3,096,076
Other operating revenues	<u>17,568</u>	<u>87,871</u>	<u>-</u>
Total operating revenues	<u>9,629,239</u>	<u>12,471,544</u>	<u>3,096,076</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	4,544,925	3,206,760	74,883
Materials and fuels consumed	473,284	342,050	627
Landfill disposal fees	1,656,085	-	-
Services	1,918,869	1,628,107	1,566,777
Utilities	14,382	26,208	48,934
Depreciation	3,036	1,142,818	1,246,154
Amortization	-	615	-
Other operating expenses	<u>1,621,745</u>	<u>6,758,435</u>	<u>866,652</u>
Total operating expenses	<u>10,232,326</u>	<u>13,104,993</u>	<u>3,804,027</u>
Operating income (loss)	<u>(603,087)</u>	<u>(633,449)</u>	<u>(707,951)</u>
Nonoperating revenues (expenses):			
Investment earnings	81,255	389,576	90,940
Restricted intergovernmental	97,215	5,430,828	-
Interest and other charges	-	(868,364)	(358,411)
Gain on disposal of capital assets, net	<u>761</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>179,231</u>	<u>4,952,040</u>	<u>(267,471)</u>
Income (loss) before capital contributions and transfers	(423,856)	4,318,591	(975,422)
Capital contributions	-	-	15,000
Transfers from other funds	<u>29,866</u>	<u>-</u>	<u>102,233</u>
Change in net position	(393,990)	4,318,591	(858,189)
Net position at beginning of year	<u>5,132,185</u>	<u>52,467,869</u>	<u>13,922,786</u>
Net position at end of year	<u>\$ 4,738,195</u>	<u>\$ 56,786,460</u>	<u>\$ 13,064,597</u>

See notes to financial statements.

	Nonmajor Golf Fund	Total	Internal Service Funds
Operating revenues:			
Charges for services	\$ 1,682,236	\$ 26,773,656	\$ 8,737,156
Other operating revenues	<u>26,778</u>	<u>132,217</u>	<u>14,108</u>
Total operating revenues	<u>1,709,014</u>	<u>26,905,873</u>	<u>8,751,264</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	818,744	8,645,312	1,225,939
Materials and fuels consumed	329,251	1,145,212	17,242
Landfill disposal fees	-	1,656,085	-
Services	41,604	5,155,357	984,492
Utilities	50,697	140,221	16,056
Depreciation	89,893	2,481,901	2,332,456
Amortization	-	615	-
Other operating expenses	<u>322,591</u>	<u>9,569,423</u>	<u>1,934,269</u>
Total operating expenses	<u>1,652,780</u>	<u>28,794,126</u>	<u>6,510,454</u>
Operating income (loss)	<u>56,234</u>	<u>(1,888,253)</u>	<u>2,240,810</u>
Nonoperating revenues (expenses):			
Investment earnings	8,910	570,681	127,542
Restricted intergovernmental	-	5,528,043	14,882
Interest and other charges	-	(1,226,775)	(15,457)
Gain on disposal of capital assets, net	<u>-</u>	<u>761</u>	<u>207,240</u>
Total nonoperating revenues (expenses)	<u>8,910</u>	<u>4,872,710</u>	<u>334,207</u>
Income (loss) before capital contributions and transfers	65,144	2,984,457	2,575,017
Capital contributions	-	15,000	63,532
Transfers from other funds	<u>200,000</u>	<u>332,099</u>	<u>408,410</u>
Change in net position	265,144	3,331,556	3,046,959
Net position at beginning of year	<u>1,321,016</u>	<u>72,843,856</u>	<u>14,942,789</u>
Net position at end of year	<u>\$ 1,586,160</u>	<u>\$ 76,175,412</u>	<u>\$ 17,989,748</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Statement of Cash Flows -
Proprietary Funds**

Year Ended June 30, 2020

	Enterprise Funds		
	Solid Waste Management Fund	Storm Water Management Fund	Parking Facilities Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 9,310,427	\$ 9,250,517	\$ 2,930,818
Receipts from interfund services provided	36,635	2,997,038	-
Payments to suppliers	(3,799,593)	(6,283,780)	(2,424,938)
Payments to or on behalf of employees	(4,014,517)	(2,936,272)	(164,501)
Payments for interfund services used	<u>(1,863,034)</u>	<u>(1,567,682)</u>	<u>(8,071)</u>
Net cash provided by (used in) operating activities	<u>(330,082)</u>	<u>1,459,821</u>	<u>333,308</u>
Cash flows from noncapital and related financing activities:			
Transfers from other funds	29,866	-	102,233
Restricted intergovernmental	<u>97,215</u>	<u>523,681</u>	<u>-</u>
Net cash provided by noncapital and related financing activities	<u>127,081</u>	<u>523,681</u>	<u>102,233</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(1,550,871)	(6,810,951)
Proceeds from other long-term obligations	-	-	5,138,527
Proceeds from installment obligations	-	-	4,315,000
Proceeds from refunding installment obligations	-	-	22,270,000
Payment to redeem outstanding other long-term obligations	-	-	(22,071,481)
Principal payments on bonds	-	(840,000)	-
Principal payments on installment obligations	-	(80,000)	(492,845)
Principal payments on other long-term obligations	-	-	-
Interest and other charges	-	(916,943)	(181,557)
Issuance costs on refunding installment obligations	-	-	(191,987)
Proceeds from sale of capital assets	<u>761</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>761</u>	<u>(3,387,814)</u>	<u>1,974,706</u>
Cash flows from investing activities:			
Investment earnings	<u>89,612</u>	<u>419,842</u>	<u>98,764</u>
Net increase (decrease) in cash and cash equivalents	<u>(112,628)</u>	<u>(984,470)</u>	<u>2,509,011</u>
Cash and cash equivalents at beginning of year	<u>6,873,049</u>	<u>31,110,615</u>	<u>8,030,119</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,760,421</u></u>	<u><u>\$ 30,126,145</u></u>	<u><u>\$ 10,539,130</u></u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 1,680,914	\$ 23,172,676	\$ 194,478
Receipts from interfund services provided	-	3,033,673	8,427,713
Payments to suppliers	(721,643)	(13,229,954)	(3,093,413)
Payments to or on behalf of employees	(686,082)	(7,801,372)	(870,930)
Payments for interfund services used	(33,082)	(3,471,869)	(5,303)
Net cash provided by (used in) operating activities	240,107	1,703,154	4,652,545
Cash flows from noncapital and related financing activities:			
Transfers from other funds	200,000	332,099	408,410
Restricted intergovernmental	-	620,896	14,882
Net cash provided by noncapital and related financing activities	200,000	952,995	423,292
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(11,130)	(8,372,952)	(5,517,981)
Proceeds from other long-term obligations	-	5,138,527	-
Proceeds from installment obligations	-	4,315,000	-
Proceeds from refunding installment obligations	-	22,270,000	-
Payment to redeem outstanding other long-term obligations	-	(22,071,481)	-
Principal payments on bonds	-	(840,000)	-
Principal payments on installment obligations	-	(572,845)	-
Principal payments on other long-term obligations	-	-	(410,000)
Interest and other charges	-	(1,098,500)	(17,589)
Issuance costs on refunding installment obligations	-	(191,987)	-
Proceeds from sale of capital assets	-	761	310,755
Net cash provided by (used in) capital and related financing activities	(11,130)	(1,423,477)	(5,634,815)
Cash flows from investing activities:			
Investment earnings	9,563	617,781	137,012
Net increase (decrease) in cash and cash equivalents	438,540	1,850,453	(421,966)
Cash and cash equivalents at beginning of year	650,366	46,664,149	11,468,402
Cash and cash equivalents at end of year	\$ 1,088,906	\$ 48,514,602	\$ 11,046,436

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Enterprise Funds		
	Solid Waste Management Fund	Storm Water Management Fund	Parking Facilities Fund
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 6,760,421	\$ 28,269,666	\$ 7,309,175
Restricted cash and cash equivalents	<u>-</u>	<u>1,856,479</u>	<u>3,229,955</u>
Total cash and cash equivalents	<u>\$ 6,760,421</u>	<u>\$ 30,126,145</u>	<u>\$ 10,539,130</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (603,087)	\$ (633,449)	\$ (707,951)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,036	1,143,433	1,246,154
Changes in assets, liabilities and deferred items:			
Accounts receivable	(342,729)	(295,643)	(115,587)
Due from other governments	60,552	71,654	(49,671)
Inventory of materials and supplies	-	(18,221)	-
Prepays	1,885	4,363	-
Deferred outflows of resources for pensions	123,386	95,577	2,632
Deferred outflows of resources for other postemployment benefits	(182,942)	(125,243)	(43,117)
Net pension liability	142,082	107,075	5,873
Net other postemployment benefits liability	388,641	238,801	(52,151)
Deferred inflows of resources for pensions	(5,222)	(8,072)	99
Deferred inflows of resources for other postemployment benefits	24,931	(16,524)	(8,687)
Accounts payable and accrued liabilities	57,002	864,184	51,164
Due to other governments	-	-	-
Customer and escrow deposits	-	-	-
Accrued vacation and sick leave	2,383	31,886	4,550
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (330,082)</u>	<u>\$ 1,459,821</u>	<u>\$ 333,308</u>
Noncash investing, capital and financing activities:			
Capital assets acquired on account	\$ -	\$ 76,411	\$ (332,112)
Capital contributions from governmental funds	-	-	15,000
Donation of capital assets to governmental funds	<u>-</u>	<u>-</u>	<u>-</u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ 76,411</u>	<u>\$ (317,112)</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 1,088,906	\$ 43,428,168	\$ 11,046,436
Restricted cash and cash equivalents	-	5,086,434	-
Total cash and cash equivalents	<u>\$ 1,088,906</u>	<u>\$ 48,514,602</u>	<u>\$ 11,046,436</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 56,234	\$ (1,888,253)	\$ 2,240,810
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	89,893	2,482,516	2,332,456
Changes in assets, liabilities and deferred items:			
Accounts receivable	(26,698)	(780,657)	8,999
Due from other governments	(11,554)	70,981	(138,072)
Inventory of materials and supplies	6,681	(11,540)	11,167
Prepays	(3,465)	2,783	-
Deferred outflows of resources for pensions	19,677	241,272	22,118
Deferred outflows of resources for other postemployment benefits	(51,377)	(402,679)	(52,725)
Net pension liability	22,213	277,243	29,769
Net other postemployment benefits liability	114,425	689,716	200,616
Deferred inflows of resources for pensions	(1,503)	(14,698)	(1,666)
Deferred inflows of resources for other postemployment benefits	13,246	12,966	124,394
Accounts payable and accrued liabilities	(8,939)	963,411	(146,867)
Due to other governments	(1,127)	(1,127)	(525)
Customer and escrow deposits	(326)	(326)	-
Accrued vacation and sick leave	12,249	51,068	22,071
Unearned revenues	10,478	10,478	-
Net cash provided by (used in) operating activities	<u>\$ 240,107</u>	<u>\$ 1,703,154</u>	<u>\$ 4,652,545</u>
Noncash investing, capital and financing activities:			
Capital assets acquired on account	\$ (4,469)	\$ (260,170)	\$ -
Capital contributions from governmental funds	-	15,000	63,532
Donation of capital assets to governmental funds	-	-	(13,863)
Net effect of noncash activities	<u>\$ (4,469)</u>	<u>\$ (245,170)</u>	<u>\$ 49,669</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	Other Postemployment Benefits Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ -	\$ 579,743
Investments:		
North Carolina Capital Management Trust, Government Portfolio	3,061,932	-
North Carolina Capital Management Trust, Term Portfolio	-	53,976
Other receivables	<u>203</u>	<u>-</u>
Total assets	<u>3,062,135</u>	<u>633,719</u>
 LIABILITIES		
Escrow funds and deposits	<u>-</u>	<u>633,719</u>
Total liabilities	<u>-</u>	<u>633,719</u>
 NET POSITION		
Restricted for postemployment benefits other than pensions	<u>\$ 3,062,135</u>	<u>\$ -</u>

See notes to financial statements.

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Other Postemployment Benefits Trust Fund
Additions:	
Contributions:	
Employer	\$ 1,084,789
Plan members	<u>431,229</u>
Total contributions	1,516,018
Investment earnings	<u>45,194</u>
Total additions	<u>1,561,212</u>
Deductions:	
Benefit payments	1,353,184
Administrative expense	<u>164,675</u>
Total deductions	<u>1,517,859</u>
Change in net position	43,353
Net position restricted for postemployment benefits other than pensions	
Beginning of year	<u>3,018,782</u>
End of year	<u><u>\$ 3,062,135</u></u>

See notes to financial statements.

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CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements June 30, 2020

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 122,891. 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, 2020

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 Manager 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 comprehensive annual 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 is 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, 2020

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, 2020 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, 2020

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.

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.

Parks and Recreation Fund. This fund accounts for resources used for the acquisition, construction, repair and maintenance of parks and recreation facilities 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, solid waste disposal, 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:

Solid Waste Management Fund. The Solid Waste Management Fund accounts for the provision of refuse collection and disposal services by the City.

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

Parking Facilities Fund. The Parking Facilities Fund accounts for the operation of the City's parking facilities and the on-street parking program.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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.

Agency Funds. The City maintains two Agency Funds- the CHDO Proceeds Fund and the Law Enforcement Seizure Fund. Agency funds are custodial in nature and do not involve the measurement of operating results. An agency fund is used to account for assets the City holds on behalf of others. 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.

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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

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 as noted previously. 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETARY DATA (continued)

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 NCCMT Government Portfolio, is a SEC—registered (2a-7) money market mutual fund which invests in treasuries and government agencies and is rated AAAm by S&P. The NCCMT Term Portfolio, a short-term bond fund investing in treasuries, government agencies and money market instruments allowed under G.S. 159-30, has no rating and a duration of .15 years. Both the Government and Term Portfolios are reported at fair value. 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.

RESTRICTED ASSETS

Unspent donations 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

RESTRICTED ASSETS (continued)

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

	Streets and Sidewalks Fund	Parks and Recreation Fund	Debt Service Fund	Nonmajor Governmental Funds	Governmental Activities
Debt proceeds and related interest earnings	\$ 17,520,292	\$ 16,724,304	\$ 133	\$ 23	\$ 34,244,752
Donations	<u>2,810,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,810,485</u>
	<u>\$ 20,330,777</u>	<u>\$ 16,724,304</u>	<u>\$ 133</u>	<u>\$ 23</u>	<u>\$ 37,055,237</u>

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

	Storm Water Management Fund	Parking Facilities Fund	Business-Type Activities
Debt proceeds and related interest earnings	<u>\$ 1,856,479</u>	<u>\$ 3,229,955</u>	<u>\$ 5,086,434</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, 2019. For collection purposes, taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

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 at the lower of cost (first-in, first-out) or market in the proprietary funds. 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. Included in prepaid items in the government-wide financial statements are unamortized bond insurance costs.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

The City has early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of the Construction Period*, in the current year. Accordingly, beginning July 1, 2017, 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.

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

<u>Asset class</u>	<u>Estimated useful lives</u>	
Infrastructure (including streets and drainage systems)	50	years
Buildings, plant, structures and improvements	40	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

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

CAPITAL ASSETS (continued)

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 position 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 position 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, 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, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid bond insurance costs are reported as prepaid items and amortized over the term of the related debt using the straight-line method.

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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

COMPENSATED ABSENCES (continued)

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.

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 nonexpendable fund balances as of June 30, 2020:

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, 2020

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, 2020:

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 and unspent donations.

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, 2020

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, 2020:

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

FUND BALANCES (continued)

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. 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, 20120:

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, 2020. 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 25% 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, 2020, 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, 2020

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 CAFR 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, 2020

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:

Bonds payable	\$ (45,890,000)
Installment obligations	(145,385,250)
Other long-term obligations	(8,198,176)
Unamortized premiums	(21,257,323)
Unamortized deferred outflows of resources	3,784,775
Unamortized deferred inflows of resources	(34,041)
Accrued interest payable	(939,076)
Accrued vacation and sick leave	(8,119,127)
Claims and judgements	<u>(1,000,000)</u>
	<u>\$ (227,038,218)</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	\$ 23,187,821
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.	15,806,677
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.	(64,669)
Depreciation expense	<u>(13,989,756)</u>
	<u>\$ 24,940,073</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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 bonds	\$ (16,165,000)
Issuance of installment obligations	(31,450,000)
Issuance of refunding installment obligations	(11,785,000)
Issuance premium (to be amortized over the life of the obligation)	(7,015,471)

Principal payments:

Bonds payable	2,190,000
Installment obligations	6,572,155
Other long-term obligations	657,516
Refunded installment obligations	14,000,000
Amortization of premiums and loss on refundings	<u>441,835</u>
	<u>\$ (42,553,965)</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	\$ (512,537)
Other postemployment benefits	(1,584,112)
Pension expense - Local Governmental Employees' Retirement System	(9,216,382)
Pension expense - Law Enforcement Special Separation Allowance	(681,281)
Accrued interest payable	(67,235)
Claims and judgements	<u>3,000,000</u>
	<u>\$ (9,061,547)</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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, 2020, the City's deposits had a carrying amount of \$89,727,079 and a bank balance of \$92,985,368. Of the bank balance, \$1,000,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Cash on hand at June 30, 2020, was \$96,322.

At June 30, 2020, the investments and related maturities of the City were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months
North Carolina Capital Management Trust - Government Portfolio	Fair Value-Level 1	\$ 97,047,217	\$ 97,047,217
North Carolina Capital Management Trust - Term Portfolio *	Fair Value-Level 1	<u>44,339,488</u>	<u>44,339,488</u>
Total investments		<u>\$141,386,705</u>	<u>\$141,386,705</u>

** As of June 30, 2020, the North Carolina Capital Management Trust (NCCMT) Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.*

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

DEPOSITS AND INVESTMENTS (continued)

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.

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, 2020 is .033 months.

Credit Risk

The City has no formal policy on managing credit risk. As of June 30, 2020, the City's investment in the NCCMT Government Portfolio carried a credit rating of AAAM by Standard & Poor's. The City's investment in the NCCMT Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. agencies, and in high grade money market instruments as permitted under G.S. 159-30 as amended.

RECEIVABLES

Current receivables for governmental activities at the government-wide level at June 30, 2020, were as follows:

	Taxes	Accounts	Other	Other Governments	Management Company	Notes	Total
General Fund	\$ 2,581,984	\$ 1,373,262	\$ 1,717,404	\$16,793,831	\$ -	\$ 217,620	22,684,101
Streets and Sidewalks Fund	-	-	-	1,214,158	-	-	1,214,158
Parks and Recreation Fund	-	23,672	-	680,251	-	-	703,923
Debt Service Fund	439,405	-	-	224,395	-	-	663,800
Nonmajor Governmental Funds	9,511	18,800	2,459	4,631,497	272,524	20,630,287	25,565,078
Internal Service Funds	-	-	-	210,533	-	-	210,533
Total receivables	3,030,900	1,415,734	1,719,863	23,754,665	272,524	20,847,907	51,041,593
Allowance for doubtful accounts	(1,546,235)	(523,598)	-	-	-	(358,313)	(2,428,146)
Total governmental activities	<u>\$ 1,484,665</u>	<u>\$ 892,136</u>	<u>\$ 1,719,863</u>	<u>\$23,754,665</u>	<u>\$ 272,524</u>	<u>\$20,489,594</u>	<u>\$48,613,447</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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	\$ 7,761,165
Franchise tax	1,720,661
Video programming sales tax	293,658
PEG channel support	6,803
Room occupancy tax	552,538
Refund of sales and use tax paid	895,922
Community Development Block Grant entitlement	438,357
Home Investment Partnership entitlement	132,101
ABC revenues	224,773
Firemen's relief funds	104,145
FEMA/Hurricane disaster assistance	8,703,625
Other grants and reimbursements	<u>2,920,917</u>
	<u>\$ 23,754,665</u>

Receivables for business-type activities at the government-wide level at June 30, 2020, were as follows:

	Accounts	Other Governments	Other	Total
Solid Waste Management Fund	\$ 2,379,348	\$ 104,501	\$ -	\$ 2,483,849
Storm Water Management Fund	2,187,960	5,129,138	2,103	7,319,201
Parking Facilities Fund	-	166,320	115,587	281,907
Nonmajor Golf Fund	<u>-</u>	<u>17,013</u>	<u>26,698</u>	<u>43,711</u>
Total receivables	4,567,308	5,416,972	144,388	10,128,668
Allowance for doubtful accounts	<u>(763,189)</u>	<u>-</u>	<u>-</u>	<u>(763,189)</u>
Total business-type activities	<u>\$ 3,804,119</u>	<u>\$ 5,416,972</u>	<u>\$ 144,388</u>	<u>\$ 9,365,479</u>

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

Refund of sales and use tax paid	\$ 261,329
Solid waste disposal tax	22,030
Cape Fear Public Utility Authority	717,769
FEMA/Hurricane disaster assistance	4,198,161
Other grants and reimbursements	<u>217,683</u>
	<u>\$ 5,416,972</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS

Capital asset activity for the primary government's governmental activities for the year ended June 30, 2020, was as follows:

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 60,451,461	\$ 15,344	\$ -	\$ -	\$ 60,466,805
Easements	17,897,352	5,730,674	-	(15,000)	23,613,026
Construction in progress	14,197,227	13,052,690	-	(9,320,916)	17,929,001
Total capital assets not being depreciated	<u>92,546,040</u>	<u>\$ 18,798,708</u>	<u>\$ -</u>	<u>\$ (9,335,916)</u>	<u>102,008,832</u>
Capital assets being depreciated:					
Improvements other than buildings	66,044,038	\$ 403,358	\$ -	\$ -	66,447,396
Buildings, plant and structures	148,169,436	5,082,783	-	6,637,947	159,890,166
Furniture, fixtures, machinery and equipment	52,614,843	5,151,466	(2,550,369)	6,500	55,222,440
Computer software	2,563,545	-	-	-	2,563,545
Streets and drainage	249,452,558	15,076,164	-	2,682,969	267,211,691
Total capital assets being depreciated	<u>518,844,420</u>	<u>\$ 25,713,771</u>	<u>\$ (2,550,369)</u>	<u>\$ 9,327,416</u>	<u>551,335,238</u>
Less accumulated depreciation for:					
Improvements other than buildings	29,623,736	\$ 3,155,838	\$ -	\$ -	32,779,574
Buildings, plant and structures	47,040,925	3,805,018	-	-	50,845,943
Furniture, fixtures, machinery and equipment	42,052,812	4,098,557	(2,460,717)	6,500	43,697,152
Computer software	1,598,128	231,831	-	-	1,829,959
Streets and drainage	86,260,433	5,030,968	-	-	91,291,401
Total accumulated depreciation	<u>206,576,034</u>	<u>\$ 16,322,212</u>	<u>\$ (2,460,717)</u>	<u>\$ 6,500</u>	<u>220,444,029</u>
Total capital assets being depreciated, net	<u>312,268,386</u>				<u>330,891,209</u>
Governmental activities capital assets, net	<u>\$ 404,814,426</u>				<u>\$ 432,900,041</u>

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

General government	\$ 1,277,275
Public safety	2,843,195
Transportation	5,465,113
Economic and physical development	1,277,174
Cultural and recreational	3,126,999
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,332,456</u>
	<u>\$ 16,322,212</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS (continued)

Capital asset activity for each of the business-type activities for the year ended June 30, 2020, was as follows:

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Solid waste:					
Capital assets being depreciated:					
Furniture, fixtures, machinery and equipment	\$ 46,109	\$ -	\$ (5,395)	\$ (6,500)	\$ 34,214
Less accumulated depreciation for:					
Furniture, fixtures, machinery and equipment	38,519	3,036	(5,395)	(6,500)	29,660
Total capital assets being depreciated, net	7,590				4,554
Solid waste capital assets, net	7,590				4,554
Storm water:					
Capital assets not being depreciated:					
Land	1,107,671	\$ -	\$ -	\$ -	1,107,671
Easements	1,390,718	236,159	-	-	1,626,877
Construction in progress	2,272,421	210,520	-	(209,667)	2,273,274
Total capital assets not being depreciated	4,770,810	\$ 446,679	\$ -	\$ (209,667)	5,007,822
Capital assets being depreciated:					
Improvements other than buildings	61,922,548	\$ 926,208	\$ -	\$ 209,667	63,058,423
Buildings, plant and structures	1,202,630	-	-	-	1,202,630
Furniture, fixtures, machinery and equipment	479,193	254,395	-	-	733,588
Total capital assets being depreciated	63,604,371	\$ 1,180,603	\$ -	\$ 209,667	64,994,641
Less accumulated depreciation for:					
Improvements other than buildings	21,859,502	\$ 1,043,479	\$ -	\$ -	22,902,981
Buildings, plant and structures	315,370	30,066	-	-	345,436
Furniture, fixtures, machinery and equipment	404,041	69,273	-	-	473,314
Total accumulated depreciation	22,578,913	\$ 1,142,818	\$ -	\$ -	23,721,731
Total capital assets being depreciated, net	41,025,458				41,272,910
Storm water capital assets, net	45,796,268				46,280,732

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS (continued)

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Parking facilities:					
Capital assets not being depreciated:					
Land	\$ 6,818,240	\$ 31,050	\$ -	\$ -	\$ 6,849,290
Easements	176,752	-	-	15,000	191,752
Construction in progress	18,577,891	1,022,320	-	(18,577,891)	1,022,320
Total capital assets not being depreciated	<u>25,572,883</u>	<u>\$ 1,053,370</u>	<u>\$ -</u>	<u>\$(18,562,891)</u>	<u>8,063,362</u>
Capital assets being depreciated:					
Improvements other than buildings	231,282	\$ -	\$ -	\$ -	231,282
Buildings, plant and structures	12,601,395	4,808,206	-	18,577,891	35,987,492
Furniture, fixtures, machinery and equipment	546,011	617,263	(140,457)	-	1,022,817
Computer Software	58,184	-	-	-	58,184
Total capital assets being depreciated	<u>13,436,872</u>	<u>\$ 5,425,469</u>	<u>\$ (140,457)</u>	<u>\$ 18,577,891</u>	<u>37,299,775</u>
Less accumulated depreciation for:					
Improvements other than buildings	51,943	\$ 11,564	\$ -	\$ -	63,507
Buildings, plant and structures	9,574,248	1,100,036	-	-	10,674,284
Furniture, fixtures, machinery and equipment	369,734	125,537	(140,457)	-	354,814
Computer Software	39,571	9,017	-	-	48,588
Total accumulated depreciation	<u>10,035,496</u>	<u>\$ 1,246,154</u>	<u>\$ (140,457)</u>	<u>\$ -</u>	<u>11,141,193</u>
Total capital assets being depreciated, net	<u>3,401,376</u>				<u>26,158,582</u>
Parking facilities capital assets, net	<u>28,974,259</u>				<u>34,221,944</u>
Golf:					
Capital assets not being depreciated:					
Land	109,393	\$ -	\$ -	\$ -	109,393
Construction in progress	76,269	6,661	-	-	82,930
Total capital assets not being depreciated	<u>185,662</u>	<u>\$ 6,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>192,323</u>
Capital assets being depreciated:					
Improvements other than buildings	2,259,426	\$ -	\$ -	\$ -	2,259,426
Buildings, plant and structures	485,348	-	-	-	485,348
Furniture, fixtures, machinery and equipment	318,848	-	-	-	318,848
Total capital assets being depreciated	<u>3,063,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,063,622</u>
Less accumulated depreciation for:					
Improvements other than buildings	1,094,372	\$ 75,992	\$ -	\$ -	1,170,364
Buildings, plant and structures	253,346	10,134	-	-	263,480
Furniture, fixtures, machinery and equipment	311,810	3,767	-	-	315,577
Total accumulated depreciation	<u>1,659,528</u>	<u>\$ 89,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,749,421</u>
Total capital assets being depreciated, net	<u>1,404,094</u>				<u>1,314,201</u>
Golf capital assets, net	<u>1,589,756</u>				<u>1,506,524</u>
Business-type activities capital assets, net	<u>\$ 76,367,873</u>				<u>\$ 82,013,754</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A. ASSETS (continued)

CAPITAL ASSETS (continued)

COMMITMENTS FOR CAPITAL PROJECTS

At June 30, 2020, the City has commitments for active projects as follows:

	Spent to date	Remaining commitment
Governmental funds:		
Capital projects	<u>\$ 46,463,820</u>	<u>\$ 42,598,166</u>
Enterprise funds:		
Storm Water capital projects	\$ 6,196,465	\$ 2,752,059
Parking Facilities capital projects	22,949,358	3,101,477
Nonmajor Golf capital projects	<u>79,169</u>	<u>22,631</u>
Total enterprise funds	<u>\$ 29,224,992</u>	<u>\$ 5,876,167</u>

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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. 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.

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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$5,158,349 for the year ended June 30, 2020.

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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

1. Local Governmental Employees' Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the City reported a liability of \$23,514,877 for its proportionate share of the LGERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the City's proportion was 0.861%, which was an increase of 0.011% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$10,326,933. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,026,342	\$ -
Changes of assumptions	3,832,535	-
Net difference between projected and actual earnings on pension plan investments	573,560	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	411,642
City contributions subsequent to the measurement date	<u>5,114,837</u>	<u>-</u>
Total	<u>\$ 13,547,274</u>	<u>\$ 411,642</u>

\$5,114,837 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 4,017,961
2022	1,191,781
2023	2,208,430
2024	<u>602,623</u>
	<u>\$ 8,020,795</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2019 are summarized in the following table:

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

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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 information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution 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.

Sensitivity of the proportionate share of the net pension liability (asset) 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 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 53,782,824	\$ 23,514,877	\$ (1,643,919)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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)

Plan Description. (continued) All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2018, the date of the latest actuarial valuation, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	40
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	263
Total	<u>303</u>

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.

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2018 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	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements.

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 \$763,636 as benefits came due for the reporting period.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the City reported a total pension liability of \$12,877,207. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$1,046,109.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 422,758	\$ -
Changes of assumptions	617,071	377,790
City benefit payments and plan administrative expense made subsequent to the measurement date	<u>394,810</u>	<u>-</u>
Total	<u>\$ 1,434,639</u>	<u>\$ 377,790</u>

\$394,810 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 171,069
2022	171,069
2023	176,022
2024	78,509
2025	65,370
Thereafter	<u>-</u>
	<u>\$ 662,039</u>

\$394,810 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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)

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

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 13,902,217	\$ 12,877,207	\$ 11,936,815

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

	2020
Beginning balance	\$ 12,157,366
Service cost	444,374
Interest on total pension liability	429,245
Differences between expected and actual experience in the measurement of the total pension liability	209,000
Changes of assumptions or other inputs	367,075
Benefit payments	(729,853)
Ending balance of the total pension liability	<u>\$ 12,877,207</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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. 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:

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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 (continued)

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 23,514,877	\$ -	\$ 23,514,877
Proportion of the Net Pension Liability	0.861%	n/a	
Total Pension Liability	-	12,877,207	12,877,207
Pension Expense	10,326,928	1,046,109	11,373,037

At June 30, 2020, 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	\$ 4,026,342	\$ 422,758	\$ 4,449,100
Changes of assumptions	3,832,535	617,071	4,449,606
Net difference between projected and actual earnings on pension plan investments	573,560	-	573,560
City contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,114,837	394,810	5,509,647

Deferred Inflows of Resources

Changes of assumptions	\$ -	\$ 377,790	\$ 377,790
Changes in proportion and differences between City contributions and proportionate share of contributions	411,642	-	411,642

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2020, the City's required contribution was \$794,805 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 \$1,587,192 for the year ended June 30, 2020. Employee contributions to this plan, including law enforcement officers, included in salary expense for the year ended June 30, 2020, were \$1,276,302.

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, 2020

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, 2018, the date of the latest actuarial valuation:

	General Employees	Firefighters	Law Enforcement Officers
Inactive plan members and dependents receiving benefits	54	63	54
Inactive plan members entitled to but not yet receiving benefits	-	-	-
Active plan members*	239	121	146
Total	293	184	200

* Excludes 496 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, 2020

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, 2018.

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, 2020 active employee contribution requirements range from \$129 to \$628 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, 2020

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 \$1,084,789 or 3.62% of annual covered payroll for current premiums. The City is self-insured. Contributions of \$431,229 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 valued at amortized cost, which is the NCCMT's share price. Administrative costs are charged to the individual funds.

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

Rate of return. For the year ended June 30, 2020, the annual money weighted rate of return on investments, net of investment expense, was 1.43 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, 2020 were as follows:

Total OPEB liability	\$ 55,353,219
Plan fiduciary net position	<u>3,062,135</u>
City's net OPEB liability	<u>\$ 52,291,084</u>
Plan fiduciary net position as a percentage of the total OPEB liability	5.53%

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent (7.35 percent for law enforcement), including wage inflation
Investment rate of return	3.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028

The total OPEB liabilities were rolled forward to June 30, 2020 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. For general employees, rates are adjusted by 115% (male) and 79% (female) for ages under 78 and by 135% (male) and 116% (female) for ages 78 and older. For law enforcement officers, rates are adjusted by 104% for males and 100% for females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, adopted by the LGERS.

Discount rate. The discount rate used to measure the total OPEB liability was 2.24 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 2.21 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 (1.24 percent) or 1-percentage-point higher (3.24 percent) than the current discount rate:

	1% Decrease (1.24%)	Discount Rate (2.24%)	1% Increase (3.24%)
Net OPEB liability	\$ 56,980,192	\$ 52,291,084	\$ 47,998,100

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current healthcare cost trend rate:

	1% Decrease (6.25%)	Healthcare Cost Trend Rate (7.25%)	1% Increase (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability	\$ 46,301,071	\$ 52,291,084	\$ 59,213,658

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, the City reported a net OPEB liability of \$52,291,084. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2020 the components of the net OPEB liability of the City, measured as of June 30, 2020 were as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2019	\$ 49,044,783	\$ 3,018,782	\$ 46,026,001
Changes for the year:			
Service cost	1,442,050	-	1,442,050
Interest	1,697,747	-	1,697,747
Differences between expected and actual experience	(1,093,804)	-	(1,093,804)
Changes of assumptions	5,347,232	-	5,347,232
Contributions	-	1,084,789	(1,084,789)
Net investment income	-	46,287	(46,287)
Benefit payments	(1,084,789)	(1,084,789)	-
Administrative expenses	-	(2,934)	2,934
Net changes	<u>6,308,436</u>	<u>43,353</u>	<u>6,265,083</u>
Balances at June 30, 2020	<u>\$ 55,353,219</u>	<u>\$ 3,062,135</u>	<u>\$ 52,291,084</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.24 percent in 2020 on the measurement date and the projected measurement asset depletion date.

For the year ended June 30, 2020, the City recognized OPEB expense of \$3,241,189. At June 30, 2020, 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	\$ -	\$ 4,856,024
Changes of assumptions	6,991,879	777,108
Net difference between projected and actual earnings on plan investments	101,876	-
Total	<u>\$ 7,093,755</u>	<u>\$ 5,633,132</u>

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

Year ended June 30:	
2021	\$ 204,064
2022	204,066
2023	189,390
2024	270,115
2025	592,988
Thereafter	-
	<u>\$ 1,460,623</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

5. Other Postemployment Benefits (continued)

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

	Per Actuary	Change in Fund Allocation	Total Deferred Outflows
Deferred Outflows Reconciliation - OPEB			
Governmental activities	\$ 6,314,623	\$ 280,646	\$ 6,595,269
Solid Waste Management Fund	391,776	86,353	478,129
Storm Water Management Fund	294,740	166,568	461,308
Parking Facilities Fund	640	46,574	47,214
Nonmajor Golf Fund	91,976	-	91,976
	<u>\$ 7,093,755</u>	<u>\$ 580,141</u>	<u>\$ 7,673,896</u>
Total deferred outflows			
	Per Actuary	Change in Fund Allocation	Total Deferred Inflows
Deferred Inflows Reconciliation - OPEB			
Governmental activities	\$ 5,014,425	\$ 459,382	\$ 5,473,807
Solid Waste Management Fund	311,108	37,666	348,774
Storm Water Management Fund	234,052	-	234,052
Parking Facilities Fund	508	5,480	5,988
Nonmajor Golf Fund	73,039	77,613	150,652
	<u>\$ 5,633,132</u>	<u>\$ 580,141</u>	<u>\$ 6,213,273</u>
Total deferred inflows			

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:

	Governmental Activities	Solid Waste Management Fund	Storm Water Management Fund	Parking Facilities Fund	Nonmajor Golf Fund	Total
Years ended June 30:						
2021	\$ (59,698)	\$ 19,369	\$ 53,939	\$ 9,819	\$ (23,429)	\$ -
2022	(59,698)	19,369	53,939	9,819	(23,429)	-
2023	(59,698)	19,369	53,939	9,819	(23,429)	-
2024	358	(9,420)	4,751	11,637	(7,326)	-
2025	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total	<u>\$ (178,736)</u>	<u>\$ 48,687</u>	<u>\$ 166,568</u>	<u>\$ 41,094</u>	<u>\$ (77,613)</u>	<u>\$ -</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

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 the International City Managers' Association Retirement Corporation. 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, 2020, were \$328,568 that was matched by the City.

Employer contributions to the 457 Deferred Compensation Plan totaled \$1,628,617 for the year ended June 30, 2020. 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, 2020, were \$939,157.

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, 2020, the City made contributions to the State for death benefits of \$22,255.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

OTHER EMPLOYMENT BENEFITS (continued)

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, 2020, the City paid \$75,649 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, 2020 is summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Deferred amount for loss on refunded debt	\$ 3,784,775	\$ 307,540
Contributions to pension plan in current year for the Local Governmental Employees' Retirement System (LGERS)	4,615,692	499,145
Benefit payments/administration costs paid subsequent to the measurement date for the Law Enforcement Officers' Special Separation Allowance (Separation Allowance)	394,810	-
Pension deferrals - LGERS	7,567,352	865,085
Pension deferrals - Separation Allowance	1,039,829	-
Pension deferrals for other postemployment benefits	<u>6,595,269</u>	<u>1,078,627</u>
	<u>\$ 23,997,727</u>	<u>\$ 2,750,397</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

The balance in deferred inflows of resources at the government-wide level of the City at June 30, 2020 is summarized as follows:

	Governmental Activities	Business-type Activities
Deferred amount for gain on refunded debt	\$ 34,041	\$ 1,861
Pension deferrals - LGERS	368,385	43,257
Pension deferrals - Separation Allowance	377,790	-
Pension deferrals for other postemployment benefits	<u>5,473,807</u>	<u>739,466</u>
	<u>\$6,254,023</u>	<u>\$ 784,584</u>

UNEARNED REVENUES

The balance in unearned revenues at June 30, 2020 is summarized as follows:

	General Fund	Nonmajor Governmental Funds	Nonmajor Golf Fund	Governmental Activities	Business-type Activities
Prepaid parks and recreation pass cards	\$ 5,396	\$ -	\$ -	\$ 5,396	\$ -
Prepaid rental income	1,984	-	-	1,984	-
Prepaid hurricane insurance recovery	110,000	-	-	110,000	-
Grants received in advance	-	179,060	-	179,060	-
Prepaid convention center capital contribution from management company	-	45,677	-	45,677	-
Prepaid golf course green fees	<u>-</u>	<u>-</u>	<u>117,859</u>	<u>-</u>	<u>117,859</u>
	<u>\$ 117,380</u>	<u>\$ 224,737</u>	<u>\$ 117,859</u>	<u>\$ 342,117</u>	<u>\$ 117,859</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES

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, and 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. 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. At June 30, 2020, the City has general obligation bonds authorized but unissued of \$28,700,000 of Streets and Sidewalks Bonds for which the authorization expires November 4, 2021 and \$14,300,000 of Parks and Recreation Bonds for which the authorization expires November 8, 2023. The City may by, application to the Local Government Commission, request an extension of the authorization to November 4, 2024 and November 8, 2026, respectively.

General obligation bonds outstanding at June 30, 2020 are comprised of the following issues:

	<u>Governmental activities</u>
\$3,660,000 Public Improvement Bonds, Series 2011A issued for streets, highways, sidewalks and bridge improvements; principal payments due annually on July 1 in installments of \$195,000 through July 1, 2031; semiannual interest payments due January 1 and July 1 with rates from 3.00 to 4.00 percent.	\$ 2,340,000
\$5,000,000 Public Improvements Bonds, Series 2011C issued for streets, highways and sidewalks; principal payments due July 1 in installments of \$265,000 through July 1, 2031; semiannual interest payments due January 1 and July 1 with rates from 3.00 to 4.00 percent.	3,180,000
\$3,050,000 Taxable Public Improvements Bonds, Series 2014 issued for extension of the North Riverwalk; principal payments due June 1 in installments ranging from \$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.	2,120,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

	<u>Governmental activities</u>
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\$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 ranging from \$145,000 to \$150,000 through June 1, 2036; semiannual interest payments due June 1 and December 1 with rates from 2.00 to 3.00 percent.

\$ 2,325,000

\$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 ranging from \$650,000 to \$675,000, beginning September 1, 2019 through September 1, 2028; semiannual interest payments due on September 1 and March 1 at rates from 3.00 to 5.00 percent.

5,990,000

\$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.

13,770,000

\$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 North 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.

16,165,000

Serviced by Debt Service Fund

\$ 45,890,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

Annual debt service requirements to maturity for general obligation bonds at June 30, 2020 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 3,000,000	\$ 1,408,219
2022	3,000,000	1,307,924
2023	3,005,000	1,212,211
2024	3,010,000	1,104,917
2025	3,005,000	998,027
2026-2030	14,295,000	3,470,190
2031-2035	10,110,000	1,634,809
2036-2040	6,465,000	436,040
	<u>\$ 45,890,000</u>	<u>\$ 11,572,337</u>

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.

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 \$1,727,509 or 27.29% of available net revenues of \$6,330,388. 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, 2020 are comprised of the following individual issues:

	<u>Business-type activities</u>
\$14,035,000 Storm Water Fee Revenue Bonds, Series 2007 issued for storm water system improvements and to refund \$3,130,000 of outstanding Series 1997A Public Improvements Bonds; principal installments due annually on June 1 in varying amounts from \$100,000 to \$160,000 through June 1, 2033; semiannual interest payments due June 1 and December 1 with rates from 4.50 to 5.00 percent; \$6,960,000 of this series was refunded with the issuance of Storm Water Fee Revenue Bonds, Series 2015A.	\$ 1,715,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Revenue Bonds (continued)

	<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 \$535,000 to \$1,250,000, through June 1, 2040; semiannual interest payments due June 1 and December 1, with rates from 3.00 to 5.00 percent.	\$ 18,410,000
\$1,240,000 Taxable Storm Water Fee Revenue Bonds, Series 2015B issued for storm water system improvements; principal installments due annually on June 1, in the amount of \$180,000 through June 1, 2022; semiannual interest payments due June 1 and December 1 with rates from 2.50 to 2.63 percent.	<u>360,000</u>
Serviced by Storm Water Management Fund	<u>\$ 20,485,000</u>

Annual debt service requirements to maturity for revenue bonds at June 30, 2020 are as follows:

Year Ending June 30	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 865,000	\$ 856,244
2022	895,000	823,594
2023	940,000	783,700
2024	985,000	736,700
2025	1,035,000	687,450
2026-2030	5,740,000	2,860,625
2031-2035	5,595,000	1,547,675
2036-2040	4,430,000	538,900
	<u>\$ 20,485,000</u>	<u>\$ 8,834,888</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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, 2020. The revenue coverage calculation as of June 30, 2020 is as follows:

Revenues (1)		
Operating revenues	\$ 12,383,673	
Other operating revenue	5,518,699	
Investment earnings	389,576	\$ 18,291,948
Current Expenses (2)		
Operating expenses	13,104,993	
Less depreciation	(1,142,818)	
Less amortization	<u>(615)</u>	<u>11,961,560</u>
Revenues available for debt service		<u>6,330,388</u>
Principal and interest requirements (3)		
Revenue bonds (at 120%)	2,065,493	
Other indebtedness (at 100%)	<u>91,550</u>	<u>2,157,043</u>
Revenues in excess of principal and interest requirements		<u>\$ 4,173,345</u>

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

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

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

Installment Obligations

Certificates of Participation and 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. 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 2012, 2015A and 2020B 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

Installment obligations outstanding at June 30, 2020 are comprised of the following individual issues:

	Governmental activities	Business-type activities
<p>\$30,695,000 Refunding Limited Obligated Bonds, Series 2012 issued to refund \$2,455,000 of outstanding Series 2001 and \$10,310,000 of outstanding Series 2008D installment purchase agreements and \$8,200,000 of outstanding Series 2003A and \$9,730,000 of outstanding Series 2004 Certificates of Participation; principal payments due annually on June 1 in installments ranging from \$530,000 to \$2,085,000 through June 1, 2030; semiannual interest payments due on June 1 and December 1 at rates from 3.50 to 5.00 percent.</p>		
Serviced by Debt Service Fund	\$ 11,890,250	\$ -
Serviced by Parking Facilities Fund	-	3,154,750
<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 payments due annually on June 1, in installments ranging from \$1,345,000 to \$1,475,000 through June 1, 2032; semiannual interest payments due on June 1 and December 1 at rates from 3.25 to 5.00 percent.</p>		
Serviced by Debt Service Fund	16,555,000	-
Serviced by Storm Water Management Fund	-	360,000
<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 beginning June 1, 2020 through June 1, 2035; semiannual interest payments due June 1 and December 1 at rates from 3.25 to 5.00 percent.</p>		
Serviced by Debt Service Fund	15,240,000	-

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

	Governmental activities	Business-type activities
<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 \$525,000 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>		
Serviced by Convention Center Fund	\$ 48,410,000	\$ -
<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 2.0 to 4.0 percent.</p>		
Serviced by Debt Service Fund	10,055,000	-
<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 4.0 to 5.0 percent.</p>		
Serviced by Debt Service Fund	25,605,000	-

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

	Governmental activities	Business-type activities
<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>		

Serviced by Debt Service Fund	\$ 9,470,000	\$ -
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\$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 1.31 to 3.09 percent.

Serviced by Debt Service Fund	8,160,000	-
Serviced by the Parking Facilities Fund	-	26,585,000
	\$ 145,385,250	\$ 30,099,750

	Governmental activities	Business-type activities
Installment Obligations Serviced By:		
Debt Service Fund	\$ 96,975,250	\$ -
Convention Center Fund	48,410,000	-
Storm Water Management Fund	-	360,000
Parking Facilities Fund	-	29,739,750
	\$ 145,385,250	\$ 30,099,750

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Installment Obligations (continued)

Annual debt service requirements to maturity for installment obligations are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 8,061,750	\$ 6,001,855	\$ 1,798,250	\$ 793,077
2022	7,946,750	5,645,555	1,798,250	747,114
2023	9,121,750	5,314,994	1,793,250	706,617
2024	9,270,000	4,941,262	1,795,000	664,869
2025	9,385,000	4,503,729	1,795,000	620,751
2026-2030	46,610,000	16,172,598	7,830,000	2,432,463
2031-2035	34,630,000	7,294,137	6,640,000	1,551,276
2036-2040	20,360,000	1,629,043	6,650,000	616,455
	<u>\$ 145,385,250</u>	<u>\$ 51,503,173</u>	<u>\$ 30,099,750</u>	<u>\$ 8,132,622</u>

Current Refundings

In May 2020, the City issued its Limited Obligation Bonds, Series 2020A, of which a portion (\$11,785,000) was used to provide resources to refund a portion (\$14,000,000) of Series 2010B Limited Obligation Bonds. The reacquisition price was equivalent to the carrying amount of the old debt. The transaction resulted in an economic gain of \$1,986,291 and a decrease of \$2,161,146 in future debt service payments.

In May 2020, the City issued its Limited Obligation Bonds, Series 2020C, of which a portion (\$22,270,000) was used to provide permanent funding for the redevelopment of the Water Street Parking Deck by fully refunding the outstanding drawn balance (\$22,071,481) and retiring the remaining undrawn authorization (\$3,728,519) of a direct borrowing, taxable interim drawdown installment agreement executed with PNC Bank which was used for construction. The reacquisition price was equivalent to the carrying amount of the old debt.

Other Long-Term Obligations

The City is financing the acquisition of certain equipment and 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, 2020

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, 2020 are comprised of the following individual issues:

Governmental
activities

\$5,065,808 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 this installment agreement represents the portion of the County's debt service payable by the City to the County for City projects. Principal payments due to the County annually on August 1 in installments of \$253,058 through August 1, 2020; semiannual interest payments due August 1 and February 1 at a rate of 5.00 percent; \$2,535,233 of this obligation was refunded by New Hanover County in conjunction with the County's issuance of 2016 General Obligation Refunding Bonds.

Serviced by Debt Service Fund

\$ 253,058

\$2,863,064 direct placement installment agreement executed in March 2015 for acquisition of 17 refuse packers for solid waste collection; principal payments due semiannually on March 1 and September 1 in installments of \$205,000 plus interest at 1.56 percent through March 1, 2022. The vehicles are pledged as collateral for the debt.

Serviced by Equipment Maintenance and Replacement Fund

820,000

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other Long-Term Obligations (continued)

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 \$521,881 to \$622,996 through August 1, 2028; semiannual interest payments due August 1 and February 1 at rates from 1.50 to 5.00 percent.

Serviced by Debt Service Fund

\$ 5,453,660

\$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 \$252,753 beginning on August 1, 2021 through August 1, 2030; semiannual interest payments due August 1 and February 1 at rates from 3.00 to 5.00 percent.

Serviced by Debt Service Fund

2,491,458
\$ 9,018,176

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other Long-Term Obligations (continued)

	Governmental activities
Other Long-Term Obligations Serviced By:	
Debt Service Fund	\$ 8,198,176
Equipment Maintenance and Replacement Fund	<u>820,000</u>
	<u>\$ 9,018,176</u>

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

Year Ending June 30	Governmental Activities			
	Installment Agreements		Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$ 869,530	\$ 351,293	\$ 410,000	\$ 11,193
2022	862,702	318,776	410,000	4,797
2023	861,454	275,672	-	-
2024	864,716	232,518	-	-
2025	867,977	189,201	-	-
2026-2030	3,632,712	351,271	-	-
2031-2035	<u>239,085</u>	<u>3,586</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,198,176</u>	<u>\$ 1,722,317</u>	<u>\$ 820,000</u>	<u>\$ 15,990</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, 2020 amounts to \$1,245,408,322 resulting in a legal debt margin of \$1,015,015,146.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other long-term liabilities disclosures (continued)

Changes in long-term liabilities for governmental activities during fiscal year 2020 were as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
General obligation bonds	\$ 31,915,000	\$ 16,165,000	\$ (2,190,000)	\$ 45,890,000	\$ 3,000,000
Installment obligations	122,722,405	43,235,000	(20,572,155)	145,385,250	8,061,750
Other long-term obligations	8,855,692	-	(657,516)	8,198,176	869,530
Other long-term obligations - direct borrowings	1,230,000	-	(410,000)	820,000	410,000
Plus deferred amounts for issuance premiums	15,167,855	7,015,471	(926,003)	21,257,323	-
Compensated absences	7,701,605	5,207,839	(4,673,231)	8,236,213	4,996,701
Net OPEB Liability	40,972,401	5,575,367	-	46,547,768	-
Net pension liability (LGERS)	18,525,885	2,554,608	-	21,080,493	-
Total pension liability (Separation Allowance)	12,157,366	719,841	-	12,877,207	840,619
Claims and judgements	<u>4,000,000</u>	<u>-</u>	<u>(3,000,000)</u>	<u>1,000,000</u>	<u>1,000,000</u>
Governmental activity long-term liabilities	<u>\$263,248,209</u>	<u>\$ 80,473,126</u>	<u>\$ (32,428,905)</u>	<u>\$311,292,430</u>	<u>\$ 19,178,600</u>

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, \$820,000 of internal service funds' other long-term obligations, \$117,086 of compensated absences, \$601,595 of other postemployment benefits and \$264,300 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

LONG-TERM LIABILITIES (continued)

Other long-term liabilities disclosures (continued)

Changes in long-term liabilities for business-type activities during fiscal year 2020 were as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Revenue bonds	\$ 21,325,000	\$ -	\$ (840,000)	\$ 20,485,000	\$ 865,000
Installment obligations	4,087,595	26,585,000	(572,845)	30,099,750	1,798,250
Other long-term obligations - direct borrowings	16,932,954	5,138,527	(22,071,481)	-	-
Less deferred amounts for issuance discounts	(2,399)	-	-	(2,399)	-
Plus deferred amounts for issuance premiums	1,854,226	-	(133,494)	1,720,732	-
Compensated absences	512,330	658,930	(607,862)	563,398	331,022
Net OPEB Liability	5,053,600	689,716	-	5,743,316	-
Net pension liability (LGERS)	2,157,141	277,243	-	2,434,384	-
Business-type activity long-term liabilities	<u>\$ 51,920,447</u>	<u>\$ 33,349,416</u>	<u>\$ (24,225,682)</u>	<u>\$ 61,044,181</u>	<u>\$ 2,994,272</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, 2020, the City paid \$116,265 for this service. The City's obligation for the year ending June 30, 2021 is \$118,590 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, 2020

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, 2020 the City paid \$1,582,549 for these services. The contract costs are expected to be \$2,070,387 for the year ending June 30, 2021. The expected increase in fiscal year 2021 is due to the opening of the Riverplace parking deck and the addition of enhanced parking management services.

The City entered into an incentive agreement in July 2013 with Castle Branch, Inc. to provide incentive payments to the company in exchange for the company's commitment to construct, equip and staff its world headquarters in the City. Castle Branch is required to make a direct investment in the facility of at least \$9 million and to provide 400 new full-time equivalent employees with an average annual compensation of \$35,000 per year by fiscal year 2019. The City's obligation under the agreement is \$50,000 per year for five years commencing when Castle Branch secures a Certificate of Occupancy and demonstrates that the minimum required levels of new full-time employees have been hired and the minimum level of direct investment has been attained. The \$50,000 annual incentive is divided into two separate payments of: \$25,000 Direct Investment and \$25,000 New Full Time Equivalent Employees. No incentive payments were made in fiscal year 2014. The first incentive payment of \$50,000 was made in fiscal year 2015, \$50,000 was paid in February 2017 for the fiscal year 2016 incentive, \$48,750 was paid in October 2017 for fiscal year 2017 and \$15,263 was paid for fiscal year 2018. The final payment of \$25,000 for fiscal year 2019 was paid in fiscal year 2020. Castle Branch has provided \$9 Million of direct investment and 182 full-time equivalent jobs to the Wilmington area.

The City entered into an incentive agreement in November 2013 with Live Oak Bancshares, Inc. to provide incentive payments to the company in exchange for the company's commitment to construct, equip and staff a new facility in the City. Live Oak Bancshares is required to make a direct investment in the facility of at least \$16 million and to provide 120 new full-time equivalent employees with an average annual compensation of \$80,000 per year by fiscal year 2019. The City's obligation under the agreement is \$50,000 per year for five years commencing when Live Oak Bancshares secures a Certificate of Occupancy and demonstrates that the minimum required levels of new full-time employees have been hired and the minimum level of direct investment has been attained. The \$50,000 annual incentive is divided into two separate payments of: \$25,000 Direct Investment and \$25,000 New Full Time Equivalent Employees. No incentive payments were made in fiscal year 2014. The first incentive payment of \$50,000 was made in fiscal year 2015, \$50,000 was paid in February 2017 for the fiscal year 2016 incentive, \$50,000 was paid in October 2017 for fiscal year 2017, and \$50,000 was paid for fiscal year 2018. The final payment of \$50,000 for fiscal year 2019 was paid in fiscal year 2020. Live Oak Bancshares has provided over \$47 Million of direct investment and 405 full-time equivalent jobs to the Wilmington area.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES (continued)

COMMITMENTS AND CONTINGENCIES (continued)

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. The first incentive payment for fiscal year 2019 was paid in fiscal year 2020 in the amount of \$35,169. A second incentive payment for fiscal year 2020 in the amount of \$40,851 was paid in fiscal year 2021.

On June 14, 2014 the City and the Town of Wrightsville Beach entered into an inter-local agreement under with 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 2019 and again in July 2020.

In May 2013, the city partnered with the Development Finance Initiative (DFI) to conduct a pre-development process that led to issuing a Request for Proposals for redevelopment of the Water Street parking deck (WSPD), using parameters determined by City Council. In October 2014, the City received eight submissions in response to the request for proposals. On February 17, 2015 the City Council prioritized the development firms with which the staff would negotiate regarding the creation of a Memorandum of Understanding (MOU) in association with the redevelopment of the WSPD. On May 19, 2015 the City Council authorized the MOU with East West Partners of Chapel Hill, N.C. Most of the provisions of the MOU are non-binding but lay out the understandings around which both parties have agreed to develop a Purchase and Development Agreement (PDA). The MOU included a 180-day evaluation period during which East West had an exclusive right to negotiate the terms of the PDA.

The PDA was completed and adopted by City Council on June 21, 2016. An amendment to the June 21, 2016 PDA was approved by City Council on August 15, 2017. The amendment was necessary to identify construction costs and allocations between the City and the developer. A second amendment and restatement of the PDA was approved by City Council on October 3, 2017. The primary reasons for this amendment was to extend the air rights purchase deadline to December 29, 2017 as well as to better delineate the demolition and construction activities for the project. This project is near completion with the final certificate of occupancy expected in the fall of 2020. Residents have moved in on most floors and the parking deck is open.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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, 2020 are as follows:

General Fund	\$ 692,115
Streets and Sidewalks Fund	14,657,159
Parks and Recreation Fund	25,814,625
Solid Waste Management Fund	179,525
Storm Water Management Fund	2,791,663
Parking Facilities Fund	3,130,283
Nonmajor Governmental Funds	2,651,414
Nonmajor Golf Fund	22,631
Internal Service Funds	1,535,713
Total encumbrances	<u>\$ 51,475,128</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 \$22,107 to the Council during the fiscal year ended June 30, 2020.

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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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, 2020, are as follows:

	General Fund
Receivable Fund	<u>\$ 689,476</u>
Payable Fund:	
Nonmajor Governmental Funds	489,476
Component Unit	<u>200,000</u>
Total	<u>\$ 689,476</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, 2020 were as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Transfers out:	<u>\$ 11,554,463</u>	<u>\$ 5,105,327</u>	<u>\$ 631,758</u>	<u>\$ 17,291,548</u>
Transfers in:				
Streets and Sidewalks Fund	\$ -	\$ 2,129,081	\$ -	\$ 2,129,081
Parks and Recreation Fund	-	1,823,396	-	1,823,396
Debt Service Fund	9,334,832	-	-	9,334,832
Nonmajor Governmental Funds	1,781,355	850,617	631,758	3,263,730
Solid Waste Management Fund	29,866	-	-	29,866
Parking Facilities Fund	-	102,233	-	102,233
Nonmajor Golf Fund	-	200,000	-	200,000
Internal Service Fund	<u>408,410</u>	<u>-</u>	<u>-</u>	<u>408,410</u>
Total	<u>\$ 11,554,463</u>	<u>\$ 5,105,327</u>	<u>\$ 631,758</u>	<u>\$ 17,291,548</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

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) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 4) move previous transfers to capital project funds back to the general fund as capital projects are cancelled in accordance with budgetary authorizations.

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, 2020, 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 \$175,000 will not be charged to the group during the remainder of that contract period for that participant.

As of June 30, 2020, the City has recorded a liability of \$600,000 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 claims liabilities during the past two fiscal years are as follows:

	2019	2020
Medical Self-Insurance Program:		
Unpaid claims, beginning	\$ 988,099	\$ 1,142,258
Incurred claims (including IBNRs)	7,155,418	7,727,565
Claim payments	<u>(7,001,259)</u>	<u>(8,269,823)</u>
Unpaid claims, ending, due within one year	<u>\$ 1,142,258</u>	<u>\$ 600,000</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 4 – RISK MANAGEMENT (continued)

DENTAL SELF-INSURANCE PROGRAM

As of June 30, 2020, 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, 2020, the City has recorded a liability of \$47,881 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:

	2019	2020
Dental Self-Insurance Program:		
Unpaid claims, beginning	\$ 40,798	\$ 43,813
Incurred claims (including IBNRs)	430,574	438,918
Claim payments	<u>(427,559)</u>	<u>(434,850)</u>
Unpaid claims, ending, due within one year	<u>\$ 43,813</u>	<u>\$ 47,881</u>

WORKERS' COMPENSATION SELF-INSURANCE PROGRAM

The City has contracted with York Risk 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 \$450,000 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 (\$450,000/\$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, 2020, the City has recorded a liability of \$529,841 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.

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

	2019	2020
Workers' Compensation Self-Insurance Program:		
Unpaid claims, beginning	\$ 1,087,531	\$ 596,123
Incurred claims (including IBNRs)	277,842	788,949
Claim payments	<u>(769,250)</u>	<u>(855,231)</u>
Unpaid claims, ending, due within one year	<u>\$ 596,123</u>	<u>\$ 529,841</u>

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued)

June 30, 2020

NOTE 4 – RISK MANAGEMENT (continued)

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 litigation. 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. The City settled a claim for \$7 million in 2018. Per the settlement agreement, the payments will be paid out over three years beginning January 2019. The final payment will be paid in January 2021. The City believes this will not have a significant impact on the City's future financial statements.

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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

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, 2020, the City recognized \$3,811,622 in tax revenue as a result of the tax levy with a total of \$46,365,980 collected since the levy was enacted. Due to COVID-19 restrictions, a revenue loss estimated at \$1.1 million was experienced from March – June 2020 in comparison with the prior year.

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 five 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], and 5) 7758,7764,7770,7766,7800,7802,7804,7806 and 7810 Market Street [16.259 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.

A 12.64 acre area, known as the Galleria, was deannexed 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. It is anticipated that a mixed use development consisting of residential, commercial, and office uses will be developed on the site.

A .72 acre area was deannexed 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.

A 0.11 ± acre area, located at 7162 Market Street was voluntarily annexed into the City limits by the Wilmington City Council on July 16, 2019. It is anticipated that commercial buildings will be developed on the site.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 7 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

On August 18, 2020, the City Council appropriated \$5,425,000 of General Fund's unassigned fund balance for estimated contracted debris removal and monitoring requirements as well as response and recovery efforts created by Hurricane Isaias. Also on August 18, 2020, the City Council authorized the task order activation of the emergency contract with DRC Emergency Services for debris management recovery and removal services in the amount not to exceed \$4,500,000.

On September 1, 2020, the City Council accepted and appropriated additional federal Coronavirus relief funds passed through New Hanover County to the City in the amount of \$1,645,285. The City's total allocation amounts to \$1,977,431 having previously appropriated \$332,146 of relief funds from New Hanover County in June of 2020.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The extent to which the coronavirus may impact the City's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

NOTE 8 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The GASB has issued pronouncements prior to June 30, 2020 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 84, "Fiduciary Activities", established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2021.
- GASB Statement Number 87, "Leases", was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2022.
- GASB Statement Number 90, "Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61", was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2021.
- 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.

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Financial Statements (Continued) June 30, 2020

NOTE 9 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE (continued)

- GASB Statement Number 92, “Omnibus 2020”, was issued to improve various accounting and financial reporting issues. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2022.
- GASB Statement Number 93, “Replacement Interbank Offered Rates”, was issued to address accounting and financial reporting implications from the replacement of an interbank offered rate. Certain requirements of this Statement are effective for the City beginning with its year ending June 30, 2021 and the remaining requirements will be effective for the City beginning with its year ending June 30, 2022.
- 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.
- GASB Statement Number 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”, was issued to address (a) applicability of component unit criteria to certain arrangements, including some Internal Revenue Code 457 deferred compensation plans, and (b) the accounting and financial reporting for Section 457 plans. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2022.

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REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)



CITY OF WILMINGTON, NORTH CAROLINA

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

Schedule of Changes in Total Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 12,157,366	\$ 12,120,460	\$ 11,041,905	\$ 10,964,122
Service costs	444,374	471,491	389,212	426,020
Interest on the total pension liability	429,245	373,210	415,527	382,911
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	209,000	261,415	168,953	-
Changes of assumptions and other inputs	367,075	(449,152)	658,802	(254,516)
Benefit payments	(729,853)	(620,058)	(553,939)	(476,632)
Other	-	-	-	-
Ending balance of the total pension liability	<u>\$ 12,877,207</u>	<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 Four Fiscal Years**

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 12,877,207	\$ 12,157,366	\$ 12,120,460	\$ 11,041,905
Covered payroll	\$ 16,413,865	\$ 15,816,969	\$ 14,924,613	\$ 15,426,775
Total pension liability as a percentage of its covered payroll	78.45%	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 to pay related benefits.

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

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%.

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 Four Fiscal Years *

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

	2020	2019	2018	2017
Total OPEB liability				
Service costs	\$ 1,442,050	\$ 1,573,456	\$ 1,619,641	\$ 1,735,746
Interest on the total OPEB liability	1,697,747	1,876,455	1,720,460	1,480,650
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,093,804)	(5,698,585)	(378,659)	-
Changes of assumptions and other inputs	5,347,232	3,911,453	(1,377,963)	(2,419,235)
Benefit payments**	(1,084,789)	(1,695,649)	(1,652,234)	(1,683,538)
Other	-	-	-	-
Net change in total OPEB liability	6,308,436	(32,870)	(68,755)	(886,377)
Total OPEB liability - beginning	49,044,783	49,077,653	49,146,408	50,032,785
Total OPEB liability - ending (a)	<u>\$ 55,353,219</u>	<u>\$ 49,044,783</u>	<u>\$ 49,077,653</u>	<u>\$ 49,146,408</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,084,789	\$ 1,695,649	\$ 1,652,234	\$ 2,558,413
Net investment income	46,287	61,751	29,206	4,928
Benefit payments**	(1,084,789)	(1,695,649)	(1,652,234)	(1,683,538)
Administrative expense	(2,934)	(2,700)	-	-
Net change in plan fiduciary net position	43,353	59,051	29,206	879,803
Plan fiduciary net position - beginning	3,018,782	2,959,731	2,930,525	2,050,722
Plan fiduciary net position - ending (b)	<u>\$ 3,062,135</u>	<u>\$ 3,018,782</u>	<u>\$ 2,959,731</u>	<u>\$ 2,930,525</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 52,291,084</u>	<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	5.53%	6.16%	6.03%	5.96%
Covered-employee payroll	\$ 29,959,407	\$ 29,959,407	\$ 34,820,821	\$ 34,820,821
City's net OPEB liability as a percentage of covered-employee payroll	174.54%	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.

CITY OF WILMINGTON, NORTH CAROLINA

Other Postemployment Benefits Required Supplementary Information Last Five Fiscal Years

Schedule of City Contributions

	2020	2019	2018
Actuarially determined contribution	\$ 3,810,631	\$ 3,934,874	\$ 3,934,874
Contributions in relation to the actuarially determined contribution	1,084,789	1,695,649	1,652,234
Contribution deficiency (excess)	<u>\$ 2,725,842</u>	<u>\$ 2,239,225</u>	<u>\$ 2,282,640</u>
Covered-employee payroll*	\$ 29,959,407	\$ 29,959,407	\$ 34,820,821
Contributions as a percentage of covered-employee payroll	3.62%	5.66%	4.74%

* 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	30 Years
Asset valuation method	Market value
Inflation	2.5 percent
Healthcare cost trend rates	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028
Salary increases	3.50 to 7.75 percent, including wage inflation
Investment rate of return	3.5 percent, net of OPEB plan investment expense, including price inflation
Retirement age	In the 2018 actuarial valuation, expected retirement ages of employees were based on the results of an actual experience study for the period January 1, 2010 to December 31, 2014, adopted by the LGERS
Mortality	In the 2018 actuarial valuation, life expectancies were based on RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015

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 Five Fiscal Years**

Schedule of City Contributions

	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 4,216,794	\$ 4,713,266
Contributions in relation to the actuarially determined contribution	2,558,413	3,089,486
Contribution deficiency (excess)	<u>\$ 1,658,381</u>	<u>\$ 1,623,780</u>
Covered-employee payroll*	\$ 34,820,821	\$ 34,820,821
Contributions as a percentage of covered-employee payroll	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 Four Fiscal Years ***

Schedule of Investment Returns

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	1.43%	2.00%	1.00%	0.24%

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

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CITY OF WILMINGTON, NORTH CAROLINA

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Wilmington's proportion of the net pension liability (asset) (%)	0.86106%	0.87174%	0.85845%	0.86089%
Wilmington's proportion of the net pension liability (asset) (\$)	\$ 23,514,877	\$ 20,683,026	\$ 13,114,738	\$ 18,270,970
Wilmington's covered payroll *	\$ 55,802,965	\$ 52,630,129	\$ 52,150,017	\$ 51,780,213
Wilmington's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.14%	39.30%	25.15%	35.29%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%

* 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 Seven Fiscal Years ***

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Wilmington's proportion of the net pension liability (asset) (%)	0.91912%	0.86664%	0.86090%
Wilmington's proportion of the net pension liability (asset) (\$)	\$ 4,124,955	\$ (5,110,978)	\$ 10,377,151
Wilmington's covered payroll *	\$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	8.50%	(10.90%)	22.83%
Plan fiduciary net position as a percentage of the total pension liability**	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 Seven Fiscal Years ***

Schedule of City Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,114,837	\$ 4,446,150	\$ 4,062,901	\$ 3,805,576
Contributions in relation to the contractually required contribution	<u>5,114,837</u>	<u>4,446,150</u>	<u>4,062,901</u>	<u>3,805,576</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilmington's covered payroll	\$ 56,303,103	\$ 55,802,965	\$ 52,630,129	\$ 52,150,017
Contributions as a percentage of covered payroll	9.08%	7.97%	7.72%	7.30%

* 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 Seven Fiscal Years ***

Schedule of City Contributions

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

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**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, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 11,815,646	\$ 7,953,448	\$ 19,769,094
Taxes receivable, net	6,638	-	6,638
Accounts receivable	-	18,800	18,800
Other receivables	2,459	-	2,459
Due from management company	272,524	-	272,524
Due from other governments	2,597,028	2,034,469	4,631,497
Notes receivable, net	20,271,974	-	20,271,974
Prepays	4,797	-	4,797
Restricted assets:			
Cash and cash equivalents/investments	23	-	23
Total assets	<u>\$ 34,971,089</u>	<u>\$ 10,006,717</u>	<u>\$ 44,977,806</u>
LIABILITIES			
Accounts payable	\$ 445,140	\$ 801,730	\$ 1,246,870
Due to other funds	489,476	-	489,476
Due to other governments	1,426	-	1,426
Accrued liabilities	85,022	-	85,022
Customer and escrow deposits	179,297	-	179,297
Unearned revenue	224,737	-	224,737
Total liabilities	<u>1,425,098</u>	<u>801,730</u>	<u>2,226,828</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes receivable, net	6,638	-	6,638
Accounts receivable	3,062	18,800	21,862
Notes receivable	1,914	-	1,914
Total deferred inflows of resources	<u>11,614</u>	<u>18,800</u>	<u>30,414</u>
FUND BALANCES			
Non Spendable:			
Prepays	\$ 4,797	\$ -	\$ 4,797
Restricted:			
Stabilization by State statute	58,063	-	58,063
Community development loans	23,549,316	-	23,549,316
Convention Center	7,765,796	-	7,765,796
Public safety	1,024,207	-	1,024,207
Economic and physical development	167,958	-	167,958
Cultural and recreational	53,199	-	53,199
Committed:			
Capital projects	-	9,186,187	9,186,187
Public safety	325,352	-	325,352
Transportation	306,191	-	306,191
Economic and physical development	6,194	-	6,194
Municipal service district	259,726	-	259,726
Subsequent year's expenditures	100,000	-	100,000
Unassigned (deficit)	<u>(86,422)</u>	<u>-</u>	<u>(86,422)</u>
Total fund balances	<u>33,534,377</u>	<u>9,186,187</u>	<u>42,720,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,971,089</u>	<u>\$ 10,006,717</u>	<u>\$ 44,977,806</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	Special Purpose Fund	Convention Center Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund
ASSETS					
Cash and cash equivalents/investments	\$ 1,712,710	\$ 6,233,368	\$ 21,708	\$ 725,818	\$ 289,902
Taxes receivable, net	-	-	-	-	-
Other receivables	-	2,459	-	-	-
Due from management company	-	272,524	-	-	-
Due from other governments	318,197	1,564,285	438,811	132,206	-
Notes receivable, net	70,947	-	-	9,051,922	15,000
Prepays	4,772	-	20	5	-
Restricted assets:					
Cash and cash equivalents/investments	-	23	-	-	-
Total assets	<u>\$ 2,106,626</u>	<u>\$ 8,072,659</u>	<u>\$ 460,539</u>	<u>\$ 9,909,951</u>	<u>\$ 304,902</u>
LIABILITIES					
Accounts payable	\$ 125,965	\$ 261,186	\$ 11,732	\$ 18,580	\$ -
Due to other funds	-	-	426,640	-	-
Due to other governments	-	-	-	-	1,426
Accrued liabilities	60,168	-	22,167	2,687	-
Customer and escrow deposits	-	-	-	92,976	-
Unearned revenue	179,060	45,677	-	-	-
Total liabilities	<u>365,193</u>	<u>306,863</u>	<u>460,539</u>	<u>114,243</u>	<u>1,426</u>
DEFERRED INLOWS OF RESOURCES					
Taxes receivable, net	-	-	-	-	-
Accounts receivable	3,062	-	-	-	-
Notes receivable	-	-	-	-	-
Total deferred inflows of resources	<u>3,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Non Spendable:					
Prepays	4,772	-	20	5	-
Restricted:					
Stabilization by State statute	-	-	-	-	-
Community development loans	70,947	-	-	9,819,269	303,476
Convention center	-	7,765,796	-	-	-
Public safety	803,758	-	-	-	-
Economic and physical development	167,958	-	-	-	-
Cultural and recreational	53,199	-	-	-	-
Committed:					
Public safety	325,352	-	-	-	-
Transportation	306,191	-	-	-	-
Economic and physical development	6,194	-	-	-	-
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	-	-	(20)	(23,566)	-
Total fund balances	<u>1,738,371</u>	<u>7,765,796</u>	<u>-</u>	<u>9,795,708</u>	<u>303,476</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,106,626</u>	<u>\$ 8,072,659</u>	<u>\$ 460,539</u>	<u>\$ 9,909,951</u>	<u>\$ 304,902</u>

	Commercial Loan Fund	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund
ASSETS					
Cash and cash equivalents/investments	\$ -	\$ 770,296	\$ -	\$ 997,670	\$ 30
Taxes receivable, net	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from management company	-	-	-	-	-
Due from other governments	-	-	-	-	-
Notes receivable, net	1,311,192	2,283,271	3,952,336	3,208,583	-
Prepays	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents/investments	-	-	-	-	-
Total assets	<u>\$ 1,311,192</u>	<u>\$ 3,053,567</u>	<u>\$ 3,952,336</u>	<u>\$ 4,206,253</u>	<u>\$ 30</u>
LIABILITIES					
Accounts payable	\$ -	\$ 9	\$ -	\$ -	\$ -
Due to other funds	-	-	62,836	-	-
Due to other governments	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Customer and escrow deposits	-	81,442	-	1,706	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>81,451</u>	<u>62,836</u>	<u>1,706</u>	<u>-</u>
DEFERRED INLOWS OF RESOURCES					
Taxes receivable, net	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Notes receivable	-	994	-	920	-
Total deferred inflows of resources	<u>-</u>	<u>994</u>	<u>-</u>	<u>920</u>	<u>-</u>
FUND BALANCES					
Non Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Stabilization by State statute	-	-	-	-	-
Community development loans	1,311,192	2,971,122	3,952,336	4,203,627	30
Convention center	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Committed:					
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	-	-	(62,836)	-	-
Total fund balances	<u>1,311,192</u>	<u>2,971,122</u>	<u>3,889,500</u>	<u>4,203,627</u>	<u>30</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,311,192</u>	<u>\$ 3,053,567</u>	<u>\$ 3,952,336</u>	<u>\$ 4,206,253</u>	<u>\$ 30</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	Forgivable Loans & Legal Fees Fund	Special Tax District	Firemen's Relief Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents/investments	\$ 541,791	\$ 406,049	\$ 116,304	\$ 11,815,646
Taxes receivable, net	-	6,638	-	6,638
Other receivables	-	-	-	2,459
Due from management company	-	-	-	272,524
Due from other governments	21	39,363	104,145	2,597,028
Notes receivable, net	378,723	-	-	20,271,974
Prepays	-	-	-	4,797
Restricted assets:				
Cash and cash equivalents/investments	-	-	-	23
Total assets	<u>\$ 920,535</u>	<u>\$ 452,050</u>	<u>\$ 220,449</u>	<u>\$ 34,971,089</u>
LIABILITIES				
Accounts payable	\$ 45	\$ 27,623	\$ -	\$ 445,140
Due to other funds	-	-	-	489,476
Due to other governments	-	-	-	1,426
Accrued liabilities	-	-	-	85,022
Customer and escrow deposits	3,173	-	-	179,297
Unearned revenue	-	-	-	224,737
Total liabilities	<u>3,218</u>	<u>27,623</u>	<u>-</u>	<u>1,425,098</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes receivable, net	-	6,638	-	6,638
Accounts receivable	-	-	-	3,062
Notes receivable	-	-	-	1,914
Total deferred inflows of resources	<u>-</u>	<u>6,638</u>	<u>-</u>	<u>11,614</u>
FUND BALANCES				
Non Spendable:				
Prepays	-	-	-	4,797
Restricted:				
Stabilization by State statute	-	58,063	-	58,063
Community development loans	917,317	-	-	23,549,316
Convention center	-	-	-	7,765,796
Public safety	-	-	220,449	1,024,207
Economic and physical development	-	-	-	167,958
Cultural and recreational	-	-	-	53,199
Committed:				
Public safety	-	-	-	325,352
Transportation	-	-	-	306,191
Economic and physical development	-	-	-	6,194
Municipal service district	-	259,726	-	259,726
Subsequent year's expenditures	-	100,000	-	100,000
Unassigned (deficit)	-	-	-	(86,422)
Total fund balances	<u>917,317</u>	<u>417,789</u>	<u>220,449</u>	<u>33,534,377</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 920,535</u>	<u>\$ 452,050</u>	<u>\$ 220,449</u>	<u>\$ 34,971,089</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

June 30, 2020

	Building Improvements Fund	Public Improvements Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents/investments	\$ 7,732,913	\$ 220,535	\$ 7,953,448
Accounts receivable	18,800	-	18,800
Due from other governments	<u>2,013,692</u>	<u>20,777</u>	<u>2,034,469</u>
Total assets	<u><u>\$ 9,765,405</u></u>	<u><u>\$ 241,312</u></u>	<u><u>\$ 10,006,717</u></u>
 LIABILITIES			
Accounts payable	<u>\$ 801,730</u>	<u>\$ -</u>	<u>\$ 801,730</u>
 DEFERRED INFLOWS OF RESOURCES			
Accounts receivable	<u>18,800</u>	<u>-</u>	<u>18,800</u>
 FUND BALANCES			
Committed:			
Capital projects	<u>8,944,875</u>	<u>241,312</u>	<u>9,186,187</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 9,765,405</u></u>	<u><u>\$ 241,312</u></u>	<u><u>\$ 10,006,717</u></u>

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 381,680	\$ -	\$ 381,680
Room occupancy tax	3,811,622	-	3,811,622
Other taxes	156,749	-	156,749
Restricted intergovernmental	4,944,903	2,621,465	7,566,368
Sales and services	4,114,279	-	4,114,279
Investment earnings	128,554	11,084	139,638
Donations	18,100	-	18,100
Miscellaneous	<u>1,194,755</u>	<u>76,286</u>	<u>1,271,041</u>
Total revenues	<u>14,750,642</u>	<u>2,708,835</u>	<u>17,459,477</u>
Expenditures:			
Current:			
General government	509,483	2,961,123	3,470,606
Public safety	957,977	4,489,375	5,447,352
Transportation	2,295,137	425,831	2,720,968
Economic and physical development	6,991,534	24,900	7,016,434
Cultural and recreational	10,790	10,600	21,390
Transit system	56,000	-	56,000
Debt service:			
Principal retirement	505,000	-	505,000
Interest and other charges	<u>1,914,975</u>	<u>-</u>	<u>1,914,975</u>
Total expenditures	<u>13,240,896</u>	<u>7,911,829</u>	<u>21,152,725</u>
Excess (deficiency) of expenditures over (under) revenues	<u>1,509,746</u>	<u>(5,202,994)</u>	<u>(3,693,248)</u>
Other financing sources (uses):			
Transfers from other funds	1,814,935	1,448,795	3,263,730
Transfers to other funds	(631,758)	-	(631,758)
Issuance of installment obligations	-	9,470,000	9,470,000
Premium on installment obligations	<u>-</u>	<u>1,817,690</u>	<u>1,817,690</u>
Total other financing sources	<u>1,183,177</u>	<u>12,736,485</u>	<u>13,919,662</u>
Net change in fund balances	2,692,923	7,533,491	10,226,414
Fund balances at beginning of year	<u>30,841,454</u>	<u>1,652,696</u>	<u>32,494,150</u>
Fund balances at end of year	<u>\$ 33,534,377</u>	<u>\$ 9,186,187</u>	<u>\$ 42,720,564</u>

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CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Special Purpose Fund	Convention Center Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room occupancy tax	-	3,811,622	-	-	-
Other taxes	-	-	-	-	-
Restricted intergovernmental	1,837,596	977,610	1,041,609	1,088,088	-
Sales and services	-	4,114,279	-	-	-
Investment earnings	21,877	77,787	-	-	1,150
Donations	18,100	-	-	-	-
Miscellaneous	<u>1,001,042</u>	<u>-</u>	<u>(56)</u>	<u>59,111</u>	<u>-</u>
Total revenues	<u>2,878,615</u>	<u>8,981,298</u>	<u>1,041,553</u>	<u>1,147,199</u>	<u>1,150</u>
Expenditures:					
Current:					
General government	332,146	-	143,074	34,263	-
Public safety	852,927	-	-	-	-
Transportation	2,295,137	-	-	-	-
Economic and physical development	22,415	6,061,799	414,797	87,301	-
Cultural and recreational	10,790	-	-	-	-
Transit system	56,000	-	-	-	-
Debt service:					
Principal retirement	-	505,000	-	-	-
Interest and other charges	<u>-</u>	<u>1,914,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,569,415</u>	<u>8,481,774</u>	<u>557,871</u>	<u>121,564</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(690,800)</u>	<u>499,524</u>	<u>483,682</u>	<u>1,025,635</u>	<u>1,150</u>
Other financing sources (uses):					
Transfers from other funds	610,177	-	74,038	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(557,720)</u>	<u>-</u>	<u>(71,416)</u>
Total other financing sources (uses):	<u>610,177</u>	<u>-</u>	<u>(483,682)</u>	<u>-</u>	<u>(71,416)</u>
Net change in fund balances	(80,623)	499,524	-	1,025,635	(70,266)
Fund balances at beginning of year (1)	<u>1,818,994</u>	<u>7,266,272</u>	<u>-</u>	<u>8,770,073</u>	<u>373,742</u>
Fund balances at end of year	<u>\$ 1,738,371</u>	<u>\$ 7,765,796</u>	<u>\$ -</u>	<u>\$ 9,795,708</u>	<u>\$ 303,476</u>

(1) The beginning fund balances of nonmajor special revenue funds are different from the prior year ending balances as a result of breaking out the Convention Center Fund in the current year for presentation which had previously been consolidated into the Special Purpose Fund.

	Commercial Loan Fund	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room occupancy tax	-	-	-	-	-
Other taxes	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Sales and services	-	-	-	-	-
Investment earnings	-	8,400	-	7,103	1
Donations	-	-	-	-	-
Miscellaneous	-	9,024	15,337	6,152	-
Total revenues	-	17,424	15,337	13,255	1
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic and physical development	4,463	2,138	-	-	-
Cultural and recreational	-	-	-	-	-
Transit system	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	4,463	2,138	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(4,463)	15,286	15,337	13,255	1
Other financing sources (uses):					
Transfers from other funds	31,400	60,000	466,320	470,000	-
Transfers to other funds	(2,622)	-	-	-	-
Total other financing sources (uses):	28,778	60,000	466,320	470,000	-
Net change in fund balances	24,315	75,286	481,657	483,255	1
Fund balances at beginning of year (1)	1,286,877	2,895,836	3,407,843	3,720,372	29
Fund balances at end of year	\$ 1,311,192	\$ 2,971,122	\$ 3,889,500	\$ 4,203,627	\$ 30

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Forgivable Loans & Legal Fees Fund	Special Tax District	Firemen's Relief Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ 381,680	\$ -	\$ 381,680
Room occupancy tax	-	-	-	3,811,622
Other taxes	-	156,749	-	156,749
Restricted intergovernmental	-	-	-	4,944,903
Sales and services	-	-	-	4,114,279
Investment earnings	6,514	3,942	1,780	128,554
Donations	-	-	-	18,100
Miscellaneous	-	-	104,145	1,194,755
Total revenues	<u>6,514</u>	<u>542,371</u>	<u>105,925</u>	<u>14,750,642</u>
Expenditures:				
Current:				
General government	-	-	-	509,483
Public safety	-	-	105,050	957,977
Transportation	-	-	-	2,295,137
Economic and physical development	10,858	387,763	-	6,991,534
Cultural and recreational	-	-	-	10,790
Transit system	-	-	-	56,000
Debt service:				
Principal retirement	-	-	-	505,000
Interest and other charges	-	-	-	1,914,975
Total expenditures	<u>10,858</u>	<u>387,763</u>	<u>105,050</u>	<u>13,240,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,344)</u>	<u>154,608</u>	<u>875</u>	<u>1,509,746</u>
Other financing sources (uses):				
Transfers from other funds	103,000	-	-	1,814,935
Transfers to other funds	-	-	-	(631,758)
Total other financing sources (uses):	<u>103,000</u>	<u>-</u>	<u>-</u>	<u>1,183,177</u>
Net change in fund balances	98,656	154,608	875	2,692,923
Fund balances at beginning of year (1)	<u>818,661</u>	<u>263,181</u>	<u>219,574</u>	<u>30,841,454</u>
Fund balances at end of year	<u>\$ 917,317</u>	<u>\$ 417,789</u>	<u>\$ 220,449</u>	<u>\$ 33,534,377</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2020

	Building Improvements Fund	Public Improvements Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Restricted intergovernmental	\$ 2,291,773	\$ 329,692	\$ 2,621,465
Investment earnings	9,593	1,491	11,084
Miscellaneous	<u>76,286</u>	<u>-</u>	<u>76,286</u>
Total revenues	<u>2,377,652</u>	<u>331,183</u>	<u>2,708,835</u>
Expenditures:			
General government	2,955,564	5,559	2,961,123
Public safety	4,489,375	-	4,489,375
Transportation	16,368	409,463	425,831
Economic and physical development	24,900	-	24,900
Cultural and recreational	<u>10,600</u>	<u>-</u>	<u>10,600</u>
Total expenditures	<u>7,496,807</u>	<u>415,022</u>	<u>7,911,829</u>
Deficiency of revenues under expenditures	<u>(5,119,155)</u>	<u>(83,839)</u>	<u>(5,202,994)</u>
Other financing sources:			
Transfers from other funds	1,286,632	162,163	1,448,795
Issuance of installment obligations	9,470,000	-	9,470,000
Premium on installment obligation	<u>1,817,690</u>	<u>-</u>	<u>1,817,690</u>
Total other financing sources	<u>12,574,322</u>	<u>162,163</u>	<u>12,736,485</u>
Net change in fund balances	7,455,167	78,324	7,533,491
Fund balances at beginning of year	<u>1,489,708</u>	<u>162,988</u>	<u>1,652,696</u>
Fund balances at end of year	<u><u>\$ 8,944,875</u></u>	<u><u>\$ 241,312</u></u>	<u><u>\$ 9,186,187</u></u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds**

Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
CHDO Proceeds Fund				
Assets:				
Cash and cash equivalents	\$ 29,618	\$ 103,994	\$ 3,524	\$ 130,088
Investments:				
North Carolina Capital Management Trust, Term Portfolio	22,616	43,149	11,789	53,976
U.S. Government Agencies	17,164	-	17,164	-
Other receivables	<u>129</u>	<u>-</u>	<u>129</u>	<u>-</u>
Total assets	<u>\$ 69,527</u>	<u>\$ 147,143</u>	<u>\$ 32,606</u>	<u>\$ 184,064</u>
Liabilities:				
Escrow funds and deposits	<u>\$ 69,527</u>	<u>\$ 147,143</u>	<u>\$ 32,606</u>	<u>\$ 184,064</u>
Total liabilities	<u>\$ 69,527</u>	<u>\$ 147,143</u>	<u>\$ 32,606</u>	<u>\$ 184,064</u>
Law Enforcement Seizure Fund				
Assets:				
Cash and cash equivalents	<u>\$ 437,967</u>	<u>\$ 27,333</u>	<u>\$ 15,645</u>	<u>\$ 449,655</u>
Liabilities:				
Escrow funds and deposits	<u>\$ 437,967</u>	<u>\$ 27,333</u>	<u>\$ 15,645</u>	<u>\$ 449,655</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 467,585	\$ 131,327	\$ 19,169	\$ 579,743
Investments:				
North Carolina Capital Management Trust, Term Portfolio	22,616	43,149	11,789	53,976
U.S. Government Agencies	17,164	-	17,164	-
Other receivables	<u>129</u>	<u>-</u>	<u>129</u>	<u>-</u>
Total assets	<u>\$ 507,494</u>	<u>\$ 174,476</u>	<u>\$ 48,251</u>	<u>\$ 633,719</u>
Liabilities:				
Escrow funds and deposits	<u>\$ 507,494</u>	<u>\$ 174,476</u>	<u>\$ 48,251</u>	<u>\$ 633,719</u>
Total liabilities	<u>\$ 507,494</u>	<u>\$ 174,476</u>	<u>\$ 48,251</u>	<u>\$ 633,719</u>

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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		Variance Positive (Negative)	2019 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Ad valorem taxes:				
Current year	\$ 62,089,926	\$ 62,280,228	\$ 190,302	\$ 61,520,982
Prior years	239,000	257,850	18,850	253,048
Penalties and interest	190,000	199,823	9,823	204,183
Total	<u>62,518,926</u>	<u>62,737,901</u>	<u>218,975</u>	<u>61,978,213</u>
Other taxes:				
Local option sales tax	27,069,810	30,118,040	3,048,230	28,776,074
Franchise tax	8,390,961	8,392,030	1,069	8,730,544
Video programming sales tax	1,370,000	1,278,838	(91,162)	1,323,879
Rental vehicle tax	300,000	384,757	84,757	382,984
Total	<u>37,130,771</u>	<u>40,173,665</u>	<u>3,042,894</u>	<u>39,213,481</u>
Unrestricted intergovernmental:				
Beer and wine	600,000	524,342	(75,658)	523,468
ABC revenue	2,169,693	1,786,137	(383,556)	2,199,615
Court fees	25,000	15,634	(9,366)	22,667
Total	<u>2,794,693</u>	<u>2,326,113</u>	<u>(468,580)</u>	<u>2,745,750</u>
Restricted intergovernmental:				
Powell bill	2,890,270	2,983,733	93,463	2,993,405
PEG channel support	20,000	27,353	7,353	27,027
Categorical grants:				
Hurricane disaster assistance	341,416	5,864,064	5,522,648	17,594,290
Other	204,225	166,362	(37,863)	289,572
Total	<u>3,455,911</u>	<u>9,041,512</u>	<u>5,585,601</u>	<u>20,904,294</u>
Licenses and permits:				
Privilege licenses	-	15,878	15,878	17,695
Motor vehicle licenses	405,000	406,855	1,855	409,722
Other permits and fees	395,000	417,413	22,413	350,708
Total	<u>800,000</u>	<u>840,146</u>	<u>40,146</u>	<u>778,125</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		Variance Positive (Negative)	2019 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues: (continued)				
Sales and services:				
Recreation department sales and service	\$ 838,250	\$ 875,047	\$ 36,797	\$ 1,074,292
Other departmental charges	<u>1,772,264</u>	<u>1,780,182</u>	<u>7,918</u>	<u>1,907,707</u>
Total	<u>2,610,514</u>	<u>2,655,229</u>	<u>44,715</u>	<u>2,981,999</u>
Fines and forfeits:				
Fire code violations	5,000	100	(4,900)	200
False alarm citations	65,000	47,625	(17,375)	48,570
Civil citations	<u>75,000</u>	<u>61,550</u>	<u>(13,450)</u>	<u>85,993</u>
Total	<u>145,000</u>	<u>109,275</u>	<u>(35,725)</u>	<u>134,763</u>
Interest earnings:				
Investment earnings	826,540	802,407	(24,133)	1,383,977
Interest on liens	<u>-</u>	<u>9,535</u>	<u>9,535</u>	<u>13,502</u>
Total	<u>826,540</u>	<u>811,942</u>	<u>(14,598)</u>	<u>1,397,479</u>
Miscellaneous:				
Sale of real estate, equipment and material	-	104,138	104,138	1,178
Rents	119,473	92,579	(26,894)	94,330
Other	<u>168,599</u>	<u>860,035</u>	<u>691,436</u>	<u>653,381</u>
Total	<u>288,072</u>	<u>1,056,752</u>	<u>768,680</u>	<u>748,889</u>
Total revenues	<u>110,570,427</u>	<u>119,752,535</u>	<u>9,182,108</u>	<u>130,882,993</u>
Expenditures:				
General government:				
City Council and Clerk		435,365		453,444
City Manager		2,390,452		2,155,097
City Attorney		1,038,920		1,008,171
Human Resource Management		1,076,847		1,016,455
Finance		2,090,108		2,164,352
Information Technology Services		3,634,517		3,137,927
Development Services		2,133,597		1,944,940
Public Services		5,104,840		6,826,201
Contributions to other agencies		1,854,904		2,160,887
Nondepartmental		<u>1,857,479</u>		<u>23,837,814</u>
Total	<u>25,842,112</u>	<u>21,617,029</u>	<u>4,225,083</u>	<u>44,705,288</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		<u>Variance Positive (Negative)</u>	<u>2019 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Expenditures: (continued)				
Public safety:				
Police		\$ 35,573,833		\$ 34,182,481
Fire		<u>18,817,620</u>		<u>18,712,468</u>
Total	<u>\$ 56,450,683</u>	<u>54,391,453</u>	<u>\$ 2,059,230</u>	<u>52,894,949</u>
Transportation:				
Traffic engineering		3,406,264		3,328,088
Streets		2,229,919		2,106,111
Storm water management fee		<u>2,839,062</u>		<u>2,742,393</u>
Total	<u>9,319,834</u>	<u>8,475,245</u>	<u>844,589</u>	<u>8,176,592</u>
Cultural and recreational:				
Parks and recreation	<u>10,203,392</u>	<u>8,609,844</u>	<u>1,593,548</u>	<u>7,986,271</u>
Transit system:				
Cape Fear Public Transportation Authority	<u>1,446,280</u>	<u>1,446,280</u>	<u>-</u>	<u>1,404,155</u>
Total expenditures	<u>103,262,301</u>	<u>94,539,851</u>	<u>8,722,450</u>	<u>115,167,255</u>
Excess of revenues over expenditures	<u>7,308,126</u>	<u>25,212,684</u>	<u>17,904,558</u>	<u>15,715,738</u>
Other financing sources (uses):				
Operating transfer - in:				
Debt Service Fund	-	-	-	13,000,000
Convention Center Fund	250,000	-	(250,000)	-
Public Improvement Fund	-	-	-	35,195
Building Improvements Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,614</u>
Total operating transfers - in	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>	<u>13,080,809</u>
Operating transfers - out:				
Debt Service Fund	(9,334,832)	(9,334,832)	-	(22,334,832)
Special Purpose Fund	(610,177)	(610,177)	-	(687,566)
CDBG/Home Administration Fund	(143,086)	(79,571)	63,515	(193,347)
Forgivable Loans and Legal Fees Fund	(103,000)	(103,000)	-	(390,000)
GF-HOP Loan Fund	(470,000)	(470,000)	-	(60,000)
Streets and Sidewalks Fund	-	-	-	(200,000)
Parks and Recreation Fund	-	-	-	(1,714,301)

CITY OF WILMINGTON, NORTH CAROLINA

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

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		Variance Positive (Negative)	2019 Actual
	<u>Budget</u>	<u>Actual</u>		
Other financing sources (uses): (continued)				
Operating transfers - out: (continued)				
Building Improvements Fund	\$ (436,015)	\$ (436,015)	\$ -	\$ (1,718,157)
Public Improvements Fund	(162,163)	(162,163)	-	-
Storm Water Management Fund	-	-	-	(17,301)
Solid Waste Management Fund	(29,866)	(29,866)	-	(47,433)
Equipment Maintenance and Replacement Fund	-	-	-	(3,831)
Technology Replacement Fund	<u>(408,410)</u>	<u>(408,410)</u>	-	<u>(308,685)</u>
Total operating transfers - out	<u>(11,697,549)</u>	<u>(11,634,034)</u>	<u>63,515</u>	<u>(27,675,453)</u>
Appropriated fund balance	<u>4,139,423</u>	-	<u>(4,139,423)</u>	-
Total other financing uses	<u>(7,308,126)</u>	<u>(11,634,034)</u>	<u>(4,325,908)</u>	<u>(14,594,644)</u>
Net change in fund balance	<u>\$ -</u>	<u>13,578,650</u>	<u>\$ 13,578,650</u>	<u>1,121,094</u>
Fund balance at beginning of year		57,548,714		56,451,053
Change in reserve for inventories		<u>73,783</u>		<u>(23,433)</u>
Fund balance at end of year		<u>\$ 71,201,147</u>		<u>\$ 57,548,714</u>
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		79,571		66,215
General government expenditures		(21,191)		(17,495)
Economic and physical development expenditures		(58,380)		(48,720)
Fund balance at beginning of year		-		-
Fund balance at end of year		<u>\$ 71,201,147</u>		<u>\$ 57,548,714</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, 2020

	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	7,564,138	5,819,952	180,749	6,000,701	(1,563,437)
State grants	6,421,629	4,741,018	1,025,676	5,766,694	(654,935)
Other governments	3,465,514	2,585,155	631,171	3,216,326	(249,188)
Total restricted intergovernmental	17,451,281	13,146,125	1,837,596	14,983,721	(2,467,560)
Investment earnings	397,509	444,266	21,877	466,143	68,634
Donations	265,907	168,701	18,100	186,801	(79,106)
Miscellaneous:					
Red light traffic cameras	11,602,559	10,410,984	994,206	11,405,190	(197,369)
Other program income	298,477	304,038	6,836	310,874	12,397
Sale of property	6,615	30,084	-	30,084	23,469
Other	66,835	113,706	-	113,706	46,871
Total miscellaneous	11,974,486	10,858,812	1,001,042	11,859,854	(114,632)
Total revenues	66,951,409	61,480,130	2,878,615	64,358,745	(2,592,664)
Expenditures:					
General government projects:					
Coronavirus relief funds - NHC	332,146	-	332,146	332,146	-
Public safety projects:					
Regional crime lab	595,330	457,213	5,247	462,460	132,870
Santa cop program	1,125	750	-	750	375
SABLE-helicopter unit	2,085,856	1,515,333	240,744	1,756,077	329,779
Federal forfeiture - SABLE	1,893,679	1,603,676	126,772	1,730,448	163,231
Strategy to address gangs	71,720	68,773	-	68,773	2,947
Second chance reentry	600,000	600,000	-	600,000	-
Firefighter assistance - FEMA	109,015	108,857	-	108,857	158
Port city super girls academy	25,200	17,875	-	17,875	7,325
Reset reentry system	200,000	175,871	14,148	190,019	9,981
Regional response hazmat 2019	69,000	50,893	(158)	50,735	18,265
Regional response hazmat 2020	69,000	-	54,313	54,313	14,687
Opioid pilot program	500,000	218,203	234,583	452,786	47,214
Federal forfeiture	2,313,421	2,218,256	71,074	2,289,330	24,091
North Carolina drug tax	918,542	763,713	106,204	869,917	48,625
Total public safety	9,451,888	7,799,413	852,927	8,652,340	799,548

(Continued)

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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation projects:					
Metropolitan planning	\$ 5,903,854	\$ 4,327,215	\$ 880,188	\$ 5,207,403	\$ 696,451
Red light traffic cameras	16,102,595	14,132,524	1,297,990	15,430,514	672,081
TDM coordinator	584,445	333,746	76,959	410,705	173,740
Rail realignment study	300,000	300,000	-	300,000	-
Rails to trails study	50,000	-	40,000	40,000	10,000
Total transportation	22,940,894	19,093,485	2,295,137	21,388,622	1,552,272
Economic and physical development projects:					
Historic preservation education	43,617	31,074	-	31,074	12,543
Annual housing summit	48,697	32,970	-	32,970	15,727
Lead hazard reduction	1,800,000	-	6,911	6,911	1,793,089
Brownfields program	400,000	385,601	-	385,601	14,399
Innovate NC	13,827	13,827	-	13,827	-
Community waste reduction/recycle	114,000	113,149	-	113,149	851
Affordable housing program	1,183,720	1,177,939	-	1,177,939	5,781
Homeownership services	212,291	167,058	7,228	174,286	38,005
UDAG income projects	1,280,639	1,219,126	8,276	1,227,402	53,237
Trees forever	61,805	39,251	-	39,251	22,554
Trolley station	3,716	2,123	-	2,123	1,593
Total economic and physical development	5,162,312	3,182,118	22,415	3,204,533	1,957,779
Cultural and recreational projects:					
Dog park development	35,490	26,612	241	26,853	8,637
Downtown business alliance	55,609	52,857	420	53,277	2,332
Market place downtown	8,658	1,771	-	1,771	6,887
Rehder Garden	6,770	1,089	-	1,089	5,681
Community enrichment initiative	1,325	-	92	92	1,233
Living legends award	12,355	3,675	8,037	11,712	643
TD green streets program	20,000	20,000	-	20,000	-
MLK center movie series	2,500	2,500	-	2,500	-
July Fourth celebration	5,000	3,566	-	3,566	1,434
Nautical festival	51,375	48,466	-	48,466	2,909
Bicycle advisory	7,489	7,489	-	7,489	-
Spark the arts	2,000	-	2,000	2,000	-
Total cultural and recreational	208,571	168,025	10,790	178,815	29,756
Transit system:					
Metropolitan Planning	344,581	288,587	56,000	344,587	(6)
Total expenditures	38,440,392	30,531,628	3,569,415	34,101,043	4,339,349
Excess (deficiency) of revenues over (under) expenditures	28,511,017	30,948,502	(690,800)	30,257,702	1,746,685

(Continued)

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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
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	-
Solid Waste Fund	33,000	32,638	-	32,638	(362)
Storm Water Management Fund	-	63	-	63	63
General Fund	<u>6,201,149</u>	<u>5,507,702</u>	<u>610,177</u>	<u>6,117,879</u>	<u>(83,270)</u>
Total operating transfers - in	<u>9,106,136</u>	<u>8,413,581</u>	<u>610,177</u>	<u>9,023,758</u>	<u>(82,378)</u>
Operating transfers - out:					
General Fund	(16,000)	(16,000)	-	(16,000)	-
Convention Center Fund	(36,862,226)	(36,862,226)	-	(36,862,226)	-
Building Improvements Fund	(43,449)	(43,449)	-	(43,449)	-
Community Development Fund	(3,100)	-	-	-	3,100
General Fund HOP Loan Fund	(1,680)	(1,679)	-	(1,679)	1
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
Public Improvements Fund	<u>(9,540)</u>	<u>(9,539)</u>	<u>-</u>	<u>(9,539)</u>	<u>1</u>
Total operating transfers - out	<u>(37,617,153)</u>	<u>(37,614,036)</u>	<u>-</u>	<u>(37,614,036)</u>	<u>3,117</u>
Total other financing sources (uses)	<u>(28,511,017)</u>	<u>(29,200,455)</u>	<u>610,177</u>	<u>(28,590,278)</u>	<u>(79,261)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,748,047</u>	<u>(80,623)</u>	<u>\$ 1,667,424</u>	<u>\$ 1,667,424</u>
Fund balance at beginning of year			<u>1,748,047</u>		
Fund balance at end of year			<u>\$ 1,667,424</u>		
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>\$ 1,738,371</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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Room occupancy tax	\$ 8,604,506	\$ 5,692,132	\$ 3,811,622	\$ 9,503,754	\$ 899,248
Restricted Intergovernmental:					
Hurricane disaster assistance	-	-	977,610	977,610	977,610
Sales and services:					
Convention center	29,793,189	25,958,999	3,534,689	29,493,688	(299,501)
Parking deck	3,340,637	2,709,671	579,590	3,289,261	(51,376)
Total sales and services	33,133,826	28,668,670	4,114,279	32,782,949	(350,877)
Investment earnings	111,568	1,828,530	77,787	1,906,317	1,794,749
Miscellaneous:					
Insurance reimbursement	26,234	26,233	-	26,233	(1)
Total revenues	41,876,134	36,215,565	8,981,298	45,196,863	3,320,729
Expenditures:					
Economic and physical development project:					
Convention Center operations	43,390,947	34,750,701	5,438,670	40,189,371	3,201,576
Parking deck operations	3,089,910	2,065,291	623,129	2,688,420	401,490
Total economic and physical development	46,480,857	36,815,992	6,061,799	42,877,791	3,603,066
Debt service:					
Principal retirement	12,835,000	12,330,000	505,000	12,835,000	-
Interest and other charges	31,192,561	29,270,995	1,914,975	31,185,970	6,591
Reserved for debt service	585,410	-	-	-	585,410
Total debt service	44,612,971	41,600,995	2,419,975	44,020,970	592,001
Total expenditures	91,093,828	78,416,987	8,481,774	86,898,761	4,195,067
Excess (deficiency) of revenues over (under) expenditures	(49,217,694)	(42,201,422)	499,524	(41,701,898)	7,515,796
Other financing sources (uses):					
Operating transfers - in:					
Special Purpose Fund	36,862,226	36,862,226	-	36,862,226	-
Building Improvements Fund	6,030,337	6,030,337	-	6,030,337	-
Total operating transfers - in	42,892,563	42,892,563	-	42,892,563	-

(Continued)

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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses) (continued):					
Operating transfers - out:					
General Fund	\$ (250,000)	\$ -	\$ -	\$ -	\$ 250,000
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	<u>49,217,694</u>	<u>49,467,694</u>	<u>-</u>	<u>49,467,694</u>	<u>250,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,266,272</u>	499,524	<u>\$ 7,765,796</u>	<u>\$ 7,765,796</u>
Fund balance at beginning of year			<u>7,266,272</u>		
Fund balance at end of year			<u>\$ 7,765,796</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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Federal grants	\$ 15,204,156	\$ 13,286,627	\$ 1,041,609	\$ 14,328,236	\$ (875,920)
Miscellaneous:					
Sale of property	23,000	23,000	-	23,000	-
Insurance reimbursement	1,607	1,607	-	1,607	-
Refunds	545,197	545,252	(56)	545,196	(1)
Total miscellaneous	569,804	569,859	(56)	569,803	(1)
Total revenues	15,773,960	13,856,486	1,041,553	14,898,039	(875,921)
Expenditures:					
Economic and physical development projects:					
HUD Reimbursement		100,895	-	100,895	
Acquisition		331,000	-	331,000	
Public facilities		1,943,755	(36,290)	1,907,465	
Disposition		26,320	-	26,320	
Demolition		59,126	-	59,126	
Domestic Violence		393,731	32,360	426,091	
Shelter for homeless		228,000	-	228,000	
Community Boys Club		30,000	-	30,000	
Community Land Trust		70,997	-	70,997	
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		20,000	-	20,000	
Leading Into New Communities		326,132	-	326,132	
First Fruit Ministries		146,548	23,900	170,448	
Housing counseling		14,910	-	14,910	
Wilmington interfaith network		10,000	-	10,000	
Joint Project		1,157,646	118,740	1,276,386	
YWCA - Kids Making It		25,000	-	25,000	
Salvation Army		30,000	-	30,000	
Relocation		57,597	220	57,817	
Energy repairs/housing		383,897	10,000	393,897	
Capacity Building		34,926	-	34,926	
Small Business Development		25,000	-	25,000	
Economic development		15,300	-	15,300	
Charges for services		2,059,000	-	2,059,000	
Planning		619	-	619	
Total expenditures	8,688,191	7,751,980	148,930	7,900,910	787,281
Excess of revenues over expenditures	7,085,769	6,104,506	892,623	6,997,129	(88,640)

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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
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	109,558	71,416	180,974	64,176
Commercial Loan Fund	28,063	28,337	2,622	30,959	2,896
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	861,672	74,038	935,710	63,970
Operating transfers - out:					
CDBG/HOME Administration Fund	(4,621,892)	(4,188,281)	(408,941)	(4,597,222)	24,670
Rental Rehabilitation Loan Fund	(99,550)	(99,550)	-	(99,550)	-
Commercial Loan Fund	(630,244)	(598,844)	(31,400)	(630,244)	-
Rehabilitation Loan Fund	(96,871)	(36,871)	(60,000)	(96,871)	-
CDBG HOP Loan Fund	(2,508,952)	(2,042,632)	(466,320)	(2,508,952)	-
Total operating transfers - out	(7,957,509)	(6,966,178)	(966,661)	(7,932,839)	24,670
Total other financing uses	(7,085,769)	(6,104,506)	(892,623)	(6,997,129)	88,640
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			408,941		
General government expenditures			(143,074)		
Economic and physical development expenditures			(265,867)		
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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Expenditures:				
General government:				
Finance		\$ 198,528		\$ 209,604
Economic and physical development:				
Economic and community development		387,918		493,638
Total expenditures	\$ 772,038	586,446	\$ 185,592	703,242
Other financing sources (uses):				
Operating transfers-in:				
General Fund	253,598	79,571	(174,027)	193,347
Community Development Fund	546,641	408,941	(137,700)	544,575
Home Investment Partnership Fund	66,215	97,934	31,719	66,215
Total operating transfers - in	866,454	586,446	(280,008)	804,137
Operating transfers-out:				
Community Development Fund	(100,896)	-	100,896	(100,895)
Appropriated fund balance	6,480	-	(6,480)	-
Total other financing sources	772,038	586,446	(185,592)	703,242
Net change in fund balance	\$ -	-	\$ -	-
Fund balance at beginning of year		-		-
Fund balance at end of year		\$ -		\$ -

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, 2020

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Federal grants	\$ 5,640,173	\$ 3,670,122	1,088,088	\$ 4,758,210	\$ (881,963)
Miscellaneous	7,500	7,500	-	7,500	-
Total revenues	<u>5,647,673</u>	<u>3,677,622</u>	<u>1,088,088</u>	<u>4,765,710</u>	<u>(881,963)</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>319,473</u>	<u>315,710</u>	<u>-</u>	<u>315,710</u>	<u>3,763</u>
Excess of revenues over expenditures	<u>5,328,200</u>	<u>3,361,912</u>	<u>1,088,088</u>	<u>4,450,000</u>	<u>(878,200)</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	79,150	79,150	-	79,150	-
Home Loan Fund	<u>1,870,491</u>	<u>1,936,518</u>	<u>744,909</u>	<u>2,681,427</u>	<u>810,936</u>
Total operating transfers - in	<u>2,189,629</u>	<u>2,255,656</u>	<u>744,909</u>	<u>3,000,565</u>	<u>810,936</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, 2020

	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	\$ (670,530)	\$ (572,596)	\$ (97,934)	\$ (670,530)	\$ -
Home Loan Fund	(6,847,299)	(4,672,441)	(1,340,247)	(6,012,688)	834,611
Total operating transfers - out	<u>(7,517,829)</u>	<u>(5,245,037)</u>	<u>(1,438,181)</u>	<u>(6,683,218)</u>	<u>834,611</u>
Total other financing uses	<u>(5,328,200)</u>	<u>(2,989,381)</u>	<u>(693,272)</u>	<u>(3,682,653)</u>	<u>1,645,547</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 372,531</u>	394,816	<u>\$ 767,347</u>	<u>\$ 767,347</u>
Fund balance at beginning of year			<u>372,531</u>		
Fund balance at end of year			<u>\$ 767,347</u>		
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			97,934		
General government expenditures			(34,263)		
Economic and physical development expenditures			(63,671)		
Fund balance at beginning of year			-		
An unbudgeted Home Loan Fund is consolidated into the Home Investment Partnership Fund for reporting purposes:					
Miscellaneous income			59,111		
Transfer from Home Investment Partnership Fund			1,340,247		
Economic and physical development expenditures			(23,630)		
Transfer to Home Investment Partnership Fund			(744,909)		
Fund balance at beginning of year			<u>8,397,542</u>		
Fund balance at end of year			<u>\$ 9,795,708</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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Current year	\$ 390,960	\$ 380,730	\$ (10,230)	\$ 394,660
Prior years	-	157	157	-
Penalties and interest	-	793	793	1,021
Total ad valorem taxes	390,960	381,680	(9,280)	395,681
Local option sales tax	34,000	156,749	122,749	147,274
Investment earnings	1,000	3,942	2,942	6,268
Total revenues	425,960	542,371	116,411	549,223
Expenditures:				
Economic and physical development:				
Downtown municipal service district	453,935	387,763	66,172	405,905
Excess (deficiency) of revenues over (under) expenditures	(27,975)	154,608	182,583	143,318
Other financing sources:				
Appropriated fund balance	27,975	-	(27,975)	-
Net change in fund balance	\$ -	154,608	\$ 154,608	143,318
Fund balance at beginning of year		263,181		119,863
Fund balance at end of year		\$ 417,789		\$ 263,181

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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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Grants and contributions	\$ 11,130,318	\$ 2,275,353	\$ 1,496,285	\$ 3,771,638	\$ (7,358,680)
Hurricane disaster assistance	-	16,130	176,406	192,536	192,536
Total restricted intergovernmental	11,130,318	2,291,483	1,672,691	3,964,174	(7,166,144)
Investment earnings	1,434,884	1,394,276	369,526	1,763,802	328,918
Donations	297,982	3,390,290	120,515	3,510,805	3,212,823
Total revenues	12,863,184	7,076,049	2,162,732	9,238,781	(3,624,403)
Expenditures:					
Transportation:					
Riverfront assessment update	53,500	31,061	1,939	33,000	20,500
Bridge repairs	2,239,907	645,300	4,372	649,672	1,590,235
Water Street/Riverfront improvements	3,343,905	3,143,073	20,942	3,164,015	179,890
Water Street/Riverfront stabilization	472,782	436,463	-	436,463	36,319
Water Street improvements phase 2	6,801,176	-	2,045,229	2,045,229	4,755,947
Florence recovery - streets	200,000	-	155,877	155,877	44,123
Street rehabilitation	10,811,103	8,919,116	107,720	9,026,836	1,784,267
Pine Valley street/drainage rehabilitation	3,136,606	2,831,804	-	2,831,804	304,802
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	500,000	364,408	77,696	442,104	57,896
Hawksbill causeway	700,000	42,365	7,933	50,298	649,702
McRae/Nixon/ 10th Street rehabilitation	1,302,331	830,614	243,944	1,074,558	227,773
Castle/Greenfield Street rehabilitation	1,840,800	-	1,251,611	1,251,611	589,189
Pine Valley East Street paving	1,000,000	-	713,043	713,043	286,957
Red Cross brick street rehabilitation	855,286	-	-	-	855,286
17th/Andrews/Harbor/Bragg rehabilitation	1,500,000	-	957,378	957,378	542,622
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
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
Sign inventory and assessment	90,000	469	-	469	89,531
Way finding signage	89,683	35,170	-	35,170	54,513
Front/Castle pedestrian improvements	26,695	1,441	-	1,441	25,254
College/Oleander pedestrian crossing	100	-	-	-	100
Wrightsville/Greenville improvements	425,500	89,874	92	89,966	335,534
Park Avenue multi-use path	1,458,342	720,225	608	720,833	737,509

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, 2020

	Project Authorization	Totals to Date	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
Military Cutoff/Eastwood multi-use path	\$ 23,249	\$ 23,248	\$ -	\$ 23,248	\$ 1
Hinton Avenue multi-use path	367,091	86,221	167	86,388	280,703
Hooker Road multi-use path	1,015,808	86,850	167	87,017	928,791
5th and Wooster pedestrian crossing	394,979	6,113	346,738	352,851	42,128
Kerr Avenue bike lane/sidewalks	1,140,000	-	693,915	693,915	446,085
Gregory/Williston Streets	1,050,649	12,608	904,053	916,661	133,988
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	459,854	130,538	2,865	133,403	326,451
Shipyards Boulevard bus pullout	508,476	66,837	391,570	458,407	50,069
Eastwood Road access management	5,155,000	2,495,678	(84,999)	2,410,679	2,744,321
Carolina Beach Road streetscape	4,300,000	-	-	-	4,300,000
North Front Street streetscape	1,820,439	-	41,900	41,900	1,778,539
Dawson/Wooster Streets improvements	1,100,000	36,480	135,738	172,218	927,782
Love Grove access	6,269,076	5,583,460	-	5,583,460	685,616
Hurst Drive extension	4,300,000	-	-	-	4,300,000
Pine Grove intersection improvements	2,500,000	52,757	113,310	166,067	2,333,933
Oleander/Pine Grove realignment	2,100,000	1,500	37,198	38,698	2,061,302
Racine/New Center Drive turn lane	150,000	-	-	-	150,000
Wrightsville/Wallace Avenue roundabout	1,500,000	71,881	83,568	155,449	1,344,551
Pine Grove/Greenville Loop roundabout	1,500,000	21,853	39,838	61,691	1,438,309
Pine Grove/Holly Tree roundabout	1,500,000	19,120	39,838	58,958	1,441,042
Contingency - roadway projects	2,637,920	-	-	-	2,637,920
Oleander/Hawthorn to 42nd Street	635,330	-	1,500	1,500	633,830
Wrightsville/Castle/Independence	174,757	-	25,679	25,679	149,078
Oleander/Wooster/Mimosa	224,060	8,000	38,861	46,861	177,199
Dawson/Wrightsville/Oleander	34,410	2,078	-	2,078	32,332
Wrightsville/College/Hawthorn	1,139,589	76,325	78,381	154,706	984,883
Wrightsville/44th/Independence	989,616	69,359	68,067	137,426	852,190
17th Street sidewalk/Wooster	235,794	-	14	14	235,780
Oleander/Pine Grove/College	177,786	42,865	116,989	159,854	17,932
23rd Street sidewalk/Princess Place	4,348	4,347	-	4,347	1
Delaney sidewalk improvements	173,829	64,284	15,461	79,745	94,084
McClelland sidewalk improvements	589,527	309	-	309	589,218
Fairlawn sidewalk improvements	842,478	292,982	-	292,982	549,496
Clover sidewalk improvements	410,747	-	-	-	410,747
Gleason sidewalk improvements	449,231	-	-	-	449,231
Kerr/Wilshire crosswalk	45,000	30,120	-	30,120	14,880
16th Street/Dawson crosswalk	75,000	-	-	-	75,000
College/Wilshire crosswalk	43,000	41,250	-	41,250	1,750
8th Street/Dawson crosswalk	50,000	-	-	-	50,000
8th Street/Wooster crosswalk	50,000	-	-	-	50,000
17th Street/Dawson crosswalk	75,000	-	-	-	75,000

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, 2020

	Project Authorization	Totals to Date	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
Holly Tree/College crosswalk	\$ 283,101	\$ 15,495	\$ 168	\$ 15,663	\$ 267,438
Greenville Loop/College/Park	6,858,057	-	74,926	74,926	6,783,131
Kerr Avenue trail	907,439	-	-	-	907,439
Central College trail	1,951,079	1,530,281	68,850	1,599,131	351,948
Masonboro Loop multiuse path	2,982,142	210,396	77,922	288,318	2,693,824
Contingency - bike/pedestrian	904,601	-	-	-	904,601
Chestnut/Grace reconstruction	2,540,143	102,798	244,871	347,669	2,192,474
23rd Street connection/Scientific	2,660,528	375,000	472,104	847,104	1,813,424
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	23,555	12	23,567	151,433
Eastwood/Military Cutoff interchange	560,000	-	-	-	560,000
Market Street hawk signal	200,000	-	-	-	200,000
Red Cross Riverwalk access	259,772	-	3,500	3,500	256,272
Red Cross streetscape	100,000	-	89,674	89,674	10,326
Manly Avenue	450,000	66,828	370,140	436,968	13,032
Independence Blvd screen wall repair	488,000	-	-	-	488,000
Dock Street shoreline stabilization	20,600	-	9,155	9,155	11,445
Wooster Street sidewalks	276,431	195,566	-	195,566	80,865
Sidewalk rehabilitation and repairs	2,620,947	2,466,137	37,243	2,503,380	117,567
Pedestrian/Bike improvements	1,616,622	1,020,868	-	1,020,868	595,754
Cross walk improvements 2017	150,000	15,000	-	15,000	135,000
Military Cutoff pedestrian improvements	60,471	-	-	-	60,471
Bridge #29 at Smith Creek walkway	8,750	-	-	-	8,750
Railroad realignment	2,500,000	-	45,000	45,000	2,455,000
Total transportation	126,185,371	46,413,875	10,172,767	56,586,642	69,598,729
Cultural and recreational:					
Riverwalk North convention center	2,594,625	2,587,995	-	2,587,995	6,630
Riverwalk North marina	8,502,140	8,370,519	-	8,370,519	131,621
Brooks Building riverwalk improvements	1,141,976	1,137,042	-	1,137,042	4,934
Riverwalk-Conlon Pier repair	658,150	111,151	388,926	500,077	158,073
Convention Center Bulkhead	233,643	19,176	190,776	209,952	23,691
Riverfront Assessment	919,743	260,451	-	260,451	659,292
Total cultural and recreational	14,050,277	12,486,334	579,702	13,066,036	984,241

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, 2020

	Project Authorization	Totals to Date	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transit system:					
Public transportation	\$ 2,000,000	\$ 461,363	\$ 194,645	\$ 656,008	\$ 1,343,992
Transit capital grant match	535,872	327,284	-	327,284	208,588
Total transit system	2,535,872	788,647	194,645	983,292	1,552,580
Total expenditures	142,771,520	59,688,856	10,947,114	70,635,970	72,135,550
Excess of expenditures over revenues	(129,908,336)	(52,612,807)	(8,784,382)	(61,397,189)	68,511,147
Other financing sources (uses):					
Operating transfers - in:					
General Fund	11,751,329	11,696,246	-	11,696,246	(55,083)
Debt Service fund	18,643,646	13,014,565	2,129,081	15,143,646	(3,500,000)
Building Improvements Fund	911,400	911,400	-	911,400	-
Storm Water Capital Project Fund	50,000	50,000	-	50,000	-
Total operating transfers - in	31,356,375	25,672,211	2,129,081	27,801,292	(3,555,083)
Operating transfers - out:					
Parks and Recreation Fund	(320,000)	(320,000)	-	(320,000)	-
Building Improvements Fund	(576,739)	(576,738)	-	(576,738)	1
Total operating transfers - out	(896,739)	(896,738)	-	(896,738)	1
Issuance of bonds	53,533,892	24,833,892	-	24,833,892	(28,700,000)
Issuance of installment obligations	40,024,823	27,955,337	10,699,592	38,654,929	(1,369,894)
Premium on bonds	1,066,052	1,066,051	-	1,066,051	(1)
Premium on installment obligations	4,823,933	1,965,551	2,858,381	4,823,932	(1)
Total other financing sources	129,908,336	80,596,304	15,687,054	96,283,358	(33,624,978)
Net change in fund balance	\$ -	\$ 27,983,497	6,902,672	\$ 34,886,169	\$ 34,886,169
Fund balance at beginning of year			27,983,497		
Fund balance at end of year			\$ 34,886,169		

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 10,817,298	\$ 9,177,898	\$ 629,468	\$ 9,807,366	\$ (1,009,932)
Investment earnings	159,431	200,232	43,633	243,865	84,434
Donations	3,393,621	1,404,231	286,600	1,690,831	(1,702,790)
Total revenues	<u>14,370,350</u>	<u>10,782,361</u>	<u>959,701</u>	<u>11,742,062</u>	<u>(2,628,288)</u>
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	2,869,905	2,316,117	314,500	2,630,617	239,288
Recreation master plan	98,124	30,723	-	30,723	67,401
Olsen Park phase I	8,784,990	8,758,686	-	8,758,686	26,304
Cross city trail system	9,057,698	8,959,471	71,242	9,030,713	26,985
10th & Fanning park development	75,000	2,335	-	2,335	72,665
Tennis complex	3,259,852	3,108,888	126,610	3,235,498	24,354
Inland Greens acquisition	2,696,503	2,693,361	-	2,693,361	3,142
Portia Mills Hines Park	754,400	27,620	25,873	53,493	700,907
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	553,037	3,850	43,233	47,083	505,954
Echo Farms improvements	1,692,244	850,000	732,029	1,582,029	110,215
North Waterfront Park development	34,364,863	2,480,522	6,890,319	9,370,841	24,994,022
Soccer complex	10,000,000	26,272	268,269	294,541	9,705,459
Derick Davis Center expansion	2,665,681	110,012	55,457	165,469	2,500,212
Park security enhancements	45,909	45,909	-	45,909	-
CCT-Eastwood Road parking	25,000	-	-	-	25,000
Wade Park building improvements	85,000	3,007	15,213	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	17,196	41,156	58,352	6,648
MLK Center expansion	1,830,000	13,114	47,793	60,907	1,769,093
Greenfield Park improvements	500,000	-	-	-	500,000
Olsen Park	2,000,000	-	-	-	2,000,000
Bradley Creek canoe/kayak	220,000	-	-	-	220,000
Halyburton maintenance building	305,000	-	-	-	305,000
Contingency 2016 Parks Bond	350,000	-	-	-	350,000
Riverfront park phase 1-A	725,708	-	-	-	725,708
Tree mitigation plantings	315,293	154,000	11,515	165,515	149,778
Total expenditures	<u>84,582,583</u>	<u>30,540,024</u>	<u>8,697,859</u>	<u>39,237,883</u>	<u>45,344,700</u>
Excess of expenditures over revenues	<u>(70,212,233)</u>	<u>(19,757,663)</u>	<u>(7,738,158)</u>	<u>(27,495,821)</u>	<u>42,716,412</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, 2020

	<u>Project Authorization</u>	<u>Totals to Date</u>	<u>Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	\$ 3,989,460	\$ 3,912,057	\$ -	\$ 3,912,057	\$ (77,403)
Debt Service Fund	12,065,334	7,413,644	1,823,396	9,237,040	(2,828,294)
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>17,211,332</u>	<u>12,482,239</u>	<u>1,823,396</u>	<u>14,305,635</u>	<u>(2,905,697)</u>
Operating transfers - out:					
General Fund	(330,000)	(330,000)	-	(330,000)	-
Golf Capital Projects Fund	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Total operating transfers - out	<u>(530,000)</u>	<u>(530,000)</u>	<u>-</u>	<u>(530,000)</u>	<u>-</u>
Issuance of bonds	29,665,000	-	16,165,000	16,165,000	(13,500,000)
Issuance of installment obligations	13,008,200	637,168	11,280,408	11,917,576	(1,090,624)
Issuance of other long-term obligations	10,830,663	10,830,666	-	10,830,666	3
Premium on bonds	<u>27,038</u>	<u>-</u>	<u>27,038</u>	<u>27,038</u>	<u>-</u>
Total other financing sources	<u>70,212,233</u>	<u>23,420,073</u>	<u>29,295,842</u>	<u>52,715,915</u>	<u>(17,496,318)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,662,410</u>	<u>21,557,684</u>	<u>\$ 25,220,094</u>	<u>\$ 25,220,094</u>
Fund balance at beginning of year			<u>3,662,410</u>		
Fund balance at end of year			<u>\$ 25,220,094</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Hurricane assistance	\$ 1,289,217	\$ 33,808	\$ 2,291,773	\$ 2,325,581	\$ 1,036,364
Other	<u>1,412,995</u>	<u>47,809</u>	<u>-</u>	<u>47,809</u>	<u>(1,365,186)</u>
Total restricted intergovernmental	2,702,212	81,617	2,291,773	2,373,390	(328,822)
Investment earnings	321,404	384,415	9,593	394,008	72,604
Sale of real estate	578,820	578,820	-	578,820	-
Rents	270,488	374,862	28,453	403,315	132,827
Miscellaneous	<u>134,473</u>	<u>86,639</u>	<u>47,833</u>	<u>134,472</u>	<u>(1)</u>
Total revenues	<u>4,007,397</u>	<u>1,506,353</u>	<u>2,377,652</u>	<u>3,884,005</u>	<u>(123,392)</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	2,873,550	761,547	522,938	1,284,485	1,589,065
Building security	270,708	238,490	-	238,490	32,218
Building improvements	3,003,270	2,104,237	634,390	2,738,627	264,643
City Hall improvements	1,923,368	1,918,183	-	1,918,183	5,185
Northern warehouse purchase	2,006,488	1,933,193	4,624	1,937,817	68,671
Administration building	1,000,000	-	-	-	1,000,000
Enterprise backup system	150,000	47,052	-	47,052	102,948
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	16,915	15,634	-	15,634	1,281
ADA compliance	3,046,141	3,046,140	-	3,046,140	1
HVAC replacement	1,901,000	97,730	928,319	1,026,049	874,951
IT core system replacement	4,967,320	1,706,290	818,068	2,524,358	2,442,962
Elevator modernization	402,500	-	-	-	402,500
Kenan fountain	192,086	-	-	-	192,086
Wellington station renovations	107,599	-	47,225	47,225	60,374
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>29,618,894</u>	<u>19,572,033</u>	<u>2,955,564</u>	<u>22,527,597</u>	<u>7,091,297</u>
Public safety:					
Building improvements	431,823	297,999	112,177	410,176	21,647
Firing range & training facility	12,624,160	7,573,580	4,338,963	11,912,543	711,617
Cinema Drive fire station	4,762,840	4,762,840	-	4,762,840	-
Shipyard fire station #5	5,207,037	5,006,314	38,235	5,044,549	162,488
River Lights fire station	<u>368,250</u>	<u>20,247</u>	<u>-</u>	<u>20,247</u>	<u>348,003</u>
Total public safety	<u>23,394,110</u>	<u>17,660,980</u>	<u>4,489,375</u>	<u>22,150,355</u>	<u>1,243,755</u>
Transportation:					
Multi-modal facility study	<u>3,124,570</u>	<u>979,380</u>	<u>16,368</u>	<u>995,748</u>	<u>2,128,822</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Economic and physical development:					
Land acquisition and economic development	\$ 6,624,945	\$ 6,245,494	\$ 24,900	\$ 6,270,394	\$ 354,551
Cultural and recreational:					
Parks Maintenance Facility	3,502,250	39,331	10,600	49,931	3,452,319
Building improvements-1102 Orange	123,750	104,809	-	104,809	18,941
Building improvements	644,811	644,811	-	644,811	-
Total cultural and recreational	4,270,811	788,951	10,600	799,551	3,471,260
Total expenditures	67,033,330	45,246,838	7,496,807	52,743,645	14,289,685
Excess of expenditures over revenues	(63,025,933)	(43,740,485)	(5,119,155)	(48,859,640)	14,166,293
Other financing sources (uses):					
Operating transfers - in:					
General Fund	27,573,889	27,085,252	436,015	27,521,267	(52,622)
Debt Service Fund	3,897,124	3,046,507	850,617	3,897,124	-
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	34,561,964	33,222,709	1,286,632	34,509,341	(52,623)
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	(619,280)	(619,280)	-	(619,280)	-
Issuance of bonds	-	477	-	477	477
Issuance of installment obligations	25,730,070	11,090,799	9,470,000	20,560,799	(5,169,271)
Issuance of other long-term obligations	1,535,488	1,535,488	-	1,535,488	-
Premium on installment obligations	1,817,691	-	1,817,690	1,817,690	(1)
Total other financing sources	63,025,933	45,230,193	12,574,322	57,804,515	(5,221,418)
Net change in fund balance	\$ -	\$ 1,489,708	7,455,167	\$ 8,944,875	\$ 8,944,875
Fund balance at beginning of year			1,489,708		
Fund balance at end of year			\$ 8,944,875		

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 2,691,820	\$ 340,521	\$ 329,692	\$ 670,213	\$ (2,021,607)
Investment earnings	96,587	104,632	1,491	106,123	9,536
Total revenues	<u>2,788,407</u>	<u>445,153</u>	<u>331,183</u>	<u>776,336</u>	<u>(2,012,071)</u>
Expenditures:					
General government:					
Building improvements 2004-05	77,873	77,873	-	77,873	-
GTV upgrade	164,804	132,438	5,559	137,997	26,807
Main firewall replacement	80,000	67,824	-	67,824	12,176
ADA compliance	348,423	346,206	-	346,206	2,217
Total general government	<u>671,100</u>	<u>624,341</u>	<u>5,559</u>	<u>629,900</u>	<u>41,200</u>
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	-	-	-	88,928
Port Security Grant	648,651	-	-	-	648,651
JAG equipment 2019	86,357	-	-	-	86,357
Total public safety	<u>1,964,885</u>	<u>1,140,024</u>	<u>-</u>	<u>1,140,024</u>	<u>824,861</u>
Transportation:					
Emergency vehicle signal preemption	633,378	108,218	409,463	517,681	115,697
Emergency vehicle signal preemption II	1,271,020	-	-	-	1,271,020
Eastwood Road path	7,786	-	-	-	7,786
Pedestrian/bike improvements	548	548	-	548	-
Total transportation	<u>1,912,732</u>	<u>108,766</u>	<u>409,463</u>	<u>518,229</u>	<u>1,394,503</u>
Total expenditures	<u>4,548,717</u>	<u>1,873,131</u>	<u>415,022</u>	<u>2,288,153</u>	<u>2,260,564</u>
Excess of expenditures over revenues	<u>(1,760,310)</u>	<u>(1,427,978)</u>	<u>(83,839)</u>	<u>(1,511,817)</u>	<u>248,493</u>
Other financing sources (uses):					
Operating transfers - in:					
General Fund	<u>2,262,825</u>	<u>2,093,481</u>	<u>162,163</u>	<u>2,255,644</u>	<u>(7,181)</u>
Operating transfers - out:					
General Fund	(35,195)	(35,195)	-	(35,195)	-
Building Improvements Fund	<u>(467,320)</u>	<u>(467,320)</u>	<u>-</u>	<u>(467,320)</u>	<u>-</u>
Total operating transfers - out	<u>(502,515)</u>	<u>(502,515)</u>	<u>-</u>	<u>(502,515)</u>	<u>-</u>
Total other financing sources	<u>1,760,310</u>	<u>1,590,966</u>	<u>162,163</u>	<u>1,753,129</u>	<u>(7,181)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 162,988</u>	<u>78,324</u>	<u>\$ 241,312</u>	<u>\$ 241,312</u>
Fund balance at beginning of year			<u>162,988</u>		
Fund balance at end of year			<u>\$ 241,312</u>		

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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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		Variance Positive (Negative)	2019 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Ad valorem taxes				
Current year	\$ 14,565,063	\$ 14,733,584	\$ 168,521	\$ 14,468,103
Prior years	<u>-</u>	<u>53,352</u>	<u>53,352</u>	<u>51,454</u>
Total ad valorem taxes	14,565,063	14,786,936	221,873	14,519,557
Restricted intergovernmental revenues	290,664	289,352	(1,312)	437,699
Investment earnings	<u>142,955</u>	<u>335,179</u>	<u>192,224</u>	<u>234,745</u>
Total revenues	<u>14,998,682</u>	<u>15,411,467</u>	<u>412,785</u>	<u>15,192,001</u>
Expenditures:				
Debt service:				
Principal retirement		8,914,671		8,598,090
Interest and other charges		<u>5,414,949</u>		<u>5,633,884</u>
Total expenditures	<u>19,585,836</u>	<u>14,329,620</u>	<u>5,256,216</u>	<u>14,231,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,587,154)</u>	<u>1,081,847</u>	<u>5,669,001</u>	<u>960,027</u>
Other financing sources (uses):				
Operating transfer-in:				
General Fund	<u>9,334,832</u>	<u>9,334,832</u>	<u>-</u>	<u>22,334,832</u>
Operating transfers-out:				
General Fund	-	-	-	(13,000,000)
Streets and Sidewalks Fund	(2,129,081)	(2,129,081)	-	(2,914,208)
Parks and Recreation Fund	(1,823,396)	(1,823,396)	-	(1,812,590)
Building Improvements Fund	(850,617)	(850,617)	-	(418,138)
Parking Facilities Fund	(102,233)	(102,233)	-	(534,543)
Parking Facilities Capital Projects Fund	-	-	-	(107,800)
Golf Fund	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Total operating transfers-out	<u>(5,105,327)</u>	<u>(5,105,327)</u>	<u>-</u>	<u>(18,787,279)</u>
Issuance of refunding installment obligations	11,785,000	11,785,000	-	-
Premium on refunding installment obligations	2,312,363	2,312,362	(1)	-
Payment to refunded installment obligation escrow agent	(14,000,000)	(14,000,000)	-	-
Appropriated fund balance	<u>260,286</u>	<u>-</u>	<u>(260,286)</u>	<u>-</u>
Total other financing sources	<u>4,587,154</u>	<u>4,326,867</u>	<u>(260,287)</u>	<u>3,547,553</u>
Net change in fund balance	<u>\$ -</u>	<u>5,408,714</u>	<u>\$ 5,408,714</u>	<u>4,507,580</u>
Fund balance at beginning of year		<u>20,836,222</u>		<u>16,328,642</u>
Fund balance at end of year		<u>\$ 26,244,936</u>		<u>\$ 20,836,222</u>

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ENTERPRISE FUNDS TAB (FRONT)

ENTERPRISE FUNDS TAB (BACK)

CITY OF WILMINGTON, NORTH CAROLINA

**Solid Waste Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Refuse collection	\$ 9,344,576	\$ 9,570,235	\$ 225,659	\$ 9,288,070
Recycling	37,078	41,136	4,058	39,780
Fines and forfeitures	-	300	300	1,500
Other operating revenues	<u>13,000</u>	<u>20,231</u>	<u>7,231</u>	<u>28,324</u>
Total operating revenues	<u>9,394,654</u>	<u>9,631,902</u>	<u>237,248</u>	<u>9,357,674</u>
Nonoperating revenues:				
Restricted intergovernmental:				
Hurricane disaster assistance	-	4,959	4,959	-
Solid waste disposal tax	<u>78,551</u>	<u>92,256</u>	<u>13,705</u>	<u>90,010</u>
Total restricted intergovernmental	78,551	97,215	18,664	90,010
Investment earnings	<u>98,118</u>	<u>81,255</u>	<u>(16,863)</u>	<u>151,808</u>
Total nonoperating revenues	<u>176,669</u>	<u>178,470</u>	<u>1,801</u>	<u>241,818</u>
Total revenues	<u>9,571,323</u>	<u>9,810,372</u>	<u>239,049</u>	<u>9,599,492</u>
Expenditures:				
Operating expenditures:				
Administration		922,223		292,340
Customer refuse		3,899,610		3,716,289
Recycling		693,507		700,311
Yard waste		1,649,169		1,849,535
Downtown collection		1,004,819		1,028,190
Bulk/metal collections		723,420		621,514
Other operating expenditures		<u>843,283</u>		<u>727,987</u>
Total expenditures	<u>11,471,804</u>	<u>9,736,031</u>	<u>1,735,773</u>	<u>8,936,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,900,481)</u>	<u>74,341</u>	<u>1,974,822</u>	<u>663,326</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Solid Waste Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019 Actual</u>
Other financing sources (uses):				
Operating transfer - in:				
General Fund	\$ 29,866	\$ 29,866	\$ -	\$ 47,433
Operating transfer - out:				
Special Purpose Fund	-	-	-	(5,968)
Appropriated fund balance	<u>1,870,615</u>	<u>-</u>	<u>(1,870,615)</u>	<u>-</u>
Total other financing sources	<u>1,900,481</u>	<u>29,866</u>	<u>(1,870,615)</u>	<u>41,465</u>
Net change in fund balance	<u>\$ -</u>	104,207	<u>\$ 104,207</u>	704,791
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Deferred inflows of resources for accounts receivable		(1,902)		(2,128)
Vacation and sick leave accrual		(2,383)		(30,164)
Other postemployment benefits expense		(230,630)		195,304
Deferred outflows of resources for contributions made to pension plan in current fiscal year		255,750		223,076
Pension expense		(515,996)		(275,284)
Depreciation		(3,036)		(6,193)
Capital asset expenditures		-		9,755
Investment earnings accrual		-		(2,868)
Transfers of capital assets to enterprise funds		-		(9,755)
Disposal of capital assets		<u>-</u>		<u>(14,421)</u>
Change in net position		<u>\$ (393,990)</u>		<u>\$ 792,113</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Storm Water Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Utility fees	\$ 8,940,758	\$ 9,544,611	\$ 603,853	\$ 9,094,780
City streets	2,839,062	2,839,062	-	2,742,393
Other operating revenues	<u>137,100</u>	<u>79,871</u>	<u>(57,229)</u>	<u>72,400</u>
Total operating revenues	<u>11,916,920</u>	<u>12,463,544</u>	<u>546,624</u>	<u>11,909,573</u>
Nonoperating revenues:				
Restricted intergovernmental:				
Hurricane disaster assistance	-	80,935	80,935	-
Investment earnings	<u>164,680</u>	<u>146,103</u>	<u>(18,577)</u>	<u>261,753</u>
Total nonoperating revenue	<u>164,680</u>	<u>227,038</u>	<u>62,358</u>	<u>261,753</u>
Total revenues	<u>12,081,600</u>	<u>12,690,582</u>	<u>608,982</u>	<u>12,171,326</u>
Expenditures:				
Operating expenditures:				
Engineering		1,026,139		1,049,354
Operations		4,573,960		3,725,361
Other operating expenditures		<u>1,220,172</u>		<u>996,322</u>
Total operating expenditures	<u>8,119,154</u>	<u>6,820,271</u>	<u>1,298,883</u>	<u>5,771,037</u>
Nonoperating expenditures:				
Interest and fiscal charges		916,944		945,279
Principal payments on bonds		840,000		810,000
Principal payments on installment obligations		<u>80,000</u>		<u>80,000</u>
Total nonoperating expenditures	<u>1,841,944</u>	<u>1,836,944</u>	<u>5,000</u>	<u>1,835,279</u>
Total expenditures	<u>9,961,098</u>	<u>8,657,215</u>	<u>1,303,883</u>	<u>7,606,316</u>
Excess of revenues over expenditures	<u>2,120,502</u>	<u>4,033,367</u>	<u>1,912,865</u>	<u>4,565,010</u>
Other financing sources (uses):				
Operating transfers in:				
General Fund	-	-	-	17,301
Operating transfers out:				
Storm Water Capital Projects Fund	(2,707,558)	(2,707,558)	-	(3,300,000)
Appropriated fund balance	<u>587,056</u>	<u>-</u>	<u>(587,056)</u>	<u>-</u>
Total other financing uses	<u>(2,120,502)</u>	<u>(2,707,558)</u>	<u>(587,056)</u>	<u>(3,282,699)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,325,809</u>	<u>\$ 1,325,809</u>	<u>1,282,311</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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		2019	
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Vacation and sick leave accrual		\$ (31,886)		\$ 42,278
Other postemployment benefits expense		(97,034)		390,278
Deferred outflow of resources for contributions made to pension plan in current fiscal year		190,710		168,113
Pension expense		(385,290)		(234,199)
Change in inventory		18,221		23,979
Capital asset expenditures		254,395		(2,031)
Depreciation		(1,142,818)		(1,101,845)
Amortization		(615)		(615)
Other noncapital expenses - Storm Water Capital Projects Fund		(5,090,405)		(363,555)
Operating transfer - Storm Water Capital Projects Fund		2,707,558		3,300,000
Investment earnings accrual		-		(11,233)
Investment earnings - Storm Water Capital Projects Fund		243,474		357,827
Principal payments on revenue bonds		840,000		810,000
Principal payments on installment obligations		80,000		80,000
Interest expense adjustments		48,580		34,710
Capital contributions - others		-		121,175
Restricted intergovernmental		5,349,892		-
Other		<u>8,000</u>		<u>34,024</u>
Change in net position		<u>\$ 4,318,591</u>		<u>\$ 4,931,217</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ 107,480	\$ 1,309,113	\$ 243,474	\$ 1,552,587	\$ 1,445,107
Restricted intergovernmental:					
Grants and contributions	1,100,911	147,248	717,768	865,016	(235,895)
Hurricane disaster assistance	4,216,190	3,823	4,632,124	4,635,947	419,757
Total restricted intergovernmental	5,317,101	151,071	5,349,892	5,500,963	183,862
Total revenues	5,424,581	1,460,184	5,593,366	7,053,550	1,628,969
Expenditures:					
Brenda Drive drainage	522,287	489,197	-	489,197	33,090
Storm water inventory mapping	877,920	721,855	-	721,855	156,065
Lincoln outfall	372,874	351,591	-	351,591	21,283
Bradley Creek/Michelle Drive	5,156,794	5,051,423	-	5,051,423	105,371
Doctors branch bank stabilization	1,073,273	1,063,967	-	1,063,967	9,306
Wisteria/Clearbrook area	5,589,468	3,600,792	37,400	3,638,192	1,951,276
Greenville Avenue/White Avenue	1,213,500	215,337	87,617	302,954	910,546
Brookshire/Beasley drainage	3,917,766	1,394,114	216	1,394,330	2,523,436
Old McCumbers drainage improvements	21,392	21,392	-	21,392	-
Clear Run branch improvements	9,600,000	519,543	224,808	744,351	8,855,649
Cross City Trail drainage improvements	234,722	231,548	-	231,548	3,174
New Macumbers outfall	1,000,000	-	-	-	1,000,000
Red Berry drainage improvements	5,500	4,389	-	4,389	1,111
Eagles Nest drainage improvements	6,000	5,450	-	5,450	550
Pine Valley Road drainage rehabilitation	434,702	350,836	-	350,836	83,866
North/South 17th Street storm water improvements	73,742	39,915	-	39,915	33,827
Beech Street culvert replacement	141,325	141,325	-	141,325	-
Storm drainage rehabilitation	4,918,626	2,734,840	512,722	3,247,562	1,671,064
River Road culvert replacement	2,042,386	209,667	1,506,483	1,716,150	326,236
Williston Middle drainage repair	613,000	-	517,063	517,063	95,937
Pirates Cove drainage improvements	500,000	-	-	-	500,000
Amber Drive drainage improvements	147,257	-	60,206	60,206	87,051
Red Cross brick street rehabilitation	489,451	-	-	-	489,451
Water Street drainage improvements	644,000	625,051	-	625,051	18,949
Water Street drainage improvements phase II	375,204	-	36,649	36,649	338,555
Chestnut/grace storm water reconstruction	194,857	-	-	-	194,857
Florence recovery - storm water	4,564,800	-	3,480,128	3,480,128	1,084,672
Total expenditures	44,730,846	17,772,232	6,463,292	24,235,524	20,495,322
Excess of expenditures over revenues	(39,306,265)	(16,312,048)	(869,926)	(17,181,974)	22,124,291

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses):					
Operating transfers - in:					
Storm Water Management Fund	\$ 26,502,743	\$ 23,825,258	\$ 2,707,558	\$ 26,532,816	\$ 30,073
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	(80,609)	(80,609)	-	(80,609)	-
Total operating transfers - out	(878,102)	(878,102)	-	(878,102)	-
Issuance of bonds	12,913,149	11,953,561	-	11,953,561	(959,588)
Premium on bonds	768,475	768,474	-	768,474	(1)
Total other financing sources	39,306,265	35,669,191	2,707,558	38,376,749	(929,516)
Net change in fund balance	\$ -	\$ 19,357,143	\$ 1,837,632	\$ 21,194,775	\$ 21,194,775

CITY OF WILMINGTON, NORTH CAROLINA

**Parking Facilities Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Parking fees	\$ 3,251,872	\$ 2,677,201	\$ (574,671)	\$ 3,077,758
Parking violations	456,500	418,875	(37,625)	473,892
Total operating revenues	3,708,372	3,096,076	(612,296)	3,551,650
Nonoperating revenues:				
Interest earned	68,789	56,303	(12,486)	100,536
Total revenues	3,777,161	3,152,379	(624,782)	3,652,186
Expenditures:				
Operating expenditures:				
Street parking		1,056,286		1,048,999
Second Street deck		334,664		318,410
Market Street deck		468,290		494,608
Second Street lot		242,591		264,622
Hannah Block lot		20,270		21,267
River Place deck		108,300		-
Total operating expenditures	2,936,258	2,230,401	705,857	2,147,906
Nonoperating expenditures:				
Interest and fiscal charges		373,544		209,754
Principal payments on installment obligations		492,845		912,687
Total nonoperating expenditures	872,922	866,389	6,533	1,122,441
Total expenditures	3,809,180	3,096,790	712,390	3,270,347
Excess (deficiency) of revenues over (under) expenditures	(32,019)	55,589	87,608	381,839

CITY OF WILMINGTON, NORTH CAROLINA

**Parking Facilities Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Other financing sources (uses):				
Operating transfers - in:				
Debt Service Fund	\$ 102,233	\$ 102,233	\$ -	\$ 534,543
Operating transfers - out:				
Parking Facilities Capital Projects Fund	(1,593,472)	(1,593,472)	-	(139,050)
Issuance of refunding installment obligations	22,270,000	22,270,000	-	-
Payment to redeem other long-term obligations	(22,071,481)	(22,071,481)	-	-
Appropriated fund balance	<u>1,324,739</u>	<u>-</u>	<u>(1,324,739)</u>	<u>-</u>
Total other financing sources (uses)	<u>32,019</u>	<u>(1,292,720)</u>	<u>(1,324,739)</u>	<u>395,493</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,237,131)</u>	<u>\$ (1,237,131)</u>	777,332
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Vacation and sick leave accrual		(4,550)		(573)
Other postemployment benefits expense		103,955		(17,605)
Pension expense		(19,512)		(12,284)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		10,908		9,221
Capital asset expenditures		88,671		16,296
Depreciation		(1,246,154)		(608,063)
Other noncapital expenses - Parking Facilities Capital Projects Fund		(506,944)		(239,016)
Investment earnings accrual		-		(3,239)
Interest expense adjustment		29,188		24,609
Investment earnings - Parking Facilities Capital Projects Fund		34,637		56,215
Capital contributions from governmental funds		15,000		260,000
Operating transfer - Parking Facilities Capital Projects Fund		1,593,472		246,850
Principal payments on installment obligations		492,845		912,687
Issuance of refunding installment obligations		(22,270,000)		-
Payment to redeem outstanding other long-term obligations		22,071,481		-
Interest expense accrual		<u>(14,055)</u>		<u>(31,740)</u>
Change in net position		<u>\$ (858,189)</u>		<u>\$ 1,390,690</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 88,964	\$ 34,637	\$ 123,601	\$ 123,601
Sale of air rights	1,015,338	1,015,338	-	1,015,338	-
Total revenues	1,015,338	1,104,302	34,637	1,138,939	123,601
Expenditures:					
Water Street parking deck	32,227,649	22,436,025	6,374,677	28,810,702	3,416,947
Hanna block parking lot	1,005,844	1,005,552	-	1,005,552	292
Second Street parking deck repair	1,037,150	360,380	8,625	369,005	668,145
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	464,156	244,128	173,768	417,896	46,260
PARCS equipment replacement	486,327	-	340,042	340,042	146,285
Smart meters - phase II	300,000	85,444	-	85,444	214,556
Market Street parking deck access improvements	139,050	-	-	-	139,050
Market Street parking deck major repair	320,000	-	-	-	320,000
Second Street parking deck elevator modernization	206,000	-	-	-	206,000
Total expenditures	36,525,559	24,360,543	6,897,112	31,257,655	5,267,904
Excess of expenditures over revenues	(35,510,221)	(23,256,241)	(6,862,475)	(30,118,716)	5,391,505
Other financing sources:					
Operating transfers - in:					
Debt Service Fund	1,369,371	1,369,371	-	1,369,371	-
Parking Facilities Fund	5,254,369	3,660,897	1,593,472	5,254,369	-
Total operating transfers - in	6,623,740	5,030,268	1,593,472	6,623,740	-
Issuance of installment obligations	4,315,000	-	4,315,000	4,315,000	-
Issuance of other long-term obligations	24,571,481	19,432,954	5,138,527	24,571,481	-
Total other financing sources	35,510,221	24,463,222	11,046,999	35,510,221	-
Net change in fund balance	\$ -	\$ 1,206,981	\$ 4,184,524	\$ 5,391,505	\$ 5,391,505

CITY OF WILMINGTON, NORTH CAROLINA

**Golf Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Fees and coupons	\$ 1,008,203	\$ 1,180,695	\$ 172,492	\$ 983,013
Cart rentals	253,720	263,911	10,191	282,744
Concessions	149,907	202,264	52,357	196,759
Other operating revenues	<u>54,546</u>	<u>26,778</u>	<u>(27,768)</u>	<u>56,414</u>
Total operating revenues	<u>1,466,376</u>	<u>1,673,648</u>	<u>207,272</u>	<u>1,518,930</u>
Nonoperating revenues:				
Interest earned	4,443	7,401	2,958	8,020
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>557</u>
Total nonoperating revenues	<u>4,443</u>	<u>7,401</u>	<u>2,958</u>	<u>8,577</u>
Total revenues	<u>1,470,819</u>	<u>1,681,049</u>	<u>210,230</u>	<u>1,527,507</u>
Expenditures:				
Operating expenditures:				
Golf course		1,283,415		1,254,985
Other operating expenditures		<u>143,861</u>		<u>128,068</u>
Total operating expenditures	<u>1,496,258</u>	<u>1,427,276</u>	<u>68,982</u>	<u>1,383,053</u>
Excess of revenues over expenditures	<u>(25,439)</u>	<u>253,773</u>	<u>279,212</u>	<u>144,454</u>
Other financing sources:				
Appropriated fund balance	<u>25,439</u>	<u>-</u>	<u>(25,439)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>253,773</u>	<u>\$ 253,773</u>	<u>144,454</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Deferred inflows of resources for accounts receivable		26,698		-
Deferred inflows of resources for gift certificates		8,668		(1,628)
Investment earnings accrual		-		(167)
Vacation and sick leave accrual		(12,249)		(10,594)
Other postemployment benefits expense		(76,294)		(156,653)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		41,777		34,876
Pension Expense		(82,164)		(44,348)
Change in inventory		(6,681)		5,546
Depreciation		(89,893)		(96,047)
Investment earnings - Golf Capital Projects Fund		1,509		1,848
Operating transfer - Golf Capital Projects Fund		<u>200,000</u>		<u>200,000</u>
Change in net position		<u>\$ 265,144</u>		<u>\$ 77,287</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 1,848	\$ 1,509	\$ 3,357	\$ 3,357
Expenditures:					
Golf course improvements	<u>1,200,000</u>	<u>76,269</u>	<u>6,661</u>	<u>82,930</u>	<u>1,117,070</u>
Excess of expenditures over revenues	<u>(1,200,000)</u>	<u>(74,421)</u>	<u>(5,152)</u>	<u>(79,573)</u>	<u>1,120,427</u>
Other financing sources:					
Operating transfers - in:					
Debt Service Fund	200,000	-	200,000	200,000	-
Parks and Recreation Fund	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total operating transfers - in	400,000	200,000	200,000	400,000	-
Issuance of Bonds	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>
Total other financing sources	<u>1,200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>	<u>(800,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 125,579</u>	<u>\$ 194,848</u>	<u>\$ 320,427</u>	<u>\$ 320,427</u>

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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, 2020

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10,514,407	\$ 532,029	\$ 11,046,436
Due from other governments	150,867	59,666	210,533
Inventory of materials and supplies	18,437	-	18,437
Prepays	6,070	-	6,070
Total current assets	<u>10,689,781</u>	<u>591,695</u>	<u>11,281,476</u>
Noncurrent assets:			
Capital assets:			
Intangible software	19,000	-	19,000
Furniture, fixtures, machinery and equipment	27,141,869	-	27,141,869
Construction in progress	1,302,538	-	1,302,538
Less accumulated depreciation	<u>(19,779,950)</u>	<u>-</u>	<u>(19,779,950)</u>
Total capital assets, net of accumulated depreciation	<u>8,683,457</u>	<u>-</u>	<u>8,683,457</u>
Total assets	<u>19,373,238</u>	<u>591,695</u>	<u>19,964,933</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits deferrals	81,611	-	81,611
Pension deferrals	94,255	-	94,255
Contributions to pension plan in current fiscal year	<u>57,368</u>	<u>-</u>	<u>57,368</u>
Total deferred outflows of resources	<u>233,234</u>	<u>-</u>	<u>233,234</u>
LIABILITIES			
Current liabilities:			
Accounts payable	122,769	36,319	159,088
Accrued liabilities	57,220	-	57,220
Current portion of long-term liabilities:			
Other long-term obligations	410,000	-	410,000
Accrued vacation and sick leave	<u>54,981</u>	<u>-</u>	<u>54,981</u>
Total current liabilities	<u>644,970</u>	<u>36,319</u>	<u>681,289</u>
Noncurrent liabilities:			
Other long-term obligations	410,000	-	410,000
Accrued vacation and sick leave	62,105	-	62,105
Net other postemployment benefits liability	601,595	-	601,595
Net pension liability	<u>264,300</u>	<u>-</u>	<u>264,300</u>
Total noncurrent liabilities	<u>1,338,000</u>	<u>-</u>	<u>1,338,000</u>
Total liabilities	<u>1,982,970</u>	<u>36,319</u>	<u>2,019,289</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits deferrals	184,439	-	184,439
Pension deferrals	<u>4,691</u>	<u>-</u>	<u>4,691</u>
Total deferred inflows of resources	<u>189,130</u>	<u>-</u>	<u>189,130</u>
NET POSITION			
Net investment in capital assets	7,863,457	-	7,863,457
Unrestricted	<u>9,570,915</u>	<u>555,376</u>	<u>10,126,291</u>
Total net position	<u>\$ 17,434,372</u>	<u>\$ 555,376</u>	<u>\$ 17,989,748</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position -
Internal Service Funds**

Year Ended June 30, 2020

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,186,536	\$ -	\$ 2,186,536
Charges for equipment replacement	5,841,127	709,493	6,550,620
Other operating revenues	<u>10,441</u>	<u>3,667</u>	<u>14,108</u>
Total operating revenues	<u>8,038,104</u>	<u>713,160</u>	<u>8,751,264</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	1,225,939	-	1,225,939
Materials and fuels consumed	17,242	-	17,242
Services	984,492	-	984,492
Utilities	16,056	-	16,056
Depreciation	2,332,456	-	2,332,456
Other operating expenses	<u>922,306</u>	<u>1,011,963</u>	<u>1,934,269</u>
Total operating expenses	<u>5,498,491</u>	<u>1,011,963</u>	<u>6,510,454</u>
Operating income (loss)	<u>2,539,613</u>	<u>(298,803)</u>	<u>2,240,810</u>
Nonoperating revenues (expenses):			
Investment earnings	125,539	2,003	127,542
Restricted intergovernmental	9,016	5,866	14,882
Interest and other charges	(15,457)	-	(15,457)
Gain on disposal of capital assets	<u>207,240</u>	<u>-</u>	<u>207,240</u>
Total nonoperating revenues	<u>326,338</u>	<u>7,869</u>	<u>334,207</u>
Income (loss) before transfers and capital contributions	2,865,951	(290,934)	2,575,017
Capital contributions	63,532	-	63,532
Transfers from other funds	<u>-</u>	<u>408,410</u>	<u>408,410</u>
Change in net position	2,929,483	117,476	3,046,959
Net position at beginning of year	<u>14,504,889</u>	<u>437,900</u>	<u>14,942,789</u>
Net position at end of year	<u>\$ 17,434,372</u>	<u>\$ 555,376</u>	<u>\$ 17,989,748</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Cash Flows -
Internal Service Funds**

Year Ended June 30, 2020

	Equipment, Maintenance and Replacement Fund	Technology Replacement Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 230,391	\$ (35,913)	\$ 194,478
Receipts from interfund services provided	7,718,220	709,493	8,427,713
Payments to suppliers	(1,943,453)	(1,149,960)	(3,093,413)
Payments to or on behalf of employees	(870,930)	-	(870,930)
Payments for interfund services used	<u>(5,303)</u>	<u>-</u>	<u>(5,303)</u>
Net cash provided by (used in) operating activities	<u>5,128,925</u>	<u>(476,380)</u>	<u>4,652,545</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	-	408,410	408,410
Restricted intergovernmental	<u>9,016</u>	<u>5,866</u>	<u>14,882</u>
Net cash provided by noncapital financing activities	<u>9,016</u>	<u>414,276</u>	<u>423,292</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(5,517,981)	-	(5,517,981)
Principal payments on other long-term obligations	(410,000)	-	(410,000)
Interest and other charges	(17,589)	-	(17,589)
Proceeds from sale of capital assets	<u>310,755</u>	<u>-</u>	<u>310,755</u>
Net cash used in capital and related financing activities	<u>(5,634,815)</u>	<u>-</u>	<u>(5,634,815)</u>
Cash flows from investing activities:			
Investment earnings	<u>135,009</u>	<u>2,003</u>	<u>137,012</u>
Net decrease in cash and cash equivalents	(361,865)	(60,101)	(421,966)
Cash and cash equivalents at beginning of year	<u>10,876,272</u>	<u>592,130</u>	<u>11,468,402</u>
Cash and cash equivalents at end of year	<u>\$ 10,514,407</u>	<u>\$ 532,029</u>	<u>\$ 11,046,436</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Combining Statement of Cash Flows -
Internal Service Funds (Continued)**

Year Ended June 30, 2020

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 2,539,613	\$ (298,803)	\$ 2,240,810
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,332,456	-	2,332,456
Changes in assets and liabilities:			
Accounts receivable	8,999	-	8,999
Due from other governments	(98,492)	(39,580)	(138,072)
Inventory of materials and supplies	11,167	-	11,167
Deferred outflows of resources for pensions	22,118	-	22,118
Deferred outflows of resources for other postemployment benefits	(52,725)	-	(52,725)
Net pension liability	29,769	-	29,769
Net other postemployment benefits liability	200,616	-	200,616
Deferred inflows of resources for pensions	(1,666)	-	(1,666)
Deferred inflows of resources for other postemployment benefits	124,394	-	124,394
Accounts payable and accrued liabilities	(8,870)	(137,997)	(146,867)
Due to other governments	(525)	-	(525)
Accrued vacation and sick leave	22,071	-	22,071
Net cash provided by (used in) operating activities	<u>\$ 5,128,925</u>	<u>\$ (476,380)</u>	<u>\$ 4,652,545</u>
Noncash investing, capital and financing activities:			
Capital contributions from governmental funds	\$ 63,532	\$ -	\$ 63,532
Donation of capital assets to governmental funds	<u>(13,863)</u>	<u>-</u>	<u>(13,863)</u>
Net effect of noncash activities	<u>\$ 49,669</u>	<u>\$ -</u>	<u>\$ 49,669</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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		<u>Variance Positive (Negative)</u>	<u>2019 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Operating revenues:				
Charges for services	\$ 1,955,505	\$ 2,186,536	\$ 231,031	\$ 2,119,830
Charges for equipment replacement	5,913,838	5,841,127	(72,711)	4,073,656
Other operating revenues	<u>5,000</u>	<u>8,265</u>	<u>3,265</u>	<u>110,618</u>
Total operating revenues	<u>7,874,343</u>	<u>8,035,928</u>	<u>161,585</u>	<u>6,304,104</u>
Nonoperating revenues:				
Restricted intergovernmental:				
Hurricane disaster assistance	-	9,016	9,016	25,074
Investment earnings	167,629	125,539	(42,090)	208,351
Sale of capital assets	<u>-</u>	<u>312,931</u>	<u>312,931</u>	<u>294,407</u>
Total nonoperating revenues	<u>167,629</u>	<u>447,486</u>	<u>279,857</u>	<u>527,832</u>
Total revenues	<u>8,041,972</u>	<u>8,483,414</u>	<u>441,442</u>	<u>6,831,936</u>
Expenditures:				
Operating expenditures:				
Garage operations		2,408,252		2,054,277
Capital and noncapital equipment		<u>5,920,020</u>		<u>5,137,940</u>
Total operating expenditures	<u>10,550,403</u>	<u>8,328,272</u>	<u>2,222,131</u>	<u>7,192,217</u>
Nonoperating expenditures:				
Interest and other charges		17,589		23,985
Principal payments on other long-term obligations		<u>410,000</u>		<u>410,000</u>
Total nonoperating expenditures	<u>427,589</u>	<u>427,589</u>	<u>-</u>	<u>433,985</u>
Total expenditures	<u>10,977,992</u>	<u>8,755,861</u>	<u>2,222,131</u>	<u>7,626,202</u>
Excess of expenditures over revenues	<u>(2,936,020)</u>	<u>(272,447)</u>	<u>2,663,573</u>	<u>(794,266)</u>
Other financing sources:				
Operating transfer-in:				
General Fund	-	-	-	3,831
Appropriated fund balance	<u>2,936,020</u>	<u>-</u>	<u>(2,936,020)</u>	<u>-</u>
Total other financing sources	<u>2,936,020</u>	<u>-</u>	<u>(2,936,020)</u>	<u>3,831</u>
Net change in fund balance	<u>\$ -</u>	<u>(272,447)</u>	<u>\$ (272,447)</u>	<u>(790,435)</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, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	<u>2020</u>		<u>2019</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Vacation and sick leave accrual		\$ (22,071)		\$ (6,778)
Other postemployment benefits expense		(272,285)		(27,669)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		57,368		46,739
Pension Expense		(107,589)		(61,127)
Change in inventory		(11,167)		(2,432)
Capital asset expenditures		5,517,981		4,864,803
Depreciation		(2,332,456)		(2,434,798)
Investment earnings accrual		-		(4,847)
Principal payments on other long-term obligations		410,000		410,000
Interest expense accrual		2,132		2,132
Disposal of capital assets		(89,652)		(28,895)
Capital contributions from governmental funds		63,532		-
Transfers of capital assets from enterprise funds		-		9,755
Donation of capital assets to governmental funds		(13,863)		(2,355,452)
Outside services		<u>-</u>		<u>(1,330)</u>
Change in net position		<u>\$ 2,929,483</u>		<u>\$ (380,334)</u>

CITY OF WILMINGTON, NORTH CAROLINA

**Technology Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for equipment replacement	\$ 704,903	\$ 709,493	\$ 4,590	\$ 674,933
Other operating revenues	-	3,667	3,667	-
Total operating revenues	704,903	713,160	8,257	674,933
Nonoperating revenues:				
Restricted intergovernmental:				
Hurricane disaster assistance	-	5,866	5,866	-
Investment earnings	-	2,003	2,003	2,229
Total nonoperating revenues	-	7,869	7,869	2,229
Total revenues	704,903	721,029	16,126	677,162
Expenditures:				
Operating expenditures:				
Information technology operations		593,564		633,428
Capital and noncapital equipment		418,399		571,965
Total expenditures	1,319,584	1,011,963	307,621	1,205,393
Excess of expenditures over revenues	(614,681)	(290,934)	323,747	(528,231)
Other financing sources:				
Operating transfer-in:				
General Fund	408,410	408,410	-	308,685
Appropriated fund balance	206,271	-	(206,271)	-
Total other financing sources	614,681	408,410	(206,271)	308,685
Net change in fund balance	\$ -	117,476	\$ 117,476	(219,546)
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Capital asset expenditures		-		85,781
Investment earnings accrual		-		(330)
Donations of capital assets to governmental funds		-		(85,781)
Change in net position		\$ 117,476		\$ (219,876)

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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 2020

Governmental funds capital assets:

Land	\$ 60,466,805
Easements	23,613,026
Improvements other than buildings	66,447,396
Buildings, plant and structures	159,890,166
Furniture, fixtures, machinery and equipment	28,080,571
Computer software	2,544,545
Streets and drainage	267,211,691
Construction in progress	<u>16,626,463</u>
Total governmental funds capital assets	<u>\$ 624,880,663</u>

Investment in governmental funds capital assets by source:

Prior years for which detail is not available	\$ 16,576,775
General Fund	18,732,228
Special Purpose Fund	6,076,769
Capital Project Funds	404,182,356
Accepted dedications	<u>179,312,535</u>
Total governmental funds capital assets	<u>\$ 624,880,663</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 2020

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>6,962,659</u>	<u>10,026</u>	<u>3,960,992</u>	<u>31,670,645</u>
Total general government	<u>6,962,659</u>	<u>10,026</u>	<u>3,960,992</u>	<u>31,670,645</u>
Public safety:				
Police	2,016,744	-	-	31,788,958
Fire	<u>3,788,391</u>	-	<u>479,279</u>	<u>28,491,043</u>
Total public safety	<u>5,805,135</u>	<u>-</u>	<u>479,279</u>	<u>60,280,001</u>
Transportation:				
Traffic engineering	37,638	-	-	45,758
Transportation planning	-	-	-	-
Streets and drainage	<u>33,918,858</u>	<u>23,558,750</u>	<u>7,153,333</u>	<u>104,500</u>
Total transportation	<u>33,956,496</u>	<u>23,558,750</u>	<u>7,153,333</u>	<u>150,258</u>
Cultural and recreational:				
Parks and recreation	<u>8,124,321</u>	<u>44,250</u>	<u>54,828,792</u>	<u>19,568,758</u>
Economic and physical development	<u>5,618,194</u>	<u>-</u>	<u>25,000</u>	<u>48,220,504</u>
Total governmental funds capital assets	<u>\$ 60,466,805</u>	<u>\$ 23,613,026</u>	<u>\$ 66,447,396</u>	<u>\$ 159,890,166</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	\$ 118,247	\$ -	\$ -	\$ -	\$ 118,247
Finance	30,354	-	-	-	30,354
Information Technology Services	1,572,986	1,858,152	-	1,009,196	4,440,334
Development Services	190,831	13,120	-	-	203,951
General government	<u>865,668</u>	<u>-</u>	<u>-</u>	<u>266,548</u>	<u>43,736,538</u>
Total general government	<u>2,778,086</u>	<u>1,871,272</u>	<u>-</u>	<u>1,275,744</u>	<u>48,529,424</u>
Public safety:					
Police	5,585,216	341,055	-	-	39,731,973
Fire	<u>17,187,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,945,854</u>
Total public safety	<u>22,772,357</u>	<u>341,055</u>	<u>-</u>	<u>-</u>	<u>89,677,827</u>
Transportation:					
Traffic engineering	666,607	19,721	-	108,218	877,942
Transportation Planning	-	13,576	-	-	13,576
Streets and drainage	<u>353,924</u>	<u>218,773</u>	<u>265,917,605</u>	<u>5,182,891</u>	<u>336,408,634</u>
Total transportation	<u>1,020,531</u>	<u>252,070</u>	<u>265,917,605</u>	<u>5,291,109</u>	<u>337,300,152</u>
Cultural and recreational:					
Parks and recreation	<u>928,191</u>	<u>33,404</u>	<u>1,294,086</u>	<u>9,886,449</u>	<u>94,708,251</u>
Economic and physical development	<u>581,406</u>	<u>46,744</u>	<u>-</u>	<u>173,161</u>	<u>54,665,009</u>
Total governmental funds capital assets	<u>\$ 28,080,571</u>	<u>\$ 2,544,545</u>	<u>\$ 267,211,691</u>	<u>\$ 16,626,463</u>	<u>\$ 624,880,663</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 2020

Function and Activity	July 1, 2019	Additions	Deductions
General government:			
City Manager	\$ 118,247	\$ -	\$ -
Finance	30,354	-	-
Information Technology Services	3,793,675	646,659	-
Development Services	214,860	-	(10,909)
General government buildings	43,130,137	1,161,495	-
Total general government	<u>47,287,273</u>	<u>1,808,154</u>	<u>(10,909)</u>
Public safety:			
Police	37,338,785	2,373,999	(63,944)
Fire	47,970,924	2,042,323	(511,950)
Total public safety	<u>85,309,709</u>	<u>4,416,322</u>	<u>(575,894)</u>
Transportation:			
Traffic engineering	520,679	409,463	(52,200)
Transportation planning	13,576	22,265	-
Streets and drainage	311,957,681	24,444,453	-
Total transportation	<u>312,491,936</u>	<u>24,876,181</u>	<u>(52,200)</u>
Cultural and recreational:			
Parks and recreation	87,051,741	7,656,510	-
Economic and physical development	54,442,678	237,331	-
Total governmental funds capital assets	<u>\$ 586,583,337</u>	<u>\$ 38,994,498</u>	<u>\$ (639,003)</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	Transfers	June 30, 2020
General government:		
City Manager	\$ -	\$ 118,247
Finance	-	30,354
Information Technology Services	-	4,440,334
Development Services	-	203,951
General government buildings	(555,094)	43,736,538
Total general government	(555,094)	48,529,424
Public safety:		
Police	83,133	39,731,973
Fire	444,557	49,945,854
Total public safety	527,690	89,677,827
Transportation:		
Traffic engineering	-	877,942
Transportation planning	(22,265)	13,576
Streets and drainage	6,500	336,408,634
Total transportation	(15,765)	337,300,152
Cultural and recreational:		
Parks and recreation	-	94,708,251
Economic and physical development	(15,000)	54,665,009
Total governmental funds capital assets	\$ (58,169)	\$ 624,880,663

CITY OF WILMINGTON, NORTH CAROLINA

Schedule of Change in Ad Valorem Taxes Receivable

June 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 77,774,831	\$ 77,013,812	\$ 761,019
2018-2019	567,800	-	178,949	388,851
2017-2018	361,769	-	61,410	300,359
prior years	<u>1,791,777</u>	<u>-</u>	<u>220,617</u>	<u>1,571,160</u>
	2,721,346	77,774,831	77,474,788	3,021,389
Less allowance for uncollectible taxes	<u>(1,566,407)</u>	<u>23,045</u>	<u>-</u>	<u>(1,543,362)</u>
Totals ⁽¹⁾	<u>\$ 1,154,939</u>	<u>\$ 77,797,876</u>	<u>\$ 77,474,788</u>	<u>\$ 1,478,027</u>

Reconciliation of collections and credits:

New Hanover County tax office

remittances:

Taxes - ad valorem - current year - General Fund & Debt Service Fund \$ 77,325,015

Taxes - ad valorem - penalties and interest - General Fund 199,823

Total remittances 77,524,838

Other adjustments ⁽²⁾ 149,773

Less penalties and interest (199,823)

Total collections and credits \$ 77,474,788

(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, 2020, 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, 2020

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy: ⁽¹⁾					
Property taxed at current year's rate	\$15,321,370,207	\$ 0.4984	\$76,361,709	\$72,375,828	\$3,985,881
Motor vehicles taxed at					
prior year's rate	244,283,751	0.4984	1,217,510	-	1,217,510
second prior year's rate	2,005,585	0.4834	9,695	-	9,695
third and fourth prior year's rate	406,730	0.4850	1,973	-	1,973
fifth prior year's rate	46,304	0.4600	213	-	213
sixth prior year's rate	52,444	0.4500	236	-	236
Penalties	-		110,529	110,529	-
Total	15,568,165,021		77,701,865	72,486,357	5,215,508
Discoveries: ⁽²⁾					
Current year taxes	-		114,609	114,609	-
Total	-		77,816,474	72,600,966	5,215,508
Abatements: ⁽²⁾	-		-	-	-
Other adjustments ⁽²⁾	(560,994)		(\$41,643)	(41,643)	-
Total property valuation	<u>\$15,567,604,027</u>				
Net levy			77,774,831	72,559,323	5,215,508
Uncollected taxes at June 30, 2019			761,019	761,019	-
Current year's taxes collected			<u>\$ 77,013,812</u>	<u>\$ 71,798,304</u>	<u>\$ 5,215,508</u>
Current levy collection percentage			<u>99.02%</u>	<u>98.95%</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, 2020, 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, 2020

Receipts prior years	<u>\$ 42,554,358</u>
Receipts:	
July, 2019	565,149
August, 2019	472,609
September, 2019	421,813
October, 2019	431,734
November, 2019	320,629
December, 2019	239,207
January, 2020	257,153
February, 2020	312,705
March, 2020	171,544
April, 2020	66,540
May, 2020	184,555
June, 2020	<u>367,984</u>
Receipts current year	<u>3,811,622</u>
Receipts to date	<u><u>\$ 46,365,980</u></u>

CITY OF WILMINGTON, NORTH CAROLINA

**Schedule of Receipts and Expenditures -
Room Occupancy Tax (Continued)**

From Inception and Year Ended June 30, 2020

Disbursements prior years	\$ 37,016,933
Reimbursed from hurricane disaster assistance	<u>(418,321)</u>
Disbursements prior years, net	36,598,612
Disbursements:	
Operating costs - Convention Center	419,232
Capital improvements and equipment	204,098
Facility repairs and maintenance	363,783
Marketing	507,618
Debt service	2,417,189
Fiscal agent fees	<u>2,200</u>
Disbursements current year	<u>3,914,120</u>
Disbursements to date	<u><u>\$ 40,512,732</u></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.

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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	198 - 211
These schedules contain trend information to help the readers understand how the city’s financial performance and well-being have changed over time.	
Revenue Capacity	212 - 215
These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.	
Debt Capacity	216 - 222
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.	
Demographic and Economic Information	223
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	
Operating Information	224 - 229
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.	

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			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets (1)	\$ 196,686,945	\$ 194,247,449	\$ 200,558,434	\$ 212,542,837
Restricted	38,931,386	36,203,247	35,729,753	40,472,965
Unrestricted (2), (3), (4), (5)	<u>38,394,250</u>	<u>41,790,077</u>	<u>43,041,191</u>	<u>32,846,564</u>
Total governmental activities net assets	<u>\$ 274,012,581</u>	<u>\$ 272,240,773</u>	<u>\$ 279,329,378</u>	<u>\$ 285,862,366</u>
Business-type activities:				
Net investment in capital assets (1)	\$ 22,487,707	\$ 30,255,544	\$ 28,826,675	\$ 31,426,724
Restricted	2,378,156	2,368,578	2,104,545	2,005,412
Unrestricted (2), (5)	<u>14,927,863</u>	<u>11,040,383</u>	<u>14,151,447</u>	<u>14,894,628</u>
Total business-type activities net assets	<u>\$ 39,793,726</u>	<u>\$ 43,664,505</u>	<u>\$ 45,082,667</u>	<u>\$ 48,326,764</u>
Primary government:				
Net investment in capital assets	\$ 219,174,652	\$ 224,502,993	\$ 229,385,109	\$ 243,969,561
Restricted	41,309,542	38,571,825	37,834,298	42,478,377
Unrestricted	<u>53,322,113</u>	<u>52,830,460</u>	<u>57,192,638</u>	<u>47,741,192</u>
Total primary government net assets	<u>\$ 313,806,307</u>	<u>\$ 315,905,278</u>	<u>\$ 324,412,045</u>	<u>\$ 334,189,130</u>

Notes:

- (1) Net investment in capital assets, a component of governmental activities net position is restated in fiscal year 2012 to eliminate unamortized bond issuance costs, other than prepaid bond insurance, pursuant to GASB Statement No. 65.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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					
2015	2016	2017	2018	2019	2020
\$ 208,606,209	\$ 220,482,002	\$ 222,453,072	\$ 222,365,472	\$ 240,380,429	\$ 244,648,339
39,505,449	40,527,283	41,349,356	42,500,030	52,687,351	55,579,604
<u>42,766,980</u>	<u>53,837,868</u>	<u>49,108,721</u>	<u>36,410,461</u>	<u>19,982,339</u>	<u>52,073,409</u>
<u>\$ 290,878,638</u>	<u>\$ 314,847,153</u>	<u>\$ 312,911,149</u>	<u>\$ 301,275,963</u>	<u>\$ 313,050,119</u>	<u>\$ 352,301,352</u>
\$ 29,662,351	\$ 30,970,797	\$ 33,518,870	\$ 32,935,755	\$ 33,297,271	\$ 32,725,013
1,938,140	1,549,898	1,455,998	1,055,998	1,055,998	485,936
<u>19,539,071</u>	<u>23,497,622</u>	<u>27,162,767</u>	<u>31,660,796</u>	<u>38,490,587</u>	<u>42,964,463</u>
<u>\$ 51,139,562</u>	<u>\$ 56,018,317</u>	<u>\$ 62,137,635</u>	<u>\$ 65,652,549</u>	<u>\$ 72,843,856</u>	<u>\$ 76,175,412</u>
\$ 238,268,560	\$ 251,452,799	\$ 255,971,942	\$ 255,301,227	\$ 273,677,700	\$ 277,373,352
41,443,589	42,077,181	42,805,354	43,556,028	53,743,349	56,065,540
<u>62,306,051</u>	<u>77,335,490</u>	<u>76,271,488</u>	<u>68,071,257</u>	<u>58,472,926</u>	<u>95,037,872</u>
<u>\$ 342,018,200</u>	<u>\$ 370,865,470</u>	<u>\$ 375,048,784</u>	<u>\$ 366,928,512</u>	<u>\$ 385,893,975</u>	<u>\$ 428,476,764</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position

Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 18,442,793	\$ 20,114,233	\$ 19,005,283	\$ 19,631,088
Public safety	42,201,402	44,197,292	43,916,157	46,131,851
Transportation	12,744,479	14,764,044	13,431,747	13,850,270
Economic and physical development	5,843,970	6,200,611	6,045,907	6,196,637
Environmental protection	500	-	-	-
Cultural and recreational	7,727,790	9,049,044	9,398,082	9,465,475
Transit system	1,427,915	1,242,136	1,296,849	1,285,000
Interest and other charges	9,994,715	9,974,724	9,008,791	8,399,202
Total governmental activities expenses	<u>98,383,564</u>	<u>105,542,084</u>	<u>102,102,816</u>	<u>104,959,523</u>
Business-type activities:				
Solid waste management	7,595,390	8,348,911	9,576,553	10,433,131
Storm water management	6,022,115	6,943,112	6,718,269	6,788,592
Parking facilities	2,319,874	2,694,467	2,695,420	2,802,364
Golf	1,107,126	1,285,853	1,294,985	1,293,363
Total business-type activities expenses	<u>17,044,505</u>	<u>19,272,343</u>	<u>20,285,227</u>	<u>21,317,450</u>
Total primary government expenses	<u>\$ 115,428,069</u>	<u>\$ 124,814,427</u>	<u>\$ 122,388,043</u>	<u>\$ 126,276,973</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,691,275	\$ 2,928,020	\$ 3,466,422	\$ 3,961,251
Public safety	1,386,725	1,317,184	1,369,009	1,078,557
Transportation	1,311,696	1,841,929	1,396,371	1,469,697
Economic and physical development	1,096,703	1,798,487	2,865,612	3,252,606
Environmental protection	19,429	58,679	18,147	11,886
Cultural and recreational	611,597	669,215	725,220	777,142
Operating grants and contributions	7,744,008	9,455,773	9,487,283	7,113,819
Capital grants and contributions	13,272,496	5,868,811	5,392,585	5,128,944
Total governmental activities program revenues	<u>28,133,929</u>	<u>23,938,098</u>	<u>24,720,649</u>	<u>22,793,902</u>
Business-type activities:				
Charges for services:				
Solid waste management	8,113,378	8,272,400	8,385,641	8,433,430
Storm water management	7,114,617	7,815,701	8,372,383	8,810,446
Parking facilities	2,035,573	2,577,363	3,105,607	3,156,906
Golf	1,169,854	1,227,520	1,129,265	852,982

TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 20,942,970	\$ 21,981,320	\$ 24,897,698	\$ 26,388,276	\$ 47,767,484	\$ 25,863,172
45,301,661	48,796,835	51,805,339	52,304,423	62,138,353	58,668,628
14,623,301	15,483,263	17,757,240	16,938,651	18,469,985	18,192,731
7,758,498	6,890,269	6,918,462	7,249,221	7,910,229	8,249,770
6,229	17,854	-	-	-	-
9,992,088	10,187,498	11,290,134	11,401,557	11,362,869	13,762,924
1,678,074	1,523,022	2,799,556	1,437,257	1,460,155	1,696,925
7,868,677	8,773,139	7,169,163	7,569,643	7,366,318	6,970,781
<u>108,171,498</u>	<u>113,653,200</u>	<u>122,637,592</u>	<u>123,289,028</u>	<u>156,475,393</u>	<u>133,404,931</u>
9,689,997	8,800,178	8,260,576	8,500,496	8,832,873	10,232,326
7,195,516	6,909,622	7,152,715	7,989,010	7,759,203	13,973,357
3,143,322	2,925,836	2,927,402	4,477,517	3,216,815	4,162,438
<u>1,331,375</u>	<u>1,365,365</u>	<u>1,458,687</u>	<u>1,444,079</u>	<u>1,650,273</u>	<u>1,652,780</u>
<u>21,360,210</u>	<u>20,001,001</u>	<u>19,799,380</u>	<u>22,411,102</u>	<u>21,459,164</u>	<u>30,020,901</u>
<u>\$ 129,531,708</u>	<u>\$ 133,654,201</u>	<u>\$ 142,436,972</u>	<u>\$ 145,700,130</u>	<u>\$ 177,934,557</u>	<u>\$ 163,425,832</u>
\$ 3,757,329	\$ 1,614,695	\$ 1,424,614	\$ 1,341,845	\$ 1,066,542	\$ 1,822,490
991,754	936,090	1,028,767	1,011,421	1,117,151	928,093
1,522,176	1,645,916	1,770,500	1,733,382	1,644,353	1,587,388
3,307,837	3,860,193	3,821,324	4,206,857	4,616,434	4,155,768
10,497	26,446	44,500	95,078	61,956	60,381
858,460	883,347	846,872	857,897	1,073,155	880,433
8,368,567	7,553,003	8,803,433	6,479,533	24,933,225	17,634,226
<u>2,260,265</u>	<u>15,403,679</u>	<u>3,779,344</u>	<u>1,253,284</u>	<u>6,463,891</u>	<u>17,674,759</u>
<u>21,076,885</u>	<u>31,923,369</u>	<u>21,519,354</u>	<u>16,979,297</u>	<u>40,976,707</u>	<u>44,743,538</u>
8,803,224	8,996,252	9,168,326	9,245,211	9,329,350	9,611,671
9,441,985	9,928,041	10,678,945	11,517,793	11,837,173	12,383,673
3,253,754	3,399,380	3,367,787	3,408,219	3,551,650	3,096,076
874,778	1,247,303	1,204,706	1,240,596	1,460,888	1,682,236

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position (Continued)

Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Program Revenues (continued)				
Business-type activities (continued):				
Operating grants and contributions	\$ -	\$ 72,977	\$ 161,026	\$ 97,018
Capital grants and contributions	110,232	451,260	137,394	49,500
Total business-type activities program revenues	<u>\$ 18,543,654</u>	<u>\$ 20,417,221</u>	<u>\$ 21,291,316</u>	<u>\$ 21,400,282</u>
Total primary government program revenues	<u>\$ 46,677,583</u>	<u>\$ 44,355,319</u>	<u>\$ 46,011,965</u>	<u>\$ 44,194,184</u>
Net (expense)/revenue				
Governmental activities	\$ (70,249,635)	\$ (81,603,986)	\$ (77,382,167)	\$ (82,165,621)
Business-type activities	1,499,149	1,144,878	1,006,089	82,832
Total primary government net expense	<u>\$ (68,750,486)</u>	<u>\$ (80,459,108)</u>	<u>\$ (76,376,078)</u>	<u>\$ (82,082,789)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem taxes	\$ 52,445,946	\$ 52,713,699	\$ 57,152,307	\$ 58,981,967
Room occupancy tax	2,274,826	2,470,357	2,582,709	2,771,391
Local option sales tax	14,409,320	16,543,702	17,384,331	19,168,840
Franchise tax	6,303,686	5,993,214	5,985,128	6,120,923
Video programming sales tax	1,470,975	1,425,834	1,404,639	1,397,010
Rental vehicle tax	190,568	209,722	233,079	224,043
Unrestricted grants and contributions	1,539,418	1,778,549	1,804,127	1,943,781
Investment earnings	385,103	368,432	342,649	346,850
Net decrease in fair value of investments	-	-	(429,320)	-
Miscellaneous	658,109	969,485	612,071	589,940
Transfers from (to) other funds	636,607	(2,640,816)	(729,380)	(2,846,136)
Total governmental activities	<u>80,314,558</u>	<u>79,832,178</u>	<u>86,342,340</u>	<u>88,698,609</u>
Business-type activities:				
Unrestricted grants and contributions	69,282	-	-	-
Investment earnings	94,772	81,825	85,108	90,641
Net decrease in fair value of investments	-	-	(117,037)	-
Miscellaneous	-	3,260	-	224,488
Transfers from (to) other funds	(636,607)	2,640,816	729,380	2,846,136
Total business-type activities	<u>(472,553)</u>	<u>2,725,901</u>	<u>697,451</u>	<u>3,161,265</u>
Total primary government	<u>\$ 79,842,005</u>	<u>\$ 82,558,079</u>	<u>\$ 87,039,791</u>	<u>\$ 91,859,874</u>

TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 106,836	\$ 73,830	\$ 449,020	\$ 77,899	\$ 93,833	\$ 5,528,043
774,874	405,208	-	1,015,338	121,175	-
\$ 23,255,451	\$ 24,050,014	\$ 24,868,784	\$ 26,505,056	\$ 26,394,069	\$ 32,301,699
\$ 44,332,336	\$ 55,973,383	\$ 46,388,138	\$ 43,484,353	\$ 67,370,776	\$ 77,045,237
\$ (87,094,613)	\$ (81,729,831)	\$ (101,118,238)	\$ (106,309,731)	\$ (115,498,686)	\$ (88,661,393)
1,895,241	4,049,013	5,069,404	4,093,954	4,934,905	2,280,798
\$ (85,199,372)	\$ (77,680,818)	\$ (96,048,834)	\$ (102,215,777)	\$ (110,563,781)	\$ (86,380,595)
\$ 60,524,844	\$ 65,339,216	\$ 66,670,221	\$ 72,729,763	\$ 76,858,987	\$ 78,232,370
3,080,208	3,337,377	3,824,615	3,780,078	5,061,597	3,811,622
21,216,765	22,990,436	24,371,379	24,689,205	28,923,348	30,274,790
8,174,142	8,392,055	8,251,577	8,280,297	8,730,544	8,392,030
1,442,808	1,390,363	1,408,749	1,374,281	1,323,879	1,278,838
267,219	298,745	313,471	296,213	382,984	384,757
1,949,695	2,078,287	2,314,364	2,179,507	2,900,175	2,475,238
263,771	336,799	506,832	1,459,258	2,889,157	1,827,459
-	-	-	-	-	-
1,794,794	970,198	791,188	783,117	1,353,525	1,582,621
(279,647)	(535,736)	(771,186)	(955,300)	(1,151,354)	(347,099)
98,434,599	104,597,740	107,681,210	114,616,419	127,272,842	127,912,626
-	-	-	-	-	-
69,492	93,856	135,225	334,606	920,501	570,681
-	-	-	-	-	-
1,364,753	200,150	143,503	209,978	184,547	132,978
279,647	535,736	771,186	955,300	1,151,354	347,099
1,713,892	829,742	1,049,914	1,499,884	2,256,402	1,050,758
\$ 100,148,491	\$ 105,427,482	\$ 108,731,124	\$ 116,116,303	\$ 129,529,244	\$ 128,963,384

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Net Position (Continued)

Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Change in Net Position				
Governmental activities (1), (2), (3), (4), (5)	\$ 10,064,923	\$ (1,771,808)	\$ 8,960,173	\$ 6,532,988
Business-type activities (1), (2), (5)	<u>1,026,596</u>	<u>3,870,779</u>	<u>1,703,540</u>	<u>3,244,097</u>
Total primary government	<u>\$ 11,091,519</u>	<u>\$ 2,098,971</u>	<u>\$ 10,663,713</u>	<u>\$ 9,777,085</u>

Notes:

- (1) In fiscal year 2013, pursuant to the implementation of GASB Statement No. 65, previously deferred issuance costs totaling \$2,156,946 were recognized as an adjustment to beginning net position in the current year. Of this amount, \$1,871,568 related to governmental activities and \$285,378 related to business-type activities.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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					
2015	2016	2017	2018	2019	2020
\$ 11,339,986	\$ 22,867,909	\$ 6,562,972	\$ 8,306,688	\$ 11,774,156	\$ 39,251,233
<u>3,609,133</u>	<u>4,878,755</u>	<u>6,119,318</u>	<u>5,593,838</u>	<u>7,191,307</u>	<u>3,331,556</u>
<u>\$ 14,949,119</u>	<u>\$ 27,746,664</u>	<u>\$ 12,682,290</u>	<u>\$ 13,900,526</u>	<u>\$ 18,965,463</u>	<u>\$ 42,582,789</u>

CITY OF WILMINGTON, NORTH CAROLINA

Fund Balances of Governmental Funds

Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General fund				
Nonspendable	\$ 1,655,910	\$ 1,645,226	\$ 1,669,337	\$ 1,562,635
Restricted	10,298,303	10,454,446	11,237,732	11,435,444
Committed (1)	-	-	9,613	42,970
Assigned	1,731,945	1,000,000	1,295,158	1,610,000
Unassigned	<u>17,353,940</u>	<u>23,791,938</u>	<u>29,245,251</u>	<u>31,383,688</u>
Total general fund	<u>\$ 31,040,098</u>	<u>\$ 36,891,610</u>	<u>\$ 43,457,091</u>	<u>\$ 46,034,737</u>
All other governmental funds				
Nonspendable	\$ 11,656	\$ 12,415	\$ 8,102	\$ 16,891
Restricted	66,554,476	52,939,929	49,882,087	39,854,806
Committed	12,186,092	12,167,997	12,732,992	10,659,480
Assigned	-	-	-	-
Unassigned deficit	<u>(2,568,803)</u>	<u>(2,143,278)</u>	<u>(7,526,870)</u>	<u>(3,235,662)</u>
Total all other governmental funds	<u>\$ 76,183,421</u>	<u>\$ 62,977,063</u>	<u>\$ 55,096,311</u>	<u>\$ 47,295,515</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					
2015	2016	2017	2018	2019	2020
\$ 1,538,800	\$ 1,507,848	\$ 1,491,417	\$ 1,335,687	\$ 1,236,657	\$ 1,280,350
12,008,976	12,717,909	12,895,809	13,637,741	19,729,125	19,926,185
88,073	1,066,118	1,332,296	1,430,717	1,510,695	1,350,283
2,090,966	6,744,343	8,960,200	3,215,840	4,020,000	4,376,519
<u>39,880,339</u>	<u>39,322,702</u>	<u>34,473,018</u>	<u>36,831,068</u>	<u>31,052,237</u>	<u>44,267,810</u>
<u>\$ 55,607,154</u>	<u>\$ 61,358,920</u>	<u>\$ 59,152,740</u>	<u>\$ 56,451,053</u>	<u>\$ 57,548,714</u>	<u>\$ 71,201,147</u>
\$ 13,533	\$ 11,344	\$ 63,349	\$ 77,325	\$ 5,156	\$ 4,797
40,316,562	41,923,582	51,622,940	63,116,382	43,135,094	66,937,129
19,142,750	17,542,590	20,318,880	26,972,671	42,179,716	62,116,259
-	-	-	-	-	100,000
<u>(1,451,305)</u>	<u>(686,906)</u>	<u>(721,702)</u>	<u>(2,403,053)</u>	<u>(343,687)</u>	<u>(86,422)</u>
<u>\$ 58,021,540</u>	<u>\$ 58,790,610</u>	<u>\$ 71,283,467</u>	<u>\$ 87,763,325</u>	<u>\$ 84,976,279</u>	<u>\$ 129,071,763</u>

CITY OF WILMINGTON, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes:				
Ad valorem taxes (1)	\$ 52,304,940	\$ 52,869,871	\$ 57,193,858	\$ 59,403,121
Room occupancy tax	2,274,826	2,470,357	2,582,709	2,771,391
Local option sales tax	14,409,320	16,543,702	17,384,331	19,168,840
Franchise tax	6,303,686	5,993,214	5,985,128	6,120,923
Video programming sales tax	1,470,975	1,425,834	1,404,639	1,397,010
Rental vehicle tax	190,568	209,722	233,079	224,043
Unrestricted intergovernmental	1,340,967	1,585,367	1,627,624	1,771,881
Restricted intergovernmental	16,539,325	17,215,569	17,940,589	13,062,264
Licenses and permits	2,510,282	2,534,736	2,808,334	3,092,735
Sales and services	3,409,479	4,888,935	5,358,905	5,394,557
Fines and forfeits	106,791	175,075	142,141	253,712
Investment earnings	351,602	334,754	286,621	337,943
Net decrease in fair value of investments	-	-	(384,493)	-
Donations	438,751	278,042	623,174	74,273
Miscellaneous	1,464,191	1,699,959	1,432,588	1,510,756
Total revenues	<u>103,115,703</u>	<u>108,225,137</u>	<u>114,619,227</u>	<u>114,583,449</u>
Expenditures				
General government	16,972,610	19,378,427	17,345,766	21,834,095
Public safety	38,386,732	43,736,654	41,719,713	42,382,161
Transportation	15,463,714	15,706,490	18,240,703	17,109,467
Economic and physical development	9,376,853	5,222,736	4,846,784	4,705,182
Environmental protection	500	-	-	-
Cultural and recreational	12,923,013	9,829,260	9,536,408	10,484,545
Transit system	1,427,915	1,242,136	1,296,849	1,285,000
Debt service				
Principal retirement	10,434,615	10,529,457	12,531,308	12,915,558
Interest and other charges	9,857,124	10,211,066	9,256,345	8,893,071
Total expenditures	<u>114,843,076</u>	<u>115,856,226</u>	<u>114,773,876</u>	<u>119,609,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,727,373)</u>	<u>(7,631,089)</u>	<u>(154,649)</u>	<u>(5,025,630)</u>

TABLE 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 60,530,615	\$ 65,195,129	\$ 66,565,824	\$ 72,719,264	\$ 76,893,451	\$ 77,906,517
3,080,208	3,337,377	3,824,615	3,780,078	5,061,597	3,811,622
21,216,765	22,990,436	24,371,379	24,689,205	28,923,348	30,274,789
8,174,142	8,392,055	8,251,577	8,280,297	8,730,544	8,392,030
1,442,808	1,390,363	1,408,749	1,374,281	1,323,879	1,278,838
267,219	298,745	313,471	296,213	382,984	384,757
1,782,895	1,917,812	2,036,486	2,030,182	2,745,750	2,326,113
12,852,324	9,294,002	9,599,088	6,873,658	25,634,324	19,199,391
2,962,469	739,925	691,594	666,089	778,125	840,146
6,119,686	6,310,273	6,311,529	7,317,144	7,588,543	6,769,508
206,164	208,172	170,291	183,557	134,763	109,275
237,956	306,476	462,236	1,325,685	2,723,319	1,699,918
-	-	-	-	-	-
374,911	2,850,402	321,736	57,285	173,792	425,215
2,232,889	1,897,323	1,931,162	1,829,057	2,167,679	2,327,793
<u>121,481,051</u>	<u>125,128,490</u>	<u>126,259,737</u>	<u>131,421,995</u>	<u>163,262,098</u>	<u>155,745,912</u>
19,231,860	21,022,781	23,550,837	25,031,197	47,976,747	25,108,826
46,861,709	48,728,194	50,644,028	51,920,607	61,347,469	59,838,805
15,486,218	16,259,346	18,541,367	19,894,256	17,063,854	21,368,980
6,401,630	5,821,479	7,640,212	6,058,398	7,436,076	7,074,814
30,000	-	-	-	-	-
10,390,225	9,387,653	9,958,608	10,567,078	12,257,425	17,908,795
1,678,074	1,523,022	1,379,556	1,437,257	1,460,155	1,696,925
12,183,558	9,865,621	8,710,370	10,248,620	8,623,090	9,419,671
8,348,321	9,142,250	7,079,902	7,354,834	7,549,609	7,329,924
<u>120,611,595</u>	<u>121,750,346</u>	<u>127,504,880</u>	<u>132,512,247</u>	<u>163,714,425</u>	<u>149,746,740</u>
<u>869,456</u>	<u>3,378,144</u>	<u>(1,245,143)</u>	<u>(1,090,252)</u>	<u>(452,327)</u>	<u>5,999,172</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			
	2011	2012	2013	2014
Other financing sources (uses)				
Transfers from other funds	\$ 13,781,205	\$ 13,688,174	\$ 12,440,785	\$ 23,093,276
Transfers to other funds	(13,136,626)	(14,171,174)	(13,672,844)	(26,419,412)
Issuance of bonds	-	-	-	3,050,000
Issuance of refunding bonds	8,660,000	-	-	-
Issuance of installment obligations	3,120,000	-	-	-
Issuance of refunding installment obligations	-	24,673,750	-	-
Premium on bonds	366,839	-	-	59,359
Premium on refunding bonds	130,992	-	-	-
Premium on refunding installment obligations	-	3,044,534	-	-
Premium on installment obligations	-	-	-	-
Payment to redeem installment obligations	-	-	-	-
Payment to redeem outstanding bonds	(3,206,125)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Payment to refunded installment obligation escrow agent	-	-	-	-
Payment to refund outstanding installment obligations	-	(12,976,827)	-	-
Payment to defeased other long-term obligation escrow agent	-	-	-	-
Payment to refund outstanding other long-term obligations	-	(14,022,484)	-	-
Total other financing sources (uses)	<u>9,716,285</u>	<u>235,973</u>	<u>(1,232,059)</u>	<u>(216,777)</u>
Net change in fund balances (2)	<u>\$ (2,011,088)</u>	<u>\$ (7,395,116)</u>	<u>\$ (1,386,708)</u>	<u>\$ (5,242,407)</u>
Debt service as a percentage of noncapital expenditures	20.9%	20.2%	21.7%	21.1%

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					
2015	2016	2017	2018	2019	2020
\$ 14,766,335	\$ 16,159,158	\$ 23,004,926	\$ 26,812,830	\$ 46,630,514	\$ 16,551,039
(15,524,249)	(17,178,498)	(24,141,773)	(28,102,056)	(47,844,139)	(17,291,548)
-	2,925,000	-	15,300,000	-	16,165,000
-	6,650,000	-	-	-	-
18,562,657	-	11,835,000	-	-	31,450,000
23,195,000	48,940,000	-	-	-	11,785,000
-	50,259	-	956,434	-	27,038
-	1,286,956	-	-	-	-
2,400,578	5,942,920	-	-	-	2,312,362
1,230,241	-	735,310	-	-	4,676,071
-	-	-	-	-	(14,000,000)
-	-	-	-	-	-
-	(7,831,032)	-	-	-	-
-	-	-	-	-	-
-	(54,381,288)	-	-	-	-
(25,267,632)	-	-	-	-	-
-	-	-	-	-	-
-	(605,613)	-	-	-	-
-	-	-	-	-	-
<u>19,362,930</u>	<u>1,957,862</u>	<u>11,433,463</u>	<u>14,967,208</u>	<u>(1,213,625)</u>	<u>51,674,962</u>
<u>\$ 20,232,386</u>	<u>\$ 5,336,006</u>	<u>\$ 10,188,320</u>	<u>\$ 13,876,956</u>	<u>\$ (1,665,952)</u>	<u>\$ 57,674,134</u>
19.0%	16.9%	13.7%	14.9%	11.1%	13.2%

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
2011	\$ 12,565,723,884	\$ 1,385,359,953	\$ 141,944,441	\$ 14,093,028,278	\$ 0.3700	100 %
2012	12,639,603,074	1,464,781,289	143,265,912	14,247,650,275	0.3700	100
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

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				New Hanover County Overlapping Rates	Total Direct & Overlapping Rates
	General	Debt Service	Capital Projects	Total Direct Rate		
2011	\$ 0.3700	\$ -	\$ -	\$ 0.3700	\$ 0.4655	\$ 0.8355
2012	0.3700	-	-	0.3700	0.4655	0.8355
2013	0.4000	0.0453 ⁽¹⁾	0.0047 ⁽¹⁾	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

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.

⁽¹⁾ Beginning in fiscal year 2013, City Council earmarked a portion of the property tax rate for debt service and the adopted Five Year Capital Improvement Plan.

TABLE 7

CITY OF WILMINGTON, NORTH CAROLINA

Top Ten Taxpayers

Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 261,606,881	1	1.68 %	\$ 208,791,834	1	1.48 %
Bedrock Holdings LLC	79,194,800	2	0.51	-		-
River Ventures LLC	74,933,400	3	0.48	45,889,678	4	0.33
Mayfaire Town Center LP	69,712,613	4	0.45	34,739,297	6	0.25
Duke Energy Progress	67,446,261	5	0.43	57,516,442	2	0.41
RSE Independence LLC (mall)	63,255,800	6	0.41	50,436,737	3	0.36
NNP IV Cape Fear River LLC	56,351,805	7	0.36	33,672,953	8	0.24
Live Oak Banking Company	52,357,277	8	0.34	-		-
Wilmington Independent Living LLC	40,784,500	9	0.26	-		-
Carolina Bay Properties of Wilm LLC	39,355,900	10	0.25	-		-
BellSouth Tel Co.	-		-	41,533,602	5	0.29
GS II University Centre LLC	-		-	34,689,178	7	0.25
Wal Mart	-		-	31,138,194	9	0.22
Mayfaire Spe/B LLC	-		-	30,257,828	10	0.21
	<u>\$ 804,999,237</u>		<u>5.17 %</u>	<u>\$ 568,665,743</u>		<u>4.04 %</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
2011	\$ 52,346,928	\$ 51,575,699	98.53 %	\$ 641,686	\$ 52,217,385	99.75 %
2012	52,949,958	52,020,321	98.24	779,135	52,799,456	99.72
2013	57,290,274	56,262,465	98.21	828,601	57,091,066	99.65
2014	59,345,505	58,401,236	98.41	691,099	59,092,335	99.57
2015	60,699,959	59,873,924	98.64	566,722	60,440,646	99.57
2016	65,268,084	64,538,131	98.88	433,409	64,971,540	99.55
2017	66,617,502	65,992,717	99.06	341,905	66,334,622	99.58
2018	72,487,354	71,879,009	99.16	307,986	72,186,995	99.59
2019	76,556,885	75,989,085	99.26	178,949	76,168,034	99.49
2020	77,774,831	77,013,812	99.02	-	77,013,812	99.02

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	General Obligation Bonds	Revenue Bonds	Installment Obligations	Other Long-term Obligations			
2011	37,890,000	\$ 144,412,828	\$32,079,818	-	\$ 12,625,000	\$ 7,892,172	\$ -	\$234,899,818	6.09 %	2,198
2012	33,565,000	152,918,750	15,312,750	-	12,160,000	6,971,250	-	220,927,750	5.43	2,039
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	N/A	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	N/A	1,838
2020 ⁽³⁾	48,126,128	162,739,963	10,684,658	-	21,913,312	30,389,771	-	273,853,832	N/A	2,228

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 general obligation bonds and 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 general obligation bonds matured June 1, 2015. 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.

TABLE 10

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⁾
2011	\$ 37,890,000	0.27 %	\$ 355
2012	33,565,000	0.24	310
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

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.

TABLE 11

CITY OF WILMINGTON, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
New Hanover County	\$ 443,130,130	44.65 %	\$ 197,857,603
City of Wilmington direct debt			<u>211,686,091</u> ⁽²⁾
Total direct and overlapping debt			<u>\$ 409,543,694</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.

(2) The City's direct debt includes outstanding other long-term obligations payable by interlocal agreement to New Hanover County that represent a portion of general obligation bonds issued by the County for park development on the City's behalf. To avoid duplication of these obligations on this overlapping presentation, the City's direct debt has been reduced by \$9,864,658, the amount of the City's obligation to the County at June 30, 2020, net of related premiums.

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CITY OF WILMINGTON, NORTH CAROLINA

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$1,127,442,262	\$1,139,812,022	\$ 1,020,448,849	\$ 1,053,344,449
Total net debt applicable to debt limit	<u>211,089,818</u>	<u>200,567,750</u>	<u>193,885,509</u>	<u>186,131,634</u>
Legal debt margin	<u>\$ 916,352,444</u>	<u>\$ 939,244,272</u>	<u>\$ 826,563,340</u>	<u>\$ 867,212,815</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	18.72%	17.60%	19.00%	17.67%
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)	17.28%	16.24%	17.58%	16.38%

Legal Debt Margin Calculation for Fiscal Year 2020

Total assessed valuation at June 30, 2020	<u>\$ 15,567,604,027</u>
Debt limit: 8% of total assessed value	\$ 1,245,408,322
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 45,890,000
Authorized but unissued general obligation bonds	43,000,000
Other debt (excluding revenue bonds)	<u>184,503,176</u>
Gross debt	273,393,176
Less deductions allowed by law:	
Authorized but unissued general obligation bonds	<u>43,000,000</u>
Total net debt applicable to debt limit	<u>230,393,176</u>
Legal debt margin	<u>\$ 1,015,015,146</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					
2015	2016	2017	2018	2019	2020
\$1,052,128,367	\$1,075,112,344	\$1,095,058,898	\$1,195,229,512	\$1,222,355,970	\$1,245,408,322
<u>196,111,641</u>	<u>173,712,584</u>	<u>175,309,527</u>	<u>181,546,469</u>	<u>185,743,646</u>	<u>230,393,176</u>
<u>\$ 856,016,726</u>	<u>\$ 901,399,760</u>	<u>\$ 919,749,371</u>	<u>\$1,013,683,043</u>	<u>\$1,036,612,324</u>	<u>\$1,015,015,146</u>
18.64%	16.16%	16.01%	15.19%	15.20%	18.50%
17.44%	N/A	N/A	N/A	N/A	N/A

TABLE 13

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	
2011	\$ 7,172,876	\$ 4,778,757	\$ 2,394,119	\$ 465,000	\$ 592,894	2.26
2012	7,862,372	5,708,977	2,153,395	480,000	573,131	2.04
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

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.

TABLE 14

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⁾
2011	106,882	\$ 3,859,295	\$ 36,108	37.3	12,360	9.1 %
2012	108,337	4,069,029	37,559	37.5	12,169	8.0
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	N/A	N/A	38.6	12,171	4.2
2020	122,891	N/A	N/A	39.0	12,381	7.9

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.

TABLE 15

CITY OF WILMINGTON, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (1)
New Hanover Health Network*	7,500	1	6.83 %	4,831	1	4.68 %
New Hanover County Schools**	3,575	2	3.26	3,666	2	3.55
University of North Carolina (Wilmington)*	2,409	3	2.19	1,881	4	1.82
New Hanover County**	1,813	4	1.65	1,480	6	1.43
General Electric Nuclear Fuel/Aircraft***	1,550	5	1.41	2,300	3	2.23
Pharmaceutical Products Development*	1,500	6	1.37	1,600	5	1.55
Verizon Wireless*	1,167	7	1.06	1,346	7	1.30
Wal-mart**	1,125	8	1.02	-	-	-
City of Wilmington*	1,079	9	0.98	-	-	-
Cape Fear Community College*	820	10	0.75	1,246	8	1.21
Progress Energy**	-	-	-	1,156	9	1.12
Corning, Inc*	-	-	-	1,000	10	0.97
Total	<u>22,538</u>		<u>20.53 %</u>	<u>20,506</u>		<u>19.86 %</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	146	145	146	147	160	163	170	172	176	179
Public Safety										
Police										
Sworn personnel	250	250	266	266	273	273	278	278	281	281
Civilians	56	56	58	59	63	73	76	78	78	71
Fire										
Sworn personnel	210	210	210	210	210	208	211	210	207	207
Civilians	10	10	10	10	10	11	13	13	13	15
Code enforcement	8	8	8	8	5	5	6	6	6	6
Transportation	54	54	56	57	58	58	58	59	60	60
Economic and Physical Development	9	8	8	8	8	8	8	8	8	8
Cultural and Recreational	75	74	74	74	75	88	92	93	100	102
Solid Waste	88	88	83	83	83	83	75	75	75	75
Storm Water Management	59	59	60	60	60	60	60	60	60	60
Parking Facilities	2	2	2	2	2	2	2	2	2	2
Golf Course	9	11	11	11	11	14	13	13	13	13
Total	<u>976</u>	<u>975</u>	<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>
						(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Calls dispatched	182,124	177,042	173,980	176,195	178,865	200,474	185,576	186,668	178,039	161,001
Part I crimes	6,146	6,556	6,094	6,024	5,880	5,840 (1)	4,985	4,674	4,188	4,273
Fire										
Actual fires	557	517	497	492	453	492	485	494	511	499
Fire department responses	9,750	10,574	10,548	12,386	12,545	13,310	14,025	13,482	14,047	11,540
Fire inspections completed	5,776	4,786	4,680	5,964	5,082	4,400	5,336	4,855	5,079	5,458 (3)
Streets and Sidewalks Maintenance										
Miles of streets resurfaced	2	4	8	22	11	15	11	16	9	21
Solid Waste										
Tons of residential refuse	28,834	23,808	22,475	22,120	22,661	22,955	24,265	27,030	28,999	28,859
Tons of recyclables	5,253	5,643	6,109	5,853	6,096	7,059	6,998	7,232	7,573	7,186
Storm Water										
Number of customers	29,218	29,208	29,238	29,354	29,378	31,273	36,890	37,633	37,859	38,217
ERUs	92,174	92,027	92,113	92,345	92,650	92,650	94,577	95,193	95,462	99,277 (4)
Golf Course										
Total number of regular rounds	48,514	49,866	45,460	32,605 (2)	26,126 (2)	34,678	34,642	35,849	41,406	44,874

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 realized a reduction in responses due to the elimination of certain non-essential EMS callouts beginning in fiscal year 2020.

(4) Approximately every four years aerial photography is completed which illustrates additional impervious structures thereby increasing ERUs. Additionally, two large developments, CenterPoint and Riverlights increased ERU's in fiscal year 2020.

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CITY OF WILMINGTON, NORTH CAROLINA

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year		
	2011	2012	2013
Police			
Stations / facilities	2	2	2
Patrol units	285	271	270
Fire			
Fire stations	11	11	11
Transportation			
Streets (miles)	397	398	398
Streetlights (2)	569	548	686
Cultural and Recreational			
Parks	36	36	37
Parks acreage	412	412	414
Trail miles	14	19	23
Athletic and recreation facilities	15	16	16
Athletic and recreation facilities acreage	295	323	323
Solid Waste			
Collection trucks	50	54	52
Storm Water			
Storm sewers (miles)	451	452	452
Parking			
Parking Decks	3	3	4
Fleet			
Vehicles (excluding patrol units)	269	247	226

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.

TABLE 18

Fiscal Year						
2014	2015	2016	2017	2018	2019	2020
2	2	2	2	2	2	2
283	285	271	286	290	296	299
11	11	10	10	10	9	10
399	399	400	403	404	406	412
688	690	716	740	761	763	774
39	39	39	39	39	40	40
421	421	421	421	421	421	421
23	27	27	27	27	29	32
16	16	16	16	16	16	16
323	323	323	323	323	323	323
56	46	46	46	47	47	47
509 (1)	509	526	528	529	530	557
4	4	4	4	3	3	4
242	237	215	215	226	239	238

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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***

Independent Auditor's Report

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 and the aggregate remaining fund information of City of Wilmington, North Carolina (the City), as of and for the year ended June 30, 2020, 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 January 8, 2021.

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*.

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) to determine 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

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 determination of financial statement amounts. 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*.

The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

RSM US LLP

Wilmington, North Carolina
January 8, 2021

**Report on Compliance for Each 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 Each Major Federal Program

We have audited City of Wilmington, North Carolina's (the City) compliance with the types of compliance requirements described 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 programs for the year ended June 30, 2020. The City's major federal programs are 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 \$7,971,765 in federal awards during the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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.

RSM US LLP

Wilmington, North Carolina
January 8, 2021

**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 the 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, 2020. 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 \$1,304,534 in State awards during the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state program based on our audit of the types of compliance requirements referred to above. 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; applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Government Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major State Program

In our opinion, the City 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 state program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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.

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.

RSM US LLP

Wilmington, North Carolina
January 8, 2021

City of Wilmington, North Carolina

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

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?

 X Yes

 No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Noncompliance material to financial statements noted?

 Yes

 X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 Yes

 X No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Type of auditor's report issued on compliance for
major federal programs:

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 programs:

City of Wilmington, North Carolina

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020**

I – Schedule of Findings and Questioned Costs (Continued)

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning, Research and Construction Cluster
21.019	Coronavirus Relief Fund
97.036	Public Assistance Grant

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

State Awards

Internal control over the major State 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 State program:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act?

 Yes X No

Identification of major State program:

97.036

Disaster Grants – Public Assistance (Presidentially
Declared Disasters)

City of Wilmington, North Carolina

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020**

II – Financial Statement Findings

Finding: 2020-001

Material Weakness in Internal Control – Year-End Revenue Accrual

Condition and context: The City did not properly accrue Storm Water and General Fund revenues at year-end.

Effect: Storm Water fund revenues were overstated by \$749,018 and General Fund revenues were understated by \$228,724.

Cause: Insufficient review of the year-end revenue accruals by an individual independent from the initial calculation and recording function.

Recommendation: We recommend that the City strengthen year-end accrual review controls in place to include an independent review of year end revenue accruals to prevent duplication or omission of revenues.

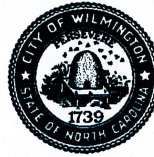
Views of Responsible Management: See management's corrective action plan.

III – Federal Award Findings and Questioned Costs

None reported.

IV – State Award Findings and Questioned Costs

None reported.



Finance Department
Accounting & Treasury Services
305 Chestnut Street, 5th Floor
PO Box 1810
Wilmington, NC 28402-1810

910 341-7822 phone
910 254-0906 fax
wilmingtonnc.gov
Dial 711 TTY/Voice

**City of Wilmington, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2020**

Finding: 2020-001

Name of contact person: Jennifer Maready, Finance Director

Corrective Action Taken: To correct the material weakness in internal control finding regarding year-end revenue accrual, the City staff have made several process changes. Working through the fiscal year-end process requires attention to be given to the dates that service was provided to determine within which fiscal year the transaction is to be recorded. Fiscal year-end 2020 was the first year-end close within the new financial billing system and it was discovered that the new system allows for two different fiscal years to be in one billing record.

The finding for the understatement of General Fund revenues is related to a billing invoice being recorded in the incorrect fiscal year. Staff has made process changes to assist with identifying billing invoice dates that include a dual approval process when billing invoices are created to check for the correct fiscal year. In addition to the approval process, a report in the new financial billing system has been created that will provide all billing invoices that have invoice dates outside of the fiscal year that it is recorded in. This report will be generated weekly during the first months of the new fiscal year. This will allow for corrections to be made if any errors are detected on the report.

The finding for the overstatement of Storm Water Fund revenues is related to a billing adjustment that was made where the billing reversal was recorded in the fiscal year following that of the incorrect invoice which resulted in the billing invoice to be recorded twice in the same fiscal year. The process change that is now in place requires a second approval to review the request for adjustment and verify all adjustments are made within the same fiscal year. In addition, a review of the adjusted customer account will be performed to verify the adjustment was made accurately.

Proposed Completion Date: This process change is effective immediately.

Sterling Cheatham
City Manager

Jennifer R. Maready
Finance Director

City of Wilmington, North Carolina

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020**

None reported in prior year.

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA 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-04-MC-370010	-	\$ 145	\$ -	\$ -	\$ -
Community Development Block Grants	14.218	B-06-MC-370010	-	978	-	-	-
Community Development Block Grants	14.218	B-08-MC-370010	-	56	-	-	-
Community Development Block Grants	14.218	B-11-MC-370010	-	3,821	-	-	-
Community Development Block Grants	14.218	B-12-MC-370010	-	31,400	-	-	-
Community Development Block Grants	14.218	B-14-MC-370010	-	46,239	-	-	-
Community Development Block Grants	14.218	B-15-MC-370010	-	58,344	-	-	-
Community Development Block Grants	14.218	B-16-MC-370010	-	7,093	-	-	-
Community Development Block Grants	14.218	B-17-MC-370010	-	220	-	-	-
Community Development Block Grants	14.218	B-18-MC-370010	-	23,710	-	23,710	-
Community Development Block Grants	14.218	B-19-MC-370010	-	943,585	-	175,000	6,200
Total Community Development Block Grants				<u>1,115,591</u>	<u>-</u>	<u>198,710</u>	<u>6,200</u>
Home Investment Partnerships Program:							
Home Investment Partnerships Program	14.239	M-15-MC-37-0207	-	111,994	-	-	-
Home Investment Partnerships Program	14.239	M-16-MC-37-0207	-	(1,769)	-	(1,769)	-
Home Investment Partnerships Program	14.239	M-17-MC-37-0207	-	106,842	-	35,155	-
Home Investment Partnerships Program	14.239	M-18-MC-37-0207	-	333,920	-	-	-
Home Investment Partnerships Program	14.239	M-19-MC-37-0207	-	521,075	-	-	366,119
Total Home Investment Partnerships Program				<u>1,072,062</u>	<u>-</u>	<u>33,386</u>	<u>366,119</u>
Total U.S. Department of Housing and Urban Development				<u>2,187,653</u>	<u>-</u>	<u>232,096</u>	<u>372,319</u>

CITY OF WILMINGTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA 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		36,000	-	-	-
Federal Transit Administration:							
Pass-through N.C. Department of Transportation:							
Metropolitan Transportation Planning:							
Transportation Planning	20.505	20-08-016	36230.27.19.6	\$ 53,582	\$ -	\$ 56,000	\$ 6,702
Transportation Planning	20.505	20-08-016	36230.27.19.6	-	6,697	-	-
Total Metropolitan Transportation Planning				53,582	6,697	56,000	6,702
Federal Highway Administration:							
Pass-through N.C. Department of Transportation:							
Highway Planning and Construction Cluster:							
Cross City Trail	20.205	U-5534 B	44096.1.3; 2.3; 3.3	1,999	-	-	-
Wrightsville/Greenville Improvement	20.205	U-5534 C	44096.1.F4; 2.F4; 3.F4	130	(40)	-	1
Park Avenue Multiuse Path	20.205	U-5534 F	44096.1.F7; 2.F7; 3.F7	523	-	-	-
Hinton Avenue Multiuse Path	20.205	U-5534 H	44096.1.F9; 2.F9; 3.F9	3,469	-	-	825
Hooker Road Multiuse Path	20.205	U-5534 G	44096.1.F8; 2.F8; 3.F8	3,232	-	-	766
5th Avenue & Wooster	20.205	U-5527 B	50077.1.F3; 2.F3; 3.F3	199,618	-	-	49,905
Gregory / Williston Streets	20.205	SR-5001CL	40924.3.88	474,666	-	-	-
Gregory / Williston Streets	20.205	SR-5001CL	40924.3.88	319,775	-	-	79,944
Shipyards Bus Pullout	20.205	U-5534 N	44096.1.15; 2.15; 3.15	283,728	-	-	58,270
Holly Tree / College Crosswalk	20.205	U-5534 Q	44096.1.F18; 2.F18; 3.F18	168	-	-	-
Signal Pre-empt Emergency Vehicle	20.205	U-5534 T	44096.1.22; 3.22	329,692	-	-	79,771
Transportation Planning	20.205	7500022251	47476.1.18	392,911	-	-	98,228
Transportation Planning	20.205	7500022251	44094.1.1	172,264	-	-	43,066
Transportation Planning	20.205	7500022251	44094.1.1	32,000	-	-	8,000
Total Highway Planning and Construction Cluster				2,214,175	(40)	-	418,776
Total U.S. Department of Transportation				2,303,757	6,657	56,000	425,478

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, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA 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 Justice</u>							
Bureau of Justice Affairs:							
Direct Programs:							
Criminal and Juvenile Justice and Mental Health Collaboration Program:							
Reentry Systems of Effective Treatment (RESET)	16.745	2016-MO-BX-0029	-	\$ 5,179	\$ -	\$ 5,179	\$ -
Criminal Division:							
Equitable Sharing Program-Federal Forfeiture	16.922	-	-	197,846	-	-	-
Total U.S. Department of Justice				203,025	-	5,179	-
<u>U.S. Department of The Treasury</u>							
Departmental Offices:							
Pass-through New Hanover County CARES Act Funding	21.019	City of Wilmington - 02-63-001		331,719	-	-	-
<u>U.S. Department of Homeland Security</u>							
Pass-through N.C. Department of Public Safety:							
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	1,201,285	400,428	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	2,264,135	754,712	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	388,306	129,435	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	699,015	233,005	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	8,353	2,784	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	104,677	34,892	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	31,373	10,458	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	2,716,364	905,455	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	378,346	126,115	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	113,172	37,724	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	264,525	88,175	-	-

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, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA 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 Homeland Security (continued)</u>							
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	\$ 26,141	\$ 8,714	\$ -	\$ -
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	131,540	43,847	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	61,826	20,609	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	158,936	52,979	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	48,124	16,041	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	21,255	7,085	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	196,455	65,485	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	128,052	42,684	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	119,322	39,774	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	30,948	10,316	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	733,208	244,403	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	9,266	3,089	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	137,424	45,808	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	18,809	6,270	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	397,835	132,612	-	-
Public Assistance Grant	97.036	FEMA-4465-DR-NC	-	132,212	44,071	-	-
Public Assistance Grant	97.036	FEMA-4465-DR-NC	-	8,814	-	-	-
Total U.S. Department of Homeland Security				10,529,718	3,506,967	-	-
Total Federal Awards				15,555,872	3,513,624	293,275	797,797

State Awards:

N.C. Department of Environment and
Natural Resources

N.C. Parks & Rec Trust Fund							
Empie Tennis Complex	-	873	-	-	53,256	-	53,256

N.C. Department of Public Safety

OPIOID Pilot Project	-	OPIOIDPRJ2017-2019	-	-	234,583	234,583	-
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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, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
State Awards (continued):							
<u>N.C. Department of Transportation</u>							
Powell Bill Funds	DOT - 4	Agmt 2000032596	32570	\$ -	\$ 2,983,733	\$ -	\$ 3,157
Municipal Agreement - Schedules C and D	-	-	3.1065SM; 3.2065SM	-	443,261	-	-
Transit Development Program	DOT - 11	20-RS-126	36225.7.10.1	-	38,211	-	38,215
Small Construction Agreement	-	Agmt 5416	44342	-	186	-	-
Small Construction Agreement	-	Agmt 4197	43819	-	1,500	-	-
Small Construction Agreement	-	-	48935	-	9,000	-	-
Total N.C. Department of Transportation				-	3,475,891	-	41,372
Total State Awards				-	3,763,730	234,583	94,628
Total Federal and State Awards				<u>\$ 15,555,872</u>	<u>\$ 7,277,354</u>	<u>\$ 527,858</u>	<u>\$ 892,425</u>

See Notes to Schedule of Expenditures
of Federal and State Awards

CITY OF WILMINGTON, NORTH CAROLINA

Notes to Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2020

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, 2020:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Community Development Block Grants	14.218	\$ 198,710
Home Investment Partnerships Program	14.239	\$ 33,386
Criminal & Juvenile Justice & Mental Health	16.745	\$ 5,179
Transportation Planning	20.505	\$ 56,000
OPIOID Pilot Project	-	\$ 234,583

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.

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