

New Castle County  
Delaware

Annual  
Comprehensive  
Financial  
Report

For The Fiscal Year Ended  
June 30, 2023



**NEW CASTLE COUNTY, DELAWARE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Matthew Meyer**  
County Executive

**Michael Smith**  
Chief Financial Officer



## **Acknowledgements**

New Castle County's Annual Comprehensive Financial Report was prepared by the Office of Finance, Accounting Division:

**Karen V. Wallace**  
Executive Assistant IV

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Senior Financial Officer

**Christine Piekarski**  
Senior Financial Officer

**Linda Reed**  
Accounting and Fiscal Officer

**Karen Gordy**  
Accountant III

*Special thanks to all fiscal and accounting personnel throughout the County for their valuable assistance in providing accurate and timely financial data needed to prepare the Annual Comprehensive Financial Report.*

**New Castle County, Delaware**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2023**  
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# Public Safety



**MATTHEW MEYER**  
COUNTY EXECUTIVE



**MICHAEL SMITH**  
CHIEF FINANCIAL OFFICER

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NEW CASTLE, DE 19720  
(302) 395-5684  
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**OFFICE OF FINANCE**

**January 31, 2024**

**To the Honorable Members of County Council  
and Citizens of New Castle County:**

New Castle County Code requires New Castle County to provide information pertaining to the financial affairs of the County. To satisfy this requirement, each year the County publishes an Annual Comprehensive Financial Report (ACFR) which includes, as required by Code, financial statements that have been examined by an independent firm of certified public accountants. This complete set of financial statements is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Pursuant to that requirement, we are pleased to issue the Annual Comprehensive Financial Report of New Castle County, Delaware ("County"), for the fiscal year that ended June 30, 2023. This report will provide the public with a clear picture of New Castle County's financial situation.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed to protect the County's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the County's comprehensive framework of 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 County's financial statements have been audited by CliftonLarsonAllen 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 County for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. CliftonLarsonAllen LLP concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. An unmodified opinion is the best opinion possible. The independent auditor's report is presented as the first component of the financial section of this report.

**HONESTY ★ TRANSPARENCY ★ EFFICIENCY**

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

### **Profile of New Castle County**

New Castle County is located in the northern portion of the State of Delaware. New Castle County is the most populous county in Delaware, encompassing 426 square miles with a population density of 1,341 citizens per square mile. The County is bordered on the east for 40 miles by the Delaware River, on the north by Pennsylvania, on the west by Maryland, and on the south by Kent County, Delaware. The City of Wilmington, the County seat, is the largest incorporated city in the State.

The County Government was established on January 3, 1967, replacing the Levy Court Commission with a Council-Executive form of government. The powers and duties of the County Government are set forth in Chapter 11, Title 9 of the Delaware Code. The County Government is composed of a legislative body (the "Council") and an administrative body headed by the County Executive (the "Administration"), which includes five operating departments and four judiciary (row) offices.

The Council, which has all legislative powers, is composed of a President who is elected at-large, and twelve members, each representing one of the County's representative districts. The County Executive, who is elected at-large and is limited to not more than two consecutive four-year terms, is responsible for the entire range of executive, administrative and fiscal duties performed by all County departments, agencies and offices. The County Executive, with the advice and consent of County Council, appoints the general managers of the departments. The County Executive also appoints a Chief Administrative Officer, who assists the County Executive in the supervision of the executive and administrative agencies of the County, and is responsible by Code for the annual Operating Budget, the six-year Capital Program and the annual Capital Budget of the County.

New Castle County provides many governmental services. State Statute or County Code mandates the majority of these services. However, there are some services that are discretionary in nature, but are highly valued by the citizens of the County. Major public services/facilities include police protection, emergency medical services, emergency dispatch, land use, parks, recreation programs, libraries, housing, crossing guards, sewer services, and code enforcement.

A basis for preparing the County's ACFR was the identification of the reporting entity. The County has no component units for which it is financially accountable or for which the nature and significance of the relationship between the County and the component unit is such that exclusion would cause the County's financial statements to be misleading or incomplete.

The annual operating budget serves as the foundation for New Castle County's financial planning and control. County Council must formally adopt the annual operating budget by June 1. Appropriations are legislated at the departmental level by object level of expenditure. The Budget Office is authorized to make certain budgetary transfers within a department, as allowed by the County Code. All other changes must be approved by County Council. The County must adopt an annual operating and capital budget.

## **Economic Condition**

**Local economy.** New Castle County is the State's primary economic center, representing a majority of the State's taxable base and population, and serves as its leading business, service and industrial center. The County is home to many industry-leading companies in the biotechnology and pharmaceutical fields. Enhancing this economic base is a service economy that consists of both traditional services as well as a significant financial services sector that has developed in response to direct State initiatives. Leading financial service companies in this field are Bank of America, JPMorgan Chase & Co., and Capital One, three major credit card issuers with offices in New Castle County.

New Castle County partnered with Discover Bank and The Grow America Fund (an affiliate of the National Development Council) to launch the Grow NCC Fund, providing eligible small businesses with loans offering longer loan terms and below market interest rates.

Our Fiscal Year 2024 Operating Budget builds on the historic success in public safety, improved public services, and government efficiencies achieved over the past five years, including:

- No increases in taxes; in fact, the Fiscal Year 2024 budget includes a five percent property tax credit on New Castle County property taxes for all residential property owners.
- Collaborated with the City of Wilmington and City of Newark to make Section 8 Housing Vouchers more portable across our jurisdictions, simplifying access to affordable rental housing for voucher holders.
- Increased investments in libraries, parks and public safety and the Community Intervention Team.
- Awarded more than \$75,000 annually in scholarships to New Castle County students pursuing college degrees.
- Created a Small Business Enterprise (SBE) program intended to help more small businesses contract successfully with the county.

The County's population has grown to an estimated 570,888 in 2023, up from 553,340 in 2014. By the year 2030, it is estimated that the County's population will grow to approximately 590,820. Much of that growth is projected to be located in the southern portion of the County, in the fast-growing Middletown and Townsend areas.

### **Revenues and expenditures.**

New Castle County's total expenditures in the Governmental funds have increased over the past 10 years to \$308.7 million in fiscal year 2023 from \$226 million in fiscal year 2014. Expenditures reached a high of \$507.6 million in fiscal year 2021 and a low of \$226 million in fiscal year 2014. Total governmental expenditures decreased \$9.4 million from fiscal year 2022 to fiscal year 2023.

Public safety operating costs have shown the largest dollar increase, \$35.2 million, growing to \$126.8 million in 2023 from \$91.6 million in 2014. Capital outlays were \$31.7 million in fiscal year 2023 versus \$15.9 million in fiscal year 2014. This \$15.8 million increase represents the second largest expenditure increase over the past 10 years.

Taxes, including property, real estate transfer and hotel tax, represent 65.3 percent of fiscal year 2023 Governmental funds revenue. Tax revenues have increased \$51.6 million since fiscal year 2014. Intergovernmental revenue represents 18.7 percent of fiscal year 2023 Governmental funds revenue. Intergovernmental revenue has increased \$20.6 million since fiscal year 2014.

**Long-term financial planning.** New Castle County has a long history of being fiscally responsible. Concentrated efforts have been made to maintain the AAA ratings for the County's general obligation bonds. In September 2021, all three major rating agencies reaffirmed the County's triple-A credit rating. Attaining the top rating from all three agencies reflects the County's strong financial management and planning capabilities and the quality of its elected and administrative leadership. These ratings allow the County to borrow money at the most competitive interest rates, which maximize the County's ability to invest in critical infrastructure at the lowest cost to improve County services. The County will continue to seek ways to maintain these ratings to provide the finest quality services at the lowest cost.

It has been shown time and again that New Castle County has very strong financial management and prudent budgeting practices, which have enabled the County to maintain ample reserves, even during an economic and housing market crisis. The level of these reserves is one measure of the County's financial strength. County Council has legislated a Budget Reserve Account or "rainy day fund" in the General fund. The General fund reserve of \$44,592,418 was created to give added protection against a turbulent economy or any unfunded legislated mandates. Additionally, County Council has legislated the Tax Stabilization Reserve Account, \$74,171,478 which may be appropriated as needed to balance the annual operating budget or cover budgeted capital costs that otherwise would require the issuance of bonds or an increase in the tax rate. The Transfer Tax Proceeds Reserve Account, \$41,724,670, was legislated such that proceeds from the real estate transfer tax received in any fiscal year in excess of those certified shall be designated as cash in lieu of capital bond authorizations that would ordinarily be used to support construction of capital facilities, or land acquisition, economic development programs, or to defease or otherwise reduce the County's indebtedness.

Listed below are the core budgeting priorities that guide us in managing the County finances in a responsible manner:

- Live within our means, reducing spending to levels consistent with revenue.
- Reduce debt spending.
- Govern honestly, transparently and efficiently.
- Collaborate within county government and with other levels of government to improve public services.
- Invest aggressively in our future.

The Fiscal Year 2024 Capital Budget of \$75.6 million supports construction of a new community library in Newark (\$19.2 million), as well as repairing and improving our aging sewer system (\$18.2 million), park improvements (\$16.9 million), and facility/equipment investments (\$14.5 million). The Fiscal Year 2024 Capital Budget supports a variety of maintenance needs, safety programs and service improvements, highlights include:

- Construction of a new community library in Newark

- Replacement of cardiac monitors, public safety vests and equipment
- Implementation of a new Land Use Information System
- On-going commitment to acquire and preserve properties to protect natural resources
- County-wide Park Enhancements including drainage improvements and major park rehabilitation consistent with Park Townhall feedback.

**Relevant financial policies.** New Castle County's continued commitment to balanced budgets, smart growth, sound infrastructure and prudent financial planning is intrinsic to providing a high quality of life for County residents. Many of the County's financial policies are designed to ensure that debt levels do not rise to an amount that would have an unfavorable impact on the County's finances. The total bonded debt limit for the General Fund is set at 3 percent of the total assessed taxable property value. As of June 30, 2023, the total General Fund bonded debt was 27.75 percent of the total debt limit.

**Major initiatives.** Our Fiscal Year 2024 Operating Budget funds the County's effort to provide for a safe, attractive, well-balanced community through quality services and programs. It provides funding for public safety, environmentally sound wastewater operations, quality development standards, effective code enforcement, recreational and cultural programs, partnerships with community groups and well-maintained public facilities including libraries and recreation centers. Our Fiscal Year 2024 Capital Budget supports security and building upgrades for various County facilities, purchase of fleet equipment, parkland improvements, playground equipment, sewer facilities, library construction, upgrades for public safety, and technology upgrades and enhancements.

Additional initiatives include:

- Awarded a competitive grant from the US Department of Transportation for \$23 million to construct the Newport River Trail, connecting Newport to the heavily used Jack A. Markell Trail. This segment will also be a part of the 16-mile Wilmington Loop project and be part of the connection between Wilmington and Newark.
- Continued to monitor the County's wastewater with strategic partnership that began with BioBot and now with University of Delaware's Center for Environmental and Wastewater-based Epidemiological Research (CEWER) program.
- Department of Public Safety successfully staffed grant-funded positions in the Behavioral Health Unit (BHU). The fully staffed unit has been able to expand services provided while having a significant impact combating addiction and mental illness.
- Continued the success of the Targeted Analytical Policing System (TAPS), which has resulted in the continued reduction in crime and improved public satisfaction regarding quality-of-life complaints. The Division continues to see reductions in many of the crime categories. •
- Broke ground on an Emergency Vehicle Operations Course, intended for use by all public safety agencies in the state, to increase training opportunities for all police officers, paramedics, and fire company personnel.

The County continues to review and update capital projects and procedures. The review is an evaluation of all projects in the Capital Program, including operating budget impacts of new capital projects and integration of the County's comprehensive development planning process and infrastructure investments.

### **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 New Castle County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the County publishes an easily readable and efficiently organized Annual Comprehensive Financial Report, which conforms to program standards. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid only for a one-year period. New Castle County has received a Certificate of Achievement for the last 42 consecutive years (fiscal years ended 1981-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its 2023 budget document. To qualify for the Distinguished Budget Presentation Award, GFOA judged the County's budget document to be proficient in certain program criteria as an operations guide, as a financial plan, and as a communications medium. This was the 33<sup>rd</sup> consecutive year that the County received this award for its budget document.

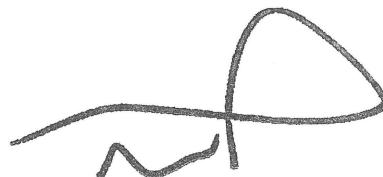
The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of our Office of Finance staff. Each member who shared in the preparation of this report has our sincere appreciation. Appreciation is also expressed to all additional individuals who assisted in this effort.

In closing, we also would like to express our gratitude to the County Council for its continued support and interest in the financial affairs of our County and to the staff of every office of County government, for working diligently each day in the taxpayers' interest.

**Respectfully submitted,**



**Matthew Meyer**  
**County Executive**



**Michael Smith**  
**Chief Financial Officer**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**New Castle County  
Delaware**

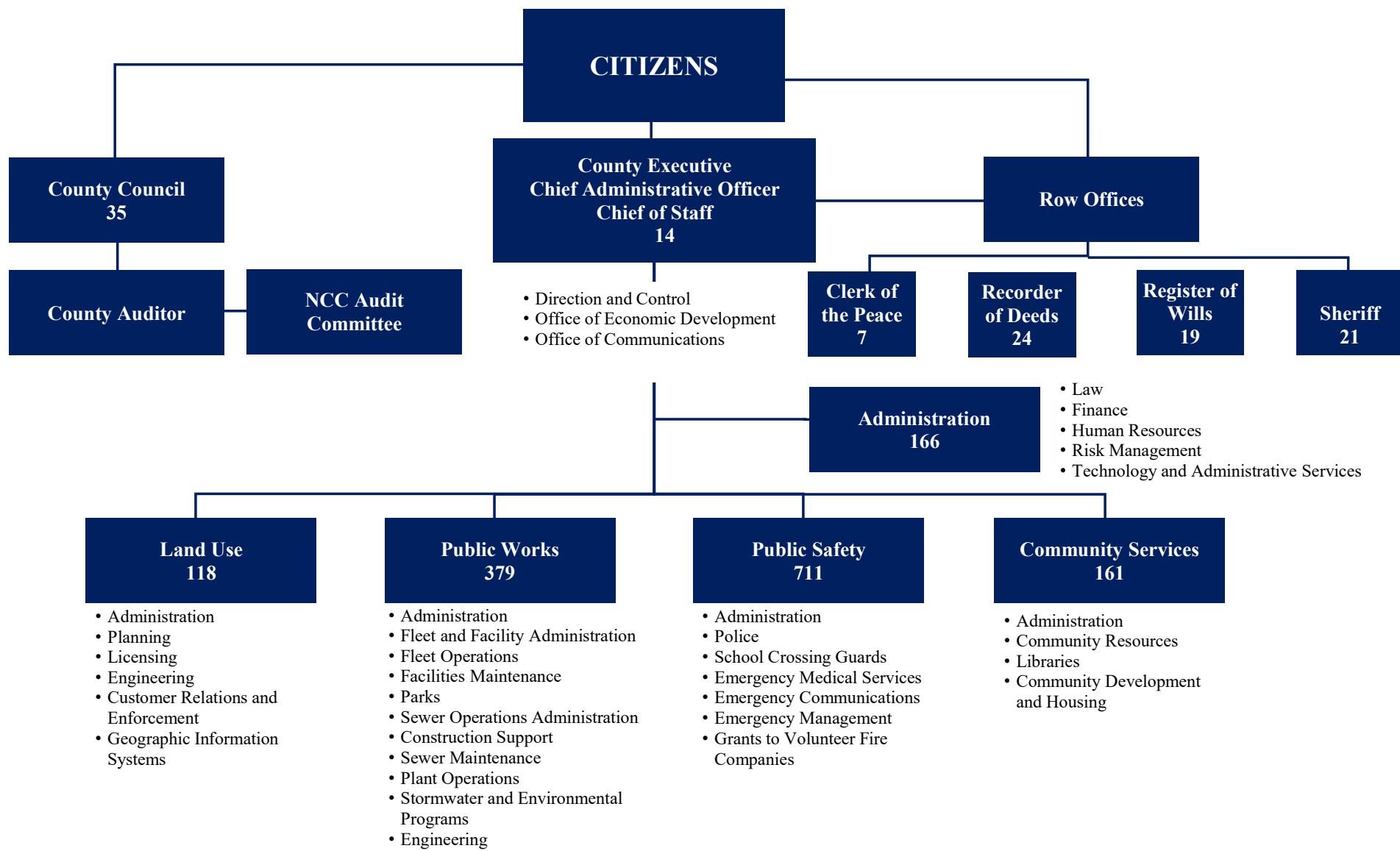
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Monell*

Executive Director/CEO

# FY2023 ORGANIZATION CHART



**NEW CASTLE COUNTY, DELAWARE  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2023**

**EXECUTIVE**

County Executive ..... Matthew Meyer

**COUNTY COUNCIL**

President of Council .....	Karen Hartley-Nagle
First District .....	Brandon Toole
Second District .....	Dee Durham
Third District .....	Janet Kilpatrick
Fourth District .....	Penrose Hollins
Fifth District .....	Valerie George
Sixth District .....	David Carter
Seventh District .....	George Smiley
Eighth District .....	John J. Cartier
Ninth District .....	Timothy P. Sheldon
Tenth District .....	Jea P. Street
Eleventh District .....	David L. Tackett
Twelfth District .....	J. William Bell

**ADMINISTRATIVE**

Chief Administrative Officer .....	Vanessa Phillips
Chief Financial Officer .....	Michael Smith
Chief Human Resources Officer .....	Jacqueline Jenkins
Chief of Technology and Administrative Services .....	Michael Hojnwicki
Community Services General Manager .....	Carrie Casey
County Attorney .....	Wilson Davis
Land Use General Manager .....	Richard Hall
Public Works General Manager .....	Tracy Surles

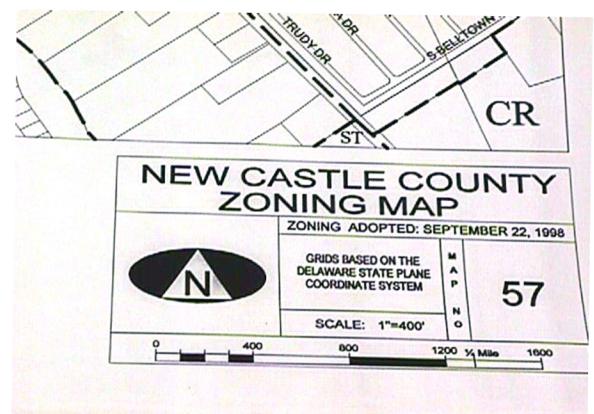
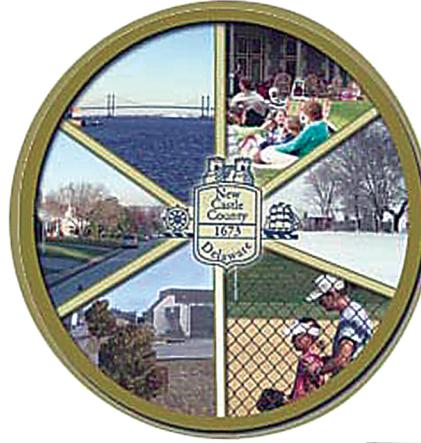
**ROW OFFICES**

Clerk of the Peace .....	Lisa Darrah
Recorder of Deeds .....	Michael E. Kozikowski, Sr.
Register of Wills .....	Ciro Poppiti, III
Sheriff .....	Scott T. Phillips



Report of  
Independent Public  
Accountants

# LAND USE





## INDEPENDENT AUDITORS' REPORT

Members of County Council  
New Castle County, Delaware  
New Castle, Delaware

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Castle County, Delaware (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, 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.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County adopted new accounting guidance for SBITAs, *Subscription Based Information Technology Agreements*. The guidance requires entities to recognize a right-to-use subscription asset and corresponding subscription liability. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the changes in the County's net pension liability and related ratios and schedule of county contributions for the New Castle County, Delaware Employees' Pension Program, and the schedule of the County's proportionate share of the net pension liability/ (asset) and schedule of County contributions for the Delaware Municipal Police/Firefighter Pension Plan, the schedule of the changes in the County's net other postemployment benefits pension liability and related ratios, the schedule of county contributions for the other postemployment benefits and the Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying combining and individual fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, on our consideration of the County's internal control over financial reporting and on our tests of

Members of County Council  
New Castle County, Delaware

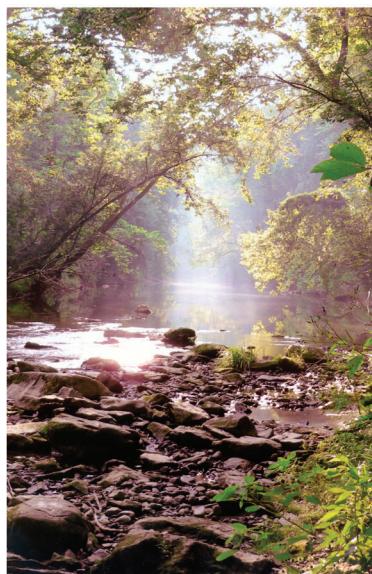
its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 31, 2024

# Management's Discussion and Analysis



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

The following discussion and analysis of New Castle County's financial statements provides an overview of the financial activities of New Castle County for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter, located at the front of this report, the basic financial statements, and the accompanying notes to those statements which follow this section.

### **Financial Highlights for Fiscal Year 2023**

- The net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of the County for fiscal year 2023 totaled \$301.2 million. Of this amount, \$160.9 million represents governmental activities net position, and \$140.3 million represents business-type net position.
- The current year change in net position for governmental activities was an increase of \$5.7 million and for the business-type activities a decrease of \$1.5 million.
- The General fund reported an ending fund balance of \$186.4 million, which represents an increase of \$1.5 million from fiscal year 2022. The Sewer Facilities fund net position reported an ending balance of \$138.0 million, a decrease of \$1.5 million of total net position from fiscal year 2022.
- The County's total outstanding bonded debt as of June 30, 2023, was \$556.1 million.

### **Overview of the Annual Comprehensive Financial Report**

The County's financial statements are composed of this Management's Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the County's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains required supplementary information for the County's pension and other postemployment benefit plans. This report also includes other supplementary information as listed in the table of contents, along with the statistical tables.

### **Government-wide Financial Statements**

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: 1) Statement of Net Position and 2) Statement of Activities. The fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Position presents the County's total assets/deferred outflows of resources, and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a gauge as to whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing the change in the County's net position during the current fiscal year. All revenues and expenses are reported in this statement as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The focus of this statement is the net cost of providing various activities to the citizens of the County.

Both of these government-wide financial statements have separate sections for the two different types of activities. These two types of activities are:

**Governmental activities** – The activities reflected in this section are general government, public safety, public works, community services, land use, and judiciary offices. These activities are supported mostly by taxes, charges for services, and operating grants and contributions.

**Business-type activities** – These activities include a sewer facilities system and an airport. These activities are intended to recover their cost of operation, including depreciation, primarily through user charges.

The government-wide financial statements can be found immediately following this discussion and analysis.

### **Fund Financial Statements**

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent, and how spending activities are controlled. The County divides its funds into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** – Most of the basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has ten individual governmental funds: General, Grants, Light Tax, Crossing Guard, Garstin Trust, Housing Trust, and four Capital Projects funds. Of these, the General and Grants funds are reported as major funds and are presented in separate columns on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balance. The Light Tax, Crossing Guard, Garstin Trust, Housing Trust, Facilities and Equipment, Park Development, Public Safety, and Miscellaneous Capital Improvement funds are combined into a single, aggregated column on these statements. Individual fund data for these eight nonmajor funds can be found on the combining statements.

**Proprietary funds** – These funds are used to show activities that operate in a manner similar to private business enterprises. Because these funds charge fees for services provided, they are known as enterprise funds. Like the government-wide financial statements, proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting.

Proprietary fund statements provide the same type of information as the government-wide financial statements for business-type activities, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Facilities fund and the New Castle County Airport fund. Of these two funds, only the Sewer Facilities fund is considered a major fund for the County.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside of New Castle County. The fiduciary funds are not reflected in the government-wide financial statements, because the assets of these funds are not available to support the activities of the County. The economic resources measurement focus, and accrual basis of accounting are used for fiduciary funds, the same that are used for the proprietary funds.

The County has two fiduciary funds, the Pension Trust fund, and the Other Post-Employment Benefits Trust fund (OPEB). These funds are used to account for the activities of the defined benefit pension plan and the defined benefit OPEB plan for County employees. The fiduciary activities are reported in a separate statement of fiduciary net position and in a statement of changes in fiduciary net position. Individual fund data for these two funds can be found in the combining statements.

The fund financial statements can be found immediately following the government-wide financial statements.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the fund financial statements.

#### Other Supplementary Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information, combining statements for the nonmajor funds, schedules of budget to actual comparisons, and the statistical tables.

#### Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of New Castle County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$301.2 million for fiscal year 2023, an increase of \$4.2 million from fiscal year 2022.

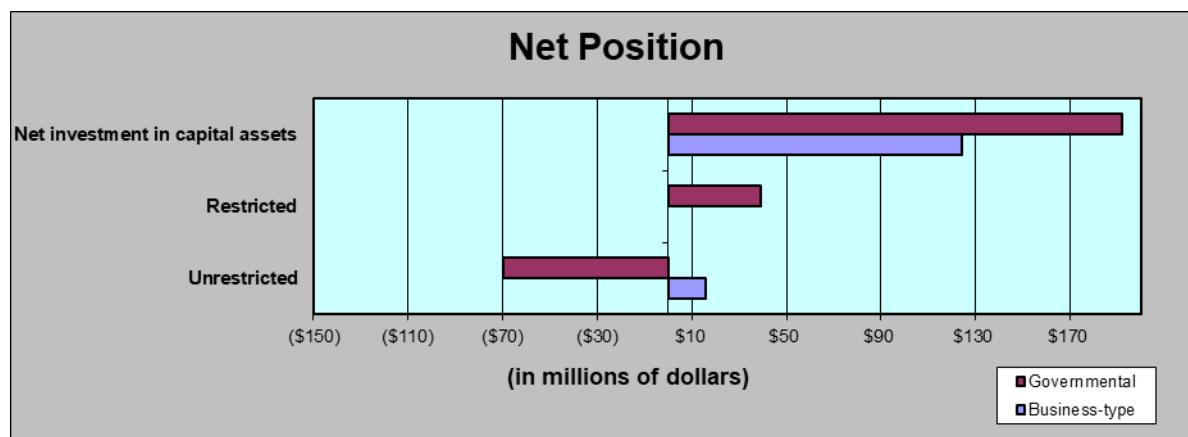
The following table reflects the condensed comparative Statement of Net Position:

**New Castle County's Net Position**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current assets	\$ 409,520	\$ 370,025	\$ 77,065	\$ 90,541	\$ 486,585	\$ 460,566
Other non-current assets	3,230	43,901	-	-	3,230	43,901
Capital assets	365,758	353,578	502,369	501,117	868,127	854,695
Total assets	<b>778,508</b>	767,504	<b>579,434</b>	591,658	<b>1,357,942</b>	1,359,162
<b>Deferred Outflows:</b>						
	<b>84,450</b>	84,068	<b>10,360</b>	10,613	<b>94,810</b>	94,681
<b>Liabilities:</b>						
Long-term liabilities	<b>515,742</b>	509,184	<b>438,288</b>	448,341	<b>954,030</b>	957,525

Other liabilities	<b>161,384</b>	119,156	<b>8,866</b>	8,930	<b>170,250</b>	128,086
Total liabilities	<b>677,126</b>	628,340	<b>447,154</b>	457,271	<b>1,124,280</b>	1,085,611
<b>Deferred Inflows:</b>	<b>24,906</b>	68,020	<b>2,379</b>	3,236	<b>27,285</b>	71,256
<b>Net position:</b>						
Net investment in capital assets	<b>192,425</b>	175,526	<b>123,898</b>	121,485	<b>316,323</b>	297,011
Restricted	<b>38,905</b>	36,965	-	-	<b>38,905</b>	36,965
Unrestricted	<b>(70,404)</b>	(57,279)	<b>16,363</b>	20,279	<b>(54,041)</b>	(37,000)
<b>Total net position</b>	<b>\$ 160,926</b>	\$ 155,212	<b>\$ 140,261</b>	\$ 141,764	<b>\$ 301,187</b>	\$ 296,976

Other liabilities increased \$42.2 million in Fiscal Year 2023 mainly from unearned revenue due to receipt of funding in FY23 from the Department of Treasury for the ARPA grant; offset by the spend down of the CARES Act grant.



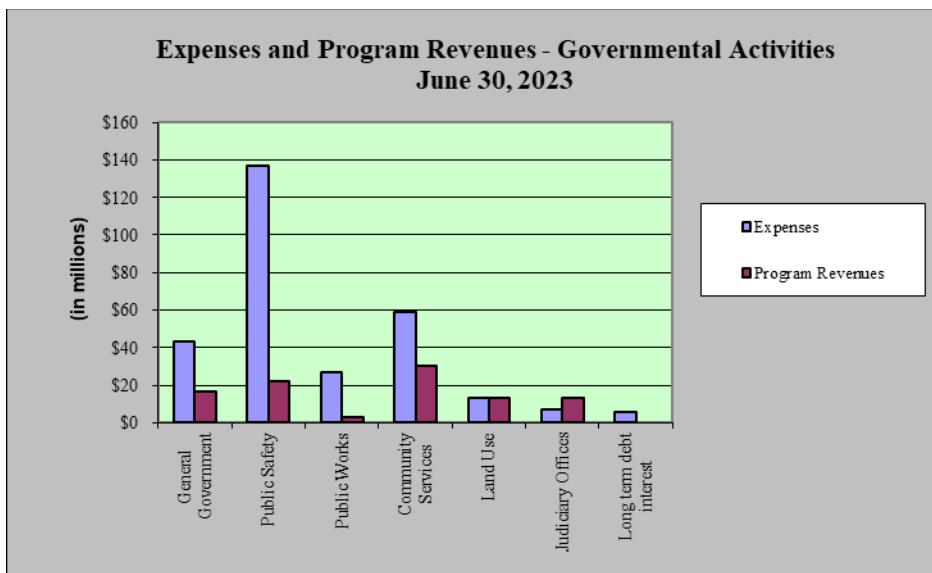
The largest portion of the County's net position totaling \$316.3 million, reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This portion of net position increased by \$19.3 million from the prior year, primarily because of the net addition of capital assets of \$13.4 million, the decrease in related bond debt of \$28.4 million, the net decrease in loans payable of \$0.5 million, the net increase in leases payable of (\$2.2 million), the net decrease in unspent bond proceeds of (\$21.3 million), the decrease of retainage payable and vouchers payable of \$0.5 million.

The second portion of net position, restricted net position of \$38.9 million, reported in the governmental activities, represents restricted balances for capital projects and special revenue funds.

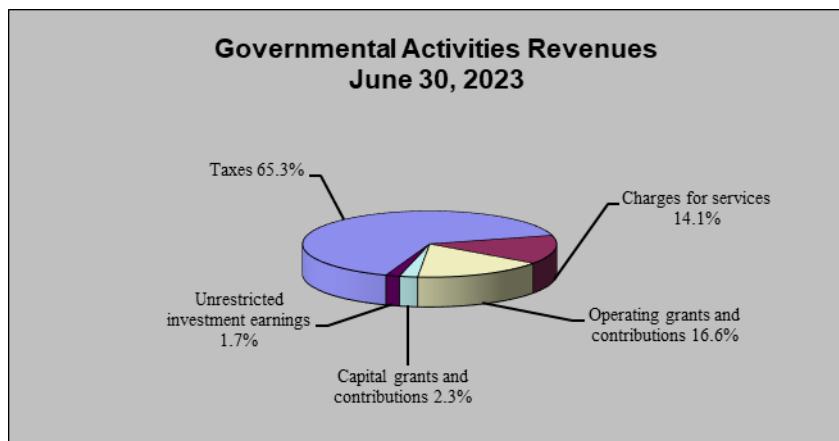
The remaining portion of net position, unrestricted net position, is a deficit balance of (\$54.0 million). The governmental activities reflect a deficit balance of (\$70.4 million), while the business-type activities have a balance of \$16.4 million. Unrestricted net position decreased (\$13.1 million) in governmental activities from the prior year's unrestricted net position. The decrease is mainly attributable to unrestricted revenues exceeding expenses by \$3.8 million which is explained in detail in the following section on governmental activity, the net effect of the increase in net investment in capital assets (\$16.9 million), described above. In business-type activities, unrestricted net position decreased (\$3.9 million) from the prior year's unrestricted net position. The decrease is mainly driven by the net effect of the sewer fund portion of the increase in net investment in capital assets (\$2.4 million), described above, and expenses exceeding revenue (\$1.5 million). This decrease is explained in detail in the following section on business-type activities.

**New Castle County, Delaware**  
**Changes in Net Position**  
 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 41,962	\$ 45,308	\$ 86,653	\$ 88,187	\$128,615	\$133,495
Operating grants and contributions	49,439	78,091	1,207	1,912	50,646	80,003
Capital grants and contributions	6,882	10,890	451	-	7,333	10,890
<b>General revenues:</b>						
Real estate taxes	148,489	146,474	-	-	148,489	146,474
Transfer tax	43,892	63,468	-	-	43,892	63,468
Hotel tax	2,074	2,168	-	-	2,074	2,168
Investment earnings	5,167	(6,942)	1,600	(1,889)	6,767	(8,831)
Total revenues	297,905	339,457	89,911	88,210	387,816	427,667
<b>Expenses:</b>						
General government	42,624	70,407	-	-	42,624	70,407
Public safety	136,994	109,890	-	-	136,994	109,890
Public works	27,145	29,829	-	-	27,145	29,829
Community services	59,254	52,701	-	-	59,254	52,701
Land use	13,232	13,302	-	-	13,232	13,302
Judiciary offices	7,075	6,632	-	-	7,075	6,632
Interest on long-term debt	5,867	5,012	-	-	5,867	5,012
Sewer	-	-	91,414	96,660	91,414	96,660
Airport	-	-	-	-	-	-
Total expenses	292,191	287,773	91,414	96,660	383,605	384,433
Increase (decrease) in net position	5,714	51,684	(1,503)	(8,450)	4,211	43,234
Net position – beginning	155,212	103,528	141,764	150,214	296,976	253,742
<b>Net position – ending</b>	<b>\$ 160,926</b>	<b>\$ 155,212</b>	<b>\$ 140,261</b>	<b>\$ 141,764</b>	<b>\$ 301,187</b>	<b>\$ 296,976</b>



**Governmental activities.** Governmental activities increased the County's net position by \$5.7 million. Governmental activities are represented by the following funds: General, Grants, Light Tax, Crossing Guard, Garstin Trust, Housing Trust, and Capital Projects. For the fiscal year ended June 30, 2023, revenues from governmental activities totaled \$297.9 million.



Tax revenues totaling \$194.5 million, comprised of property, real estate transfer taxes and a hotel tax, represent 65.3 percent of revenue. Tax revenue decreased by \$17.6 million from fiscal year 2022. Collection of the current tax levy remains strong at 99.2 percent, with a 10-year average of 99.1 percent. Property tax revenue increased \$1.7 million, due to an increase in the taxable assessed base, resulting in increased amounts billed. Real estate transfer taxes yielded \$43.9 million, a decrease of \$19.6 million, or 30.8 percent below fiscal year 2022 due to a less active real estate market. Crossing Guard and Light taxes were a combined \$0.4 million higher than the prior year. The gross receipts tax on lodgings/hotels decreased taxes by \$0.1 million from fiscal year 2022.

Charges for services, which account for \$42.0 million, or 14.1 percent of the governmental activities revenue, decreased \$3.3 million from fiscal year 2022. This program revenue is derived from judiciary fees, \$12.8 million, primarily from real estate recording fees, Sheriff fees from foreclosed properties, and Register of Wills settlements; Land Use permits, fines and fees, \$13.2

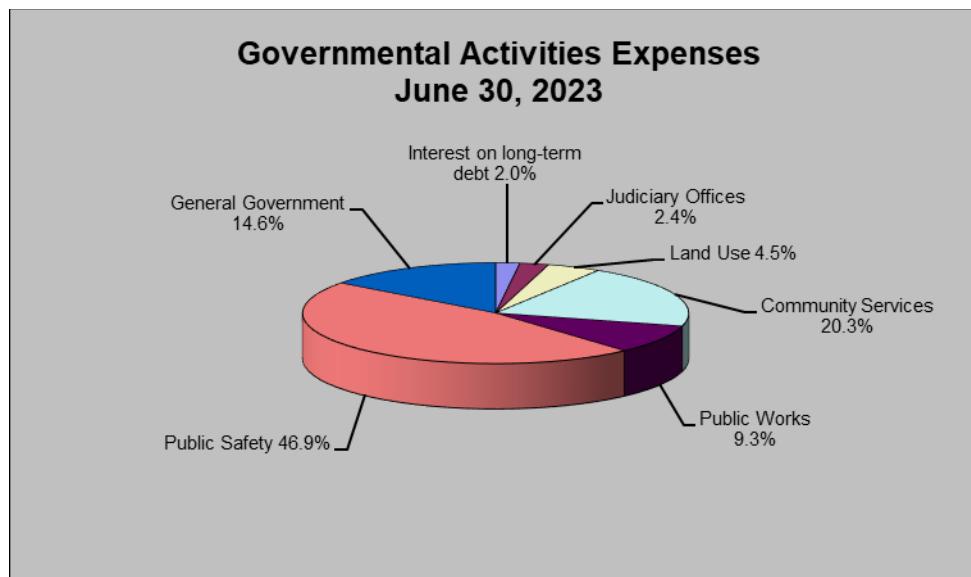
million, received primarily from building permits; Community Services revenues, \$4.4 million for grant related project income, recreation, and library activities; Public Safety-related services, \$3.2 million primarily from traffic fines, police contract duty services, and 911 reporting system fees; general government, \$7.0 million; and Public Works, \$1.4 million primarily for rentals of buildings and park pavilions and for golf course fees.

Operating grants and contributions totaling \$49.4 million were derived primarily from the U.S. Department of Housing and Urban Development \$22.7 million, and an additional \$0.3 million from other housing authorities. These grants are used to aid low-income families in obtaining decent, safe, sanitary, and affordable rental housing, while also developing and expanding the supply of affordable housing and the U.S. Department of Treasury, \$9.3 million, from the CARES Act and ARPA-CSLRF to combat the coronavirus and its negative economic impact. Revenues in the amount of \$9.5 million were received from the State of Delaware for the paramedic reimbursement program and the State pension contribution allocation on behalf of County police. State grants of \$2.3 million were received for State aid to our libraries, and a combined total of \$3.2 million was received from various Federal and State Departments to fund public safety programs that keep our citizens, police officers and streets safe. Interest income related to the Garstin Trust totaled \$0.3 million. Various other operating grants amounted to \$1.8 million to fund other programs.

Capital grants and contributions, which account for \$6.9 million, were primarily received from the; State of Delaware – Department of Safety and Homeland Security, \$5.0 million, to be used for the construction and equipment purchase for a new police shooting range and emergency vehicle operations course; State of Delaware – Office of Management and Budget, \$0.9 million, to be used for the funding of various park improvements through the Community Redevelopment and Reinvestment project initiative; State of Delaware - DNREC \$0.4 million, which was used for construction on the Greenway systems, Jester Walking Path and other general parkland improvements; State of Delaware – Department of Transportation \$0.2 million, for the constructions of the Southern Regional Park and Appoquinimink Library; and \$0.4 million from budget transfers and donations for various administrative technology initiatives and purchase of public safety equipment.

Unrestricted investment income of \$5.2 million was earned by the governmental activities and is comprised of investment earnings, \$8.9 million, and an unrealized loss on investments \$3.7 million. This amount was \$12.1 million higher than what was earned in fiscal year 2022. An increase in investment performance was seen in FY 2023 due to the impact of the Fed's aggressive monetary policy to combat inflation which had a particularly positive impact for earnings on cash, cash equivalent, and short-term security holdings, coupled with portfolio manager security/sector selections and conservative risk management approaches relative to benchmarks, given market volatility and economic forecast uncertainties.

For fiscal year ended June 30, 2023, expenses for governmental activities totaled \$292.2 million. This represents a total increase of \$4.4 million, or 1.5 percent, from fiscal year 2022. Major functions represented by governmental activities include general government, public safety, public works, community services, land use, judiciary, and interest on debt.



General Government represents \$42.6 million, or 14.6 percent of the charges. This area supports services for the general administrative operations of the County. These costs decreased \$27.8 million from the prior fiscal year. This was mainly due to the continued spend down of the CARES Act grant in the prior year, offset by additional funding from the American Rescue Plan Act grant (ARPA) in FY 23. These grant-related expenses contribute to the net decrease of \$26.1 million in FY 23. This decrease is offset by a \$1.7 million increase in Pension expense, a \$2.1 million increase in costs associated with the Countywide Reassessment project, a \$0.3 million increase in light tax fund expenses, and the net effect of capital assets, \$5.0 million.

Public Safety accounted for \$137.0 million, or 46.9 percent of these expenses, which were used to support police services, emergency medical services, emergency communications, crossing guards, and grants to volunteer fire companies. Public Safety expenses increased \$27.1 million over fiscal year 2022, primarily due to an increase of \$11.6 million in salaries and wages, \$5.8 million in employee benefits, these expenses increased due to most of the department's salary and benefits expenses being charged to the CARES Act grant in the prior year, so those expenses were reflected under general government; an increase of \$0.5 million in equipment costs; an increase of \$0.4 million in fixed charges; an increase of \$0.2 million in contractual services; an increase for pension expense, \$16.3 million, offset by a \$7.7 million decrease in grant-related expenses year-over-year, mainly due to a FEMA funded grant in the prior year which covered additional COVID-related expenses.

Community Services represents \$59.3 million, or 20.3 percent of these charges, primarily for libraries and recreation programs. This area also covers grant programs aimed at helping low-income families obtain affordable rental housing. Costs for Community Services increased \$6.6 million from 2022 mainly due to an increase in Pension expense of \$1.4 million; increase in the net effect of capital assets, \$10.7 million; increase in salaries of \$2.4 million due to cost-of-living adjustments; increase in fixed charges of \$0.8 million, primarily due to first time expenses from the Housing Trust fund; offset by decreases in contractual services of \$7.3 million and in equipment of \$0.8 million due primarily to costs associated with the construction of the Appoquinimink library paid in FY22, along with a decrease of \$0.6 million in materials and supplies for grants.

Public Works, which accounts for \$27.1 million, or 9.3 percent of these expenses, was used to support services for the operation of County parks, facilities, and vehicular fleet. These costs

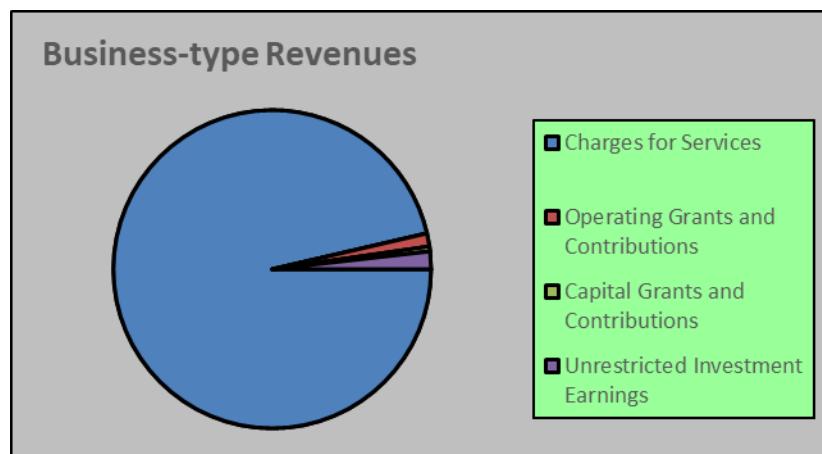
decreased by \$2.7 million from fiscal year 2022. The change was attributable to decreases due to the net effect of capital assets, \$8.8 million, in landfill liability of \$0.3 million, in fixed charges of \$1.0 million and general administrative credits of \$1.0 million; offset by increases of \$1.0 million in pension expenses, \$0.8 million in salaries and benefits due to cost-of-living adjustments, \$0.8 million in contractual services associated with park development projects, \$2.0 million in land and structure expenses, primarily associated with the development of the Southern Regional Park, and \$3.7 million for vehicle/fleet equipment.

Land Use represents \$13.2 million, or 4.5 percent of these costs, and was responsible for short and long-range comprehensive land use planning. The costs decreased \$0.1 million from fiscal year 2022. The decrease is mainly attributable to decreases in salary costs of \$0.5 million, employee benefits costs of \$0.2 million, due to attrition savings, as well as a decrease in equipment costs of \$0.1 million, offset by an increase in pension expense of \$0.7 million.

Judiciary offices, which account for \$7.1 million, or 2.4 percent of the expenses, are composed of the four “row offices.” The Register of Wills performs responsibilities relating to wills; the Recorder of Deeds serves as depository for real estate transaction records; the Sheriff provides services to the State of Delaware Superior Court, Supreme Court, Court of Common Pleas, and Family Court; and the Clerk of the Peace issues marriage licenses. These costs show an increase of \$0.4 million from the previous fiscal year due to a \$0.4 million increase in pension expense.

Interest on long-term debt represents \$5.9 million, or 2.0 percent of the expenses, and is used to pay interest on the outstanding general obligation bonds related to governmental activities. These costs reflect an increase of \$0.9 million based on the structure of the payment schedule for debt service on outstanding general obligation bonds and the amortization of the deferred effect of bond refunding.

**Business-type activities.** Business-type activities decreased the County's net position by \$1.5 million. Key elements for revenues and expenditures are as follows:



Charges for Services totaling \$86.7 million are comprised of revenue that is primarily earned through sewer service charges to our customers. Residential customers generated approximately 49% percent of this revenue, with the balance being received from industrial, commercial, and other non-residential user classes. The Charges for Services was \$1.5 million lower than what was earned in fiscal year 2022. The decrease is primarily due to lower billed amounts in residential sewer service charges (\$0.6 million), industrial sewer service charges billed but not

collected in FY23 (\$0.7 million) and lower capital recovery fees collected (\$0.5 million) due to the real estate slowdown/higher interest rates in FY23, offset by an increase of \$0.3 million in delinquent Equivalent Dwelling Unit or 'EDU') charges, a new, fixed charge implemented in FY22 on residential and commercial parcels, used to help defray capital costs of the County's investment in its system-wide wastewater infrastructure.

Operating Grants and Contributions totaling \$1.2 million, comprised primarily of a combination of the Recovery Zone Economic Development Bond interest reimbursement of \$0.9 million and combination of miscellaneous revenue and gain on sale of capital assets of \$0.3 million. Capital Grants and Contributions totaling \$0.5 million, comprised of \$0.3 million from the State of DE Dept of Homeland Security for the Market Street Sewer Rehabilitation project and \$0.2 million from the State of DE Dept of Transportation for stormwater and Countywide drainage projects.

Investment income of \$1.6 million was earned by the business-type activities, comprised of investment earnings equaling \$2.4 million, and an unrealized loss on investments of (\$0.8 million). This amount was \$3.5 million higher than what was earned in fiscal year 2022. The increase in investment performance was primarily due to the impact of the Fed's monetary policy on rates to combat inflation, particularly on earnings for cash, cash equivalent, ultra short term duration and adjustable/floating rate security holdings, coupled with portfolio manager security/sector selections and conservative risk management approaches relative to benchmarks, given market volatility (supply/demand forces) and economic forecast uncertainties.

Expenses, which total \$91.4 million, decreased \$5.2 million from the previous year. Decreases in communications and utilities of \$7.6 million, contractual services of \$1.8 million and interest of \$0.4 million were offset by increases in salaries, wages and benefits of \$1.5 million, pension expense of \$1.2 million, and equipment and administrative/fixed charges of \$1.9 million. The decrease in communications and utilities expenses was due primarily to legal settlement payments in FY22, for amounts owed from FY 17 to FY 21 for sewer treatment costs to the City of Wilmington. The decrease in contractual services is due primarily to the legal service costs paid in FY22 for the sewer treatment legal settlement with the City of Wilmington. The decrease in interest was due primarily to savings from maturities of outstanding general obligation bonds from FY22 to FY23. The increase in salaries, wages & benefits is primarily due to cost of living adjustments and severance payments. The increase in pension/OPEB expense was due to differences between projected to actual earnings, primarily driven by investment gains in FY 23. The increase in equipment and administrative/fixed charges was primarily due to operating budget increases in FY23 to address increased administrative costs for the Sewer fund.

### Governmental Funds Financial Analysis

**Governmental funds.** The governmental funds are comprised of the General fund, Grants fund, Light Tax fund, Crossing Guard fund, Garstin Trust fund, Housing Trust fund, and the following Capital Projects funds: Facilities and Equipment, Park Development, Public Safety, and Miscellaneous Capital Improvements. For the fiscal year ended June 30, 2023, New Castle County governmental funds reported a combined ending fund balance of \$245.1 million, a decrease of \$4.6 million from fiscal year 2022.

The General Fund is the primary operating fund of New Castle County. At the end of the current fiscal year, the fund balance of the General Fund was \$186.4 million. The fund balance of the County's General Fund increased \$1.5 million during the current fiscal year. This change in fund balance is the net result of revenues exceeding expenditures by \$13.3 million, net revenue transfers to other funds of (\$14.9 million), lease/financed purchases proceeds of \$0.2 million, and the sale of capital assets of \$2.9 million. The General fund made net interfund transfers to the Grants fund (\$0.2 million) to sponsor a summer camp for youth, to provide employment for youth during the summer months and to provide funding for senior home repair. The General Fund received reimbursement from the Grants fund for COVID-related expenses (\$1.8 million). Interfund transfers were also made to the Capital Projects Fund (\$17.2 million) to provide funding

for land preservation as well as for the purchase of information systems equipment, fleet equipment, public safety equipment and costs associated with the countywide reassessment project. Total revenues, \$238.0 million, were lower than the previous year by \$8.5 million, mainly due to a reduction in tax revenue caused by a slightly less active real estate market offset by increased investment income due to an aggressive monetary policy instituted by the Fed in FY23 (rate increases) to combat inflation resulting in positive earnings impacts on cash, cash equivalents, and short-term investments. Total expenditures, \$224.7 million, were higher than the previous year by \$20.4 million, mainly due to increased Public Safety salary and benefit costs, which in the prior year were partially transferred to the grants fund as they were reimbursable by COVID-related funding. Sale of capital assets increased by \$2.4 million year-over-year mainly due to the proceeds of the sale of one large parcel of land.

One measure of the County's financial strength is the level of cash reserves. The County has legislated in the General fund a Budget Reserve account or "rainy day" fund, a Tax Stabilization Reserve account, and a Transfer Tax Proceeds account. The Budget Reserve account equal to \$44.6 million as of June 30, 2023, was created to give added protection against a turbulent economy, or any unfunded legislated mandates. A ten-thirteenths vote from County Council is needed to appropriate these funds for the established conditions, or to change the percentage allocated to this reserve. The Tax Stabilization Reserve account, \$74.2 million at year end, was legislated so that funds could be appropriated as necessary to balance the annual operating budget, or to cover budgeted capital costs that would otherwise require the issuance of bonds or an increase in the tax rate. The Transfer Tax proceeds account, \$41.7 million at year end, was legislated to designate funds received beyond what was certified. These proceeds will be used to cover capital bond authorizations, reduce the County's indebtedness, or for economic initiatives. County Council is authorized to establish and appropriate these proceeds as may be necessary.

Other fund balance amounts, totaling \$19.3 million, have been dedicated in the General fund. These amounts are reported as nonspendable, committed and assigned. Nonspendable has been established as prepaid costs, \$1.5 million; committed includes library, \$0.01 million; and the Reassessment Reserve, \$15.0 million; and assigned is established for departmental encumbrances, \$0.8 million, and for the Hope Center homeless shelter, \$2.0 million; See Note 18 for additional information on these amounts.

The unassigned fund balance of \$6.7 million may serve as a useful measure of the County's net resources.

The Grants fund is used to account for certain operating activities of the County. General Government, Public Safety, Community Services, and Public Works, are financed through this fund with revenue from federal, state, local, and private sources. The largest activity of the Grants fund was to provide aid to low-income families in obtaining decent, safe, sanitary, and affordable rental housing. The second largest activity of the Grants fund was to address the COVID pandemic and the economic recovery. The Grants fund ending fund balance is \$2.2 million for fiscal year 2023, an increase of \$0.2 million. The increase is primarily due to a increase in the Section 8 Housing grants (\$0.2 million).

Other governmental funds consist of the Light Tax fund, the Crossing Guard fund, the Garstin Trust fund, Housing Trust fund, and the Capital Projects funds. These funds are established to provide various services to the residents of New Castle County. The Light Tax fund provides street lighting to residents; the Crossing Guard fund provides crossing guards for the safety of children attending our local schools; the Garstin Trust fund provides care and maintenance of parks; while the Housing Trust fund provides funds to construct, purchase, and maintain permanently affordable housing units. For the fiscal year ending June 30, 2023, the Light Tax fund balance is \$1.8 million, a slight increase of \$0.2 million from the previous fiscal year. The Crossing Guard fund balance is \$0.7 million, which represents no change over 2022. The Garstin Trust fund balance is \$3.5 million, which is a slight increase of \$0.1 million from the previous fiscal year. The Housing Trust fund balance is \$15.7 million, a decrease of \$1.5 million from the

previous year, due to funding used to construct affordable housing for homeless veterans and individuals at or below 60% median area income.

New Castle County has four capital projects funds. The Facilities and Equipment fund accounts for the design, construction, and improvement of County buildings. The ending fund balance is \$11.2 million. The Park Development fund accounts for the acquisition and development of County parkland. This fund balance is \$7.2 million. The Public Safety fund, with an ending fund balance of \$9.4 million, provides continued funding for the Public Safety facility and other public safety projects. The Miscellaneous Capital Improvements fund is used to account for all other capital improvements. This fund balance is \$7.1 million. In total, the four capital projects funds reported a fund balance of \$34.9 million representing a decrease of approximately \$5.1 million from the previous year. The primary driver of the decreased fund balance was due to the capital outlays in the Park Development fund of exceeding income received and transfers in by \$5.7 million.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements. Please refer to the business-type activities section listed previously for discussion of the activity in the proprietary funds.

Business-type activities reported unrestricted net position of \$16.4 million; \$4.7 million of this balance is comprised of capital recovery fees that are restricted by management for Sewer Fund debt service.

### General Fund Budgetary Variances

**Revenue budget.** Revenue and transfers out budget differences between the original budget and final amended budget for fiscal year 2023 show increases of \$3.1 million. This increase is mainly due to increases in intergovernmental revenue, \$2.8 million; and a net increase in transfers in of \$0.3 million (a \$0.5 million increase in transfers in offset by a \$0.2 million increase in transfers out). Intergovernmental revenue increased due to appropriations from the State of Delaware for the pension contribution allocation on behalf of County police. Transfers in changed for funding for the Grow America campaign. Transfers out changed for funds for the senior home repair program, the summer youth program, and summer camp funding.

**Appropriation budget.** Budgetary expenditure variances between the original (\$219.1 million) and prior year appropriations to the final budget (\$1.6 million) for fiscal year 2023 reflect an increase of \$6.4 million. This change is mainly attributed to increases in; Public Safety, \$5.8 million; Administration, \$3.1 million; Executive Office, \$1.9 million; offset by decreases in Land Use (\$1.9 million); Public Works (\$1.1 million); Judiciary offices (\$0.8 million); Council (\$0.6 million). Public Safety increases were to cover the benefits charge for the pension passthrough for police COLAs, salary shortfalls, increased information service costs and fleet vehicle costs, and increased equipment costs. Administration appropriations increased due to funding needed for salary and benefit costs for employee attrition offset by transfers of salary contingencies to fund shortfalls in other departments. Executive Office increases were to cover contributions to community grants and other donations and for salary shortfalls and strategic advisory services. Land Use saw reductions mainly due to attrition adjustments to salaries and employee benefits. Public Works saw reductions mainly due to attrition adjustments to salaries and employee benefits and an increase in the intergovernmental cross charge for fleet services due to increased fuel and vehicular repair costs, this is offset by an increase in materials and supplies for the increased fuel costs and additional vehicular repair supplies needed. Judiciary Offices decreased due to attrition adjustments for salaries and benefits. Council appropriations were reduced due to attrition adjustments to salaries and employee benefits and reductions in fixed charges due to appropriations to the County's youth employment grant.

**Budget to actual – revenue.** Variances between actual revenue and budgeted revenue for fiscal year 2023 reflect a net positive variance of \$11.2 million, or 4.9 percent. Taxes showed a positive variance of \$6.0 million, due to a continued high volume of home sales resulting in increased receipts of real estate transfer tax. Investment income showed a positive variance of \$2.1 million. The main contributor to portfolio outperformance was an aggressive monetary policy instituted by the Fed in FY23 (rate increases) to combat inflation resulting in positive earnings impacts on cash, cash equivalents, and short-term investments. Unrealized losses were less in FY 23, mainly due to portfolio manager security/sector selections and conservative risk management approaches compared to benchmarks, given market volatility and economic forecast uncertainties. Intergovernmental revenue showed a positive variance of \$1.9 million mainly attributable to additional federal funding from the Department of Justice for County police services provided when President Biden visits Delaware as well as additional funding from the State of Delaware Office of Management and Budget for Paramedics. Licenses and permits were over budget by \$1.0 million due to increased filings of commercial/industrial office building permits. Miscellaneous revenue came in over budget by \$1.4 million due to an increase in medical stop loss refunds and prescription drug rebates received during the fiscal year. Offsetting this positive variance, charges for services were under budget by \$1.3 million mainly due to less than anticipated income from Sheriff's commission on sales.

**Budget to actual – expenditure.** Fiscal year 2023 reflected a positive variance between expenditures and final appropriations of \$2.6 million, or 1.2 percent. This positive variance was realized in most departments by managing expenditures while ensuring that service goals were met. Positive variances were reported in the following expenditure object levels: contractual services, \$2.0 million; contingencies, \$0.6 million; materials and supplies, \$0.5 million; communications and utilities, \$0.5 million; equipment, \$0.5 million; employee benefits, \$0.1 million; training, \$0.1 million; fixed charges, \$0.1 million; and intragovernmental credits, (\$1.7 million). A slight negative variance of (\$0.1 million) was reported in salaries. Factors contributing to the positive variance realized in contractual services are less than anticipated usage of fleet vehicle services and information system support services, and a decrease in: software maintenance contracts, attorney fees, janitorial services, fire and security services, legal fees, health and medical fees, property enforcement services, advertising services, instructor's fees, actuarial fees, printing costs, equipment and property rentals, telephone and other equipment repairs. Although a positive variance is shown in contractual services, some purchases of services have been deferred until the subsequent fiscal year, as evidenced by \$0.9 million in encumbrances against this line item. Contingencies showed a positive variance due to savings in other lines which did not necessitate expending from this budget line. Materials and supplies variances are favorable mainly due to savings in library books, clothing and uniforms, and computer supplies. Communications and utilities variances were favorable due to savings in electric service, postage, water service, as well as gas heating and advertising services. Equipment charges were under budget by delaying purchases. Employee benefits had a slight positive variance because benefit savings were experienced since medical costs came in lower than budgeted. Training reflects a positive variance due to a decrease in parking fees, seminar fees, trainer fees, conference fees, and membership dues. Intragovernmental credits reflect a difference from lower-than-expected charge backs for workers compensation, information systems, and motor vehicle costs. Fixed charges showed a positive variance mainly due to the less than anticipated contributions. Salaries had a slight negative variance due to attrition adjustments.

### Capital Assets and Long-term Debt Activity

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$868.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, improvements other than buildings, equipment, infrastructure, and construction in progress.

**New Castle County Capital Assets**

(Net of Depreciation)

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 92,232	\$ 91,545	\$ 35,321	\$ 35,321	\$ 127,553	\$ 126,866
Buildings	152,512	155,749	22,154	22,940	174,666	178,689
Leased buildings	1,517	129			1,517	129
Building improvements	42,122	39,533	2,404	2,485	44,526	42,018
Improvements other than buildings	23,422	17,458	1,636	1,632	25,058	19,090
Equipment	48,569	45,229	12,840	11,659	61,409	56,888
Leased Equipment	52	172	-	5	52	177
Infrastructure	45	46	421,151	421,581	421,196	421,627
Subscription assets	306	-	-	-	306	-
Construction in progress	4,981	3,717	6,863	5,493	11,844	9,210
<b>Total</b>	<b>\$ 365,758</b>	<b>\$ 353,578</b>	<b>\$ 502,369</b>	<b>\$ 501,116</b>	<b>\$ 868,127</b>	<b>\$ 854,694</b>

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Various capitalized facilities and equipment costs totaled \$8.8 million. These expenditures consisted of \$4.0 million for the purchase of vehicles and special purpose equipment, \$1.1 million for building rehabilitation and HVAC upgrades, \$0.6 million for general roof and garage renovations at various County facilities, while the remaining \$3.1 million was used for lease payments on vehicles and other equipment.
- Community Services capital projects totaled \$0.9 million, of which \$0.8 million was used for the building of a new library in southern New Castle County and \$0.1 million was used for various other community services projects.
- Park development expenditures during the year amounted to \$10.7 million. These expenditures included \$4.2 million for the design/construction of the Southern Regional Park; \$2.5 million for various general park and parkland improvements; \$1.4 million for various greenway initiatives; \$1.1 million of land acquisition for parkland preservation; \$0.9 million for the construction of trail around Jester Park; \$0.5 million for various play area improvements and \$0.1 million for various other park improvements and developments.
- Public Safety capital projects totaled \$4.3 million, which included \$2.2 million in Public Safety Building/911 Center renovations; \$0.6 million for upgrades to fire company paging system and 911 communications infrastructure; \$0.5 million for specialized police equipment and vests for police/paramedics; \$0.5 million for replacement of 65 cardiac monitors; \$0.3 million for development, renovation and improvement of EMS stations; and \$0.2 million for the design and construction of an emergency vehicle operations course (EVOC).
- Miscellaneous capital improvements totaled \$7.0 million during the year. These improvements included \$5.0 million for the County's reassessment project, \$1.1 million for the human capital management system and consulting services, \$0.6 million for

cybersecurity and other information system(s) technology initiatives and \$0.3 million for costs associated with Army Creek Landfill upgrade.

- In the Sewer Facilities fund, project expenditures amounted to \$17.6 million. The costs incurred were for various sewer rehabilitation projects, \$6.4 million; various sewer interceptor projects and other sewer improvement projects, \$4.2 million; Christina River Force Main project, \$1.7 million; Southern Sewer Service Area project, \$1.2 million; fleet equipment expenditures, \$1.5 million; DelDot Coordination Project, \$0.7 million; various sewer system replacements, repairs, upgrades and expansions, \$0.4 million. Additional capital expenditures in the Sewer Facilities Fund totaled \$1.5 million for stormwater rehabilitation, renovation and improvement projects.

Additional information on the County's capital assets can be found in Note 5 of the Notes to the Financial Statements.

**Long-term debt.** As of June 30, 2023, the County had total bonded debt outstanding of \$556.1 million. The total bonded debt is comprised of \$531.2 million in general obligation bonds and \$24.9 million in State of Delaware Water Pollution Control Revolving Fund Loans. Of the total bonded debt, \$165.8 million is subject to New Castle County's debt limit of \$597.4 million, leaving a legal debt margin of \$431.6 million. Delaware Code limits the amount of outstanding bonds the County can issue to 3 percent of the total assessed valuation of the taxable real estate. The Code excludes enterprise debt from the outstanding debt that is subject to the debt limit. The County's applicable outstanding debt is well below the legal debt limit.

**New Castle County Outstanding Debt**  
**Total Bonded Debt**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Total Bonded Debt	<u>\$165,805</u>	<u>\$180,800</u>	<u>\$390,339</u>	<u>\$403,489</u>	<u>\$556,144</u>	<u>\$584,289</u>

The County's bonds were first awarded the AAA rating in February 2001 by Standard and Poor's, and in October 2002, both Moody's Investor Service and Fitch Ratings awarded the Aaa/AAA bond rating. Concentrated efforts have been made to maintain these top ratings for the County's general obligation bonds, and the triple-A ratings have since been reaffirmed by all three agencies numerous times. In September 2021, all three agencies reaffirmed the Aaa/AAA ratings for the County's outstanding bonds and rated the County's Series 2021 bonds Aaa/AAA. The Aaa/AAA assignment is a solid, independent validation of the County's financial strength and stability. These rating agencies believe that the County's financial operation, with healthy reserve levels, will remain strong given prudent management and long-term planning. These high-grade ratings have reduced the cost of raising capital for County projects, resulting in substantial savings for taxpayers. The County continues to seek ways to maintain these top ratings so as to provide the finest quality services at the lowest cost.

The County secured various financed purchases with TD Equipment Finance Inc. in FY23. These agreements serve the purpose of the financing of new police and emergency service vehicles and equipment and new sewer service vehicles and equipment. Under the terms of each new agreement, payments are due in quarterly installments, over either a 3 year/36 month period or 5 year/60 month period, with interest rates varying from 3.03% to 4.74%. Similarly, the County secured a financed purchase agreement in FY23 with Dell Financial Services, LLC. This agreement serves the purpose of the financing of various information technology initiatives, including but not limited to data security, cybersecurity and cloud platform/storage. Under the term of the agreement, payments are due in annual installments, over a 3 year/36 month period,

with an interest rate of 7.60%. These additions in financed purchases for FY23 totaled \$5.6 million.

Additional information on the County's long-term debt can be found in Note 10 of the Notes to the Financial Statements.

### **Economic Factors and Fiscal Year 2024 Budgets**

The County's unemployment rate as of June 2023 was 4.5 percent, which was slightly higher than the State of Delaware's rate of 4.2 percent, and higher than the national average of 3.6 percent. In the second quarter of 2023, estimated per capita personal income of Delaware residents was \$66,989.

The fiscal year 2024 operating budget is \$331.4 million, which is \$12.7 million or 3.99% more than the 2023 operating budget.

Highlights of the County's operating budget include:

- Funding of \$78.5 million to provide for 415 police officers, civilian employees, and support services to protect our communities.
- Emergency Medical Services funding of \$24.5 million to fund 147 paramedics.
- Emergency Communications Center funding of \$13.2 million which includes staffing of 95 positions.
- Funding of \$4.8 million for our partnership with 21 local volunteer fire companies which provide our residents fire, ambulance, and rescue services.
- Sewer payment to the City of Wilmington of \$21.4 million for wastewater treatment.
- Library budget of \$16.3 million, which covers operating costs of our 10 County libraries and 5 contractual libraries.
- Information technology is funded at \$8.1 million to provide well-managed, secure, and accessible technology.
- Recreational, social, and cultural services that are fee-based are provided by offering programs to the public. The costs of these programs are defrayed with operating funding of \$7.0 million.
- Funding of \$7.1 million for licensing and enforcement of drainage, building, plumbing, and mechanical codes, with authorized staffing of 57 positions.

The fiscal year 2024 capital budget and six-year capital program provides funding of \$75.6 million for major projects throughout the County that will expand and enhance services to our residents.

Highlights of the County's 2024 capital budget and program include:

- Continued major sewer rehabilitation projects taking place throughout New Castle County and assisting communities with stormwater management are programmed to receive additional funding of \$18.2 million in fiscal year 2024 to ensure that our infrastructure receives the attention it requires to continue serving the public while protecting our environment.

- Renovations and upgrades to County facilities, HVAC system replacements, fleet, and investment in an electric vehicle infrastructure are budgeted for a total of \$14.5 million in fiscal year 2024.
- Parks is authorized for \$16.9 million in fiscal year 2024, with a focus on historic structure rehabilitation (\$3.0 million) and improvements to county parklands (\$8.2 million) and playground structures (\$2.0 million).
- Libraries are budgeted for a total of \$19.4 million, mainly for construction of a new community library in Newark.

**Contacting New Castle County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of New Castle County's finances, and to demonstrate the County's accountability for the money it receives. Questions concerning this report, or requests for additional financial information should be directed to Michael Smith, Chief Financial Officer, New Castle County Government Center, 87 Reads Way, New Castle, Delaware 19720, telephone (302) 395-5170. Visit the County's website at [www.newcastlde.gov](http://www.newcastlde.gov).

# Basic Financial Statements

## NEW CASTLE COUNTY, DELAWARE

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents (Note 2)	\$ 253,739,356	\$ 15,032,923	\$ 268,772,279
Investments (Note 2)	119,422,448	28,551,821	147,974,269
Receivables (net of allowances):			
Taxes, including interest and penalties (Note 3 and 4)	3,069,090	-	3,069,090
Accounts	5,670,888	-	5,670,888
Service charges (Note 4)	-	9,314,180	9,314,180
Lease	1,749,177	-	1,749,177
Other	846,557	1,006,059	1,852,616
Due from other governments (Note 4)	7,337,913	638,158	7,976,071
Due from other agencies (Note 4)	50,321	-	50,321
Prepaid costs	1,507,696	54,208	1,561,904
Capital assets held for resale	766,981	-	766,981
Restricted:			
Cash and cash equivalents (Note 2)	15,359,615	22,467,155	37,826,770
<b>Total current assets</b>	<b>409,520,042</b>	<b>77,064,504</b>	<b>486,584,546</b>
<b>Noncurrent assets:</b>			
Capital assets, not being depreciated (Note 5)	97,212,931	42,183,472	139,396,403
Capital assets, being depreciated or amortized, net (Note 5)	268,545,236	460,186,003	728,731,239
Net Pension Asset (Note 25)	3,229,737	-	3,229,737
<b>Total noncurrent assets</b>	<b>368,987,904</b>	<b>502,369,475</b>	<b>871,357,379</b>
<b>Total Assets</b>	<b>778,507,946</b>	<b>579,433,979</b>	<b>1,357,941,925</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow from pensions (Note 25)	71,562,395	7,311,382	78,873,777
Deferred outflows from OPEB (Note 19)	12,887,948	1,656,498	14,544,446
Deferred effect of bond refunding, net	-	1,392,079	1,392,079
<b>Total Deferred Outflows of Resources</b>	<b>84,450,343</b>	<b>10,359,959</b>	<b>94,810,302</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Vouchers payable and other current liabilities	42,947,222	4,039,691	46,986,913
Retainage payable	446,162	360,335	806,497
Accrued interest payable	1,374,037	4,052,682	5,426,719
Escrowed amounts	12,761,428	412,925	13,174,353
Unearned revenue (Note 9)	103,855,031	-	103,855,031
General obligation bonds payable plus unamortized bond premium (Note 10)	15,987,171	11,739,705	27,726,876
Loans payable (Notes 10)	-	1,468,986	1,468,986
Claims and judgments payable (Notes 10 and 14)	4,747,000	-	4,747,000
Lease payable/financed purchases/SBTAs (Notes 10, 21, 22 and 23)	3,098,860	1,111,111	4,209,971
Accrued compensated leave (Notes 8 and 10)	10,283,130	1,240,535	11,523,665
Estimated liability for landfill postclosure care (Notes 10 and 13)	112,143	-	112,143
<b>Total current liabilities</b>	<b>195,612,184</b>	<b>24,425,970</b>	<b>220,038,154</b>
<b>Noncurrent liabilities:</b>			
General obligation bonds payable plus unamortized bond premium (Note 10)	156,478,481	359,408,175	515,886,656
Loans payable (Notes 10)	-	23,439,838	23,439,838
Claims and judgments payable (Notes 10 and 14)	11,217,708	-	11,217,708
Lease payable/financed purchases/SBTAs (Notes 10, 21, 22 and 23)	5,011,075	2,916,220	7,927,295
Accrued compensated leave (Notes 8 and 10)	22,559,431	2,333,894	24,893,325
Net pension liability (Notes 10 and 25)	218,519,800	29,436,671	247,956,471
Net OPEB liability (Notes 10 and 19)	67,053,978	5,193,668	72,247,646
Estimated liability for landfill postclosure care (Notes 10 and 13)	672,857	-	672,857
<b>Total noncurrent liabilities</b>	<b>481,513,330</b>	<b>422,728,466</b>	<b>904,241,796</b>
<b>Total Liabilities</b>	<b>677,125,514</b>	<b>447,154,436</b>	<b>1,124,279,950</b>

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pensions (Note 25)	4,091,675	-	<b>4,091,675</b>
Deferred inflows from OPEB (Note 19)	17,781,294	2,378,616	<b>20,159,910</b>
Deferred inflows from Lease Receivable	1,649,324	-	<b>1,649,324</b>
Deferred effect of bond refunding, net	1,383,892	-	<b>1,383,892</b>
Total Deferred Inflows of Resources	<u>24,906,185</u>	<u>2,378,616</u>	<u><b>27,284,801</b></u>
<b>NET POSITION</b>			
Net investment in capital assets	192,425,436	123,897,548	<b>316,322,984</b>
Restricted:			
Street light special assessment	1,775,923	-	<b>1,775,923</b>
School crossing guards	460,980	-	<b>460,980</b>
Parkland improvements	3,499,623	-	<b>3,499,623</b>
Affordable housing services	15,683,893	-	<b>15,683,893</b>
Section 8 grants	1,703,725	-	<b>1,703,725</b>
Operating grants programs	481,472	-	<b>481,472</b>
Pensions	15,299,728	-	<b>15,299,728</b>
Unrestricted (Note 17)			
Capital recovery fees	-	4,744,310	<b>4,744,310</b>
Other unrestricted	<u>(70,404,190)</u>	<u>11,619,028</u>	<u><b>(58,785,162)</b></u>
<b>Total Net Position</b>	<u><b>\$ 160,926,590</b></u>	<u><b>\$ 140,260,886</b></u>	<u><b>\$ 301,187,476</b></u>

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

Exhibit 2

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 42,624,008	\$ 7,047,025	\$ 9,165,515	\$ 240,095	\$ (26,171,373)	\$ -	\$ (26,171,373)
Public safety	136,993,954	3,179,075	13,893,709	5,066,210	(114,854,960)	-	(114,854,960)
Public works	27,144,549	1,364,591	300,065	1,545,261	(23,934,632)	-	(23,934,632)
Community services	59,254,107	4,371,830	26,079,671	30,315	(28,772,291)	-	(28,772,291)
Land use	13,232,433	13,223,069	-	-	(9,364)	-	(9,364)
Judiciary offices	7,074,975	12,776,474	-	-	5,701,499	-	5,701,499
Interest on long-term debt	5,866,724	-	-	-	(5,866,724)	-	(5,866,724)
<b>Total governmental activities (See note 1)</b>	<b>292,190,750</b>	<b>41,962,064</b>	<b>49,438,960</b>	<b>6,881,881</b>	<b>(193,907,845)</b>	<b>-</b>	<b>(193,907,845)</b>
<b>Business-type activities:</b>							
Sewer facilities	91,414,418	86,652,602	1,207,006	451,565	-	(3,103,245)	(3,103,245)
New Castle County airport	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>91,414,418</b>	<b>86,652,602</b>	<b>1,207,006</b>	<b>451,565</b>	<b>-</b>	<b>(3,103,245)</b>	<b>(3,103,245)</b>
<b>Total primary government</b>	<b>\$ 383,605,168</b>	<b>\$ 128,614,666</b>	<b>\$ 50,645,966</b>	<b>\$ 7,333,446</b>	<b>(193,907,845)</b>	<b>(3,103,245)</b>	<b>(197,011,090)</b>
<b>General revenues:</b>							
Real estate tax				148,489,290	-	148,489,290	
Transfer tax				43,892,226	-	43,892,226	
Hotel tax				2,074,147	-	2,074,147	
Unrestricted investment earnings/(losses)				5,166,298	1,599,671	6,765,969	
<b>Total general revenues</b>				<b>199,621,961</b>	<b>1,599,671</b>	<b>201,221,632</b>	
<b>Change in net position</b>					5,714,116	(1,503,574)	<b>4,210,542</b>
<b>Net position:</b>							
Beginning of year					155,212,474	141,764,460	<b>296,976,934</b>
End of year					<b>\$ 160,926,590</b>	<b>\$ 140,260,886</b>	<b>\$ 301,187,476</b>

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

**NEW CASTLE COUNTY, DELAWARE**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**June 30, 2023**

	<b>General</b>	<b>Grants</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>				
Cash and cash equivalents (Note 2)	\$ 136,667,783	\$ 101,350,135	\$ 15,721,438	<b>\$ 253,739,356</b>
Investments (Note 2)	115,941,199	-	3,481,249	<b>119,422,448</b>
Receivables (net of allowances):				
Taxes, including interest and penalties (Note 3 and 4)	2,886,451	-	182,639	<b>3,069,090</b>
Accounts (Note 4)	5,670,888	-	-	<b>5,670,888</b>
Lease (Note 4)	1,749,177	-	-	<b>1,749,177</b>
Other (Note 4)	685,969	159,734	854	<b>846,557</b>
Due from other funds (Note 7)	-	-	40,309,322	<b>40,309,322</b>
Due from other governments (Note 4)	-	6,590,491	747,422	<b>7,337,913</b>
Due from other agencies (Note 4)	-	50,321	-	<b>50,321</b>
Cash - restricted	15,337,162	22,453	-	<b>15,359,615</b>
Capital assets held for resale	346,122	420,859	-	<b>766,981</b>
Prepaid costs	1,468,728	-	38,968	<b>1,507,696</b>
<b>Total assets</b>	<b>\$ 280,753,479</b>	<b>\$ 108,593,993</b>	<b>\$ 60,481,892</b>	<b>\$ 449,829,364</b>
<b>LIABILITIES:</b>				
Vouchers payable and accrued expenditures	\$ 24,202,519	\$ 2,773,326	\$ 3,516,944	<b>\$ 30,492,789</b>
Retainage payable	-	64,188	381,974	<b>446,162</b>
Due to other funds (Note 7)	40,309,322	-	-	<b>40,309,322</b>
Other liabilities	12,409,784	39,920	4,729	<b>12,454,433</b>
Escrowed amounts	12,738,975	22,453	-	<b>12,761,428</b>
Unearned revenues (Note 9)	346,122	103,508,909	-	<b>103,855,031</b>
<b>Total liabilities</b>	<b>90,006,722</b>	<b>106,408,796</b>	<b>3,903,647</b>	<b>200,319,165</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue-lease receivable (Note 9)	\$ 1,649,324	\$ -	\$ -	<b>\$ 1,649,324</b>
Unavailable revenue-property taxes (Note 9)	2,677,395	-	60,663	<b>2,738,058</b>
<b>Total deferred inflows of resources</b>	<b>4,326,719</b>	<b>-</b>	<b>60,663</b>	<b>4,387,382</b>
<b>FUND BALANCES:</b>				
<b>Nonspendable:</b>				
Prepaid costs	1,444,453	-	38,968	<b>1,483,421</b>
Prepaid costs - Hope Center	24,275			<b>24,275</b>
<b>Restricted for:</b>				
Light tax	-	-	1,775,923	<b>1,775,923</b>
Crossing guard	-	-	400,317	<b>400,317</b>
Garstin trust	-	-	3,499,623	<b>3,499,623</b>
Housing trust	-	-	15,683,893	<b>15,683,893</b>
Grants	-	2,185,197	-	<b>2,185,197</b>
Capital projects	-	-	34,850,510	<b>34,850,510</b>
<b>Committed to:</b>				
Budget reserve	44,592,418	-	-	<b>44,592,418</b>
Tax stabilization reserve	74,171,478	-	-	<b>74,171,478</b>
Transfer tax proceeds	41,724,670	-	-	<b>41,724,670</b>
Library	10,250	-	-	<b>10,250</b>
Reassessment Reserve	15,000,000	-	-	<b>15,000,000</b>
<b>Assigned to:</b>				
Hope Center	2,006,975	-	-	<b>2,006,975</b>
Other departmental purposes	779,753	-	268,348	<b>1,048,101</b>
<b>Unassigned</b>	<b>6,665,766</b>	<b>-</b>	<b>-</b>	<b>6,665,766</b>
<b>Total fund balances</b>	<b>186,420,038</b>	<b>2,185,197</b>	<b>56,517,582</b>	<b>245,122,817</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 280,753,479</b>	<b>\$ 108,593,993</b>	<b>\$ 60,481,892</b>	<b>\$ 449,829,364</b>

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

NEW CASTLE COUNTY, DELAWARE

RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

June 30, 2023

Total fund balances for governmental funds (Exhibit 3)	\$ 245,122,817
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Amounts reported for governmental activities in the statement of net position are different because:

Net pension asset available to fund future pension obligations	3,229,737
--	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land and construction in progress	\$ 97,212,931
Other capital assets net of \$325,166,227 accumulated depreciation and amortization	268,545,236
Total capital assets, net	<u>365,758,167</u>

Deferred outflows of resources are recognized in the statement of net position, but are not reported in governmental funds:

Pension contributions after the measurement date	3,869,384
Difference between expected and actual retirement plan experience	32,963,270
Difference between expected and actual retirement plan experience - OPEB	616,565
Change in actuarial assumptions	12,034,860
Change in actuarial assumptions - OPEB	10,677,804
Difference between projected and actual investment earnings	22,409,167
Difference between projected and actual investment earnings - OPEB	1,593,579
Change in proportionate share	<u>285,714</u>
	<u>84,450,343</u>

Deferred inflows of resources are recognized in the statement of net position, but are not reported in governmental funds:

Deferred effect of bond refunding	(1,383,892)
Change in actuarial assumptions	(2,622,266)
Difference between expected and actual retirement plan experience	(1,342,834)
Change in proportionate share	(126,575)
Difference between expected and actual retirement plan experience - OPEB	<u>(17,781,294)</u>
	<u>(23,256,861)</u>

Certain revenues reported in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

2,738,058

Long-term liabilities and bonds payable are not due and payable in the current period and therefore are not reported in the funds. The balances of these liabilities are as follows:

Claims and judgments payable	(15,964,708)
Accrued interest payable	(1,374,037)
Accrued compensated leave	(32,842,561)
Estimated liability for landfill postclosure care	(785,000)
Lease obligations and financed purchases	(8,109,935)
Unamortized bond premium	(6,660,652)
Net pension liability	(218,519,800)
Net OPEB liability	(67,053,978)
General obligation bonds payable	<u>(165,805,000)</u>
	<u>(517,115,671)</u>

Total net position of governmental activities

\$ 160,926,590

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

**NEW CASTLE COUNTY, DELAWARE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>General</b>	<b>Grants</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Taxes	\$ 184,174,282	\$ -	\$ 10,360,939	<b>\$ 194,535,221</b>
Charges for services	22,244,349	2,456,383	-	<b>24,700,732</b>
Licenses and permits	8,857,898	-	218,197	<b>9,076,095</b>
Intergovernmental	12,726,498	36,327,512	6,532,977	<b>55,586,987</b>
Lease revenue	237,853	-	-	<b>237,853</b>
Investment income	8,883,971	3,297,359	127,738	<b>12,309,068</b>
Net (depreciation) in fair value of investments	(3,765,643)		172,327	<b>(3,593,316)</b>
Rentals	489,192	-	-	<b>489,192</b>
Contributions from private sources	-	-	42,599	<b>42,599</b>
Miscellaneous	4,170,341	-	306,305	<b>4,476,646</b>
<b>Total revenues</b>	<b>238,018,741</b>	<b>42,081,254</b>	<b>17,761,082</b>	<b>297,861,077</b>
<b>Expenditures:</b>				
Current:				
General government	22,034,483	9,165,515	7,793,435	<b>38,993,433</b>
Public safety	121,193,873	3,230,799	2,368,788	<b>126,793,460</b>
Public works	16,878,628	34,250	162,275	<b>17,075,153</b>
Community services	25,961,913	27,851,995	1,705,340	<b>55,519,248</b>
Land use	12,018,449	-	-	<b>12,018,449</b>
Judiciary offices	6,421,967	-	-	<b>6,421,967</b>
Capital outlays	-	-	31,690,823	<b>31,690,823</b>
Debt service:				
Principal	14,995,000	-	-	<b>14,995,000</b>
Interest and other charges	5,147,093	-	-	<b>5,147,093</b>
<b>Total expenditures</b>	<b>224,651,406</b>	<b>40,282,559</b>	<b>43,720,661</b>	<b>308,654,626</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,367,335</b>	<b>1,798,695</b>	<b>(25,959,579)</b>	<b>(10,793,549)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,971,767	2,052,795	17,199,919	<b>22,224,481</b>
Transfers out	(17,935,823)	(3,683,782)	(604,876)	<b>(22,224,481)</b>
Financed purchases	198,536	-	3,096,948	<b>3,295,484</b>
Sale of capital assets	2,946,918	500	-	<b>2,947,418</b>
<b>Total other financing sources (uses)</b>	<b>(11,818,602)</b>	<b>(1,630,487)</b>	<b>19,691,991</b>	<b>6,242,902</b>
<b>Net change in fund balances</b>	<b>1,548,733</b>	<b>168,208</b>	<b>(6,267,588)</b>	<b>(4,550,647)</b>
<b>Fund Balances:</b>				
Beginning of year	184,871,305	2,016,989	62,785,170	<b>249,673,464</b>
End of year	<b>\$ 186,420,038</b>	<b>\$ 2,185,197</b>	<b>\$ 56,517,582</b>	<b>\$ 245,122,817</b>

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

**Exhibit 4**  
(continued)

**NEW CASTLE COUNTY, DELAWARE**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances-total governmental funds (Exhibit 4)	\$ (4,550,647)
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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 net capital outlays (\$30,387,291) exceeded depreciation/amortization (\$19,924,452) in the current period.	10,462,839
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The net effect of various miscellaneous transactions involving capital asset disposals (capital assets (\$1,837,042), and accumulated depreciation (\$1,341,557)), is to decrease net position.	(495,485)
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Revenues from property taxes (\$79,558) in the statement of activities that do not provide current financial resources, are not reported as revenues in the funds.	(79,558)
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Financed purchases proceeds (\$3,295,484) provided current financial resources to governmental funds, while the repayment of the long-term debt consumed current financial resources of governmental funds. This transaction has no effect on net position.	(3,295,484)
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Governmental funds report debt service and lease/financed purchase principal payments as expenditures. However, these amounts are not recorded in the statement of activities, because bond principal payments (\$14,995,000), and lease, financed purchase and subscription arrangement payments (\$4,184,274) are a reduction of their related liability.	19,179,274
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Decreases in operating expenses due to the decrease in pension expense for the amortization of deferred outflows and inflows of resources related to the net pension liability.	40,819,573
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Increases in operating expenses due to the decrease in OPEB expense for the amortization of deferred outflows and inflows of resources related to the net OPEB liability.	341,538
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Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense.	3,869,384
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The change in expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The net change in these expenses are as follows:

Accrued compensated leave	(1,814,631)
Claims and judgments payable	408,984
Net pension asset	(40,671,695)
Net pension liability	(19,570,460)
Net OPEB liability	323,184
Accrued interest payable	248,629
Amortization of bond premium	397,171
Deferred effect of bond refunding, net	114,500
Estimated liability for landfill postclosure care	27,000
	<u>(60,537,318)</u>
Change in net position of governmental activities (Exhibit 2)	<u>\$ 5,714,116</u>

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

## NEW CASTLE COUNTY, DELAWARE

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 178,127,000	\$ 178,127,000	\$ 184,174,282	\$ 6,047,282
Charges for services	23,500,285	23,500,285	22,244,349	(1,255,936)
Licenses and permits	7,864,000	7,864,000	8,857,898	993,898
Intergovernmental	8,035,204	10,822,043	12,726,498	1,904,455
Lease revenue	-	-	237,853	237,853
Investment income	3,000,535	3,000,535	8,883,971	5,883,436
Net (depreciation) in fair value of investments	-	-	(3,765,643)	(3,765,643)
Rentals	757,394	757,394	489,192	(268,202)
Miscellaneous	2,722,600	2,722,600	4,170,341	1,447,741
<b>Total revenues</b>	<b>224,007,018</b>	<b>226,793,857</b>	<b>238,018,741</b>	<b>11,224,884</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Council:</b>				
Salaries and wages	2,402,572	2,109,657	2,109,656	1
Fringe benefits	1,419,731	1,220,853	1,220,159	694
Training/civic affairs	79,888	50,190	49,906	284
Communications/utilities	19,506	20,836	17,245	3,591
Materials/supplies	62,542	35,414	34,614	800
Contractual services	384,802	439,150	399,165	39,985
Fixed charges/pass-thru-grants	310,094	172,965	171,116	1,849
Equipment	1,600	4,898	3,277	1,621
General and administrative credits	(11,000)	(11,000)	(11,000)	-
<b>Total council</b>	<b>4,669,735</b>	<b>4,042,963</b>	<b>3,994,138</b>	<b>48,825</b>
<b>Executive:</b>				
Salaries and wages	1,620,891	1,652,909	1,652,906	3
Fringe benefits	957,820	941,398	940,863	535
Training/civic affairs	31,904	39,404	39,111	293
Communications/utilities	15,280	16,780	15,953	827
Materials/supplies	22,236	22,236	19,094	3,142
Contractual services	164,852	224,373	206,778	17,595
Fixed charges/pass-thru-grants	43,000	1,893,000	1,116,581	776,419
Equipment	1,000	1,000	743	257
Contingencies	55,000	47,000	-	47,000
General and administrative credits	(94,349)	(94,349)	(94,349)	-
<b>Total executive</b>	<b>2,817,634</b>	<b>4,743,751</b>	<b>3,897,680</b>	<b>846,071</b>
<b>Administration:</b>				
Salaries and wages	8,077,095	11,192,162	11,192,156	6
Fringe benefits	4,677,639	6,351,448	6,202,844	148,604
Training/civic affairs	130,625	124,486	91,124	33,362
Communications/utilities	455,307	515,230	502,174	13,056
Materials/supplies	155,647	166,335	148,128	18,207
Contractual services	7,288,719	7,357,581	7,066,630	290,951
Fixed charges/pass-thru-grants	3,834,000	170,000	138,385	31,615
Equipment	389,900	4,179,977	4,109,185	70,792
Contingencies	2,027,680	563,840	-	563,840
Intragovernmental credits	(11,775,518)	(11,775,518)	(10,540,500)	(1,235,018)
General and administrative credits	(5,221,790)	(5,221,790)	(5,221,790)	-
<b>Total administration</b>	<b>10,039,304</b>	<b>13,623,751</b>	<b>13,688,336</b>	<b>(64,585)</b>

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

**NEW CASTLE COUNTY, DELAWARE**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>General Government:</b>				
<b>(Continued):</b>				
<b>Ethics Commission:</b>				
Salaries and wages	\$ 38,000	\$ 39,252	\$ 39,252	\$ -
Fringe benefits	3,950	4,080	4,080	-
Training/civic affairs	10,500	10,500	7,984	2,516
Communications/utilities	2,223	2,223	1,653	570
Materials/supplies	2,450	2,450	676	1,774
Contractual services	297,182	297,182	199,048	98,134
Equipment	500	500	-	500
Fixed charges/pass-thru-grants	-	-	3,100	(3,100)
<b>Total ethics commission</b>	<b>354,805</b>	<b>356,187</b>	<b>255,793</b>	<b>100,394</b>
<b>Total general government</b>	<b>17,881,478</b>	<b>22,766,652</b>	<b>21,835,947</b>	<b>930,705</b>
<b>Public Safety:</b>				
Salaries and wages	60,960,940	62,599,453	62,675,440	(75,987)
Fringe benefits	35,907,448	39,351,213	39,374,310	(23,097)
Training/civic affairs	132,594	154,583	134,966	19,617
Communications/utilities	1,020,715	1,020,492	932,888	87,604
Materials/supplies	1,213,537	1,438,028	1,123,057	314,971
Contractual services	9,462,671	9,726,336	8,948,199	778,137
Equipment	1,044,432	1,771,457	1,536,934	234,523
Fixed charges/pass-thru-grants	6,458,350	6,458,350	6,691,643	(233,293)
General and administrative credits	(223,564)	(223,564)	(223,564)	-
<b>Total public safety</b>	<b>115,977,123</b>	<b>122,296,348</b>	<b>121,193,873</b>	<b>1,102,475</b>
<b>Public Works:</b>				
Salaries and wages	10,205,534	9,369,213	9,369,209	4
Fringe benefits	5,940,822	5,364,063	5,361,016	3,047
Training/civic affairs	13,459	11,459	9,113	2,346
Communications/utilities	1,363,955	1,367,482	1,039,740	327,742
Materials/supplies	2,926,728	3,718,092	3,591,218	126,874
Contractual services	5,424,618	5,844,951	5,344,642	500,309
Fixed charges/pass-thru-grants	1,000,000	85,000	90,961	(5,961)
Equipment	371,541	1,365,649	1,187,080	178,569
Intragovernmental credits	(7,359,063)	(8,009,063)	(7,546,913)	(462,150)
General and administrative credits	(1,567,438)	(1,567,438)	(1,567,438)	-
<b>Total public works</b>	<b>18,320,156</b>	<b>17,549,408</b>	<b>16,878,628</b>	<b>670,780</b>
<b>Community Services:</b>				
Salaries and wages	11,407,432	11,570,122	11,570,112	10
Fringe benefits	5,184,613	5,159,689	5,156,948	2,741
Training/civic affairs	18,560	17,000	15,896	1,104
Communications/utilities	944,438	1,054,027	1,031,146	22,881
Materials/supplies	1,381,163	1,392,656	1,394,585	(1,929)
Contractual services	3,519,972	3,363,621	3,435,838	(72,217)
Fixed charges/pass-thru-grants	3,110,149	3,110,149	3,506,656	(396,507)
Equipment	17,900	39,489	38,962	527
Intragovernmental credits	(188,230)	(188,230)	(188,230)	-
<b>Total community services</b>	<b>25,395,997</b>	<b>25,518,523</b>	<b>25,961,913</b>	<b>(443,390)</b>

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

NEW CASTLE COUNTY, DELAWARE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Land Use:</b>				
Salaries and wages	\$ 7,811,791	\$ 6,683,209	\$ 6,683,207	\$ 2
Fringe benefits	4,593,754	3,846,142	3,843,953	2,189
Training/civic affairs	60,165	55,015	40,384	14,631
Communications/utilities	102,088	105,838	101,590	4,248
Materials/supplies	115,127	79,177	65,922	13,255
Contractual services	2,408,711	2,525,199	2,250,183	275,016
Fixed charges/pass-thru-grants	31,500	55,500	70,979	(15,479)
Equipment	44,485	75,137	70,984	4,153
Intragovernmental credits	(800,651)	(800,651)	(757,251)	(43,400)
General and administrative credits	(351,502)	(351,502)	(351,502)	-
<b>Total land use</b>	<b>14,015,468</b>	<b>12,273,064</b>	<b>12,018,449</b>	<b>254,615</b>
<b>Register of Wills:</b>				
Salaries and wages	1,118,686	958,827	958,826	1
Fringe benefits	642,551	527,798	527,500	298
Training/civic affairs	35,150	35,150	30,614	4,536
Communications/utilities	12,266	12,266	11,412	854
Materials/supplies	9,062	8,393	7,916	477
Contractual services	95,293	106,145	97,809	8,336
Fixed charges/pass-thru-grants	-	-	1,669	(1,669)
Equipment	1,950	1,950	1,539	411
<b>Total register of wills</b>	<b>1,914,958</b>	<b>1,650,529</b>	<b>1,637,285</b>	<b>13,244</b>
<b>Recorder of Deeds:</b>				
Salaries and wages	1,268,310	1,042,630	1,042,629	1
Fringe benefits	737,299	595,752	595,413	339
Training/civic affairs	43,170	39,820	35,439	4,381
Communications/utilities	33,977	33,977	24,373	9,604
Materials/supplies	12,898	12,898	7,177	5,721
Contractual services	231,598	234,598	214,815	19,783
Fixed charges/pass-thru-grants	15,000	18,350	23,126	(4,776)
Equipment	8,000	5,000	210	4,790
<b>Total recorder of deeds</b>	<b>2,350,252</b>	<b>1,983,025</b>	<b>1,943,182</b>	<b>39,843</b>

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

NEW CASTLE COUNTY, DELAWARE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Judiciary Offices:</b>				
<b>(Continued):</b>				
<b>Sheriff:</b>				
Salaries and wages	\$ 1,246,585	\$ 1,164,297	\$ 1,164,297	\$ -
Fringe benefits	732,842	673,777	673,393	384
Training/civic affairs	29,452	29,452	21,745	7,707
Communications/utilities	16,181	16,181	12,584	3,597
Materials/supplies	20,684	21,455	13,459	7,996
Contractual services	214,953	219,641	191,631	28,010
Equipment	5,000	5,000	1,342	3,658
Fixed charges/pass-thru-grants	-	-	1,669	(1,669)
<b>Total sheriff</b>	<b>2,265,697</b>	<b>2,129,803</b>	<b>2,080,120</b>	<b>49,683</b>
<b>Clerk of the Peace:</b>				
Salaries and wages	461,658	443,623	443,623	-
Fringe benefits	272,804	256,724	256,577	147
Training/civic affairs	14,130	14,130	9,000	5,130
Communications/utilities	5,256	5,256	3,823	1,433
Materials/supplies	5,424	5,424	5,114	310
Contractual services	54,232	54,232	40,624	13,608
Fixed charges/pass-thru-grants	-	-	2,619	(2,619)
<b>Total clerk of the peace</b>	<b>813,504</b>	<b>779,389</b>	<b>761,380</b>	<b>18,009</b>
<b>Total judiciary offices</b>	<b>7,344,411</b>	<b>6,542,746</b>	<b>6,421,967</b>	<b>120,779</b>
<b>Debt Service:</b>				
Principal	14,995,000	14,995,000	14,995,000	-
Interest and other charges	5,147,094	5,147,094	5,147,093	1
<b>Total debt service</b>	<b>20,142,094</b>	<b>20,142,094</b>	<b>20,142,093</b>	<b>1</b>
<b>Total expenditures</b>	<b>219,076,727</b>	<b>227,088,835</b>	<b>224,452,870</b>	<b>2,635,965</b>
<b>Excess of revenues over expenditures</b>	<b>4,930,291</b>	<b>(294,978)</b>	<b>13,565,871</b>	<b>13,860,849</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	525,000	2,971,767	2,446,767
Transfers out	(8,192,043)	(8,405,947)	(17,935,823)	(9,529,876)
Sale of capital assets	220,040	220,040	2,946,918	2,726,878
<b>Total other financing sources (uses)</b>	<b>(7,972,003)</b>	<b>(7,660,907)</b>	<b>(12,017,138)</b>	<b>(4,356,231)</b>
<b>Net change in fund balance</b>	<b>(3,041,712)</b>	<b>(7,955,885)</b>	<b>1,548,733</b>	<b>9,504,618</b>
<b>Adjustment to reconcile to GAAP basis:</b>				
Expenditures not budgeted - Financed purchase payments	-	-	(198,536)	(198,536)
Revenues recognized on GAAP basis-Financed purchases	-	-	198,536	198,536
<b>Fund Balance:</b>				
Beginning of year	39,876,109	(1,992,233)	184,871,305	186,863,538
End of year	<b>\$ 36,834,397</b>	<b>\$ (9,948,118)</b>	<b>\$ 186,420,038</b>	<b>\$ 196,368,156</b>

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

## NEW CASTLE COUNTY, DELAWARE

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

June 30, 2023

	Business-type Activities - Enterprise Funds		
	Sewer Facilities	Nonmajor Fund	Total
		New Castle County Airport	
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents (Note 2)	\$ 14,976,865	\$ 56,058	\$ 15,032,923
Investments (Note 2)	28,551,821	-	28,551,821
Receivables (net of allowances):			
Service charges (Note 4)	9,314,180	-	9,314,180
Other (Note 4)	1,006,059	-	1,006,059
Due from other governments (Note 4)	638,158	-	638,158
Restricted cash and cash equivalents (Note 2)	22,467,155	-	22,467,155
Prepaid costs	54,208	-	54,208
<b>Total current assets</b>	<b>77,008,446</b>	<b>56,058</b>	<b>77,064,504</b>
<b>Capital Assets:</b> (Note 5)			
Land	33,162,038	2,158,912	35,320,950
Buildings	39,208,598	4,820,100	44,028,698
Building improvements	3,521,819	-	3,521,819
Equipment	50,949,145	1,000	50,950,145
Improvements other than buildings	4,382,747	43,682,500	48,065,247
Infrastructure	688,238,071	-	688,238,071
Construction in progress	6,862,522	-	6,862,522
Less accumulated depreciation/amortization	(326,114,377)	(48,503,600)	(374,617,977)
<b>Total capital assets, net</b>	<b>500,210,563</b>	<b>2,158,912</b>	<b>502,369,475</b>
<b>Total noncurrent assets</b>	<b>500,210,563</b>	<b>2,158,912</b>	<b>502,369,475</b>
<b>Total assets</b>	<b>577,219,009</b>	<b>2,214,970</b>	<b>579,433,979</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow from pensions (Note 24)	7,311,382	-	7,311,382
Deferred outflow from other post-employment benefits (Note 19)	1,656,498	-	1,656,498
Deferred effect of bond refunding, net (Note 10)	1,392,079	-	1,392,079
Total deferred outflows of resources	10,359,959	-	10,359,959
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Vouchers payable and accrued expenses	4,039,691	-	4,039,691
Retainage payable	360,335	-	360,335
Accrued interest payable	4,052,682	-	4,052,682
Escrowed amounts	412,925	-	412,925
General obligation bonds - current (Note 10)	11,739,705	-	11,739,705
Loans payable - current (Note 10)	1,468,986	-	1,468,986
Leases payable/financed purchases - current (Notes 10, 21, 22)	1,111,111	-	1,111,111
Accrued compensated leave (Notes 8 and 10)	1,240,535	-	1,240,535
<b>Total current liabilities</b>	<b>24,425,970</b>	<b>-</b>	<b>24,425,970</b>
<b>Noncurrent Liabilities:</b>			
Net pension liability (Note 24)	29,436,671	-	29,436,671
Net other post-employment benefit liability (Note 19)	5,193,668	-	5,193,668
General obligation bonds payable			
(net of current portion) (Note 10)	359,408,175	-	359,408,175
Loans payable (Note 10)	23,439,838	-	23,439,838
Leases payable/financed purchases (Notes 10, 21, 22)	2,916,220	-	2,916,220
Accrued compensated leave (Notes 8 and 10)	2,333,894	-	2,333,894
<b>Total noncurrent liabilities</b>	<b>422,728,466</b>	<b>-</b>	<b>422,728,466</b>
<b>Total liabilities</b>	<b>447,154,436</b>	<b>-</b>	<b>447,154,436</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow from pensions (Note 24)	-	-	-
Deferred inflow from other post-employment benefits (Note 19)	2,378,616	-	2,378,616
Total deferred inflows of resources	2,378,616	-	2,378,616
<b>NET POSITION</b>			
Net investment in capital assets	121,738,636	2,158,912	123,897,548
Unrestricted (Note 17)			
Capital recovery fees	4,744,310	-	4,744,310
Other unrestricted	11,562,970	56,058	11,619,028
<b>Total net position</b>	<b>\$ 138,045,916</b>	<b>\$ 2,214,970</b>	<b>\$ 140,260,886</b>

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

## NEW CASTLE COUNTY, DELAWARE

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Business - type Activities Enterprise Funds		
	Sewer Facilities	New Castle County Airport	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 86,652,602	\$ -	\$ 86,652,602
<b>Total operating revenues</b>	<b>86,652,602</b>	<b>-</b>	<b>86,652,602</b>
<b>Operating Expenses:</b>			
Salaries and wages	14,326,243	-	14,326,243
Employee benefits	8,288,791	-	8,288,791
Training and civic affairs	26,489	-	26,489
Communications and utilities	22,387,396	-	22,387,396
Materials and supplies	1,337,613	-	1,337,613
Contractual services	8,108,952	-	8,108,952
Equipment	266,176	-	266,176
Depreciation and Amortization	17,237,956	-	17,237,956
Pension expense	1,919,791	-	1,919,791
OPEB expense	(118,914)	-	(118,914)
Administrative and fixed charges	5,986,019	-	5,986,019
Land and structure	18,993	-	18,993
<b>Total operating expenses</b>	<b>79,785,505</b>	<b>-</b>	<b>79,785,505</b>
<b>Operating Income (loss)</b>	<b>6,867,097</b>	<b>-</b>	<b>6,867,097</b>
<b>Non-operating Revenues (Expenses):</b>			
Investment income	2,450,170	-	2,450,170
Net depreciation in fair value of investments	(850,499)	-	(850,499)
RZEDB Interest Reimbursement	873,302	-	873,302
Interest expense	(11,946,522)	-	(11,946,522)
Lease/financed purchases interest expense	(76,206)	-	(76,206)
Other revenues/expenses	711,322	-	711,322
Gain/Loss on sale of capital assets	73,947	-	73,947
Bond premium amortization	393,815	-	393,815
<b>Total non-operating revenues (expenses)</b>	<b>(8,370,671)</b>	<b>-</b>	<b>(8,370,671)</b>
<b>Change in net position</b>	<b>(1,503,574)</b>	<b>-</b>	<b>(1,503,574)</b>
<b>Net Position:</b>			
Beginning of year	139,549,490	2,214,970	141,764,460
End of year	<b>\$ 138,045,916</b>	<b>\$ 2,214,970</b>	<b>\$ 140,260,886</b>

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

## NEW CASTLE COUNTY, DELAWARE

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Business - type Activities - Enterprise Funds		
	Sewer Facilities	New Castle County Airport	Totals
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 85,506,895	\$ -	\$ 85,506,895
Cash payments to employees for services	(23,001,669)	-	(23,001,669)
Cash payments to suppliers for goods and services	(37,658,660)	-	(37,658,660)
Customer deposits received	74,667	-	74,667
Other revenue	236,494	-	236,494
<b>Net cash provided by operating activities</b>	<b>25,157,727</b>	<b>-</b>	<b>25,157,727</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
RZEDB Interest Reimbursement	873,302	-	873,302
Debt Issuance	70,862	-	70,862
Principal paid on bond debt	(12,645,000)	-	(12,645,000)
Interest paid on bond debt	(11,513,159)	-	(11,513,159)
Principal paid on loan payable	(983,579)	-	(983,579)
Interest paid on loan payable	(524,393)	-	(524,393)
Principal paid on lease payable	(1,356,002)	-	(1,356,002)
Interest paid on lease payable	(76,206)	-	(76,206)
Payments to acquire, construct, or improve capital assets	(16,162,576)	-	(16,162,576)
Capital Transfers	226,903	-	226,903
<b>Net cash used for capital and related financing activities</b>	<b>(42,089,848)</b>	<b>-</b>	<b>(42,089,848)</b>
<b>Cash Flows From Investing Activities:</b>			
Income received on investments	2,314,599	-	2,314,599
Proceeds from sales of investments	17,972,972	-	17,972,972
Purchases of investments	(14,129,837)	-	(14,129,837)
<b>Net cash provided/(used) by investing activities</b>	<b>6,157,734</b>	<b>-</b>	<b>6,157,734</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,774,387)</b>	<b>-</b>	<b>(10,774,387)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>48,218,407</b>	<b>56,058</b>	<b>48,274,465</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 37,444,020</b>	<b>\$ 56,058</b>	<b>\$ 37,500,078</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
<b>Operating income/(loss)</b>	<b>\$ 6,867,097</b>	<b>\$ -</b>	<b>\$ 6,867,097</b>
<b>Adjustments to reconcile operating income to net cash provided by (used for) operating activities:</b>			
Depreciation expense	17,237,956	-	17,237,956
Other revenue/(expense)	259,757	-	259,757
<b>Effect of changes in operating assets, liabilities, deferred inflows and deferred outflows:</b>			
Decrease/(Increase) in receivables	(1,168,970)	-	(1,168,970)
Increase/(Decrease) in vouchers payable and accrued expenses	89,021	-	89,021
Increase/(Decrease) in escrowed amounts	74,667	-	74,667
Increase/(Decrease) in other liabilities	(2,678)	-	(2,678)
Increase/(Decrease) in net pension liability	2,536,267	-	2,536,267
Increase/(Decrease) in deferred inflow from pensions	(75,275)	-	(75,275)
Decrease/(Increase) in deferred outflow from pensions	(541,201)	-	(541,201)
Increase/(Decrease) in net OPEB liability	(41,884)	-	(41,884)
Increase/(Decrease) in deferred inflow from OPEB	(782,527)	-	(782,527)
Decrease/(Increase) in deferred outflow from OPEB	705,497	-	705,497
<b>Total reconciling adjustments</b>	<b>18,290,630</b>	<b>-</b>	<b>18,290,630</b>
<b>Net cash provided by operating activities</b>	<b>\$ 25,157,727</b>	<b>\$ -</b>	<b>\$ 25,157,727</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Increase/(Decrease) in fair value of investments	\$ (850,499)	\$ -	\$ (850,499)
Increase/(Decrease) in assets related to lease payable	2,263,769	-	2,263,769
<b>Reconciliation to the Statement of Net Position:</b>			
Cash and cash equivalents	\$ 14,976,865	\$ 56,058	\$ 15,032,923
Restricted cash and cash equivalents	22,467,155	-	22,467,155
<b>Cash and cash equivalents at end of year</b>	<b>\$ 37,444,020</b>	<b>\$ 56,058</b>	<b>\$ 37,500,078</b>

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

## NEW CASTLE COUNTY, DELAWARE

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

June 30, 2023

	<u>Pension and OPEB Trusts</u>
<b>ASSETS</b>	
Cash and cash equivalents (Note 2)	\$ 14,268,972
Investments: (Note 2)	
Common and preferred stock	63,749,162
Mutual funds	134,966,805
Real estate equity funds	4,851,271
Collective trusts	300,523,537
Private equity	54,232,698
Receivables (net of allowances):	
Other (Note 4)	<u>3,770,162</u>
<b>Total assets</b>	<b><u>576,362,607</u></b>
<b>LIABILITIES</b>	
Vouchers payable and accrued expenses	620,088
<b>Total liabilities</b>	<b><u>620,088</u></b>
<b>NET POSITION</b>	
Net position restricted for pensions	510,694,685
Net position restricted for other post employment benefits	<u>65,047,834</u>
<b>Total Net Position</b>	<b><u>\$ 575,742,519</u></b>

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

Exhibit 10

NEW CASTLE COUNTY, DELAWARE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Pension and OPEB Trusts
<b>Additions:</b>	
<b>Contributions:</b>	
Plan members	\$ 3,810,581
New Castle County	32,147,594
State of Delaware	2,786,839
Other contributions	<u>7,824</u>
 <b>Total contributions</b>	<u>38,752,838</u>
<b>Investment income:</b>	
Net increase in fair value of investments	23,835,138
Interest, dividends, and other income, including realized gains/losses	<u>21,193,247</u>
 <b>Total investment income</b>	<u>45,028,385</u>
<b>Less investment expense</b>	<u>2,538,556</u>
<b>Net investment income</b>	<u>42,489,829</u>
<b>Total additions</b>	<u>81,242,667</u>
<b>Deductions:</b>	
Benefit payments	55,264,404
Refunds of contributions	235,521
Administrative expenses	657,130
Other expenses, net	<u>64,800</u>
 <b>Total deductions</b>	<u>56,221,855</u>
<b>Net increase in net position</b>	<u>25,020,812</u>
<b>Net position</b>	
Beginning of year	<u>550,721,707</u>
End of year	<u>\$ 575,742,519</u>

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

# Notes to the Financial Statements

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

- (1) Summary of Significant Accounting Policies
- (2) Deposits and Investments
- (3) Property Taxes
- (4) Receivables
- (5) Capital Assets
- (6) Construction Commitments
- (7) Interfund Receivables, Payables and Transfers
- (8) Compensated Leave
- (9) Unavailable / Unearned Revenue
- (10) Long-term Debt
- (11) Debt Margin and Bonds Authorized but Unissued
- (12) Defeasance of Debt
- (13) Landfill Postclosure Care Costs
- (14) Risk Management
- (15) Contingencies
- (16) Conduit Debt
- (17) Unrestricted Net Position – Business-type Activities
- (18) Fund Balance
- (19) Other Post Employment Benefits
- (20) On-Behalf Payments
- (21) Leases
- (22) Financed Purchases
- (23) Subscription-Based IT Arrangements (SBITAs)
- (24) Deferred Compensation Plan
- (25) Defined Benefit Pension Plans
- (26) Tax Abatements

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies:**

**A. Financial Reporting Entity:**

New Castle County Government was established on January 3, 1967, replacing the Levy Court Commission with a Council-Executive form of government. The powers and duties of the County Government are set forth in Chapter 11, Title 9 of the Delaware Code. The County Government is composed of (i) a legislative body (the "Council"), and (ii) an administrative body headed by the County Executive, (the "Administration"), which includes five operating departments and four judiciary (row) offices.

New Castle County, Delaware (the County) provides many governmental services. The majority of these services are mandated by statute or code; however, there are some services that are discretionary in nature and highly desired by the citizens of the County. Major public services/facilities include police protection, paramedic services, parks, recreation programs, libraries, sewer services and code enforcement.

The County's financial reporting entity is required to consist of all organizations for which the County is financially accountable or for which there is a significant relationship. The County has no component units in its financial reporting entity.

**Related Organization**

During the fiscal year ended June 30, 2021, the County purchased the Hope Center, which is owned by the County and operated by a third-party management company; residual, non-grant related activity is reported within the General Fund. A related 501c-3 organization, the New Castle County Hope Center, Inc. (the Center) was also formed to provide financial support to the Hope Center. The County contracted with an individual to establish the Center; however, the County is not responsible for appointing the members of the board, there is no financial benefit or burden relationship with the County and the County does not have any further accountability. Therefore, financial statements of the Center are not included in the County's financial statements.

**B. Government-wide and Fund Financial Statements:**

The accounting policies of New Castle County conform to generally accepted accounting principles generally accepted in the United States of America applicable to governments, including the presentation of the government-wide financial statements and the fund financial statements. Both of these are explained below.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, interfund activities have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among the program revenues are reported as general revenues. The County does not allocate general government (indirect) expenses to other functions.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**B. Government-wide and Fund Financial Statements (Continued):**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds; however, the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, permits, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major funds:

**General Fund** – This fund is the County's primary operating fund. It accounts for the general operating activities of the County, except for those required to be accounted for in another fund. General government, police, public works, community services, land use, judiciary offices, and general governmental debt service are financed through this fund with receipts from general property taxes, licenses and permits, investment income, rentals, charges for current services, intergovernmental and other revenue.

**Grants Fund** – This fund accounts for certain operating activities of the County. It accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. Public safety, public works, community services, general government, and land use are financed through this fund with revenue from federal, state, local and private sources.

Proprietary funds are used when it is intended to recover the cost of operation, including depreciation, primarily through user charges. The County reports the following major proprietary fund:

**Sewer Facilities Fund** – This fund is used to account for the operation and construction of sewage and stormwater collection systems and is financed primarily with revenue from user sewer service charges.

Additionally, the County reports the following governmental, proprietary, and fiduciary fund types:

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued):**

**Governmental**

**Light Tax Fund** – This fund is used to account for lighting costs financed with revenues from users within the light districts.

**Crossing Guard Fund** – This fund is used to account for school crossing guard costs financed with revenues from users within the school districts.

**Garstin Trust Fund** – This fund is used to account for the costs of providing for the care, maintenance, and upkeep of county parks and related facilities financed with proceeds from an endowment.

**Housing Trust Fund** – This fund is used to account for the construction, purchase, and maintenance of permanently affordable housing units.

**Capital Projects Funds** – These funds are used to account for and report financial resources provided by bond proceeds, intergovernmental grants and private contributions that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The Capital Projects Funds consist of the following funds:

- **Facilities and Equipment** - Used to account for design, construction and improvements of County buildings.
- **Park Development** – This fund is used to account for the acquisition and development of County parkland.
- **Public Safety** - Used to account for improvements at the police building and facilities.
- **Miscellaneous Capital Improvements** - Used to account for all other construction improvements.

**Proprietary**

**New Castle County Airport Fund** – This proprietary fund is used to account for the County's ownership of an airport facility and related industrial park.

**Fiduciary**

**Pension Trust Fund** – This fiduciary fund is used to account for the assets of the pension fund which are held in a trustee capacity for the employees of New Castle County. The Pension Program, which is part of the County's legal entity, is a single employer defined benefit pension plan that provides benefits to eligible county employees.

**Other Post Employment Benefits Trust Fund** – This fiduciary fund is used to account for the assets of the other post employment benefits (OPEB) trust fund which are held in a trustee capacity for the retirees of New Castle County. The OPEB Program, which is part of the County's legal entity, is a single employer defined benefit OPEB plan that provides benefits to eligible county employees.

**D. Interfund Eliminations:**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the governmental activities and the business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**E. Program Revenues:**

Amounts reported as program revenues include: charges to customers for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. General revenues include all taxes.

**F. Flow Assumption for Restricted Resources:**

Net position is restricted when constraints placed on it are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

**G. Operating and Nonoperating Revenues:**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The sewer facilities fund, which is a major enterprise fund, accounts for the majority of our operating revenues and expenses. The principal operating revenues of the sewer fund are charges to customers for providing sewer services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All other revenues and expenses not meeting the above criteria are reported as nonoperating revenues and expenses.

**H. Deposits and Investments:**

Cash resources of the individual funds, excluding the Pension Trust fund and the OPEB Trust fund and certain endowment and grant funds, are combined to form a pool of cash and investments to maximize investment earnings.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition.

As a depositor, New Castle County generally requires full and continuous collateralization of average monthly ledger balances that are greater than the amount insured by the FDIC. Securities pledged as collateral must have a fair value equal to or greater than 102% of the ledger balances in the accounts marked to market monthly, consisting of one or more of the following:

- U.S. Government securities
- U.S. Government agency or instrumentality securities
- State of Delaware securities.

As an investor, New Castle County may invest in a wide range of securities including:

- Securities issued by the U.S. Government and its Agencies or Instrumentalities, TIPS, certificates of deposit, cash and cash equivalents, time deposits, repurchase agreements, money market funds, and commercial paper.
- Corporate bonds, asset-backed securities, mortgage-backed securities issued by a U.S. Government agency or instrumentality, Yankee bonds, Eurodollar bonds, and sovereign debt.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**H. Deposits and Investments (Continued):**

Pooled investment vehicles such as mutual funds may be utilized. The Pension Trust fund and OPEB Trust fund have separate investment policies. Please see Note 2 for more information on those policies.

**I. Inventories:**

Inventories are recorded as expenses/expenditures when acquired and are not considered material.

**J. Advance Deposits, Prepaid Costs and Loans Receivable:**

Metered postage and health care costs are recorded as prepaid items in both government-wide and fund financial statements. These items are recorded as expenses/expenditures when consumed.

The County established the Grow New Castle County Delaware Fund, part of the Grow America Fund, Inc. (GAF), to provide loans to promote economic development in New Castle County. This small business lending program is intended to help recruit businesses and expand existing businesses. The County deposited \$750,000 with GAF along with \$250,000 of grant funds provided by Discover Bank through the Delaware Community Foundation. The total lending ability will be up to \$4,000,000 because of the SBA 75% loan guarantee. Deposits not yet used for loans with GAF are restricted for small business lending. The County's loan balance was \$0.00 at June 30, 2023, with interest at 1% per annum. The deposit with GAF is included in prepaid costs in the balance sheet and statement of net position.

**K. Housing Loans:**

The County issues rehab and Down Payment Settlement loans under the Community Development Block Grant (CDBG), various County and private revolving funds, and in the past has issued loans under the Home Investment (HOME) program; and records these loans as expenditures in the year the loans are made to participants. The HOME Program provides loans to housing developers on larger housing projects. Loans have a certain deferral period up to 20 years, with a repayment period of 10 years (total loan period of 30 years). The rehab loans are typically deferred and are not required to be paid back until the participating homeowner sells, transfers title to the rehabilitated property, or discontinues residence in the dwelling. In some cases, the loan repayment is forgiven under certain programs based upon an agreement with the owner under that county program. The County maintains detailed records of these loans and records loan principal and interest payments as program revenues in the year such payments are received. These loan balances are not included on the statement of net position or balance sheet of these financial statements due to their extended maturity dates and uncertainty of repayment and therefore have an allowance for the full amount. Loan balances outstanding as of June 30, 2023 were \$15,920,187.

**L. Restricted Assets:**

Restricted cash and cash equivalents in the governmental activities consist of Section 8 escrow funds required by the Department of Housing & Urban Development to be deposited into a separate depository account for the Family Self-Sufficiency (FSS) program. Upon the participants' successful completion of the program, the funds are paid to the FSS participants. Row Office funds represent deposits that are due to other agencies for collections of transfer taxes and sheriff fees. Restricted cash and cash equivalents in both the governmental and business-type activities also include unspent bond proceeds limited by applicable bond covenants to specific capital projects.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**M. Capital Assets:**

Capital assets, which include land, buildings, building improvements, equipment, improvements other than buildings, and infrastructure assets, are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with a value of \$5,000 or more and a useful life in excess of one year. This capitalization threshold is applied to individual capital assets rather than to groups/sets of capital assets (e.g. chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense subject to capitalization incurred by the County during the current fiscal year was immaterial.

Buildings, building improvements, equipment, improvements other than buildings, and infrastructure are depreciated by using the straight-line method over the estimated useful lives as follows:

<b>Assets</b>	<b>Years</b>
Buildings	45
Building Improvements	45
Equipment	5 - 20
Improvements other than buildings	20
Sewer System	45

**N. Leases:**

**Right of Use Asset**

Right-of-Use (ROU) assets are recognized at the lease commencement date and represent the County's right to use an underlying asset for the lease term. ROU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs.

**Lease Liability**

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the stated borrowing rate or, if a rate is not stated, an average borrowing rate calculated by the County.

The County's ROU lease assets are measured based on the corresponding lease liability adjusted for: (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred, and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of ROU assets and lease liabilities when it is reasonably certain the options will be exercised.

**Deferred Inflows**

Leases where the County is the lessor are recorded as deferred inflows until the resources become available in the applicable reporting period.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**O. Subscription-Based IT Arrangements (SBITAs):**

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The County uses various SBITA assets. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term. The County did not incur expenses related to its SBITA activities such as termination penalties or losses due to impairment.

The County's SBITA assets are measured based on the corresponding subscription liability adjusted for: (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred, and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of SBITA assets and subscription liabilities when it is reasonably certain the options will be exercised.

**P. Long-term Obligations:**

In the government-wide financial statements, and proprietary fund types in the 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 amortized over the life of the bonds using the effective interest method.

**Q. Deferred Inflows/Outflows of Resources:**

Deferred Inflows of Resources, reported after Total Liabilities, represent an acquisition of net assets that applies to future periods. The revenue is recognized in the applicable future period(s). The County has several items that are required to be reported in this category: (1) differences between expected and actual retirement plan experience, changes in actuarial assumptions, changes in proportion, and differences between projected and actual investment earnings from pension, (2) the differences between expected and actual retirement plan experience and differences between projected and actual investment earnings from OPEB, and (3) unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until the future period. The County has several items that are required to be reported in this category: (1) differences between expected and actual retirement plan experience, changes in actuarial assumptions, and differences between projected and actual investment earnings from pension (2) changes in employer proportionate share of the net pension assets that are being amortized over future periods and (3) pension contributions made subsequent to the measurement date related to pensions, and (4) changes in actuarial assumptions and differences between projected and actual investment earnings from OPEB. (5) The deferred effect of bond defeasance reported in the government-wide statement of net position, which results when the carrying value of a defeased bond is greater than or less than its reacquisition price. The difference is deferred and amortized over the remaining life of the old bond or the life of the new bond, whichever is shorter.

**Pensions** - 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 fiduciary net position of the County & Municipal Police and Firefighters' Pension Plan (the Plan) and additions to/deductions from

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**Q. Deferred Inflows/Outflows of Resources (Continued):**

the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-Employment Benefits** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense, information about fiduciary net position of the County OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. Budgetary Information:**

The County follows these procedures in developing its budget:

1. Prior to April 1, the County Executive submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to review the proposed budget and obtain taxpayer comments.
3. Prior to June 1, the annual appropriated budget is enacted through legislation. Appropriations are legislated at the departmental level by object of expenditure. Appropriation control is maintained through the accounting system.

The Budget Office is authorized to make certain budgetary transfers within a department, as allowed by the County Code. All other changes must be approved by the County Council.

Formal budgetary integration and project controls are employed as a management control device for governmental funds. The County legally adopts an annual budget for the General Fund, Light Tax Fund, and Crossing Guard Fund. Where grant budgets are adopted, these are on a grant basis and generally overlap fiscal years. The Capital Projects Funds budgets are for more than one fiscal year and, in many cases, encompass a six-year period. Comparisons of budget to actual for a fiscal year do not present a meaningful comparison for these funds and are therefore not presented. As an alternative, inception to date budget and actual schedules are presented for the grants and capital projects funds.

Budgets for the governmental funds are adopted on a basis materially consistent with generally accepted accounting principles (GAAP). The final budgeted amounts are presented as amended through June 30, 2023. Supplemental appropriations to the original budget of \$6,397,899 were necessary and legislated during the year. Unexpended appropriations in the operating budget lapse at year-end, while encumbered amounts are reappropriated in the subsequent year.

**S. Encumbrances:**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in all governmental funds. Amounts encumbered for a specific purpose for which amounts have not been previously restricted,

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**S. Encumbrances (Continued):**

committed, or assigned, are classified as assigned, and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to county regulations.

**T. Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**U. GASB Statements:**

Adoption of New Accounting Pronouncements

In May of 2019, the GASB issued Statement No. 91 Conduit Debt Obligations. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. It also clarifies various definitions related to conduit debt obligations and improves required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The County has evaluated the impact of this statement and determined there is no impact to the manner in which the County reports conduit debt.

In March of 2020, the GASB issued Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this statement is to improve financial reporting related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). This statement outlines accounting and financial reporting requirements for PPPs that qualify as a service concession arrangement (SCA) as defined therein and those that do not meet the definition of a lease under Statement No. 87, Leases as amended. This statement defines and provides accounting and financial reporting guidance on APAs. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The County has evaluated the impact of this statement and determined there is no material impact to the County.

In May of 2020, the GASB issued Statement No. 96 Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement provides a definition for SBITA; establishes that SBITAs result in an intangible "right to use" subscription asset and corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments; and requires specific note disclosures for SBITAs. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The County adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standards to the beginning of the period of implementation. The impact of adoption created a liability and subscription asset for \$471,050 and \$471,050, respectively, as of July 1, 2022.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(1) Summary of Significant Accounting Policies (Continued):**

**U. GASB Statements (Continued):**

In April of 2022, the GASB issued Statement No. 99 Omnibus 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative guidance by addressing practice issues identified during implementation of certain GASB statements. The requirements related to leases, PPP's, and SBITAs are effective for fiscal years beginning after June 15th, 2022 and the requirements relating to financial guarantees and reporting of derivative are effective for fiscal years beginning after June 15, 2023. The County has evaluated this statement and determined it has addressed the requirements of this statement as it relates to leases, PPP's, and SBITAs. The County is currently evaluating the future impact of this statement as it relates to financial guarantees and reporting of derivatives.

In June of 2022, the GASB issued Statement No. 100 Accounting Changes and Error Corrections. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements for this statement are effective for fiscal years beginning after June 15, 2023. The County is currently evaluating the future impact of this statement.

In June of 2022, the GASB issued Statement No. 101 Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The County is currently evaluating the future impact of this statement.

**(2) Deposits and Investments:**

**Custodial credit risk:**

**Deposits:**

For deposits, custodial credit risk is the risk that in the event of the failure of a depository financial institution, a government might be unable to recover its deposits or related collateral securities. The carrying amount of the County's, Pension and OPEB's cash deposits and cash on hand at June 30, 2023 was \$171,296,748. The bank balances were \$174,594,170. In addition, \$819,941 in bank money market accounts were classified as deposits for purposes of custodial credit risk disclosure. Of the \$176,877,790 in total deposits, none of the County's deposits were subject to custodial risk because they were collateralized as of June 30, 2023 with the exception of \$1,682,861 of deposits attributable to the Hope Center which were not collateralized. The investment policies for the County and the Fiduciary funds do not address custodial credit risk for deposits.

**Cash Equivalents:**

Of the County's, Pension, and OPEB's \$149,571,273 in highly liquid investments (maturing in less than a year), consisting of a combination of investment types such as money market mutual funds, treasuries, commercial paper and agencies, \$148,001,332 are unsecured investment instruments and therefore are reflected as uncollateralized.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments (Continued):**

The following is a schedule which details the County's and OPEB Trust fund's investments. The County has reviewed the credit ratings assigned by two of the major credit rating agencies (when two ratings are provided by the custodian) for each security as of June 30, 2023. The lower of the two ratings was used in this table.

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Modified Duration (Years)</b>	<b>Credit Rating</b>	<b>Rating Agency</b>
US Government Obligations	\$ 49,191,108	3.738		
US Government Agencies and Instrumentalities	16,167,915	1.000		
Corporate Obligations	99,730		Aaa	Moody's
Corporate Obligations	162,484		Aa2	Moody's
Corporate Obligations	363,191		AA3	Moody's
Corporate Obligations	314,779		AA-	S&P
Corporate Obligations	1,601,042		A1	Moody's
Corporate Obligations	757,594		A+	S&P
Corporate Obligations	2,707,057		A2	Moody's
Corporate Obligations	3,629,860		A	S&P
Corporate Obligations	4,844,590		A3	Moody's
Corporate Obligations	6,542,010		A-	S&P
Corporate Obligations	8,059,271		BAA1	Moody's
Corporate Obligations	3,192,809		BBB+	S&P
Corporate Obligations	6,533,941		BAA2	Moody's
Corporate Obligations	1,820,351		BBB	S&P
Corporate Obligations	1,822,067		BAA3	Moody's
Corporate Obligations	306,607		BBB-	S&P
Corporate Obligations	403,308		NR	
Subtotal - Corporate Obligations	43,160,691	2.956		
Asset Backed Securities	1,214,337		Aaa	Moody's
Asset Backed Securities	465,678		Aa1	Moody's
Asset Backed Securities	12,612,043		AA+	S&P
Asset Backed Securities	8,911,518		NR	
Subtotal - Asset Backed Securities	23,203,576	2.061		

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments (Continued):**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Modified Duration (Years)</b>	<b>Credit Rating</b>	<b>Rating Agency</b>
Municipal Obligations	\$ 323,726		Aaa	Moody's
Municipal Obligations	640,122		Aa1	Moody's
Municipal Obligations	892,506		Aa2	Moody's
Municipal Obligations	1,151,678		Aa3	Moody's
Municipal Obligations	114,755		AA-	S&P
Municipal Obligations	2,075,014		A1	Moody's
Municipal Obligations	26,992		A+	S&P
Municipal Obligations	139,002		A2	Moody's
Municipal Obligations	291,683		A3	Moody's
Municipal Obligations	50,634		BBB+	S&P
Municipal Obligations	193,174		Baa2	Moody's
Municipal Obligations	115,166		Baa3	Moody's
Municipal Obligations	<u>6,755,278</u>		NR	
Subtotal - Municipal Obligations	<u>12,769,730</u>	5.083		
<b>Subtotal Debt Securities</b>	<b>144,493,020</b>			
Portfolio weighted modified duration		3.048		
Mutual Funds	<u>68,546,544</u>	N/A	N/A	
<b>Total Investments at Fair Value</b>	<b><u>213,039,564</u></b>	N/A	N/A	
US Treasury Bills (included in cash deposits)	11,196,880	N/A	N/A	
US Government Instrumentalities (included in cash and cash equivalents)	5,968,462	N/A	N/A	
Money Market Mutual Funds (included in cash equivalents)	106,643,022	N/A	N/A	
Money Market Funds (included in cash equivalents)	819,941	N/A	N/A	
Commercial Paper (included in cash equivalents)	<u>9,768,078</u>	N/A	N/A	
<b>Subtotal Cash Equivalents</b>	<b><u>134,396,383</u></b>			
Total	<b><u>\$ 347,435,947</u></b>			

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments (Continued):**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (In Years)</b>					<b>Interest Rate</b>
		<b>Less than 1</b>	<b>1 - 5 years</b>	<b>6 - 10 years</b>	<b>10 + years</b>		
U.S. Government Obligations	\$ 49,191,108	\$ 2,488,855	\$ 37,259,742	\$ 9,442,511	\$ -	-	0.13% - 4.25%
U.S. Government Agencies and Instrumentalities	16,167,915	5,028,532	8,271,844	439,749	2,427,790	0.21% - 8.33%	
Corporate Obligations	43,160,691	4,620,458	31,345,520	6,514,275	680,438	0.35% - 7.95%	
Municipal Obligations	12,769,730	536,538	5,787,909	3,792,033	2,653,250	0.00% - 7.09%	
Asset Backed Securities	23,203,576	-	7,693,621	1,495,702	14,014,253	0.51% - 6.47%	
<b>Total</b>	<b>\$ 144,493,020</b>	<b>\$ 12,674,383</b>	<b>\$ 90,358,636</b>	<b>\$ 21,684,270</b>	<b>\$ 19,775,731</b>		

The following is a schedule which details the Pension Trust fund's investments.

<b>Investment Type</b>	<b>Fair Value</b>
Common and Preferred Stock	\$ 63,749,162
Mutual Funds	69,901,511
Real Estate Equity Funds	4,851,271
<b>Subtotal Equity Securities</b>	<b>138,501,944</b>
Collective Trusts	300,523,537
Private Equity	54,232,698
<b>Total Investments at Fair Value</b>	<b>493,258,179</b>
Short Term Investment Trusts (included in cash deposits)	13,721,460
<b>Total</b>	<b>\$ 506,979,639</b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments (Continued):**

**New Castle County:** Authority and responsibility for managing the County investment program is granted to the Chief Financial Officer via the County Executive, and is derived from Delaware Code, Title 9, Chapter 13.

**Pension fund:** New Castle County Code, Chapter 26 authorizes the Board of Trustees of the New Castle County Employees' Pension Program to manage the investment of the plan's assets.

**OPEB fund:** New Castle County Code, Chapter 26 authorizes the Board of Trustees of the Other Post-Employment Benefits (OPEB) Trust fund, which is separate and distinct from the pension fund, to invest funds in accordance with the investment policy the Board has adopted.

**Interest rate risk:** The County manages its exposure to interest rate risk by managing, in a conservative fashion, the duration and/or maturities of investments. For short-term investments, maturities (at the time of purchase) will be less than one year. For bond proceeds, maturities will depend on purpose/scope of projects underlying issue. For longer-term investments (reserve funds), average duration will not exceed ten years. While investment guidelines for longer-term portfolios do not directly address interest rate risk, there are limits on credit risk and concentration risk that limit overall risk in those portfolios.

The Pension Trust fund's investment policy states that investment managers who use derivatives in a portfolio must monitor changing risk exposures to ensure that they comply with duration and other risk exposure limits specified in the manager's guidelines on an ongoing basis. While the OPEB Trust fund's investment policy does not specifically address interest rate risk, there are limits on credit risk and concentration risk that limit overall risk in the portfolio.

**Credit risk:** Cash deposits and short-term investments (liquidity funds), as defined by policy, are invested conservatively in various cash and cash equivalent vehicles, such as publicly/not publicly traded money market funds, mutual or collateralized money market funds and short-term securities. For separately managed portfolios, other allowable investments include (at time of purchase):

Type of security	Target Max
US Treasuries & Agencies	No limit
Corporate Debt	60%
Repurchase Agreements	No limit
Certificate of Deposit and Time	25%

Corporate debt should be diversified by issuer and industry and may consist of bonds/notes not lower than A/A3 as measured by Moody's, Standard and Poor and Fitch. Commercial paper is rated A1/P1 or higher. Repurchase agreements should be collateralized 102% by direct U.S. Government or U.S. Government Agencies/Instrumentalities. Certificates of Deposit and Time Deposits should be collateralized 102% by same or from institutions rated at least 'A' or higher by two of the following: Moody's, Standard and Poor and Fitch.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments (Continued):**

**Credit risk: (Continued):**

For longer term managed portfolios (reserve funds), asset allocation strategies and allowable securities are defined under the following parameters:

Type of security	Minimum Range	Maximum Range
US Treasuries & Agencies	10%	100%
TIPS	0%	10%
GNMA	0%	50%
Residential & Commercial Mortgage Backed	0%	35%
Asset Backed Securities	0%	15%
Yankees	0%	10%
US Corporates	0%	50%
Eurodollar Bonds	0%	10%
Sovereign Debt	0%	15%
Cash & Equivalents, and Other Short-Term Investments	0%	50%
Municipal/Taxable Municipals	0%	15%

Reserve fund portfolios must have a minimum average credit rating of A as rated by Standard & Poor's, Moody's or Fitch. Individual securities must be rated BBB/Baa to be purchased. Downgrades to securities to a non-investment grade rating by any one of the major credit rating services must be sold immediately, unless a review of a preponderance of extenuating evidence allows for retaining such a security. Excluding securities issued or guaranteed by the US Government or its agencies, securities of a single issuer shall not exceed 3% of the fair value of the overall portfolio(s).

The pooled fund, as defined by policy, is prohibited from making direct investments in the following: equities, preferred stock, private placements, futures or options, credit default swaps, speculative derivatives, collateralized mortgage obligations (CMO's), collateralized loan obligations (CLO's), and securities lending. The aforementioned policy restrictions are not applicable to mutual funds, exchange traded funds, or other commingled investments which are subject to fund specific guidelines that are not altered for individual investors.

Per the Pension Trust fund's investment policy, allowable investments include: 1) equities (developed, global and emerging markets), including common and preferred stocks of companies domiciled both within the U.S. and outside the U.S. that trade on U.S. or foreign exchanges and over the counter, 2) fixed income (developed, global and emerging markets), including U.S. Government and Federal Agency obligations, non-U.S. government/entities, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage-backed securities and other domestically issued fixed income instruments deemed prudent by the investment managers, as well as high yield and multi-sector management 3) mutual funds and other types of commingled vehicles under 1) and 2) and 4) other assets, professionally managed commingled funds investing predominantly in real assets, real estate, hedge funds, private equity and opportunistic debt, and other types of risk parity/global asset allocation strategies that may include some of the vehicles listed above.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Investments: Credit risk (Continued):**

The OPEB Trust fund's investment policy states that the minimum average credit quality of fixed income investments shall be investment grade (Standard & Poor's BBB; Moody's Baa) or higher upon purchase, and no more than 5% of the portfolio may be invested in securities with ratings below investment grade. Pooled investments such as mutual funds may be utilized.

**Concentration of credit risk:** Per the Pension Trust fund's investment policy, the following general asset allocation guidelines have been established:

	Target Allocation	Minimum Allocation	Maximum Allocation
Large Cap Passive U.S. Equities	8.0%	6.0%	18.0%
Large Cap U.S. Growth Equities	4.5%	0.0%	10.0%
Large Cap U.S. Value Equities	4.5%	0.0%	10.0%
Small Cap U.S. Growth Equities	3.0%	0.0%	5.0%
Small Cap U.S. Value Equities	3.0%	0.0%	5.0%
Non-U.S. Equities	15.0%	10.0%	20.0%
Dedicated Emerging Market Equities	2.0%	0.0%	5.0%
Hedge Funds	5.0%	0.0%	10.0%
Private Equity	6.0%	0.0%	12.0%
Real Estate	10.0%	0.0%	15.0%
<b>Total "Equity Like"</b>	<b>55.0%</b>	<b>20.0%</b>	<b>85.0%</b>
Core Bonds	7.0%	5.0%	12.0%
Multi-Sector Fixed Income	13.0%	5.0%	25.0%
Absolute Return Fixed Income	6.0%	0.0%	11.0%
Emerging Market Debt	5.0%	0.0%	10.0%
Opportunistic Debt	7.0%	0.0%	12.0%
Cash	1.0%	0.0%	5.0%
<b>Total "Fixed Income Like"</b>	<b>39.0%</b>	<b>20.0%</b>	<b>80.0%</b>

Other policy constraints on managers of the pension fund on the aforementioned investment types include a) for equities, to be diversified in industry and number, b) for domestic fixed income, to invest no more than 10% in any one issuer, except for obligations of the U.S. government, c) for global fixed income, to invest no more than 30% of the portfolio fair value of any single government or non-U.S. types of alternative investments (including hedge funds, private equity/opportunistic debt, real estate and real assets) that are made via commingled vehicles and the pension plan recognizes that the portfolios cannot be customized or altered for one investor. Accordingly, the pension plan adopts the investment guidelines of the commingled vehicles so long as they keep in the spirit and intent of the guidelines contained in the Pension Trust fund's investment policy.

The OPEB Trust fund's investment policy states that: a) with the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Plan assets, and b) with the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or mutual fund shall comprise more than 20% of total Plan assets. There were no concentrations of credit risk issues.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Fair Value Measurement of Investments**

New Castle County categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles, as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets;
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drives are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

New Castle County and the OPEB Trust fund have the following recurring fair value measurements as of June 30, 2023:

**Investments and Derivative Instruments Measured at Fair Value**

	<b>Fair Value Measurements Using</b>				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2022	
<b>Investments by fair value level</b>					
Debt Securities					
U.S. Treasury obligations	\$ -	\$ 49,191,108	\$ -	\$ 49,191,108	
U.S. Government Agencies	-	16,167,915	-	16,167,915	
Corporate Bonds	-	43,160,691	-	43,160,691	
Asset Backed Securities	-	23,203,576	-	23,203,576	
Municipal Obligations	-	12,769,730	-	12,769,730	
<b>Total Debt Securities</b>	<b>-</b>	<b>144,493,020</b>	<b>-</b>	<b>144,493,020</b>	
Fixed Income Mutual Funds		19,969,465	-	-	19,969,465
Equity Mutual Funds		48,577,079	-	-	48,577,079
<b>Total investments in equity securities and mutual funds</b>		<b>68,546,544</b>	<b>-</b>	<b>-</b>	<b>68,546,544</b>
<b>Total investments, at fair value</b>	<b>\$ 68,546,544</b>	<b>\$ 144,493,020</b>	<b>\$ -</b>	<b>\$ 213,039,564</b>	

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. There were no investments measured with Level 3 inputs.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Fair Value Measurement of Investments (Continued)**

The Pension Trust has the following recurring fair value measurements as of June 30, 2023:

**Investments and Derivative Instruments Measured at Fair Value**

	<b>Fair Value Measurements Using</b>					Balance as of June 30, 2023	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)				
<b>Investments by fair value level</b>							
Equity Securities							
Energy	\$ 2,153,101	\$ -	\$ -	\$ 2,153,101			
Consumer discretionary	8,325,146	-	-	8,325,146			
Health care	13,792,056	-	-	13,792,056			
Materials	1,271,208	-	-	1,271,208			
Consumer staples	7,787,264	-	-	7,787,264			
Information technology	6,844,949	-	-	6,844,949			
Industrials	10,787,862	-	-	10,787,862			
Real estate	2,810,739	-	-	2,810,739			
Utilities	351,704	-	-	351,704			
Financials	8,472,720	-	-	8,472,720			
Communication Services	1,152,413	-	-	1,152,413			
Real estate equity funds	4,851,271	-	-	4,851,271			
Mutual Funds							
Equity mutual funds	69,901,511	-	-	69,901,511			
Total investments by fair value level	<u>138,501,944</u>	<u>-</u>	<u>-</u>	<u>138,501,944</u>			
<b>Investments measured at the net asset value (NAV)</b>							
Private equity/private debt investments	-	-	-	54,232,698			
Collective trusts - hedge funds	-	-	-	37,686,768			
Collective trusts - real estate funds	-	-	-	32,722,149			
Collective trusts - equities	-	-	-	84,172,231			
Collective trusts - fixed income	-	-	-	145,942,389			
Total investments measured at the NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,756,235</u>			
Total investments	<u>\$ 138,501,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,258,179</u>			

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Fair Value Measurement of Investments (Continued)**

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. There were no investments measured with Level 2 or Level 3 inputs.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investment	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity/private debt investments	\$ 54,232,698	\$ 17,792,169	N/A	N/A
Collective trusts - hedge funds	37,686,768	-	Quarterly	90-95 days
Collective trusts - real estate funds	32,722,149	-	Quarterly	45 days
Collective trusts - equities	84,172,231	-	Daily	0-2 days
Collective trusts - fixed income	145,942,389	-	Daily	0 days
<b>Total</b>	<b>\$ 354,756,235</b>	<b>\$ 17,792,169</b>		

Investments in private equity and private debt funds consists of investments in sixteen funds. The objectives of the Funds are to seek total return by managing a broad opportunity set of asset classes including, but not limited to, global equities, global bonds, commodities, currencies and cash. These investments are valued at the net asset value (NAV) of outstanding units. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Collective Trusts-Hedge Funds consists of investments in three investment trusts. The objectives of the Funds are to seek total return by managing a broad opportunity set of asset classes including, but not limited to, global equities, global bonds, commodities, currencies and cash. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Collective Trusts-Real Estate funds consists of an investment in two trusts. The objectives of the fund are to identify real estate projects with stabilized occupancies, that produce a relatively high level of current income combined with moderate appreciation potential. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Collective Trusts-Equity Funds consists of investments in three investment trusts. The Fund's investment objective is to seek long-term capital appreciation through equity securities of companies located in emerging market countries. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(2) Deposits and Investments (Continued):**

**Fair Value Measurement of Investments (Continued)**

Collective Trusts-Fixed Income Funds consists of an investment in five trusts. The objective of the fund is to outperform the Barclays Capital U.S. Government/Credit Index and the Barclays US Aggregate Total Return Index. These investments are valued at the net asset value (NAV) of units of the collective trusts. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

**(3) Property Taxes:**

Property taxes attach as an enforceable lien on property when levied. Unpaid property taxes may subject a property to sheriff's sale as the final instrument to satisfy past due balances. Taxes are levied on July 1 and are payable on or before September 30. Taxes paid after the payable date are assessed a six percent penalty for nonpayment and one percent penalty per month thereafter. The County bills and collects its own property taxes. County property tax revenues are recognized in the fiscal year levied. Tax receivables, as reported in the fund financial statements, consist of property tax receivable of \$3,781,107, and penalties and interest receivable of \$2,697,348 and are reduced by an allowance for uncollectible accounts of \$3,592,004 for 2023 which is determined by a review of account status and location.

Assessed values are established by the County at 100 percent of 1983 market value based upon the county-wide reassessment completed in 1985. Real property in the County for the FY 2023 initial levy was assessed at \$19.9 billion.

**(4) Receivables:**

Receivables as of June 30, 2023 for the County's individual major funds, nonmajor funds, and fiduciary funds in the aggregate, net of applicable allowances for uncollectible accounts are as follows:

<b>Receivables</b>	<b>General</b>	<b>Grants</b>	<b>Sewer</b>	<b>Nonmajor / Fiduciary *</b>	<b>Total</b>
Taxes	\$ 2,886,451	\$ -	\$ -	\$ 182,639	\$ 3,069,090
Service charges	-	-	9,314,180	-	9,314,180
Accounts	5,670,888	-	-	-	5,670,888
Lease	1,749,177	-	-	-	1,749,177
Other	685,969	159,734	1,006,059	3,771,016	5,622,778
Due from other governments	-	6,590,491	638,158	747,422	7,976,071
Due from other agencies	-	50,321	-	-	50,321
<b>Total Receivables, Net</b>	<b>\$ 10,992,485</b>	<b>\$ 6,800,546</b>	<b>\$ 10,958,397</b>	<b>\$ 4,701,077</b>	<b>\$ 33,452,505</b>

\* Included in the Nonmajor/Fiduciary column are receivables for Light Tax fund, Crossing Guard fund, Garstin Trust fund, Facilities and Equipment Capital Projects fund, Park Development Capital Projects fund, Public Safety Capital Projects fund, Pension Trust fund, and the OPEB Trust fund.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(4) Receivables (Continued):**

Residential sewer service charges are levied on January 1<sup>st</sup> and non-residential sewer service charges are billed quarterly and shall be due and payable as of January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>. Sewer service charges paid after the payable date are assessed a six percent penalty for nonpayment and a one percent penalty per month thereafter. The County bills and collects its own sewer service charges. Sewer service revenues are recognized in the fiscal year levied. Service charges receivables consist of sewer service receivable of \$8,464,558 and penalties and interest receivable of \$1,572,334 and are reduced by an allowance for uncollectible accounts of \$722,712 for 2023 which is determined by a review of account aging.

**(5) Capital Assets:**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<b>Balance July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2023</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 91,545,083	\$ 1,067,312	\$ (380,500)	\$ 92,231,895
Construction in progress	3,717,910	1,263,126	-	4,981,036
Total capital assets, not being depreciated	<u>95,262,993</u>	<u>2,330,438</u>	<u>(380,500)</u>	<u>97,212,931</u>
Capital assets, being depreciated or amortized:				
Buildings	237,599,247	1,197,987	-	238,797,234
Right to use leased buildings	168,338	1,711,113	-	1,879,451
Building improvements	51,731,625	3,871,947	-	55,603,572
Other improvements	92,761,924	8,661,879	-	101,423,803
Equipment	182,238,758	14,325,040	(1,456,542)	195,107,256
Right to use leased equipment	341,562	30,284	-	371,846
Subscription assets	471,050	-	-	471,050
Infrastructure	57,251	-	-	57,251
Total capital assets, being depreciated and amortized	<u>565,369,755</u>	<u>29,798,250</u>	<u>(1,456,542)</u>	<u>593,711,463</u>
Less accumulated depreciation for:				
Buildings	(81,849,801)	(4,434,845)	-	(86,284,646)
Building improvements	(12,199,478)	(1,282,261)	-	(13,481,739)
Other improvements	(75,304,000)	(2,698,280)	-	(78,002,280)
Equipment	(137,010,024)	(10,869,609)	1,341,557	(146,538,076)
Infrastructure	(10,823)	(1,272)	-	(12,095)
Less accumulated amortization for:				
Right to use leased assets	(209,206)	(473,028)	-	(682,234)
Subscription assets	-	(165,157)	-	(165,157)
Total accumulated depreciation and amortization	<u>(306,583,332)</u>	<u>(19,924,452)</u>	<u>1,341,557</u>	<u>(325,166,227)</u>
Total capital assets, being depreciated and amortized, net	<u>258,786,423</u>	<u>9,873,798</u>	<u>(114,985)</u>	<u>268,545,236</u>
<b>Governmental activities</b>				
<b>capital assets, net</b>	<b><u>\$ 354,049,416</u></b>	<b><u>\$ 12,204,236</u></b>	<b><u>\$ (495,485)</u></b>	<b><u>\$ 365,758,167</u></b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(5) Capital Assets (Continued):**

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 35,320,950	\$ -	\$ -	\$ 35,320,950
Construction in progress	5,492,935	1,922,915	(553,328)	6,862,522
Total capital assets, not being depreciated	<u>40,813,885</u>	<u>1,922,915</u>	<u>(553,328)</u>	<u>42,183,472</u>
Capital assets, being depreciated or amortized:				
Buildings	43,982,105	46,593	-	44,028,698
Building improvements	3,521,819	-	-	3,521,819
Other improvements	47,882,530	182,717	-	48,065,247
Equipment	48,156,350	3,376,616	(594,181)	50,938,785
Right to use leased equipment	11,360	-	-	11,360
Infrastructure	<u>674,722,464</u>	<u>13,515,607</u>	<u>-</u>	<u>688,238,071</u>
Total capital assets, being depreciated and amortized	<u>818,276,628</u>	<u>17,121,533</u>	<u>(594,181)</u>	<u>834,803,980</u>
Less accumulated depreciation for:				
Buildings	(21,041,787)	(832,743)	-	(21,874,530)
Building improvements	(1,036,723)	(80,811)	-	(1,117,534)
Other improvements	(46,251,133)	(178,049)	-	(46,429,182)
Equipment	(36,497,273)	(2,195,434)	594,181	(38,098,526)
Infrastructure	(253,141,442)	(13,945,987)	-	(267,087,429)
Less accumulated amortization for:				
Right to use leased assets	(5,844)	(4,932)	-	(10,776)
Total accumulated depreciation and amortization	<u>(357,974,202)</u>	<u>(17,237,956)</u>	<u>594,181</u>	<u>(374,617,977)</u>
Total capital assets, being depreciated and amortized, net	<u>460,302,426</u>	<u>(116,423)</u>	<u>-</u>	<u>460,186,003</u>
<b>Business-type activities</b>				
<b>capital assets, net</b>	<b><u>\$ 501,116,311</u></b>	<b><u>\$ 1,806,492</u></b>	<b><u>\$ (553,328)</u></b>	<b><u>\$ 502,369,475</u></b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(5) Capital Assets (Continued):**

Depreciation/amortization expense was charged to functions/programs of the County as follows:

**Governmental activities:**

General Government	\$ 3,463,630
Public Works	9,819,510
Police	3,925,651
Community Services	2,651,076
Land Use	47,767
Judiciary Offices	<u>16,818</u>
<b>Total depreciation/amortization expense-governmental activities</b>	<b><u>\$ 19,924,452</u></b>

**Business-type activities:**

Sewer Facilities	\$ 17,237,956
<b>Total depreciation/amortization expense-business-type activities</b>	<b><u>\$ 17,237,956</u></b>

**(6) Construction Commitments:**

The County has active construction projects as of June 30, 2023. The projects include building and facility renovations, park development, public safety, and sewer construction. At year end, the County's commitments with contractors for construction in progress are as follows:

<b>Project</b>	<b>Expended Through June 30, 2023</b>	<b>Remaining Commitment</b>
Buildings and facilities	\$ 1,125,879	\$ 921,485
Park development	1,701,086	1,100,674
Public safety	<u>870,307</u>	<u>367,361</u>
Subtotal	3,697,272	2,389,520
Sewer/stormwater construction	<u>8,146,286</u>	<u>313,638</u>
<b>Total</b>	<b><u>\$ 11,843,558</u></b>	<b><u>\$ 2,703,158</u></b>

The building and facilities portion of the commitment and the park development portion of the commitment are financed primarily by general obligation bonds and state funding. The Public safety portion of the commitment is financed by general obligation bonds, impact fees and state funding. The sewer construction portion of the commitment is financed by general obligation bonds.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(6) Construction Commitments (Continued):**

**Encumbrance Commitments by Fund:**

General Fund	\$ 779,753
Grants Fund	15,559,037
Sewer Facilities Fund	13,072,074
Nonmajor Funds	<u>29,074,329</u>
Total Encumbrances	<b><u>\$ 58,485,193</u></b>

**(7) Interfund Receivables, Payables and Transfers:**

The compositions of interfund balances as of June 30, 2023, are as follows:

<b>Due To</b>	<b>Due From</b>	
	<u>General Fund</u>	
Light Tax Fund	\$ 2,188,069	
Crossing Guard Fund	749,137	
Facilities and Equipment	11,532,444	
Park Development	8,740,310	
Public Safety	9,609,985	
Miscellaneous Capital Improvements	<u>7,489,377</u>	
Total	<u>\$ 40,309,322</u>	

During normal operations, the County has numerous short-term transactions between funds. The amounts due to the Light Tax fund, Crossing Guard fund, and the Capital Projects funds from the General fund represent the cash that is swept daily and invested with General fund proceeds.

The compositions of inter-fund transfers during the fiscal year ended June 30, 2023, are as follows:

	<b>Transfers In</b>						
	<b>Grants Fund</b>	<b>General Fund</b>	<b>Facilities and Equipment</b>	<b>Public Safety</b>	<b>Park Development</b>	<b>Misc Capital Projects</b>	<b>Total</b>
<b>Transfers Out</b>							
General Fund	\$ 210,904	\$ 525,000	5,645,858	\$ 651,061	\$ 3,503,000	\$ 7,400,000	\$ 17,935,823
Grants Fund	1,841,891	1,841,891	-	-	-	-	3,683,782
Facilities and Equipment	-	604,876	-	-	-	-	604,876
Total	<u>\$ 2,052,795</u>	<u>\$ 2,971,767</u>	<u>\$ 5,645,858</u>	<u>\$ 651,061</u>	<u>\$ 3,503,000</u>	<u>\$ 7,400,000</u>	<u>\$ 22,224,481</u>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(7) Interfund Receivables, Payables and Transfers (Continued):**

During the fiscal year, several inter-fund transactions occurred between funds. The General Fund contributed proceeds to the Grants Fund to sponsor a summer camp for youth, to provide employment for youth during the summer months and to provide funding for senior home repair. The General Fund received reimbursement from the Grants fund for COVID-related expenses. The Capital Projects fund received proceeds from the General Fund to fund capital costs for land preservation as well as for the purchase of information systems equipment, fleet equipment, public safety equipment and costs associated with the countywide reassessment project.

**(8) Compensated Leave:**

The County accrues a liability for vacation, sick, and other compensated leave as the leave is earned by the employees to the extent it is probable that the County will compensate the employees for the leave through paid time off or some other means, such as cash payments at termination or retirement.

County employees earn vacation leave depending on their length of service. Vacation leave, depending on years of service, accumulates on a monthly basis and is fully vested when earned. Accumulated vacation leave cannot exceed 30 days or 50 days, depending on union affiliation, at the end of any calendar year. All unused vacation leave is paid upon leaving County service. County employees earn one day of sick leave for each completed month of service. Accumulation of sick leave is unlimited. All employees have vested rights for payment of accumulated unused sick leave. This severance payment is for a maximum of 20 days for voluntary termination and a maximum of 100 days for retirement, layoffs and death. For employees hired on or before June 30, 1977, payment is based on one day paid for each day accrued. For employees hired on or after July 1, 1977, payment is based on one day paid for each two days accrued. All vacation leave, sick leave, and other compensated leave is accrued in the government-wide and proprietary fund financial statements.

At June 30, 2023, total accumulated vacation leave for governmental fund types was \$21,473,734, (including accrued FICA and Medicare), total vested sick leave was \$9,619,322 (including accrued FICA and Medicare), and other total compensated leave was \$1,749,505 (including accrued FICA and Medicare). These amounts total to \$32,842,561 and are reported in the government-wide financial statements. At June 30, 2023, accumulated vacation, sick, and other compensated leave for Proprietary Funds in the amount of \$3,574,429 have been included in accrued expenses. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**(9) Unavailable / Unearned Revenue:**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2023, the various components of unavailable or unearned revenue reported in the governmental funds were as follows:

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(9) Unavailable / Unearned Revenue (Continued):**

**General Fund:**

Property tax receivables-net	\$2,886,451
Less: estimated 60-day collection 7/23 - 8/23	<u>(209,056)</u>
	<u>2,677,395</u>
Lease receivables	1,649,324
<b>Total General Fund – Unavailable</b>	<b>4,326,719</b>
<b>Total General Fund – Unearned (Capital Assets Held for Resale)</b>	<b>346,122</b>
<b>Crossing Guard Fund:</b>	
Property tax receivables-net	66,033
Less: estimated 60-day collection 7/23 - 8/23	<u>(5,370)</u>
<b>Total Crossing Guard Fund – Unavailable</b>	<b>60,663</b>
<b>Grants Fund:</b>	
Unearned grant revenue	103,087,332
Capital assets held for resale	420,859
Police duty fund	<u>718</u>
<b>Total Grants Fund – Unearned</b>	<b>103,508,909</b>
<b>Total</b>	<b><u>\$108,242,413</u></b>

Governmental funds report unavailable revenue of \$4,326,719, whereas the governmental activities report unavailable revenue of \$1,649,324.

**(10) Long-term Debt:**

**General Obligation Bonds:**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

All bonds outstanding as of June 30, 2023 are general obligation debt supported by the full faith and credit of the County and are summarized as follows:

<b>Purpose</b>	<b>Original Issue</b>	<b>Maturities</b>	<b>Interest Rates</b>	<b>Outstanding Amount</b>
<b>Governmental Activities</b>	\$304,210,000	2042	.29 – 5.00%	\$165,805,000
<b>Business-type Activities:</b>				
Sewer Facilities	<u>570,925,000</u>	<u>2052</u>	<u>.29 – 5.00%</u>	<u>365,430,000</u>
<b>TOTAL</b>	<b><u>\$875,135,000</u></b>			<b><u>\$531,235,000</u></b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(10) Long-term Debt (Continued):**

**General Obligation Bonds (Continued):**

The County has always paid principal and interest on its bonds in a timely manner. In the event the County fails to make timely payment of principal or interest on its bonds, the registered owners of the bonds on which the default in payment has occurred may sue the County for breach of contract.

Annual debt service requirements to maturity for general obligation bonds were as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	15,590,000	4,544,796	11,525,000	10,970,848
2025	16,770,000	4,069,374	12,190,000	10,467,589
2026	16,390,000	3,478,040	13,705,000	9,882,672
2027	16,265,000	3,006,039	13,235,000	9,385,620
2028	13,315,000	2,671,461	15,860,000	8,972,530
2029-2033	43,150,000	9,090,499	76,390,000	38,449,380
2034-2038	33,475,000	3,435,779	84,110,000	27,049,714
2039-2043	10,850,000	438,056	79,510,000	14,625,264
2044-2048	-	-	46,110,000	5,185,970
2049-2052	-	-	12,795,000	598,012
	<b><u>\$ 165,805,000</u></b>	<b><u>\$ 30,734,044</u></b>	<b><u>\$ 365,430,000</u></b>	<b><u>\$ 135,587,598</u></b>

**State of Delaware Water Pollution Control Revolving Fund (WPCRF) Loans:**

The purpose of these loans is to finance all or a portion of construction costs associated with the County's approved wastewater projects, consisting of sewer repair, septic elimination, and stormwater management ponds rehabilitation projects. The County's repayment obligation constitutes a general obligation of the County, secured by a pledge of its full faith, credit and taxing power. During fiscal year 2023 \$478,607 was drawn on the WPCRF to fund various projects.

<b><u>Purpose</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities</u></b>	<b><u>Interest Rates</u></b>	<b><u>Outstanding Amount</u></b>
<b>Business-type Activities:</b>				
Sewer Facilities	<u>\$27,565,897</u>	2046	2.00 – 2.601%	<u>\$24,908,824</u>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(10) Long-term Debt (Continued):**

**State of Delaware Water Pollution Control Revolving Fund (WPCRF) Loans (Continued):**

Annual debt service requirements to maturity for WPCRF loans are as follows:

<b>Fiscal Year</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	1,468,986	511,431
2025	1,476,019	483,484
2026	1,454,045	452,486
2027	1,483,125	421,663
2028	1,505,070	390,283
2029-2033	7,605,322	1,468,495
2034-2038	7,779,353	666,017
2039-2043	2,114,180	46,418
2044-2046	22,724	795
	<b><u>\$ 24,908,824</u></b>	<b><u>\$ 4,441,072</u></b>

The schedule above includes estimated debt service for WPCRF loans that are in the process of being drawn down because the related projects are in the construction stage. The maximum potential amount of these loans combined is \$16,472,000. Of this amount, \$6,894,143 had been drawn down as of June 30, 2023.

On April 21, 2023, New Castle County entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund, acting by and through the Delaware Department of Natural Resources and Environmental Control (DNREC), a public agency of the State of Delaware, for a loan in the amount of \$7,750,000. The funds borrowed will finance costs associated with the revitalization of 11,350 linear feet of 24" and 30" gravity sewer interceptor, using cured in-place pipe lining, point repairs and replacement of 44 sanitary sewer manholes, associated with the Airport Road Sanitary System Original Interceptor Revitalization Project.

The financing agreement assumes an expected project completion date of December 31, 2025 (Amortization Start Date). The projected date of completion is subject to an extension if such extension is mutually agreed upon. After the Amortization Start Date, fee and principal shall be payable on the outstanding principal amounts drawn semiannually, on each payment date, commencing on the second payment date following the Amortization Start Date and continuing on each of the next 39 following payment dates, in an amount sufficient to amortize all principal drawn with substantially equal semiannual payments of principal and fee over twenty (20) years. All unpaid principal and fee shall be paid in full on May 1, 2046. As of 6/30/2023, the County expects the project to be completed by the aforementioned project completion date.

On June 30, 2022, New Castle County entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund (DNREC), acting by and through the Delaware Department of Natural Resources and Environmental Control, a public agency of the State of Delaware, for a loan in the amount of \$997,000. The project for which the funds were borrowed will finance a portion of the costs associated

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(10) Long-term Debt (Continued):**

**State of Delaware Water Pollution Control Revolving Fund (WPCRF) Loans (Continued):**

with the restoration of 1,767 linear feet of an unnamed tributary of the Christina River at Robscott Manor Park in Newark, Delaware. In conjunction with the agreement, the County entered into a tri-party agreement with DNREC and the State of Delaware, Department of Transportation (DELDOT). Under the tri-party agreement, the project is sponsored by and will be completed by DELDOT, with authorization for DELDOT to submit reimbursement requests, to be approved by the County, to be paid directly to DELDOT from DNREC. Long-term maintenance responsibility for the project will be assumed by the County.

Once the project is confirmed completed, all principal amount advanced and outstanding will be forgiven. If the project is not completed, the amortization start date and repayment will commence, with principal amount advanced and outstanding and interest (at the rate of 1.00% per annum and an administrative fee at the rate of 1.00% per annum) payable semi-annually on each January 1 and July 1, commencing on the amortization start date and amortized over twenty (20) years in substantially equal semiannual payments. While the project remains active, project related expenditures will be recorded as other accrued liabilities (through 6/30/2023 – total accrued \$235,560). As of 6/30/2023, the County expects that the project will be completed.

The general obligations and loans of the County have certain events of default that include: (A) failure to make payment of principal or interest when due; failure to perform or observe any of the covenants, agreements or conditions of the Agreement and continuing disclosure requirements. (B) When an event of default occurs, the lender may discontinue advances of loan proceeds and/or declare immediately due and payable all payments due or to become due under the Agreement.

**Changes in Long-term Liabilities:**

Long-term liability activity for the year ended June 30, 2023, was as follows:

<b>Liability</b>	<b>Balance</b>			<b>Balance June 30, 2023</b>	<b>Due Within One Year</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>		
<b>Governmental Activities:</b>					
Compensated leave	\$ 31,027,931	\$ 11,896,131	\$ 10,081,501	\$ 32,842,561	\$ 10,283,130
Claims and judgment costs	16,373,692	2,950,288	3,359,272	15,964,708	4,747,000
Financed purchases	6,478,979	3,295,484	3,590,068	6,184,395	2,608,357
Lease payable/SBTAs	778,348	1,741,398	594,206	1,925,540	490,503
Estimated liability for landfill postclosure care costs	812,000	-	27,000	785,000	112,143
Unamortized bond premium	7,057,824	-	397,172	6,660,652	397,171
Bonds	180,800,000	-	14,995,000	165,805,000	15,590,000
Net OPEB liability	67,377,162	-	323,184	67,053,978	-
Net pension liability	198,949,340	19,570,460	-	218,519,800	-
<b>Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$ 509,655,276</b>	<b>\$ 39,453,761</b>	<b>\$ 33,367,403</b>	<b>\$ 515,741,634</b>	<b>\$ 34,228,304</b>
<b>Business-type activities:</b>					
Compensated leave	\$ 3,538,378	\$ 1,258,033	\$ 1,221,982	\$ 3,574,429	\$ 1,240,535
Financed purchases	3,059,796	2,263,769	1,296,726	4,026,839	1,110,748
Lease payable	5,561		5,069	492	363
Loans payable	25,413,795	478,607	983,578	24,908,824	1,468,986
Unamortized bond premium	6,111,695	-	393,815	5,717,880	214,705
Bonds	378,075,000	-	12,645,000	365,430,000	11,525,000
Net OPEB liability	5,235,552	-	41,884	5,193,668	-
Net pension liability	26,900,404	2,536,267	-	29,436,671	-
<b>Business-type activity</b>					
<b>Long-term liabilities</b>	<b>\$ 448,340,181</b>	<b>\$ 6,536,676</b>	<b>\$ 16,588,054</b>	<b>\$ 438,288,803</b>	<b>\$ 15,560,337</b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(10) Long-term Debt (Continued):**

**Changes in Long-term Liabilities (Continued):**

For the governmental activities, compensated leave, claims and judgment costs, estimated liability for landfill postclosure care costs, and net pension and OPEB liabilities are liquidated by the General Fund.

**(11) Debt Margin and Bonds Authorized but Unissued:**

Bonds authorized but unissued at June 30, 2023 totaled \$81,197,246. The County's legal debt margin for general obligation debt at year end was \$431,603,797. Delaware Code allows for the exclusion of Enterprise debt from the legal debt margin.

**(12) Defeasance of Debt:**

In FY 2022, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, assets in the trust account and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2023, \$119.3 million of bonds outstanding are considered defeased.

**(13) Landfill Postclosure Care Costs:**

State and federal laws and regulations require that New Castle County perform certain maintenance and monitoring functions at the Army Creek Landfill (ACL) for thirty years after closure. This landfill has not collected waste at this site since 1968. The ACL closure was completed and accepted by the United States Environmental Protection Agency on November 18, 1993. The County is currently performing the required maintenance and monitoring functions. The estimated cost to comply with postclosure regulations is \$785,000. However, the actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The annual operating costs for maintenance and monitoring the landfill site will continue to be funded by the County and recorded as a long-term liability in the governmental activities in the Statement of Net Position.

**(14) Risk Management:**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County is self-insured and also carries commercial insurance. The County currently reports all of its risk management activities in the General Fund. The County recognizes expenditures/expenses in the General Fund. Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and claims and adjustment expenses. Claim liabilities are based upon actuarial calculations which consider the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, other economic and social factors, specific incremental claim adjustment expenses, and salvage and subrogation. There were no settlements exceeding insurance coverage for the past three fiscal years. Changes in the liability during the past two years are as follows:

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(14) Risk Management (Continued):**

	<u>Governmental</u>	
	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning balance	\$16,373,692	\$15,159,644
Incurred claims	2,950,288	4,433,759
Claim payments and adjustments	<u>(3,359,272)</u>	<u>(3,219,711)</u>
Unpaid claims, ending balance	<u><b>\$15,964,708</b></u>	<u><b>\$16,373,692</b></u>

**(15) Contingencies:**

The Federal and State governments participate in funding certain County capital projects and operating grants, and the County has recorded receivables in the Capital Projects and Operating Grants Funds for the portion of the costs incurred on projects and grants to be funded from these sources. The costs charged to the funding agency are subject to audit and approval by the agency and, in the event of disallowance, must be funded by the County. Management does not believe that any material amounts of such costs will be disallowed by the funding agency.

The County is a defendant in various litigation matters wherein plaintiffs have claimed substantial damages. In many cases, the County disputes liability. These matters are in various stages of litigation and the issues of liability and damages have not been resolved. The possible liability, if any, on the part of the County in these actions is not currently determinable. However, the County does not currently expect any of these actions to materially adversely affect the County's financial position or exceed available insurance coverage to the extent the claims are not subject to the County's limitation of liability under Delaware law.

The County is involved in a number of other actions related to tax billings, property assessments, land use appeals, and other matters. In February of 2021, the County resolved litigation that sought to compel the County to undertake a general reassessment of all real property within the County for the first time since 1983. The County entered into a contract with a third-party vendor to conduct a general reassessment. The reassessment is to be completed by February of 2025. The general reassessment will cost \$15.5 million. The reassessment will be paid from a Reassessment Reserve Account currently funded with \$15 million. County Council has adopted a resolution declaring its intention not to increase tax revenues by 15% after reassessment as permitted by Delaware law. Reassessment is expected to have little to no material impact on the County's property tax collections.

The County is also involved in a number of other actions related to tax billings, assessment valuations, land use board appeals, and other administrative matters. The County does not currently expect any of these actions to materially adversely affect the County's financial position.

**(16) Conduit Debt:**

Conduit debt obligations refer to certain limited-obligation revenue bonds or similar debt instruments issued by the County for the purpose of providing capital financing for a third party that is not part of the County's reporting Entity. The County has authorized and issued various series of revenue bonds and recovery zone facility bonds to provide funds for various commercial, industrial, housing and agricultural development projects. In the opinion of bond counsel, such bonds are not subject to the debt limit imposed by the Delaware Code, but are payable solely from proceeds of the bonds and certain other revenues and special funds created under the indenture pursuant to which such bonds were issued. The County does not have an obligation to pay the bonds other than from such sources; therefore, such amounts have not been

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(16) Conduit Debt (Continued):**

included in the financial statements. As of June 30, 2023, conduit debt in an aggregate principal amount of \$8,000,000 was outstanding.

**(17) Unrestricted Net Position – Business-type Activities:**

Business-type activities reported unrestricted net position of \$16,363,338 of which \$4,744,310 is comprised of capital recovery fees that are restricted by management for Sewer Fund debt service.

**(18) Fund Balance:**

Fund balances are classified as follows:

- **Nonspendable** - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – the portion of the net position of a governmental fund that represents resources subject to externally enforceable constraints.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by County Council ordinance.
- **Assigned** – Amounts that are constrained by the County's intent to be used for a specific purpose and these decisions can be made by management.
- **Unassigned** – All amounts not included in other spendable classifications. Any deficit fund balances within the other governmental fund types are reported as unassigned.

Fund balance amounts have been designated as nonspendable, restricted, committed, and assigned in the Governmental Funds for specific purposes as follows:

- **Nonspendable:**
  - **Prepaid costs** (\$1,507,696): Prepaid costs are reserved to cover charges that will be incurred within the next ninety days.
- **Restricted:**
  - **Light tax** (\$1,775,923): This balance is restricted for lighting costs financed with revenues from users within the light districts.
  - **Crossing guard** (\$400,317): This balance is restricted for school crossing guard costs financed with revenues from users within the school districts.
  - **Garstin trust** (\$3,499,623): This balance is restricted for the care, maintenance, and upkeep of parks in New Castle County.
  - **Housing trust** (\$15,683,893): This balance is restricted for costs to construct, purchase, and maintain permanently affordable housing units.
  - **Grants** (\$2,185,197): This balance is restricted for use in accordance with the purpose of grant agreements.
  - **Capital projects** (\$34,850,510): This balance is restricted for acquisition or construction of capital facilities or equipment other than those financed by proprietary funds.
- **Committed:**
  - **Budget reserve** (\$44,592,418): The budget reserve was legislated to set aside resources of twenty percent of the General Fund's Fiscal Year 2023 estimated revenue to cover unanticipated deficits or revenue reductions caused by a turbulent economy and/or unfunded legislated mandates. A ten-thirteenths vote from County Council through an Ordinance is needed to

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(18) Fund Balance (Continued):**

- **Committed (Continued):**

- appropriate these funds for the established conditions or to change the percentage allocated to this fund.
- **Tax stabilization reserve** (\$74,171,478): This reserve account was legislated so that funds could be appropriated as necessary to balance the annual operating budget or to cover budgeted capital costs that would otherwise require the issuance of bonds or an increase in the tax rate. County Council is authorized through an Ordinance to establish these reserves and appropriate these reserves as may be necessary.
- **Transfer tax** (\$41,724,670): This balance was legislated to designate funds received beyond what was certified to cover capital bond authorizations, reduce the County's indebtedness, or for economic initiatives. County Council is authorized through an Ordinance to establish and appropriate these proceeds as may be necessary.
- **Library** (\$10,250): County Council is authorized to appropriate this fund balance.
- **Reassessment Reserve** (\$15,000,000): County Council is authorized to appropriate this fund balance.

- **Assigned:**

- **Hope Center** (\$2,006,975): These funds are used to account for activities related to the Hope Center.
- **Departmental purposes** (\$1,048,101): The Chief Financial Officer, through the Key Financial Policies, assigns funds to be set aside to cover orders placed for goods and services that were committed prior to June 30, 2023. County Council appropriated fund balance for these encumbrances. The separation of these funds by function is detailed below:
  - **General Government** - \$30,629
  - **Public Works** - \$120,072
  - **Community Services** - \$49,697
  - **Land Use** - \$45,753
  - **Public Safety** - \$532,079
  - **Judiciary Offices** - \$1,523
  - **Crossing Guard** - \$268,348

**(19) Other Post Employment Benefits:**

**Plan Description:**

The New Castle County, Delaware Other Post Employment Benefits (OPEB) Trust Fund is a single-employer defined benefit OPEB plan (the Plan) administered by the OPEB Board of Trustees. Section 26.03.911 of the New Castle County Code assigns the authority to adopt and amend the trust agreement to the OPEB Board of Trustees. The OPEB Board of Trustees shall be separate and distinct from the Employees' Retirement System Board of Trustees established by Section 2.05.505 of the New Castle County Code. The Board consists of six current County employees outlined in 26.03.911C of County Code.

The Plan is considered part of the County's financial reporting entity and is included in the County's financial statements as a trust fund. A separate report for the OPEB trust fund is not prepared.

New Castle County permanent active employees are eligible to continue group insurance coverage after retirement provided that: retiring employees have coverage in effect when they stop working; retirement commences on the first of the month following the last day they were employed; and all requirements to receive their pension, in addition to vesting, are met. Retirees/spouses who are eligible for Medicare Parts A and B must enroll for Medicare Coverage in order to retain coverage under the County's plans.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

Membership consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Medical/Drug		Life	
Actives	1,302	Actives	1,302
Retirees	925	Retirees	925
Total	<u>2,227</u>		<u>2,227</u>

**Benefits Provided:**

The Plan provides healthcare, prescription drug, and life insurance benefits to eligible retirees and their spouses and dependents through several insurance providers.

**Funding Policy and Contributions:**

The Trust is funded through deposits of County operating appropriations and other contributions made by the County as an employer, retiree contributions, earnings from investments, refunds, reimbursements, or any other appropriate source. The County's cost of providing retiree medical coverage and life insurance is paid out of the OPEB Trust, in addition to any fees and expenses authorized by the Board. For fiscal year 2023, the County contributed \$6,462,337 to the Plan to prefund benefits and fund current benefits.

The County's policy is to contribute the pay-as-you-go cost plus an additional \$1,000,000 to the Trust each year.

**Investment Policy**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees of the New Castle County OPEB Board. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Domestic Equity	35%
International Equity	35%
Fixed Income – Investment Grade	30%
Fixed Income – Below-Investment Grade	0%
Cash	0%
<b>Total</b>	<b>100%</b>

**Concentrations of Investments:**

The Plan is invested entirely in mutual funds and therefore contains no individual investments that represent more than five percent of the Plan's net position that are required to be disclosed.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

**Rate of Return:**

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 10.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested and other cash flows during the year.

**Funded Status:**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Net OPEB Liability:**

The components of the net OPEB liability of the County as of June 30, 2023, were as follows:

Total OPEB Liability	\$137,295,480
Plan Fiduciary Net Position	<u>65,047,834</u>
County's Net OPEB Liability	<u>\$ 72,247,646</u>
Plan Fiduciary Net Position as a	
percentage of Total OPEB liability	47.4%

**Actuarial Methods and Assumptions:**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the Entry Age actuarial cost method. The actuarial assumptions include a 6.00% investment rate of return, net of expenses and including inflation, and annual medical and prescription inflation trends varying from 6.50% to 4.25%.

Mortality rates were based on the RP-2014 Combined Healthy Mortality Table with Blue Collar adjustments and generational projections using Scale SSA with a 1 year set forward for females. 50% of these rates are applied for pre-retirement deaths. Mortality rates for Disabled members were based on the RP-2014 Disabled tables for disabled lives, projected generationally with Scale SSA.

The assumed rate of return remained unchanged at 6.00% since the prior year.

**Long-Term Expected Rate of Return:**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

<b>Asset Class</b>	<b>Long- Term Expected Real Return - Portfolio</b>	<b>Weight</b>
Domestic Equity	6.25%	35%
International Equity	6.50%	35%
Fixed Income – U.S.	2.05%	30%
<b>Total Weighted Average Real Return</b>	<b>5.08%</b>	100%
Plus inflation	2.75%	
Total return without Adjustment	7.83%	
Risk adjustment	-1.83%	
<b>Total Expected Return</b>	<b>6.00%</b>	

**Discount Rate:**

The discount rate used to measure the total OPEB liability is 6.00%. The County's funding expectations/policy is to contribute approximately \$1,000,000 per year to the Trust, in addition to amounts to cover annual benefits for retirees.

Based on this information, the OPEB plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members.

Therefore, the long-term expected rate of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the net OPEB liability to changes in the discount rate:**

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
Discount rate	5.00%	6.00%	7.00%
Total OPEB Liability	\$ 154,836,299	\$ 137,295,480	\$ 122,687,054
Plan Net Position	65,047,834	65,047,834	65,047,834
Net OPEB Liability	\$ 89,788,465	\$ 72,247,646	\$ 57,639,220
Ratio of Plan Net Position to Total OPEB Liability	42.01%	47.38%	53.02%

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:**

The following presents the net OPEB liability of the Trust, calculated using the healthcare trend rate of 6.50% to an ultimate rate of 4.25%, as well as what the County's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

	1% Decrease	Current Trend Rate	1% Increase
Ultimate Trend	3.25%	4.25%	5.25%
Total OPEB Liability	\$ 117,600,227	\$ 137,295,480	\$ 161,384,355
Plan Net Position	65,047,834	65,047,834	65,047,834
Net OPEB Liability	<u>\$ 52,552,393</u>	<u>\$ 72,247,646</u>	<u>\$ 96,336,521</u>
Ratio of Plan Net Position to Total OPEB Liability	55.31%	47.38%	40.31%

**Net OPEB Liability and Deferred Outflows/Inflows of Resources:**

The County's change in Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for the year ended June 30, 2023, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
<b>Balances at 6/30/22</b>	<b>\$130,406,146</b>	<b>\$57,793,432</b>	<b>\$72,612,714</b>
<b>Changes for the year:</b>			
Service cost	3,602,073	-	3,602,073
Interest	7,879,010	-	7,879,010
Changes in benefit terms	-	-	-
Difference between expected & actual experience	870,588		870,588
Changes in assumptions	-	-	-
Contributions – employer	-	6,462,337	(6,462,337)
Contributions – employee	-	1,094,808	(1,094,808)
Net investment income	-	6,274,983	(6,274,983)
Benefit payments	(5,462,337)	(6,557,145)	1,094,808
Administrative expense	-	(20,581)	20,581
<b>Net changes</b>	<b>6,889,334</b>	<b>7,254,402</b>	<b>(365,068)</b>
<b>Balances at 6/30/23</b>	<b>\$137,295,480</b>	<b>\$65,047,834</b>	<b>\$72,247,646</b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

**Net OPEB Liability and Deferred Outflows/Inflows of Resources (continued):**

As of June 30, 2023, \$5,193,668 of the net OPEB liability is reported as a liability in the business-type activities in the government-wide statement of net position and in the proprietary fund type in the fund financial statement of net position. The remaining \$67,053,978 of the net OPEB liability is reported as a liability related to the governmental funds and is only recorded in the governmental activities in the government-wide statement of net position.

Investment gains and losses for each year will be recognized over five years. Demographic gains and losses as well as assumption changes will be recognized over the average remaining lifetimes of all plan participants, which could vary from year to year. In general, the impact of any plan changes will be recognized immediately.

The County recognized \$5,678,701 in OPEB expense and as of June 30, 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Experience (gain) or loss	\$ 696,470	\$ (20,159,910)
Changes of assumptions	12,105,799	-
Net difference between projected and actual earnings on plan investments	1,742,177	-
<b>Total</b>	<b>\$ 14,544,446</b>	<b>\$ (20,159,910)</b>

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

<b>Fiscal Year ended June 30</b>	<b>Amount</b>
2024	\$ (2,422,915)
2025	(1,665,498)
2026	620,974
2027	(2,148,025)
<b>Total</b>	<b><u>\$ (5,615,464)</u></b>

NEW CASTLE COUNTY, DELAWARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023  
(Continued)

**(19) Other Post Employment Benefits (Continued):**

**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

Investments:	
Mutual funds	\$ <u>65,065,294</u>
<b>Total assets</b>	<b><u>65,065,294</u></b>

**LIABILITIES**

Vouchers payable and accrued expenses	<u>17,460</u>
<b>Total liabilities</b>	<b><u>17,460</u></b>

**NET POSITION**

<b>Total Net Position</b>	<b><u>\$ 65,047,834</u></b>
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**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(19) Other Post Employment Benefits (Continued):**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Additions:**

**Contributions:**

Plan members	\$ 1,094,808
New Castle County	<u>6,462,337</u>
<b>Total contributions</b>	<u>7,557,145</u>

**Investment income:**

Net increase in fair value of investments	4,874,672
Interest, dividends, and other income, including realized gains/losses	<u>1,464,197</u>
<b>Total investment income</b>	<u>6,338,869</u>
<b>Less: investment expense</b>	<u>63,886</u>
<b>Net investment income</b>	<u>6,274,983</u>
<b>Total additions</b>	<u>13,832,128</u>

**Deductions:**

Benefit payments	6,557,145
Administrative expenses	<u>20,581</u>
<b>Total deductions</b>	<u>6,577,726</u>
<b>Net increase in net position</b>	<u>7,254,402</u>

**Net position**

Beginning of year	<u>57,793,432</u>
End of year	<u>\$ 65,047,834</u>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(20) On-Behalf Payments:**

The County receives a pension contribution from the State of Delaware for New Castle County Police to the Employees' Pension Program. This on-behalf payment is recorded in the General Fund as intergovernmental revenue and expenditure paid to the Pension Trust Fund. This amount for FY 2023 was \$2,786,839.

**(21) Leases:**

***Leases Receivable:***

On July 1, 1995, the Delaware River and Bay Authority (DRBA) assumed responsibility for the New Castle County Airport under the terms of a 30-year lease. The DRBA has reimbursed the County for all debt service payments attributable to the Airport fulfilling its required lease payments. This arrangement is structured to reduce operating losses at the airport while advancing overall economic development and job creation within the County. This agreement was deemed to be a non-exchange transaction and not applicable under GASB 87, Leases.

The County is the lessor in several property lease agreements leasing land and buildings to various third parties. The terms of these leases range from one to thirty years. The County computes lease receivables at the commencement of the lease term, calculated at the present value of payments expected to be received during the term outlined in the leasing arrangement. The County recognized \$138,000 in lease revenue and \$47,971 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the County's lease receivable for lease payments is \$1.7 million. In addition, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the deferred inflow of resources was \$1.6 million.

***Leases Payable:***

In addition, the County has entered into non-cancellable lease agreements for buildings and copier equipment. Payments are due in monthly installments with interest rates varying from 1.63% to 3.37%.

The assets acquired through leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
ROU Equipment	\$ 371,846	\$ 11,360
ROU Buildings	1,879,451	-
Less: accumulated amortization	<u>(682,234)</u>	<u>(10,776)</u>
	<u>\$ 1,569,063</u>	<u>\$ 584</u>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(21) Leases (Continued):**

Total future minimum lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 325,400	\$ 42,821	\$ 363	\$ 6	\$ 368,590
2025	327,068	35,841	127	1	363,037
2026	45,143	31,412	2	-	76,557
2027	33,393	30,293	-	-	63,686
2028	34,888	29,130	-	-	64,018
2029-2033	200,694	127,267	-	-	327,961
2034 and thereafter	<u>650,402</u>	<u>110,729</u>	<u>-</u>	<u>-</u>	<u>761,131</u>
	<u>\$ 1,616,988</u>	<u>\$ 407,493</u>	<u>\$ 492</u>	<u>\$ 7</u>	<u>\$ 2,024,980</u>

**(22) Financed Purchases:**

The County has entered into numerous agreements for the financing of new police and emergency service vehicles and equipment and new sewer service vehicles and equipment. Payments are due in monthly/quarterly installments with interest rates varying from .96% to 7.6% per annum. The County has also entered into an agreement for the financing of energy efficient HVAC building equipment. Payments are due in quarterly installments with an interest rate of 3.79%.

The assets acquired through financed purchases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 41,929,535	\$ 14,644,796
Less: accumulated depreciation	<u>(31,164,623)</u>	<u>(9,249,932)</u>
	<u>\$ 10,764,912</u>	<u>\$ 5,394,864</u>

Total future minimum payments under financed purchases agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 2,598,722	\$ 135,097	\$ 1,110,748	\$ 102,073	\$ 3,946,640
2025	1,828,025	81,494	1,008,550	77,520	2,995,589
2026	872,999	44,189	893,743	52,038	1,862,969
2027	695,977	20,834	677,634	27,530	1,421,975
2028	184,702	2,493	336,164	7,058	530,417
2029	<u>3,970</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>4,017</u>
Total minimum payments	<u>\$ 6,184,395</u>	<u>\$ 284,154</u>	<u>\$ 4,026,839</u>	<u>\$ 266,219</u>	<u>\$ 10,761,607</u>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(23) Subscription-Based IT Arrangements (SBITAs):**

The County has entered into several subscription-based IT agreements for the financing of Public Safety information technology initiatives. Payments are made annually with an interest rate of 2.10%.

The assets acquired through SBITAs are as follows:

	<u>Governmental</u> <u>Activities</u>
Subscription assets	\$ 471,050
Less: accumulated amortization	<u>(165,157)</u>
	<u>\$ 305,893</u>

Total minimum payments under SBITAs are as follows:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 165,104	\$ 4,897	\$ 170,001
2025	<u>143,448</u>	<u>1,552</u>	<u>\$ 145,000</u>
	<u>\$ 308,552</u>	<u>\$ 6,449</u>	<u>\$ 315,001</u>

**(24) Deferred Compensation Plan:**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years.

As required by IRC Section 457 (g), the County's Deferred Compensation Plan (DCP) Trust Agreement provides that all assets and income of the DCP are held in the DCP Trust for the exclusive benefit of participants and their beneficiaries. Therefore, these assets are not the property of the County and will not be subject to the claims of the County's general creditors.

All costs and expenses of administering the plan are borne by the participants.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans:**

**New Castle County, Delaware Employees' Pension Program**

***Plan Description and Provisions:***

New Castle County maintains a single-employer, defined benefit pension plan that covers substantially all full-time County employees (except for police employees who are covered by the Delaware Municipal Police/Firefighter Pension Plan) as well as part-time school crossing guards. Benefits are administered under the County's Pension Program (Program) by a quasi-independent agency, which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Human Resources division of the Department of Administration.

The Program consists of five separate pension plans with members' benefits varying according to the plan in which they participate. Membership in a particular plan generally is based upon the date of employment. The Program's five pension plans are: the County Employees' Pension Plan (Plan); the Employees' Retirement System (the System); the Alternate Pension Plan (the Closed Plan); the County 2011 Plan (Hybrid Plan); and, the School Crossing Guards' Pension Plan (Crossing Guards' Plan). Upon organization of the Program, all of the assets of the County's previously separate pension plans were pooled and made available to satisfy the obligations to members under any of the plans. Consequently, the plans are not considered to be separate for actuarial, funding, or financial reporting purposes.

***Benefits Provided:***

The Program provides retirement, disability, and death benefits to Program members and beneficiaries. Retirement benefits for members of the System include automatic post-retirement benefit increases. Those benefits are established under the provisions of the County Code and may be amended by action of the County Council.

County employees covered by the Plan and hired before December 15, 2006, become eligible for benefits upon 15 years of credited service and attainment of age 60, 10 years of credited service and attainment of age 62, 5 years of credited service and attainment of age 65, or 30 years of credited service. Employees hired after December 15, 2006, become eligible upon 15 years of credited service and age 60, 10 years of credited service and age 62, or 30 years of credited service. The amount of the monthly service or disability pension payable to a Plan member equals 1/60 of his or her final average compensation multiplied by the number of years of his or her credited service, taken to the nearest 1/12 of a year, provided that:

- A. Beginning no earlier than age 62, the service pension payable shall in no case exceed 1% of final average compensation plus 0.5% of final average compensation in excess of 30% of covered compensation plus 0.5% of final average pay in excess of covered compensation, the sum of which is multiplied by years of service not in excess of 30 and:
- B. The disability pension, when combined with the disability or old age insurance benefit for which he or she is eligible under the federal Social Security Act, without taking into account any increases in such benefit after payments commence, shall not exceed 75% of final average compensation.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***Benefits Provided (Continued):***

For participants who are age 55 prior to January 1, 1997, benefits shall not be less than 75% of final average compensation less the age 62 Social Security benefit; the result to be multiplied by a ratio not to exceed 1, the numerator of which is the participant's years of credited service and the denominator of which is 30 years. Benefits are proportionately less for members with less than 30 years of credited service.

County nonpolice employees covered by the System and hired before December 15, 2006, become eligible for benefits at age 60, 55, or 50, provided they have completed at least 5, 15, or 25 years of service, respectively, or at any age upon attaining 30 years of credited service. Nonpolice employees hired after December 15, 2006, become eligible for benefits at age 60, 55, or 50, provided they have completed at least 10, 15, or 25 years of service, respectively, or at any age upon attaining 30 years of credited service. Police members become eligible to retire after 20 years if they complete a minimum of 15 years of service during the 20-year period or at age 50 with at least 10 years of service and have not obtained a refund. Police are subject to mandatory retirement at age 55. Normal monthly retirement benefits for nonpolice System members are calculated based upon a monthly average of the member's highest base salary or wage, excluding overtime and shift premium compensation, for 36 months (12 months for police members with at least 15 years of credited service), whether or not consecutive, multiplied by a specific percentage that ranges from 1.7% to 2.5% and multiplied by years of service. Police pensions are calculated at 2.5% of final average salary for each year of police service. Benefits are limited to 80% of the average salary calculated above. Service retirement benefits for nonpolice employees are automatically increased January 1<sup>st</sup> each year by 2% of the initial benefit beginning the earlier of five years of retirement or attaining age 60 and one year of retirement. Service retirement benefits for police members are automatically increased each year beginning after three years of retirement or age 60 and 1 year of retirement by a 3% cost of living adjustment compounded annually.

Under the Closed Plan, County members are eligible for benefits upon completion of 20 years of credited service or at age 60 and completion of 15 years of credited service. Normal monthly retirement benefit is calculated based upon a monthly average of a member's highest wage, excluding overtime and shift premium compensation, for 60 consecutive months, multiplied by 2.5% and further multiplied by the total years of service. Benefits range from a minimum of \$200 per month to a maximum of \$300 per month.

Under the Guard Plan, members hired before December 15, 2006, become eligible for benefits upon 15 years of credited service and attainment of age 60, 10 years of credited service and attainment of age 62, 5 years of credited service and attainment of age 65, or 30 years of credited service. Employees hired after December 15, 2006, become eligible upon 15 years of credited service and age 60, 10 years of credited service and age 62, or 30 years of credited service. The annual service retirement benefit is equal to \$10 per month for each year of credited service.

Under the Hybrid Plan, members hired after November 1, 2011, become eligible for benefits upon 10 years of credited service and attainment of age 65, or if they are an Emergency Responder with 10 years of credited service and attainment of age 60, or upon 30 years of credited service, regardless of age. The amount of monthly service retirement benefit is equal to 1% of his or her final average salary multiplied by the number of years and partial years of credited service, taken to the nearest month.

The Program also provides death and disability benefits.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***Contribution Requirements:***

The requirements for County and employee contributions are established under County Code and may be amended by action of the County Council. The requirements for State contributions are established under State Statute. The required contribution rates of active Program members are as follows:

Plan	3% of annual compensation in excess of \$5,980 plus 2% of annual compensation in excess of the social security taxable wage base
System	7.0% (police members) and 5% (non-police members) of base salary or wages
Closed Plan	No contribution required
Crossing Guards' Plan	\$10 per bi-weekly pay period
County 2011 Plan	3% of base salary

State contributions to the Program are for police members of the System and are based on a ratable share of the State's tax on insurance premiums. The share provided to the County is based on the relative number of police employees covered by the County Program compared to the total number of state, county, and municipal police employees in the State covered by pension plans that are eligible to participate in the distribution of the tax.

The County is required by County Code to contribute to the Program based on an actuarial valuation. The current rate is 34.03% of annual covered payroll.

***Actuarial Assumptions:***

The actuarial valuations are used to determine the contributions to be made by the County in the fiscal year starting six months after the valuation date. For example, the January 1, 2022, valuation is used to establish the contribution level for the year ended June 30, 2023.

The total pension liability was determined as of June 30, 2023 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate of return and (b) projected salary increases of 3.25% (7.75% for General employees with less than 10 years of service and 2.75% for Crossing Guards). The assumptions include post-retirement benefit increases for members of the System and a 2.75% inflation rate assumption. The annual required contribution for the year was determined on a percentage of payroll basis.

Mortality rates were based on the RP-2014 Combined Healthy Mortality Tables (Blue Collar), as appropriate, with adjustments for mortality improvements based on Scale SSA projected on a generational basis. RP-2014 Disabled tables were used for the valuation of disabled members.

A full experience study was conducted in 2018 and several assumptions were updated, including the ones listed above as well as the assumed rates of termination, disability, and retirement.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***Long-Term Expected Rate of Return:***

The long-term expected rate of return on pension program investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension program investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Finally, the arithmetic portfolio expected return is converted into a geometric expected return using assumed asset class standard deviations and correlations.

Best estimates of arithmetic real rates of return for each major asset class included in the pension program's target asset allocation as of June 30, 2023, and the final investment return assumption, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weight</u>
Domestic Equity	5.65%	23%
International Equity	6.04%	17%
Fixed Income – U.S.	3.29%	31%
Real Estate	5.14%	10%
Private Markets	8.41%	13%
Hedge Funds	4.17%	5%
Cash	0.84%	1%
<b>Total Weighted Average Real Return</b>	<b>5.17%</b>	100%
Plus inflation	<u>2.75%</u>	
Total return without Adjustment	7.92%	
Risk adjustment	-0.92%	
<b>Total Expected Return</b>	<b>7.00%</b>	

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***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 plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Total Pension Liability	\$847,375,157	\$758,651,156	\$684,196,573
Plan Net Position	510,694,685	510,694,685	510,694,685
Net Pension Liability	<u>\$336,680,472</u>	<u>\$247,956,471</u>	<u>\$173,501,888</u>
Ratio of Plan Net Position to Total Pension Liability	60.27%	67.32%	74.64%

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***Net Pension Liability and Deferred Outflows/Inflows of Resources:***

The County's change in Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the year ended June 30, 2023, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
<b>Balances at 6/30/22</b>	<b>\$718,778,019</b>	<b>\$492,928,275</b>	<b>\$225,849,744</b>
<b>Changes for the year:</b>			
Service cost	7,724,997	-	7,724,997
Interest	48,871,839	-	48,871,839
Differences between expected and actual experience	32,219,081	-	32,219,081
Changes in assumptions	-	-	-
Contributions – employer	-	28,472,096	(28,472,096)
Contributions – employee	-	2,715,773	(2,715,773)
Net investment income	-	36,222,670	(36,222,670)
Benefit payments, including refunds of employee contributions	(48,942,780)	(48,942,780)	-
Administrative expense	-	(701,349)	701,349
<b>Net changes</b>	<b>39,873,137</b>	<b>17,766,410</b>	<b>22,106,727</b>
<b>Balances at 6/30/23</b>	<b>\$758,651,156</b>	<b>\$510,694,685</b>	<b>\$247,956,471</b>

As of June 30, 2023, \$29,436,671 of the net pension liability is reported as a liability in the business-type activities in the government-wide statement of net position and in the proprietary fund type in the fund financial statement of net position. The remaining \$218,519,800 of the net pension liability is reported as a liability related to the governmental funds and is only recorded in the governmental activities in the government-wide statement of net position.

The County recognized \$48,871,188 in Pension expense for fiscal year 2023 and as of June 30, 2023, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,046,013	\$ -
Changes in actuarial assumptions	12,324,495	-
Net difference between projected and actual earnings on plan investments	19,341,603	-
<b>Total</b>	<b>\$ 62,712,111</b>	<b>\$ -</b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**New Castle County, Delaware Employees' Pension Program (Continued)**

***Net Pension Liability and Deferred Outflows/Inflows of Resources (Continued):***

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

<u>Fiscal Year Ended June 30</u>		
2024	\$	20,097,352
2025		16,140,468
2026		23,384,612
2027		3,089,679
<b>Total</b>	<b>\$</b>	<b>62,712,111</b>

**Delaware Public Employees' Retirement System (DPERS) County and Municipal Police and Firefighters' Pension Plan**

***Plan Description:***

The County contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System (DPERS). The plan, which is the DPERS County and Municipal Police and Firefighters' Pension Plan, covers County police employees hired on or after February 1, 1993. Benefit provisions of the plan are established under the provisions of State law and may be amended by an act of the State legislature. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Delaware Public Employees' Retirement System issues a publicly available financial report that includes financial statements for the plan. That report may be obtained by writing to the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904.

***Benefits Provided:***

Service benefits provided by this plan are as follows: 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation. Retirement eligibility is age 62 with 5 years of service, age plus credited service (but not less than 10 years) equals 75, or 20 years of credited service.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**DPERS County and Municipal Police and Firefighters' Pension Plan (Continued)**

***Measurement Date:***

The measurement date of the plan is as of June 30, 2022.

***Contributions:***

The contribution policy is set by State law and requires contributions by active members and by participating employers. Plan members are required to contribute 7% of base compensation. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payroll during the period for which the amount is determined. The County was required to contribute at the following rates for the fiscal years ending June 30, 2023, 2022, and 2021: 11.34%, 16.03%, and 16.59%. The County's contributions to the plan for the same fiscal years were \$3,869,384, \$5,112,970, and \$5,132,783, respectively. Those amounts are equal to or greater than the required contribution for each year.

***Actuarial assumptions:***

The investment rate of return/discount rate was assumed to be 7.0%, with projected salary increases at 2.5% plus a merit increase, and no cost-of-living adjustments were included. Inflation is included at 2.5%. The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years.

Mortality rates were based on the Pub-2010 Mortality Tables with gender adjustments for employees, healthy annuitants and disabled retirees and an adjusted version on MP-2020 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amount of the changes.

The County's proportionate share of the net pension asset/(liability) is equal to the collective net pension asset/(liability) multiplied by our proportionate share percentage for fiscal year ending June 30, 2022 in the Schedule of Employer Allocations in the DPERS County and Municipal Police and Firefighters' Pension Plan report. The proportionate share percentage is 30.7%, a decrease of 1.2% from the year ending June 30, 2021.

The difference between expected and actual experience and the change in assumptions with regard to economic and demographic factors, and the change in employer proportionate share are amortized over the average of the expected remaining service life of active and inactive members which is 10 years.

The difference between the actual earnings on plan investments compared to the plan's expected rate of return of 7.0% is amortized over a closed period of 5 years.

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**DPERS County and Municipal Police and Firefighters' Pension Plan (Continued)**

***Long-Term Expected Rate of Return***

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	31.8%	5.7%
International equity	15.0%	5.7%
Fixed income	23.6%	2.0%
Alternative investments	21.5%	7.8%
Cash and equivalents	8.1%	0.0%
<b>Total</b>	<b>100.0%</b>	

***Sensitivity of the Net Pension Asset/(Liability) to Changes in the Discount Rate***

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total DPERS County and Municipal Police and Firefighters' Pension Plan Net Pension Asset/(Liability)	(\$69,955,000)	\$10,513,990	\$76,080,000
County's Proportionate Share	(\$21,489,103)	\$3,229,737	\$23,370,610

***Pension plan fiduciary net position:*** Detailed information about the DPERS County and Municipal Police and Firefighters' Pension Plan's fiduciary net position is available in the separately issued financial report.

***Net Pension Liability and Deferred Outflows/Inflows of Resources:***

The County recognized \$2,926,103 in Pension expense in fiscal year 2023 and, as of June 30, 2023 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(25) Defined Benefit Pension Plans (Continued):**

**DPERS County and Municipal Police and Firefighters' Pension Plan (Continued)**

***Net Pension Liability and Deferred Outflows/Inflows of Resources (Continued):***

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to measurement date	\$ 3,869,384	\$ ---
Proportionate share increase	285,714	(126,575)
Experience (gain) or loss	5,493,286	(1,342,834)
Changes of assumptions	1,162,022	(2,622,266)
Net difference between projected and actual earnings on plan investments	5,351,260	-
<b>Total</b>	<b>\$ 16,161,666</b>	<b>\$ (4,091,675)</b>

The County reported \$3,869,384 as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30</u>		
2024	\$ 1,355,187	
2025	1,355,187	
2026	1,355,187	
2027	1,355,187	
2028-2033	2,779,859	
<b>Total</b>	<b><u>\$ 8,200,607</u></b>	

The following table provides aggregate information for the County's pension plans:

	<u>Net Pension Liability/(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
New Castle County Pension Plan	\$247,956,471	\$62,712,111	\$ -	\$48,871,188
DPERS (proportionate share)	(3,229,737)	16,161,666	(4,091,675)	2,926,103
<b>Total Pension Plans</b>	<b><u>\$244,726,734</u></b>	<b><u>\$78,873,777</u></b>	<b><u>\$ (4,091,675)</u></b>	<b><u>\$51,797,291</u></b>

**NEW CASTLE COUNTY, DELAWARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

**(26) Tax Abatements:**

As of June 30, 2023, New Castle County provides a tax abatement requiring disclosure under GASB Statement No. 77:

- 1) Ordinance No. 19-115 provides an exemption from County property taxes on property purchased by Dot Foods, Inc. ("Dot Foods") at 301 American Blvd. in Bear, Delaware, for any increase in assessed valuation attributable to new construction or renovation of the property. The exemption commenced on July 1, 2020 and will continue for five years or until a total of \$150,000 in property taxes have been exempted, whichever first occurs. This property tax exemption will sunset no later than June 30, 2025. If Dot Foods sells or leases any part of the property to any third party or if it files for bankruptcy, the exemption will terminate as of the date of the sale, lease or bankruptcy. Dot Foods will forfeit the otherwise applicable County tax exemption for the following County fiscal year if it fails to pay timely all County sewer service charges or annual school taxes. It will forfeit the County tax exemption in its entirety and be obligated to pay all amounts previously exempted if it does not create 201 new full-time positions by May 30, 2025. \$39,696 in County property taxes qualified for this tax abatement in fiscal year 2023, with a cumulative total of \$119,550 through fiscal year 2023.



# Required Supplementary Information

**NEW CASTLE COUNTY, DELAWARE EMPLOYEES' PENSION PROGRAM**

(A Pension Trust Fund of New Castle County, Delaware)

**Required Supplementary Information**

June 30, 2023

**Schedule of Changes in Net Pension Liability and Related Ratios\***

<u>Total Pension Liability</u>	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 7,724,997	\$ 7,405,676	\$ 7,622,511	\$ 6,782,145	\$ 8,002,663	\$ 7,578,587	\$ 7,700,742	\$ 7,847,444	\$ 7,733,029	\$ 7,803,030
Interest	48,871,839	48,531,093	45,222,885	44,219,774	43,722,887	42,043,474	41,203,676	40,893,316	40,243,005	43,328,727
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	32,219,081	874,739	10,034,013	7,265,293	(3,143,686)	3,123,070	(2,077,314)	1,314,713	1,188,291	-
Changes in assumptions	-	-	30,811,236	-	39,786,800	-	(1,789,625)	11,647,493	721,980	-
Benefit payments, including refunds	(48,942,780)	(47,062,315)	(45,393,295)	(44,182,032)	(42,835,175)	(41,141,436)	(39,523,627)	(37,813,325)	(36,345,952)	(34,213,002)
Net Change in Total Pension Liability	39,873,137	9,749,193	48,297,350	14,085,180	45,533,489	11,603,695	5,513,852	23,889,641	13,540,353	16,918,755
Total Pension Liability - Beginning of Year	718,778,019	709,028,826	660,731,476	646,646,296	601,112,807	589,509,112	583,995,260	560,105,619	546,565,266	529,646,511
Total Pension Liability - End of Year	\$ 758,651,156	\$ 718,778,019	\$ 709,028,826	\$ 660,731,476	\$ 646,646,296	\$ 601,112,807	\$ 589,509,112	\$ 583,995,260	\$ 560,105,619	\$ 546,565,266
<u>Plan Fiduciary Net Position</u>										
Contributions - employer	\$ 28,472,096	\$ 30,292,363	\$ 30,026,272	\$ 26,734,944	\$ 22,504,179	\$ 22,677,474	\$ 17,259,347	\$ 17,035,119	\$ 18,025,370	\$ 13,672,749
Contributions - member	2,715,773	2,645,904	2,790,057	2,586,225	2,639,998	2,688,889	2,679,140	2,840,013	2,779,085	2,845,513
Net investment income (loss)	36,222,670	(44,631,943)	108,424,912	18,563,905	26,769,755	36,749,800	46,007,003	(8,901,831)	15,220,117	48,084,200
Benefit payments, including refunds	(48,942,780)	(47,062,315)	(45,393,295)	(44,182,032)	(42,835,175)	(41,141,436)	(39,523,627)	(37,813,327)	(36,345,952)	(34,213,002)
Administrative expenses	(636,549)	(615,712)	(574,320)	(743,098)	(830,410)	(717,800)	(682,369)	(660,453)	(581,179)	(642,018)
Other expenses	(64,800)	(56,465)	(107)	(31,633)	(61,202)	(16,704)	(33,285)	-	-	-
Net Change in Plan Fiduciary Net Position	17,766,410	(59,428,168)	95,273,519	2,928,311	8,187,145	20,240,223	25,706,209	(27,500,479)	(902,559)	29,747,442
Plan Fiduciary Net Position - Beginning of Year	492,928,275	552,356,443	457,082,924	454,154,613	445,967,468	425,727,245	400,021,036	427,521,515	428,424,074	398,676,632
Plan Fiduciary Net Position - End of Year	\$ 510,694,685	\$ 492,928,275	\$ 552,356,443	\$ 457,082,924	\$ 454,154,613	\$ 445,967,468	\$ 425,727,245	\$ 400,021,036	\$ 427,521,515	\$ 428,424,074
Net Pension Liability - Beginning of Year	\$ 225,849,744	\$ 156,672,383	\$ 203,648,552	\$ 192,491,683	\$ 155,145,339	\$ 163,781,867	\$ 183,974,224	\$ 132,584,104	\$ 118,141,192	\$ 130,969,879
Net Pension Liability - End of Year	\$ 247,956,471	\$ 225,849,744	\$ 156,672,383	\$ 203,648,552	\$ 192,491,683	\$ 155,145,339	\$ 163,781,867	\$ 183,974,224	\$ 132,584,104	\$ 118,141,192
Plan Fiduciary Net Position as a percentage of Total Pension Liability	67.3%	68.6%	77.9%	69.2%	70.2%	74.2%	72.2%	68.5%	76.3%	78.4%
Covered Payroll	\$ 69,442,796	\$ 67,024,711	\$ 66,089,534	\$ 63,622,011	\$ 62,750,893	\$ 63,082,234	\$ 61,704,013	\$ 61,711,130	\$ 62,272,733	\$ 62,346,860
Net Pension Liability as a percentage of Covered Payroll	357.1%	337.0%	237.1%	319.9%	306.8%	245.9%	265.4%	298.1%	212.9%	189.5%

Notes to schedule:

Benefit changes: None

Changes of assumptions: In 2021, there was a change in assumption for the COLAs for Police participants. It is now assumed that annuities will increase by 3.00% per annum compounded, with an offset for expected State COLA amounts. This is a change from the previous assumption of 1.80% with no offset. In 2019, amounts reported as changes of assumptions resulted primarily from adjustments to the discount rate, salary increases, and inflation. Also in 2019, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 Combined Healthy Mortality Tables (Blue Collar) for purposes of developing mortality rates. In 2015, 2016 and 2017, the only changes in actuarial assumptions were due to the change in the GASB discount rate.

**NEW CASTLE COUNTY, DELAWARE EMPLOYEES' PENSION PROGRAM**

(A Pension Trust Fund of New Castle County, Delaware)

**Required Supplementary Information**

June 30, 2023

**SCHEDULE OF COUNTY CONTRIBUTIONS**

**Last 10 Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 28,472,096	\$ 30,292,363	\$ 30,026,272	\$ 26,734,944	\$ 22,504,179	\$ 22,677,474	\$ 17,259,347	\$ 17,035,119	\$ 19,158,322	\$ 14,803,656
Contributions in relation to the actuarially determined contribution	28,472,096	30,292,363	30,026,272	26,734,944	22,504,179	22,677,474	17,259,347	17,035,119	18,025,371	13,672,749
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132,951	\$ 1,130,907
Covered payroll	\$ 69,442,796	\$ 67,024,711	\$ 66,089,534	\$ 63,662,011	\$ 62,750,893	\$ 63,082,234	\$ 61,704,013	\$ 61,711,130	\$ 62,272,733	\$ 62,346,860
Contributions as a percentage of covered payroll	41.00%	45.20%	45.43%	42.00%	35.86%	35.95%	27.97%	27.60%	28.95%	21.93%

Note: Actuarial contributions are determined as a percentage of payroll. This rate is applied to actual payroll to determine the employer contribution. The County amounts include funds received from the State of Delaware. There has also been one time period, 2014 through 2015, in which the actuarial contribution rate was phased in over a period of several years. The County and Retirement Board's current policy is to contribute the full actuarial cost each year going forward.

**NEW CASTLE COUNTY, DELAWARE**  
**Required Supplementary Information**  
**June 30, 2023**

**DPERS County and Municipal Police and Firefighters' Pension Plan**  
**Schedule of the County's Proportionate Share of the Net Pension Asset/(Liability)**

**Measurement Date June 30\*:**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportionate share of the net pension asset/(liability)	31%	32%	32%	33%	33%	33%	33%	33%
County's proportionate share of the net pension asset/(liability)	\$ (3,229,737)	\$ 43,901,432	\$ (4,905,086)	\$ (9,545,673)	\$ (7,663,479)	\$ (3,278,567)	\$ (5,301,474)	\$ 1,724,155
County's covered payroll	\$ 33,967,875	\$ 31,896,070	\$ 29,076,581	\$ 29,378,545	\$ 28,459,289	\$ 26,451,763	\$ 24,292,287	\$ 23,203,998
County's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	9.5%	137.6%	16.9%	32.5%	26.9%	12.4%	21.8%	7.4%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	102.0%	128.2%	96.7%	93.3%	94.1%	97.0%	94.7%	102.0%

*\*A full 10-year trend is unavailable at this time. Per GASB 67 standards, this schedule covers the time period in which data was available for the Pension plan.*

**NEW CASTLE COUNTY, DELAWARE**  
**DPERS County and Municipal Police and Firefighters' Pension Plan**  
**Required Supplementary Information**  
**June 30, 2023**

**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**Last 10 Fiscal Years**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Required contribution	\$ 3,851,957	\$ 5,112,940	\$ 5,089,826	\$ 4,896,496	\$ 4,900,341	\$ 3,250,051	\$ 3,642,408	\$ 3,364,482	\$ 3,290,327	\$ 3,268,300
Contributions in relation to the required contribution	3,869,384	5,112,970	5,132,783	4,900,686	4,900,351	3,308,991	3,679,422	3,365,308	3,293,491	3,270,358
Contribution deficiency/(excess)	\$ (17,427)	\$ (30)	\$ (42,957)	\$ (4,190)	\$ (10)	\$ (58,940)	\$ (37,014)	\$ (826)	\$ (3,164)	\$ (2,058)
Covered payroll	\$ 33,967,875	\$ 31,896,070	\$ 30,680,085	\$ 29,076,581	\$ 29,378,545	\$ 28,459,289	\$ 26,451,763	\$ 24,292,287	\$ 23,203,998	\$ 21,058,636
Contributions as a percentage of covered payroll	11.39%	16.03%	16.73%	16.85%	16.68%	11.63%	13.91%	13.85%	14.19%	15.53%

**NEW CASTLE COUNTY, DELAWARE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

**OTHER POST EMPLOYMENT BENEFITS TRUST FUND**  
**Schedule of Changes in Net OPEB Liability and Related Ratios\***

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
<b>Total OPEB Liability</b>							
Service Cost	\$ 3,602,073	\$ 3,497,158	\$ 3,367,370	\$ 3,269,291	\$ 2,691,193	\$ 4,370,366	\$ 4,243,074
Interest	7,879,010	7,515,156	8,521,618	8,118,407	15,171,003	14,404,594	13,711,845
Changes in benefit terms	-	-	-	-	(101,946,003)	-	-
Difference between expected and actual experience	870,588	-	(31,618,315)	-	(12,553,801)	-	-
Changes in assumptions	-	-	19,291,017	-	6,494,167	-	-
Benefit payments, including refunds	(5,462,337)	(4,655,404)	(6,393,141)	(4,206,368)	(4,767,616)	(7,185,024)	(8,956,954)
<b>Net Change in Total OPEB Liability</b>	<b>6,889,334</b>	<b>6,356,910</b>	<b>(6,831,451)</b>	<b>7,181,330</b>	<b>(94,911,057)</b>	<b>11,589,936</b>	<b>8,997,965</b>
 <b>Total OPEB Liability – Beginning of Year</b>	 <b>130,406,146</b>	<b>124,049,236</b>	<b>130,880,687</b>	<b>123,699,357</b>	<b>218,610,414</b>	<b>207,020,478</b>	<b>198,022,513</b>
<b>Total OPEB Liability – End of Year</b>	<b>\$ 137,295,480</b>	<b>\$ 130,406,146</b>	<b>\$ 124,049,236</b>	<b>\$ 130,880,687</b>	<b>\$ 123,699,357</b>	<b>\$ 218,610,414</b>	<b>\$ 207,020,478</b>
 <b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 6,462,337	\$ 5,655,404	\$ 7,393,141	\$ 5,206,368	\$ 5,767,616	\$ 8,185,024	\$ 9,956,954
Net investment income	6,274,983	(9,844,164)	14,503,559	1,883,359	2,776,954	3,170,902	4,374,426
Benefit payments	(5,462,337)	(4,655,404)	(6,393,141)	(4,206,368)	(4,767,616)	(7,185,024)	(8,956,954)
Administrative expenses	(20,581)	(4,558)	(16,501)	(9,241)	(15,478)	(4,010)	(16,475)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>7,254,402</b>	<b>(8,848,722)</b>	<b>15,487,058</b>	<b>2,874,118</b>	<b>3,761,476</b>	<b>4,166,892</b>	<b>5,357,951</b>
 <b>Plan Fiduciary Net Position - Beginning of Year</b>	 <b>57,793,432</b>	<b>66,642,154</b>	<b>51,155,096</b>	<b>48,280,978</b>	<b>44,519,502</b>	<b>40,352,610</b>	<b>34,994,659</b>
<b>Plan Fiduciary Net Position - End of Year</b>	<b>\$ 65,047,834</b>	<b>\$ 57,793,432</b>	<b>\$ 66,642,154</b>	<b>\$ 51,155,096</b>	<b>\$ 48,280,978</b>	<b>\$ 44,519,502</b>	<b>\$ 40,352,610</b>
 <b>Net OPEB Liability – Beginning of Year</b>	 <b>\$ 72,612,714</b>	<b>\$ 57,407,082</b>	<b>\$ 79,725,591</b>	<b>\$ 75,418,379</b>	<b>\$ 174,090,912</b>	<b>\$ 166,667,868</b>	<b>\$ 163,027,854</b>
<b>Net OPEB Liability – End of Year</b>	<b>\$ 72,247,646</b>	<b>\$ 72,612,714</b>	<b>\$ 57,407,082</b>	<b>\$ 79,725,591</b>	<b>\$ 75,418,379</b>	<b>\$ 174,090,912</b>	<b>\$ 166,667,868</b>
 <b>Plan Fiduciary Net Position as a percentage of Total OPEB Liability</b>	 <b>47.4%</b>	<b>44.3%</b>	<b>53.7%</b>	<b>39.1%</b>	<b>39.0%</b>	<b>20.4%</b>	<b>19.5%</b>
 <b>Covered Payroll</b>	 <b>\$ 103,410,671</b>	<b>\$ 98,920,781</b>	<b>\$ 96,769,619</b>	<b>\$ 92,738,592</b>	<b>\$ 92,129,438</b>	<b>\$ 91,541,524</b>	<b>\$ 88,155,776</b>
 <b>Net OPEB Liability as a percentage of Covered Payroll</b>	 <b>69.9%</b>	<b>73.4%</b>	<b>59.3%</b>	<b>86.0%</b>	<b>81.9%</b>	<b>190.1%</b>	<b>189.1%</b>

\*A full 10-year trend is unavailable at this time. Per GASB 74 standards, this schedule covers the time period in which data was available for the OPEB plan.

**NEW CASTLE COUNTY, DELAWARE**  
**OTHER POST EMPLOYMENT BENEFITS TRUST FUND**  
**(An OPEB Trust Fund of New Castle County, Delaware)**

**Required Supplementary Information**

June 30, 2023

**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**Last 10 Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 9,761,238	\$ 8,794,248	\$ 8,692,389	\$ 9,617,995	\$ 9,414,559	\$ 18,489,193	\$ 18,338,946	\$ 17,582,179	\$ 22,562,637	\$ 24,179,501
Contributions in relation to the actuarially determined contribution	6,462,337	5,655,404	7,393,141	5,206,368	5,767,616	8,185,024	9,956,954	9,883,996	9,361,876	9,363,060
Contribution deficiency	\$ 3,298,901	\$ 3,138,844	\$ 1,299,248	\$ 4,411,627	\$ 3,646,943	\$ 10,304,169	\$ 8,381,992	\$ 7,698,183	\$ 13,200,761	\$ 14,816,441
Covered payroll	\$103,410,671	\$98,920,781	\$96,769,619	\$92,738,592	\$92,129,438	\$91,541,524	\$88,155,776	\$86,003,417	\$85,476,731	\$83,405,496
Contributions as a percentage of covered payroll	6.25%	5.72%	7.64%	5.61%	6.26%	8.94%	11.29%	11.49%	10.95%	11.23%

**SCHEDULE OF INVESTMENT RETURNS**  
**Last 10 Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	10.90%	-14.80%	28.30%	3.90%	6.20%	7.90%	12.60%

\*A full 10-year trend is unavailable at this time. Per GASB 74 standards, this schedule covers the time period in which data was available for the OPEB plan.

**NEW CASTLE COUNTY, DELAWARE  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2023**

**NEW CASTLE COUNTY, DELAWARE OTHER POST EMPLOYMENT BENEFITS PLAN**

**Notes to Required Supplementary Information**

**Valuation date:** The total OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Methods or assumptions used to determine contribution rates:

**Actuarial cost method:** Entry Age

**Amortization method:** Level Dollar

**Amortization period:** 30 years

**Investment Return:** 6.00%, net of investment expense and including inflation

**Healthcare Trend:** 6.5% initially, grading down to 4.25% ultimate

**Mortality rates:**

Mortality rates were based on the RP-2014 Combined Mortality Tables with Blue Collar adjustments and generational projections using Scale SSA with a 1 year set forward for females. 50% of these rates are applied for pre-retirement deaths. Mortality rates for Disabled members were based on the RP-2014 Disabled tables projected generationally with Scale SSA.

**Changes of actuarial assumptions:** There were no changes in actuarial assumptions since the prior year.

**Changes of benefit terms:** There was a significant decrease in the cost of the post-Medicare (post-65) plan premiums from \$417.30 per month in 2016 to \$110.23 per month in 2018. This accounted for nearly all of the large decrease in the County's total OPEB liability. The retiree cost share for retirees in the EPO and PPO plans increased by 14% and 12%, respectively. These cost-sharing changes accounted for a significant portion of the decrease in the total OPEB liability as well.

## Combining and Individual Fund Financial Statements and Schedules

# LIBRARIES



### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- **Light Tax Fund** – Used to account for lighting costs financed with revenues from users within the light districts.
- **Crossing Guard Fund** – Used to account for school crossing guard costs financed with revenues from users within the school districts.
- **Garstin Trust Fund** – Used to account for the costs of providing for the care, maintenance, and upkeep of county parks and related facilities financed with proceeds from an endowment.
- **Housing Trust Fund** – Used to account for costs to construct, purchase, and maintain permanently affordable housing units.

### **Capital Projects Funds**

Capital Projects Funds are used to account for financial resources provided by bond proceeds, intergovernmental grants, and private contributions used for the acquisition or construction of capital facilities and for equipment purchases other than those financed by proprietary funds.

- **Facilities and Equipment** – Used to account for design, construction, and improvements of County buildings and for equipment purchases.
- **Park Development** – Used to account for the acquisition and development of County parkland.
- **Public Safety** – Used to account for improvements at the police building and facilities and for equipment purchases.
- **Miscellaneous Capital Improvements** – Used to account for all other construction improvements and equipment purchases.

## NEW CASTLE COUNTY, DELAWARE

## COMBINING BALANCE SHEET

## NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

	Special Revenue				Total Special Revenue Funds	Facilities and Equipment	Capital Projects			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Light Tax	Crossing Guard	Garstin Trust	Housing Trust			Park Development	Public Safety	Miscellaneous Capital Improvements		
<b>ASSETS:</b>											
Cash and cash equivalents	\$ -	\$ -	\$ 37,545	\$ 15,683,893	\$ 15,721,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,721,438
Investments	-	-	3,481,249	-	3,481,249	-	-	-	-	-	3,481,249
Receivables (net of allowances):											
Taxes, including interest and penalties	116,606	66,033	-	-	182,639	-	-	-	-	-	182,639
Other	-	-	854	-	854	-	-	-	-	-	854
Due from other funds	2,188,069	749,137	-	-	2,937,206	11,532,444	8,740,310	9,609,985	7,489,377	37,372,116	40,309,322
Due from other governments	-	-	-	-	-	216,671	530,751	-	-	747,422	747,422
Prepaid costs	-	-	-	-	-	38,968	-	-	-	38,968	38,968
<b>Total assets</b>	<b>\$ 2,304,675</b>	<b>\$ 815,170</b>	<b>\$ 3,519,648</b>	<b>\$ 15,683,893</b>	<b>\$ 22,323,386</b>	<b>\$ 11,788,083</b>	<b>\$ 9,271,061</b>	<b>\$ 9,609,985</b>	<b>\$ 7,489,377</b>	<b>\$ 38,158,506</b>	<b>\$ 60,481,892</b>
<b>LIABILITIES:</b>											
Vouchers payable and accrued expenditures	\$ 528,752	\$ 85,742	\$ 20,025	\$ -	\$ 634,519	\$ 531,728	\$ 1,899,165	\$ 61,200	\$ 390,332	\$ 2,882,425	\$ 3,516,944
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	100	-	-	100	2,450	-	2,179	-	4,629	4,729
Retainage payable	-	-	-	-	-	29,061	209,561	143,352	-	381,974	381,974
<b>Total liabilities</b>	<b>528,752</b>	<b>85,842</b>	<b>20,025</b>	<b>-</b>	<b>634,619</b>	<b>563,239</b>	<b>2,108,726</b>	<b>206,731</b>	<b>390,332</b>	<b>3,269,028</b>	<b>3,903,647</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>											
Unavailable revenue-property taxes	-	60,663	-	-	60,663	-	-	-	-	-	60,663
<b>FUND BALANCES:</b>											
<b>Nonspendable:</b>											
Prepaid costs							38,968			38,968	38,968
<b>Restricted for:</b>											
Light tax	1,775,923	-	-	-	1,775,923	-	-	-	-	-	1,775,923
Crossing guard	-	400,317	-	-	400,317	-	-	-	-	-	400,317
Garstin trust	-	-	3,499,623	-	3,499,623	-	-	-	-	-	3,499,623
Housing trust	-	-	-	15,683,893	15,683,893	-	-	-	-	-	15,683,893
Capital projects	-	-	-	-	-	11,185,876	7,162,335	9,403,254	7,099,045	34,850,510	34,850,510
<b>Assigned for:</b>											
Crossing guard		268,348	-	-	268,348	-	-	-	-	-	268,348
<b>Unassigned (Note 18)</b>		-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,775,923</b>	<b>668,665</b>	<b>3,499,623</b>	<b>15,683,893</b>	<b>21,628,104</b>	<b>11,224,844</b>	<b>7,162,335</b>	<b>9,403,254</b>	<b>7,099,045</b>	<b>34,889,478</b>	<b>56,517,582</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,304,675</b>	<b>\$ 815,170</b>	<b>\$ 3,519,648</b>	<b>\$ 15,683,893</b>	<b>\$ 22,323,386</b>	<b>\$ 11,788,083</b>	<b>\$ 9,271,061</b>	<b>\$ 9,609,985</b>	<b>\$ 7,489,377</b>	<b>\$ 38,158,506</b>	<b>\$ 60,481,892</b>

## NEW CASTLE COUNTY, DELAWARE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue					Capital Projects					Total Nonmajor Governmental Funds	
	Light Tax	Crossing Guard	Garstin Trust	Housing Trust	Total Special Revenue Funds	Facilities and Equipment	Park Development	Public Safety	Miscellaneous Capital Improvements	Total Capital Projects Funds		
<b>Revenues:</b>												
Taxes	\$ 7,005,593	\$ 3,355,346	\$ -	\$ -	\$ 10,360,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,360,939	
Licenses and permits	-	-	-	218,197	218,197	-	-	-	-	-	218,197	
Intergovernmental	-	-	-	-	-	(12,284)	1,545,261	5,000,000	-	6,532,977	6,532,977	
Investment income	-	-	127,738	-	127,738	-	-	-	-	-	127,738	
Net appreciation in fair value of investments	-	-	172,327	-	172,327	-	-	-	-	-	172,327	
Contributions from private sources	-	-	-	-	-	42,599	-	-	-	42,599	42,599	
Miscellaneous Revenue	-	-	-	-	-	-	-	66,210	240,095	306,305	306,305	
<b>Total revenues</b>	<b>7,005,593</b>	<b>3,355,346</b>	<b>300,065</b>	<b>218,197</b>	<b>10,879,201</b>	<b>30,315</b>	<b>1,545,261</b>	<b>5,066,210</b>	<b>240,095</b>	<b>6,881,881</b>	<b>17,761,082</b>	
<b>Expenditures:</b>												
Current:												
General government	6,762,457	1,030,978	-	-	7,793,435	-	-	-	-	-	7,793,435	
Public safety	-	2,368,788	-	-	2,368,788	-	-	-	-	-	2,368,788	
Public Works	-	-	162,275	-	162,275	-	-	-	-	-	162,275	
Community Services	-	-	-	1,705,340	1,705,340	-	-	-	-	-	1,705,340	
Capital outlays	-	-	-	-	-	9,732,238	10,664,651	4,333,602	6,960,332	31,690,823	31,690,823	
<b>Total expenditures</b>	<b>6,762,457</b>	<b>3,399,766</b>	<b>162,275</b>	<b>1,705,340</b>	<b>12,029,838</b>	<b>9,732,238</b>	<b>10,664,651</b>	<b>4,333,602</b>	<b>6,960,332</b>	<b>31,690,823</b>	<b>43,720,661</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>243,136</b>	<b>(44,420)</b>	<b>137,790</b>	<b>(1,487,143)</b>	<b>(1,150,637)</b>	<b>(9,701,923)</b>	<b>(9,119,390)</b>	<b>732,608</b>	<b>(6,720,237)</b>	<b>(24,808,942)</b>	<b>(25,959,579)</b>	
<b>Other Financing Sources:</b>												
Bond proceeds						-	(53,036)	-	53,036	-	-	
Bond premium proceeds						-	-	-	-	-	-	
Financed purchases	-	-	-	-	-	3,096,948	-	-	-	3,096,948	3,096,948	
Transfers in	-	-	-	-	-	5,645,858	3,503,000	651,061	7,400,000	17,199,919	17,199,919	
Transfers out	-	-	-	-	-	(604,876)	-	-	-	(604,876)	(604,876)	
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,137,930</b>	<b>3,449,964</b>	<b>651,061</b>	<b>7,453,036</b>	<b>19,691,991</b>	<b>19,691,991</b>	
<b>Net change in fund balances</b>	<b>243,136</b>	<b>(44,420)</b>	<b>137,790</b>	<b>(1,487,143)</b>	<b>(1,150,637)</b>	<b>(1,563,993)</b>	<b>(5,669,426)</b>	<b>1,383,669</b>	<b>732,799</b>	<b>(5,116,951)</b>	<b>(6,267,588)</b>	
<b>Fund Balances:</b>												
Beginning of year	1,532,787	713,085	3,361,833	17,171,036	22,778,741	12,788,837	12,831,761	8,019,585	6,366,246	40,006,429	62,785,170	
End of year	\$ 1,775,923	\$ 668,665	\$ 3,499,623	\$ 15,683,893	\$ 21,628,104	\$ 11,224,844	\$ 7,162,335	\$ 9,403,254	\$ 7,099,045	\$ 34,889,478	\$ 56,517,582	

## NEW CASTLE COUNTY, DELAWARE

## LIGHT TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 6,850,809	\$ 6,850,809	\$ 7,005,593	\$ 154,784
<b>Expenditures:</b>				
General government	<u>7,110,418</u>	<u>7,110,418</u>	<u>6,762,457</u>	<u>347,961</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(259,609)	(259,609)	<b>243,136</b>	502,745
<b>Fund Balance:</b>				
Beginning of year	<u>1,532,787</u>	<u>1,532,787</u>	<u>1,532,787</u>	-
End of year	<u>\$ 1,273,178</u>	<u>\$ 1,273,178</u>	<u>\$ 1,775,923</u>	<u>\$ 502,745</u>

## NEW CASTLE COUNTY, DELAWARE

## GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023 (1)

	Actual			
	Prior Years	Current Year	Total to Date	Grant Budget
<b>Revenues:</b>				
Intergovernmental	\$ 903,530,617	\$ 36,327,512	\$ 939,858,129	\$ 1,079,241,417
Charges for services	65,172,158	2,456,883	67,629,041	69,068,637
Investment income	1,953,779	3,297,359	5,251,138	2,052,302
<b>Total revenues</b>	<b>970,656,554</b>	<b>42,081,754</b>	<b>1,012,738,308</b>	<b>1,150,362,356</b>
<b>Expenditures:</b>				
General government	338,572,615	9,165,515	347,738,130	439,641,121
Public safety	87,798,730	3,230,799	91,029,529	95,085,571
Public works	1,112,059	34,250	1,146,309	1,795,095
Community services	568,282,366	27,851,995	596,134,361	641,620,264
Land use	5,417,043	-	5,417,043	5,650,709
<b>Total expenditures</b>	<b>1,001,182,813</b>	<b>40,282,559</b>	<b>1,041,465,372</b>	<b>1,183,792,760</b>
<b>Deficiency of revenues over expenditures</b>	<b>(30,526,259)</b>	<b>1,799,195</b>	<b>(28,727,064)</b>	<b>(33,430,404)</b>
<b>Other Financing Sources:</b>				
Net transfers in	32,543,248	(1,630,987)	30,912,261	33,430,404
<b>Net change in fund balance</b>	<b>\$ 2,016,989</b>	<b>168,208</b>	<b>\$ 2,185,197</b>	<b>\$ -</b>
<b>Fund Balance:</b>				
Beginning of year		<b>2,016,989</b>		
End of year		<b>\$ 2,185,197</b>		

(1) Encompassing current grant file information.

## NEW CASTLE COUNTY, DELAWARE

## CAPITAL PROJECTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual			
	Prior Years	Current Year	Total to Date	Project Authorization
<b>Revenues:</b>				
Intergovernmental	\$ 42,994,812	\$ 6,532,977	\$ 49,527,789	\$ 58,662,459
Contributions from Private Sources	3,064,826	42,599.00	3,107,425	4,103,626
Other	7,006,367	306,305	7,312,672	7,375,095
<b>Total revenues</b>	<b>53,066,005</b>	<b>6,881,881</b>	<b>59,947,886</b>	<b>70,141,180</b>
<b>Expenditures:</b>				
General government	16,379,785	6,960,332	23,340,117	31,931,739
Public safety	28,933,409	4,333,602	33,267,011	45,256,959
Public works	111,122,092	19,517,641	130,639,733	180,387,318
Community services	66,360,890	879,248	67,240,138	85,021,588
<b>Total expenditures</b>	<b>222,796,176</b>	<b>31,690,823</b>	<b>254,486,999</b>	<b>342,597,604</b>
<b>Deficiency of revenues over expenditures</b>	<b>(169,730,171)</b>	<b>(24,808,942)</b>	<b>(194,539,113)</b>	<b>(272,456,424)</b>
<b>Other Financing Sources/(Uses):</b>				
Debt issuance	171,218,123	-	171,218,123	218,803,144
Bond premium	11,588,259	-	11,588,259	11,588,259
Lease/financed purchase proceeds	2,850,650	3,096,948	5,947,598	-
Transfers	24,079,568	16,595,043	40,674,611	42,065,021
<b>Total other financing sources</b>	<b>209,736,600</b>	<b>19,691,991</b>	<b>229,428,591</b>	<b>272,456,424</b>
<b>Net change in fund balances</b>	<b>\$ 40,006,429</b>	<b>(5,116,951)</b>	<b>\$ 34,889,478</b>	<b>\$ -</b>
<b>Fund Balances:</b>				
Beginning of year		<b>40,006,429</b>		
End of year		<b>\$ 34,889,478</b>		

(1) This schedule covers only current projects. Amounts in Prior Years column and Project Authorization column include only projects that were active in the current fiscal year.

## NEW CASTLE COUNTY, DELAWARE

## CROSSING GUARD FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 3,417,118	\$ 3,417,118	\$ 3,355,346	\$ (61,772)
<b>Expenditures:</b>				
General government	1,030,978	1,030,978	1,030,978	-
Public safety	2,651,140	2,651,661	2,368,788	282,873
<b>Total expenditures</b>	<b>3,682,118</b>	<b>3,682,639</b>	<b>3,399,766</b>	<b>282,873</b>
<b>Net change in fund balance</b>	<b>(265,000)</b>	<b>(265,521)</b>	<b>(44,420)</b>	<b>221,101</b>
<b>Fund Balance:</b>				
Beginning of year	713,085	713,085	713,085	-
End of year	\$ 448,085	\$ 447,564	\$ 668,665	\$ 221,101

## NEW CASTLE COUNTY, DELAWARE

## BALANCE SHEET BY SUBFUND

## GENERAL FUND

June 30, 2023

	General Fund					
	General	Jean W. Sinclair Trust	Reassessment Reserve	Hope Center	Total General Fund	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 119,825,685	\$ 10,250	\$ 15,000,000	\$ 1,831,848	\$ 136,667,783	
Investments	115,941,199	-	-	-	115,941,199	
Receivables (net of allowances):						
Taxes, including interest and penalties	2,886,451	-	-	-	2,886,451	
Accounts	5,353,933	-	-	316,955	5,670,888	
Lease	1,749,177	-	-	-	1,749,177	
Other	685,969	-	-	-	685,969	
Due from other funds	-	-	-	-	-	
Cash - restricted	15,337,162	-	-	-	15,337,162	
Capital assets held for resale	346,122	-	-	-	346,122	
Prepaid costs	1,444,453	-	-	24,275	1,468,728	
<b>Total assets</b>	<b>\$ 263,570,151</b>	<b>\$ 10,250</b>	<b>\$ 15,000,000</b>	<b>\$ 2,173,078</b>	<b>\$ 280,753,479</b>	
<b>LIABILITIES:</b>						
Vouchers payable and accrued expenditures	\$ 24,060,691	\$ -	\$ -	\$ 141,828	\$ 24,202,519	
Due to other funds	40,309,322	-	-	-	40,309,322	
Other liabilities	12,409,784	-	-	-	12,409,784	
Escrowed amounts	12,738,975	-	-	-	12,738,975	
Unearned revenues	346,122	-	-	-	346,122	
<b>Total liabilities</b>	<b>\$ 89,864,894</b>	<b>-</b>	<b>-</b>	<b>\$ 141,828</b>	<b>\$ 90,006,722</b>	
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue-lease receivable	1,649,324	-	-	-	1,649,324	
Unavailable revenue-property taxes	2,677,395	-	-	-	2,677,395	
<b>Total deferred inflows of resources</b>	<b>4,326,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,326,719</b>	
<b>FUND BALANCES:</b>						
<b>Nonspendable:</b>						
Prepaid costs	1,444,453	-	-	24,275	1,468,728	
<b>Committed to:</b>						
Budget reserve	44,592,418	-	-	-	44,592,418	
Tax stabilization reserve	74,171,478	-	-	-	74,171,478	
Transfer tax proceeds	41,724,670	-	-	-	41,724,670	
Library	-	10,250	-	-	10,250	
Strategic Economic Development fund	-	-	-	-	-	
Reassessment Reserve	-	-	15,000,000	-	15,000,000	
<b>Assigned to:</b>						
Hope Center				2,006,975	2,006,975	
Other departmental purposes	779,753	-	-	-	779,753	
Unassigned	6,665,766	-	-	-	6,665,766	
<b>Total fund balances</b>	<b>169,378,538</b>	<b>10,250</b>	<b>15,000,000</b>	<b>2,031,250</b>	<b>186,420,038</b>	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 263,570,151</b>	<b>\$ 10,250</b>	<b>\$ 15,000,000</b>	<b>\$ 2,173,078</b>	<b>\$ 280,753,479</b>	

## NEW CASTLE COUNTY, DELAWARE

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES BY SUBFUND

## GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

General Fund						
	General	Jean W. Sinclair Trust	Strategic Economic Development	Reassessment Reserve	Hope Center	Total General Fund
<b>Revenues:</b>						
Taxes	\$ 184,174,282	\$ -	\$ -	\$ -	\$ -	\$ 184,174,282
Charges for services	21,028,349	-	-	-	1,216,000	22,244,349
Licenses and permits	8,857,898	-	-	-	-	8,857,898
Intergovernmental	12,726,498	-	-	-	-	12,726,498
Lease revenue	237,853	-	-	-	-	237,853
Investment income (loss)	8,883,763	208	-	-	-	8,883,971
Net appreciation (depreciation) in fair value of investments	(3,765,643)	-	-	-	-	(3,765,643)
Rentals	489,192	-	-	-	-	489,192
Miscellaneous	4,168,980	-	-	-	1,361	4,170,341
<b>Total revenues</b>	<b>236,801,172</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>1,217,361</b>	<b>238,018,741</b>
<b>Expenditures:</b>						
Current:						
General government	22,034,483	-	-	-	-	22,034,483
Public safety	121,193,873	-	-	-	-	121,193,873
Public works	16,878,628	-	-	-	-	16,878,628
Community services	25,078,437	-	-	-	883,476	25,961,913
Land use	12,018,449	-	-	-	-	12,018,449
Judiciary offices	6,421,967	-	-	-	-	6,421,967
Debt service:						
Principal	14,995,000	-	-	-	-	14,995,000
Interest and other charges	5,147,093	-	-	-	-	5,147,093
<b>Total expenditures</b>	<b>223,767,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>883,476</b>	<b>224,651,406</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,033,242</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>333,885</b>	<b>13,367,335</b>
<b>Other Financing Sources (Uses):</b>						
Transfers in	2,971,767	-	-	-	-	2,971,767
Transfers out	(10,410,823)	-	(525,000)	(7,000,000)	-	(17,935,823)
Financed purchases	198,536	-	-	-	-	198,536
Sale of capital assets	2,946,918	-	-	-	-	2,946,918
<b>Total other financing sources (uses)</b>	<b>(4,293,602)</b>	<b>-</b>	<b>(525,000)</b>	<b>(7,000,000)</b>	<b>-</b>	<b>(11,818,602)</b>
<b>Net change in fund balances</b>	<b>8,739,640</b>	<b>208</b>	<b>(525,000)</b>	<b>(7,000,000)</b>	<b>333,885</b>	<b>1,548,733</b>
<b>Fund Balances:</b>						
Beginning of year	160,638,898	10,042	525,000	22,000,000	1,697,365	184,871,305
End of year	<b>\$ 169,378,538</b>	<b>\$ 10,250</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>	<b>\$ 2,031,250</b>	<b>\$ 186,420,038</b>

NEW CASTLE COUNTY, DELAWARE

Exhibit 19

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2023

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
<b>ASSETS</b>			
Cash and cash equivalents (Note 2)	\$ 14,268,972	\$ -	\$ 14,268,972
Investments: (Note 2)			
Common and preferred stock	63,749,162	-	63,749,162
Mutual funds	69,901,511	65,065,294	134,966,805
Real estate equity funds	4,851,271	-	4,851,271
Collective trusts	300,523,537	-	300,523,537
Private equity	54,232,698	-	54,232,698
Receivables (net of allowances):			
Other (Note 4)	3,770,162	-	3,770,162
<b>Total assets</b>	<b>511,297,313</b>	<b>65,065,294</b>	<b>576,362,607</b>
<b>LIABILITIES</b>			
Vouchers payable and accrued expenses	602,628	17,460	620,088
<b>Total liabilities</b>	<b>602,628</b>	<b>17,460</b>	<b>620,088</b>
<b>NET POSITION</b>			
<b>Total Net Position</b>	<b>\$ 510,694,685</b>	<b>\$ 65,047,834</b>	<b>\$ 575,742,519</b>

**NEW CASTLE COUNTY, DELAWARE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
<b>Additions:</b>			
<b>Contributions:</b>			
Plan members	\$ 2,715,773	\$ 1,094,808	\$ 3,810,581
New Castle County	25,685,257	6,462,337	32,147,594
State of Delaware	2,786,839	-	2,786,839
Other contributions	7,824	-	7,824
<b>Total contributions</b>	<b>31,195,693</b>	<b>7,557,145</b>	<b>38,752,838</b>
<b>Investment income:</b>			
Net increase in fair value of investments	18,960,466	4,874,672	23,835,138
Interest, dividends, and other income, including realized gains/losses	19,729,050	1,464,197	21,193,247
<b>Total investment income</b>	<b>38,689,516</b>	<b>6,338,869</b>	<b>45,028,385</b>
<b>Less investment expense</b>	<b>2,474,670</b>	<b>63,886</b>	<b>2,538,556</b>
<b>Net investment income</b>	<b>36,214,846</b>	<b>6,274,983</b>	<b>42,489,829</b>
<b>Total additions</b>	<b>67,410,539</b>	<b>13,832,128</b>	<b>81,242,667</b>
<b>Deductions:</b>			
Benefit payments	48,707,259	6,557,145	55,264,404
Refunds of contributions	235,521	-	235,521
Administrative expenses	636,549	20,581	657,130
Other expenses, net	64,800	-	64,800
<b>Total deductions</b>	<b>49,644,129</b>	<b>6,577,726</b>	<b>56,221,855</b>
<b>Net increase in net position</b>	<b>17,766,410</b>	<b>7,254,402</b>	<b>25,020,812</b>
<b>Net position</b>			
Beginning of year	492,928,275	57,793,432	550,721,707
End of year	<b>\$ 510,694,685</b>	<b>\$ 65,047,834</b>	<b>\$ 575,742,519</b>

## **STATISTICAL SECTION**

This part of the New Castle County's annual comprehensive 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 County's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

### **Exhibit**

B-1 to B-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

C-1 to C-4

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

D-1 to D-4

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

E-1 to E-2

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.

F-1 to F-3

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

## NEW CASTLE COUNTY, DELAWARE

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2014 (1)	2015 (2)	2016	2017	2018 (3)	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 96,158	\$ 110,575	\$ 120,590	\$ 121,493	\$ 132,728	\$ 138,622	\$ 147,889	\$ 180,154	\$ 175,526	\$ 192,425
Restricted	20,185	15,214	11,699	15,942	14,031	13,406	12,253	10,610	36,965	38,905
Unrestricted	(9,262)	(127,999)	(146,974)	(167,609)	(241,937)	(163,882)	(132,142)	(87,236)	(57,279)	(70,404)
Total governmental activities net position	<u>\$ 107,081</u>	<u>\$ (2,210)</u>	<u>\$ (14,685)</u>	<u>\$ (30,174)</u>	<u>\$ (95,178)</u>	<u>\$ (11,854)</u>	<u>\$ 28,000</u>	<u>\$ 103,528</u>	<u>\$ 155,212</u>	<u>\$ 160,926</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 153,387	\$ 148,646	\$ 149,931	\$ 129,604	\$ 131,750	\$ 128,142	\$ 128,231	\$ 142,924	\$ 121,485	\$ 123,898
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	14,384	20,536	13,066	26,181	10,697	26,770	27,184	7,290	20,279	16,363
Total business-type activities net position	<u>\$ 167,771</u>	<u>\$ 169,182</u>	<u>\$ 162,997</u>	<u>\$ 155,785</u>	<u>\$ 142,447</u>	<u>\$ 154,912</u>	<u>\$ 155,415</u>	<u>\$ 150,214</u>	<u>\$ 141,764</u>	<u>\$ 140,261</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 249,545	\$ 259,221	\$ 270,521	\$ 251,097	\$ 264,478	\$ 266,764	\$ 276,120	\$ 323,078	\$ 297,011	\$ 316,323
Restricted	20,185	15,214	11,699	15,942	14,031	13,406	12,253	10,610	36,965	38,905
Unrestricted	5,122	(107,463)	(133,908)	(141,428)	(231,240)	(137,112)	(104,958)	(79,946)	(37,000)	(54,041)
Total primary government net position	<u>\$ 274,852</u>	<u>\$ 166,972</u>	<u>\$ 148,312</u>	<u>\$ 125,611</u>	<u>\$ 47,269</u>	<u>\$ 143,058</u>	<u>\$ 183,415</u>	<u>\$ 253,742</u>	<u>\$ 296,976</u>	<u>\$ 301,187</u>

(1) In 2014 a portion of unrestricted net position was reclassified as restricted to reflect capital projects and special revenue funds restricted balances.

(2) Governmental activities and business-type activities net position as of June 30, 2014 are restated due to changes in accounting for pensions required by GASB 68; business-type activities net position as of June 30, 2014 is also restated due to treatment of capital recovery fees.

(3) Governmental activities and business-type activities net position as of June 30, 2017 are restated due to changes in accounting for OPEB required by GASB 75.

## NEW CASTLE COUNTY, DELAWARE

## CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2014	2015 (1)	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>										
General government	\$ 38,368	\$ 35,655	\$ 33,516	\$ 36,884	\$ 30,391	\$ 29,813	\$ 59,467	\$ 276,859	\$ 70,407	\$ 42,624
Public safety	95,797	104,391	109,328	115,072	118,764	119,453	91,935	76,399	109,890	136,994
Public works	18,400	17,913	19,627	23,836	22,439	27,144	22,941	29,068	29,829	27,145
Community services	45,170	43,074	46,751	47,408	48,665	50,402	48,857	48,627	52,701	59,254
Land use	11,057	10,905	12,503	12,382	12,121	13,138	12,260	12,700	13,301	13,232
Judiciary offices	6,680	6,663	7,306	7,342	7,238	7,373	6,582	6,725	6,632	7,075
Interest on long-term debt	6,180	5,964	6,764	6,891	7,471	7,147	6,052	5,470	5,012	5,867
Total governmental activities expenses	<u>221,652</u>	<u>224,565</u>	<u>235,795</u>	<u>249,815</u>	<u>247,089</u>	<u>254,470</u>	<u>248,094</u>	<u>455,848</u>	<u>287,772</u>	<u>292,191</u>
<b>Business-type activities:</b>										
Sewer facilities	79,257	76,061	80,756	80,047	80,586	86,076	84,732	87,420	96,660	91,414
New Castle County airport	88	52	2	1	-	-	-	-	-	-
Total business-type activities expenses	<u>79,345</u>	<u>76,113</u>	<u>80,758</u>	<u>80,048</u>	<u>80,586</u>	<u>86,076</u>	<u>84,732</u>	<u>87,420</u>	<u>96,660</u>	<u>91,414</u>
Total primary government expenses	<u>300,997</u>	<u>300,678</u>	<u>316,553</u>	<u>329,863</u>	<u>327,675</u>	<u>340,546</u>	<u>332,826</u>	<u>543,268</u>	<u>384,432</u>	<u>383,605</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Land use	7,978	8,355	9,133	9,916	10,525	12,377	13,677	11,413	12,111	13,223
Judiciary offices	15,175	15,010	15,669	18,078	17,772	14,824	14,297	17,252	17,232	12,776
Other activities	10,801	11,169	11,341	11,245	11,428	10,849	10,709	9,871	15,965	15,963
Operating grants and contributions	31,966	32,868	30,494	31,752	32,917	33,325	62,839	305,240	78,091	49,439
Capital grants and contributions	3,413	1,677	4,541	7,460	5,862	4,447	3,632	5,064	10,890	6,882
Total governmental activities program revenues	<u>69,333</u>	<u>69,079</u>	<u>71,178</u>	<u>78,451</u>	<u>78,504</u>	<u>75,822</u>	<u>105,154</u>	<u>348,840</u>	<u>134,289</u>	<u>98,283</u>
<b>Business-type activities:</b>										
Charges for services-Sewer	67,046	68,675	71,918	72,049	71,702	82,421	79,607	79,373	88,187	86,653
Operating grants and contributions	2,643	1,763	1,866	488	932	992	1,065	2,694	1,912	1,207
Capital grants and contributions	-	-	-	-	-	-	-	-	-	451
Total business-type activities program revenues	<u>69,689</u>	<u>70,438</u>	<u>73,784</u>	<u>72,537</u>	<u>72,634</u>	<u>83,413</u>	<u>80,672</u>	<u>82,067</u>	<u>90,099</u>	<u>88,311</u>
Total primary government program revenues	<u>139,022</u>	<u>139,517</u>	<u>144,962</u>	<u>150,988</u>	<u>151,138</u>	<u>159,235</u>	<u>185,826</u>	<u>430,907</u>	<u>224,388</u>	<u>186,594</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	(152,319)	(155,486)	(164,617)	(171,364)	(168,585)	(178,648)	(142,940)	(107,008)	(153,483)	(193,908)
Business-type activities	(9,656)	(5,675)	(6,974)	(7,511)	(7,952)	(2,663)	(4,060)	(5,353)	(6,561)	(3,103)
Total primary government net expenses	<u>(161,975)</u>	<u>(161,161)</u>	<u>(171,591)</u>	<u>(178,875)</u>	<u>(176,537)</u>	<u>(181,311)</u>	<u>(147,000)</u>	<u>(112,361)</u>	<u>(160,044)</u>	<u>(197,011)</u>

NEW CASTLE COUNTY, DELAWARE

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Real estate tax	\$ 143,289	\$ 146,418	\$ 149,779	\$ 154,984	\$ 159,850	\$ 165,823	\$ 176,768	\$ 144,111	\$ 146,474	\$ 148,489
Transfer tax	-	-	-	-	-	-	-	35,761	63,468	43,892
Hotel tax	-	-	-	-	-	-	-	1,532	2,168	2,074
Unrestricted investment earnings	1,871	1,477	2,363	891	263	6,408	7,526	1,131	(6,942)	5,167
Transfers	(319)	-	-	-	-	-	(1,500)	-	-	-
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	89,741	-	-	-	-
<b>Total governmental activities</b>	<b>144,841</b>	<b>147,895</b>	<b>152,142</b>	<b>155,875</b>	<b>160,113</b>	<b>261,972</b>	<b>182,794</b>	<b>182,535</b>	<b>205,168</b>	<b>199,622</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	396	203	790	299	844	2,923	3,062	153	(1,889)	1,600
Transfers	319	-	-	-	-	-	1,500	-	-	-
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	12,205	-	-	-	-
<b>Total business-type activities</b>	<b>715</b>	<b>203</b>	<b>790</b>	<b>299</b>	<b>844</b>	<b>15,128</b>	<b>4,562</b>	<b>153</b>	<b>(1,889)</b>	<b>1,600</b>
<b>Total primary government</b>	<b>145,556</b>	<b>148,098</b>	<b>152,932</b>	<b>156,174</b>	<b>160,957</b>	<b>277,100</b>	<b>187,356</b>	<b>182,688</b>	<b>203,279</b>	<b>201,222</b>
<b>Change in Net Position</b>										
Government activities	(7,478)	(7,591)	(12,475)	(15,489)	(8,472)	83,324	39,854	75,527	51,685	5,714
Business-type activities	(8,941)	(5,472)	(6,184)	(7,212)	(7,108)	12,465	502	(5,200)	(8,450)	(1,503)
<b>Total primary government</b>	<b>\$ (16,419)</b>	<b>\$ (13,063)</b>	<b>\$ (18,659)</b>	<b>\$ (22,701)</b>	<b>\$ (15,580)</b>	<b>\$ 95,789</b>	<b>\$ 40,356</b>	<b>\$ 70,327</b>	<b>\$ 43,235</b>	<b>\$ 4,211</b>

Notes:

(1) Governmental activities and business-type activities net position as of June 30, 2014 are restated due to changes in accounting for pensions required by GASB 68; business-type activities net position as of June 30, 2014 is also restated due to treatment of capital recovery fees.

## NEW CASTLE COUNTY, DELAWARE

## FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General fund</b>										
<b>Fund balances:</b>										
Nonspendable	\$ 140,788	\$ 430,348	\$ 859,815	\$ 3,836,550	\$ 3,894,586	\$ 3,083,813	\$ 15,758	\$ 563,579	\$ 723,941	\$ 1,468,728
Committed	91,525,479	86,885,580	78,141,417	75,362,993	72,051,126	81,568,688	122,766,059	151,768,786	177,456,093	175,498,816
Assigned	2,512,342	1,883,240	9,590,112	8,975,172	6,974,779	5,281,440	5,280,796	976,698	3,287,181	2,786,728
Unassigned	4,227,713	4,056,261	3,767,295	2,158,009	3,813,395	3,698,805	5,578,728	3,653,565	3,404,090	6,665,766
Total general fund	<u>\$ 98,406,322</u>	<u>\$ 93,255,429</u>	<u>\$ 92,358,639</u>	<u>\$ 90,332,724</u>	<u>\$ 86,733,886</u>	<u>\$ 93,632,746</u>	<u>\$ 133,641,341</u>	<u>\$ 156,962,628</u>	<u>\$ 184,871,305</u>	<u>\$ 186,420,038</u>
<b>All other governmental funds</b>										
<b>Fund balances:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 101,270	\$ 46,389	\$ 3,794	\$ -	\$ -	\$ 38,968
Restricted	20,107,655	34,138,751	19,608,313	36,188,869	25,140,227	38,383,600	26,228,232	30,651,278	64,533,811	58,395,463
Assigned	-	-	-	-	268,348	268,348	268,348	268,348	268,348	268,348
Unassigned	(1,538,612)	-	(883,184)	-	(2,125,618)	-	-	(1,205,682)	-	-
Total all other govermental funds	<u>\$ 18,569,043</u>	<u>\$ 34,138,751</u>	<u>\$ 18,725,129</u>	<u>\$ 36,188,869</u>	<u>\$ 23,384,227</u>	<u>\$ 38,698,337</u>	<u>\$ 26,500,374</u>	<u>\$ 29,713,944</u>	<u>\$ 64,802,159</u>	<u>\$ 58,702,779</u>

## NEW CASTLE COUNTY, DELAWARE

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes (1)	\$ 142,952	\$ 146,374	\$ 149,741	\$ 155,004	\$ 160,023	\$ 165,930	\$ 176,546	\$ 181,316	\$ 211,953	\$ 194,535
Charges for services	24,142	23,024	25,622	26,804	26,607	26,667	24,874	25,358	30,655	24,701
Licenses and permits	6,142	6,791	6,674	7,817	7,821	7,489	9,537	8,071	8,590	9,076
Intergovernmental	34,944	34,863	34,885	40,132	38,025	36,327	65,876	309,960	91,826	55,587
Lease revenue (4)										238
Investment income	2,442	1,570	2,365	1,346	531	6,597	7,672	2,160	(7,386)	8,716
Rentals	753	744	732	725	841	732	721	571	681	489
Contributions from private sources	630	298	778	10	-	30	-	688	-	42
Miscellaneous	1,799	2,546	1,503	1,741	2,742	2,139	4,031	3,072	2,828	4,477
<b>Total revenues</b>	<b>213,804</b>	<b>216,210</b>	<b>222,300</b>	<b>233,579</b>	<b>236,590</b>	<b>245,911</b>	<b>289,257</b>	<b>531,196</b>	<b>339,147</b>	<b>297,861</b>
<b>Expenditures</b>										
General government	23,525	23,379	23,649	26,221	26,609	24,777	56,002	298,458	64,482	38,993
Public safety	91,588	100,229	100,370	105,594	108,673	105,385	84,132	79,004	116,605	126,794
Public works	14,419	13,714	11,504	13,640	11,839	15,498	15,579	16,980	17,608	17,075
Community services	43,009	41,608	43,380	44,001	44,599	45,108	45,147	47,484	50,146	55,519
Land use	10,793	10,765	11,438	11,564	11,346	11,846	11,699	13,311	12,873	12,019
Judiciary offices	6,486	6,539	6,641	6,836	6,753	6,605	6,242	7,028	6,425	6,422
Capital outlays	15,881	20,847	26,930	39,049	25,488	28,201	24,049	25,475	30,947	31,691
Debt service										
Principal	13,088	13,824	10,242	13,103	13,335	14,031	14,285	13,185	13,305	14,995
Interest	7,186	6,628	7,390	6,611	7,363	6,963	7,225	6,682	5,713	5,147
<b>Total expenditures</b>	<b>225,975</b>	<b>237,533</b>	<b>241,544</b>	<b>266,619</b>	<b>256,005</b>	<b>258,414</b>	<b>264,360</b>	<b>507,607</b>	<b>318,104</b>	<b>308,655</b>
<b>Excess of revenues over (under) expenditures</b>										
	(12,171)	(21,323)	(19,244)	(33,040)	(19,415)	(12,503)	24,897	23,589	21,043	(10,794)
<b>Other Financing Sources (Uses):</b>										
Transfers in	3,212	5,339	6,170	4,278	6,218	6,362	5,400	23,525	17,070	22,224
Transfers out	(3,531)	(5,339)	(6,170)	(4,278)	(6,218)	(6,362)	(6,900)	(23,525)	(17,070)	(22,224)
Debt issuance	-	20,670	-	37,600	-	28,040	-	-	36,150	-
Bond premium (net of issuance costs)	-	4,345	-	2,409	-	2,050	-	-	3,855	-
Issuance of refunding bonds	-	53,021	-	2,210	-	-	-	-	57,450	-
Payment to refunded bond escrow agent (2)	-	(53,021)	-	-	-	-	-	-	(57,450)	-
Leases/financed purchases	4,643	6,301	2,807	5,952	2,786	4,205	4,277	2,637	1,425	3,296
Sale of capital assets	115	426	127	307	226	421	137	309	524	2,947
<b>Total other financing sources (uses)</b>	<b>4,439</b>	<b>31,742</b>	<b>2,934</b>	<b>48,478</b>	<b>3,012</b>	<b>34,716</b>	<b>2,914</b>	<b>2,946</b>	<b>41,954</b>	<b>6,243</b>
<b>Net change in fund balances</b>										
	<b>\$ (7,732)</b>	<b>\$ 10,419</b>	<b>\$ (16,310)</b>	<b>\$ 15,438</b>	<b>\$ (16,403)</b>	<b>\$ 22,213</b>	<b>\$ 27,811</b>	<b>\$ 26,535</b>	<b>\$ 62,997</b>	<b>\$ (4,551)</b>

Debt service as a percentage of noncapital expenditures 9.7% 9.5% 8.1% 8.6% 8.8% 9.0% 9.0% 4.3% 6.6% 7.2%

Bonded debt service as a percentage of total general governmental expenditures (3) 9.0% 8.6% 7.3% 7.4% 8.1% 8.1% 8.1% 3.9% 6.0% 6.5%

## Notes:

(1) See Exhibit B-5 for tax revenues by source.

(2) Included in Debt Service expense in 2017 due to a current refunding.

(3) Excludes debt service of Enterprise Funds.

(4) Post GASB 87 Implementation

## NEW CASTLE COUNTY, DELAWARE

## REAL ESTATE TAX REVENUE BY SOURCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year	Property Tax (1)	Transfer Tax	Crossing Guards (1)	Light Tax(1)	Total
2014	109,403,854	25,300,207	3,515,390	4,732,119	142,951,570
2015	110,973,803	25,791,522	3,940,242	5,668,131	146,373,698
2016	111,473,621	29,044,675	3,760,878	5,461,444	149,740,618
2017	113,314,065	32,651,718	3,535,350	5,502,960	155,004,093
2018	112,891,868	36,866,613	3,705,590	6,558,488	160,022,559
2019	126,128,330 (2)	29,428,190	3,716,704	6,656,726	165,929,950
2020	135,031,861 (2)	31,918,030	3,375,256	6,220,546	176,545,693
2021	136,031,661	35,760,346	3,207,987	6,316,392	181,316,386
2022	138,498,156	63,468,339	3,268,907	6,717,596	211,952,998
<b>2023</b>	<b>140,282,056</b>	<b>43,892,226</b>	<b>3,355,346</b>	<b>7,005,593</b>	<b>194,535,221</b>

1) Includes penalties and interest.

2) Property tax increase of 7.5%

## NEW CASTLE COUNTY, DELAWARE

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(in thousands of dollars)

Fiscal Year	Residential Property (3)	Commercial Property	Less: Tax Exempt Property (4)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (2)	Estimated Actual Value
2014	12,202,534	10,242,202	4,256,838	18,187,898	0.7006	*
2015	12,306,710	10,266,437	4,215,135	18,358,012	0.7006	*
2016	12,407,486	10,377,421	4,227,683	18,557,224	0.7006	*
2017	12,588,485	10,427,187	4,238,871	18,776,801	0.7006	*
2018	12,754,570	10,470,089	4,253,844	18,970,815	0.7006	*
2019	12,912,916	10,409,251	4,266,258	19,055,907	0.8057 (5)	*
2020	13,094,215	10,434,028	4,253,889	19,274,354	0.8040	*
2021	13,263,442	10,438,671	4,243,858	19,458,255	0.8104	*
2022	13,445,794	10,429,721	4,263,912	19,611,603	0.8111	*
<b>2023</b>	<b>13,638,360</b>	<b>10,529,979</b>	<b>4,254,712</b>	<b>19,913,627</b>	<b>0.8066</b>	*

Source: New Castle County-Department of Land Use-Annual Certification

Note: (1) The County last conducted a County-wide reassessment of all real property on July 1, 1985.

Real property is assessed at 100% of the 1983 market value.

(2) Represents basic County tax rate to all unincorporated areas. See Exhibit C-2 for incorporated rates.

(3) Residential property amounts are shown net of senior and disability exemptions.

(4) These amounts represent general exemptions only. They do not include senior and disability exemptions, which are already accounted for in the Residential Property column (see Note 3 immediately above).

(5) Per Substitute 1 to Ordinance 18-061, property owners were provided a one-time credit which resulted in a net effective tax rate increase of 7.5% for 2019 (effectively resulting in a rate of \$.7531).

\*Property in the County is not reassessed annually, therefore the estimated actual value is not available.

**NEW CASTLE COUNTY, DELAWARE**  
**PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**

**LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Direct Rates:</u></b>										
<b>Unincorporated area:</b>										
New Castle County										
General operating budget	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2801	\$ 0.2711	\$ 0.2562	\$ 0.2523	\$ 0.2523
Local service function budget	0.4570	0.4570	0.4570	0.4570	0.4570	0.5256	0.5329	0.5542	0.5588	0.5543
Total Direct Rate (1)	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.8057	(7)	\$ 0.8040	\$ 0.8104	\$ 0.8066
<b>Incorporated areas: (6)</b>										
Arden	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7531	0.7515	<b>0.7335</b>
Bellefonte	0.6966	0.6966	0.6966	0.6966	0.6966	0.8011	0.7926	0.7998	0.7966	<b>0.7953</b>
Newark	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2904	0.2562	0.2523	<b>0.2523</b>
Elsmere	0.3193	0.3193	0.3193	0.3193	0.3193	0.3672	0.3192	0.2973	0.2916	<b>0.3674</b>
Newport	0.2838	0.2838	0.2838	0.2838	0.2838	0.3263	0.3554	0.3435	0.3360	<b>0.4554</b>
New Castle	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192	0.3032	0.2975	<b>0.3331</b>
Delaware City	0.2529	0.2529	0.2529	0.2529	0.2501	0.2876	0.3192	0.3071	0.3014	<b>0.4987</b>
Middletown	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192	0.2849	0.2801	<b>0.2996</b>
Odessa	0.3640	0.3640	0.3640	0.3640	0.3640	0.4186	0.3772	0.3599	0.3600	<b>0.3548</b>
Townsend	0.3616	0.3616	0.3616	0.3616	0.3616	0.4158	0.3466	0.3347	0.3314	<b>0.3213</b>
Wilmington	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2711	0.2562	0.2523	<b>0.2523</b>
Ardentown	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7588	0.7561	<b>0.7392</b>
Smyrna	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040	0.8104	0.8111	<b>0.8066</b>
Ardencroft	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7581	0.7565	<b>0.7447</b>
Clayton	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040	0.8104	0.8111	<b>0.8066</b>
<b><u>Overlapping Rates:</u></b>										
<b>School Districts:</b>										
Appoquinimink District	1.7527	1.7647	1.7707	1.8473	2.1024	2.1024	2.2461	2.5001	2.5404	<b>2.5833</b>
Brandywine District	2.1785	2.1835	2.1835	2.4435	2.4435	2.4435	2.5385	2.5385	2.5385	<b>2.5385</b>
Christina District	1.9970	2.0900	2.0900	2.3800	2.3850	2.3850	2.4850	2.9382	3.0440	<b>3.1310</b>
Colonial District	1.7060	1.7360	1.7360	1.7360	2.0430	2.0430	2.1930	2.1930	2.1730	<b>2.1730</b>
Red Clay District	1.7410	1.7710	1.9840	2.1740	2.3140	2.3140	2.3080	2.3080	2.2980	<b>2.2980</b>
New Castle County Vo-Tech	0.1500	0.1533	0.1550	0.1583	0.1603	0.1603	0.1710	0.1710	0.1695	<b>0.1740</b>
Smyrna District	1.1267	1.3077	1.4191	1.4065	1.3780	1.3780	1.3813	1.3621	1.6120	<b>1.6524</b>
Polytech (4)	0.1128	0.1128	0.1163	0.1220	0.1251	0.1251	0.1272	0.1298	0.1291	<b>0.1247</b>
<b>Municipalities (3):</b>										
Wilmington	1.7670	1.8550	1.8550	1.8550	1.9950	1.9950	1.9950	1.9950	1.9950	<b>2.1150</b>
Newark	0.6961	0.7065	0.7737	0.7737	0.7737	0.8047	0.8047	0.9120	0.9120	<b>0.9348</b>
Elsmere (5)	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	<b>0.8750</b>
Newport	0.9315	1.0712	1.0712	1.0712	1.0712	1.0712	1.2318	1.2318	1.2318	<b>1.2318</b>
New Castle	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	<b>1.2000</b>
Delaware City	1.0900	1.0900	1.0900	1.0900	1.0900	1.1900	1.1900	1.1900	1.1900	<b>1.1900</b>
Middletown	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	<b>0.3000</b>
Townsend	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.8000	0.8000	0.8000	<b>0.8000</b>
Odessa (2)	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	<b>0.2500</b>
Bellefonte	0.4500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	<b>0.5000</b>

Notes: (1) Represents basic County tax rate applicable to all unincorporated areas.

(2) Residential rates.

(3) Exclusive of basic County tax rate.

(4) Applies to properties in the Smyrna School District.

(5) Residential rates. Commercial rate is \$1.20 per \$100 of assessed value. In addition, Elsmere charges a flat rate of \$436.60 per residential or commercial unit.

(6) All incorporated areas include the general operating budget rate as shown under the unincorporated area of New Castle County for each respective year.

(7) Per Substitute 1 to Ordinance 18-061, property owners were provided a one-time credit which resulted in a net effective tax rate increase of 7.5% for 2019 (effectively resulting in a rate of \$0.7531).

## NEW CASTLE COUNTY, DELAWARE

## PRINCIPAL PROPERTY TAXPAYERS

June 30, 2023

(amounts expressed in thousands)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power & Light Co.	\$ 487,114	1	2.45%	\$ 325,857	1	1.79%
Verizon Delaware LLC (1)	180,257	2	0.90	259,178	3	1.42
Dupont Specialty Products USA LLC	140,257	3	0.70	-	-	-
AWCI Inc.	97,022	4	0.49	92,725	6	0.51
DPIF2 DE 1 New Castle LLC	95,776	5	0.48	-	-	-
Bank of America National Assoc.	86,913	6	0.44	-	-	-
JPMorgan Chase Bank National Assoc.	71,246	7	0.36	-	-	-
Delaware City Refining Company, LLC	67,896	8	0.34	-	-	-
CRISP Partners LLC	61,608	9	0.31	-	-	-
Manufacturers & Traders Trust Co.	56,569	10	0.28	56,569	8	0.31
E. I. Dupont de Nemours & Co	-	-	-	300,177	2	1.65
AstraZeneca Pharmaceuticals LP	-	-	-	170,625	4	0.94
Bracebridge Corporation	-	-	-	127,373	5	0.70
Barley Mill, LLC	-	-	-	58,588	7	0.32
J P Morgan Services, Inc	-	-	-	48,801	9	0.27
United Water Delaware Inc	-	-	-	44,915	10	0.25
	<u>\$ 1,344,658</u>		<u>6.75%</u>	<u>\$ 1,484,808</u>		<u>8.16%</u>

(1) In FY 2023 and FY 2014, some property owned by Verizon was titled in the name of Diamond State Telephone Co.

Source: New Castle County Assessment Division

**NEW CASTLE COUNTY, DELAWARE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Total Tax Levy for Fiscal Year (1)</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount (2)</b>	<b>Percent of Levy</b>
2014	109,413,344	108,189,703	98.9	1,099,811	109,289,514	99.9
2015	110,635,797	109,510,528	99.0	481,190	109,991,718	99.4
2016	111,777,226	110,570,085	98.9	564,027	111,134,112	99.4
2017	113,011,393	111,770,567	98.9	428,121	112,198,688	99.3
2018	113,528,395	112,594,765	99.2	690,104	113,284,869	99.8
2019	131,782,816	130,845,128	99.3	628,761	131,473,889	99.8
2020	132,811,856	131,788,047	99.2	592,760	132,380,807	99.7
2021	134,273,183	133,279,945	99.3	564,148	133,844,093	99.7
2022	135,890,759	134,797,463	99.2	447,989	135,245,452	99.5
<b>2023</b>	<b>137,764,928</b>	<b>136,716,193</b>	<b>99.2</b>	-	<b>136,716,193</b>	<b>99.2</b>

Notes: (1) Represents initial annual levy plus quarterly additions.

(2) Represents property tax collections in the General Fund only; excludes the crossing guard tax and tax penalties/interest.

## NEW CASTLE COUNTY, DELAWARE

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

(dollar amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Leases/Financed Purchases/SBITAs	General Obligation Bonds	Leases/Financed Purchases	Loans Payable			
2014	165,389 (2)	8,284 (3),(5)	224,088 (2)	462 (3)	2,195	400,418	1.49	723.64
2015	179,566 (2)	10,972 (3),(5)	282,944 (2)	2,859 (3)	2,054	478,395	1.69	859.21
2016	168,336 (2)	9,832 (3),(5)	275,548 (2)	4,522 (3)	2,251	460,489	1.60	822.09
2017	196,788 (2)	12,122 (3),(5)	338,194 (2)	4,493 (3)	2,087	553,684	1.84	982.71
2018	181,289 (2)	10,434 (3),(5)	326,947 (2)	4,493 (3)	7,008	530,171	1.67	939.07
2019	195,209 (2)	9,898 (3),(5)	366,209 (2)	4,385 (3)	10,278	585,979	1.77	1,041.38
2020	179,638 (2)	9,959 (3),(5)	352,499 (2)	3,316 (3)	19,164	564,576	1.68	1,010.22
2021	165,215 (2)	8,445 (3),(5)	340,236 (2)	2,357 (3)	24,468	540,721	1.50	945.80
2022	187,858 (2)	6,786 (4),(5)	384,186 (2)	3,065 (4)	25,414	607,309	*	1,063.48
<b>2023</b>	<b>172,466 (2)</b>	<b>8,110 (4),(6)</b>	<b>371,148 (2)</b>	<b>4,027 (4)</b>	<b>24,909</b>	<b>580,660</b>	*	<b>1,017.12</b>

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Exhibit E-1 for personal income and population data.

(2) Includes unamortized bond premium. See Note 10 for details.

(3) Pre-GASB 87 implementation

(4) Post-GASB 87 implementation

(5) Pre-GASB 96 implementation

(6) Post-GASB 96 implementation

\* Not available

**Exhibit D-2**

**NEW CASTLE COUNTY, DELAWARE**  
**RATIO OF GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND GENERAL BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Taxable Assessed Value (000 Omitted)</b>	<b>General Obligation Bonded Debt (000 Omitted)</b>	<b>Percentage of Long-Term Bonded Debt to Assessed Value</b>	<b>Long-Term Bonded Debt Per Capita</b>
2014	553,340	18,187,898	389,477 (2)	2.1	703.87
2015	556,786	18,358,012	462,510 (2)	2.5	830.68
2016	560,147	18,557,224	443,884 (2)	2.4	792.44
2017	563,423	18,776,801	534,982 (2)	2.8	949.52
2018	564,568	18,970,815	508,236 (2)	2.7	900.22
2019	562,694	19,055,907	561,418 (2)	2.9	997.73
2020	558,863	19,274,354	532,137 (2)	2.8	952.18
2021	571,708	19,458,255	505,451 (2)	2.6	884.11
2022	571,058	19,611,603	572,044 (2)	2.9	1,001.73
<b>2023</b>	<b>570,888</b>	<b>19,913,627</b>	<b>568,522 (2), (3)</b>	<b>2.9</b>	<b>995.86</b>

(1) Bureau of Economic Analysis, BEA.gov.

(2) Includes unamortized bond premium.

(3) Includes loans payable.

## NEW CASTLE COUNTY, DELAWARE

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

AS OF JUNE 30, 2023

Jurisdiction	Total Debt Outstanding	Percentage Applicable to New Castle County	Amount Applicable to New Castle County
New Castle County	\$ 180,575,587 (2)	100%	\$ 180,575,587
School Districts:			
Appoquinimink	97,449,335	100	97,449,335
Brandywine	31,716,121	100	31,716,121
Christina	17,884,797	100	17,884,797
Colonial	9,675,815	100	9,675,815
Red Clay	35,601,530	100	35,601,530
New Castle VoTech	45,809,308	100	45,809,308
Smyrna (1)	16,910,082	29	4,903,924
Total Districts	<u>255,046,988</u>		<u>243,040,830</u>
Municipalities:			
Middletown	36,408,833	100	36,408,833
Newark	32,640,988	100	32,640,988
Wilmington	94,827,239	100	94,827,239
Total Municipalities	<u>163,877,060</u>		<u>163,877,060</u>
Total Overlapping Debt	<u>418,924,048</u>		<u>406,917,890</u>
Total Direct and Overlapping Debt	<u>\$ 599,499,635</u>		<u>\$ 587,493,477</u>

Note: (1) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the school districts' taxable assessment that is within the County's boundaries and dividing it by the County's total taxable assessed value. Approximately 71% of the Smyrna School District's total property assessment lies outside the boundaries of New Castle County.

(2) Includes leases/financed purchases/SBITAs and unamortized bond premium. See Note 10.

Sources: New Castle County Office of Finance, Statewide School Districts' Debt Service Accounts, and Municipalities' Departments of Finance.

## COMPUTATION OF LEGAL DEBT MARGIN

## LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total assessed taxable value at July 1	\$ 18,187,898	\$ 18,358,012	\$ 18,557,224	\$ 18,776,801	\$ 18,970,815	\$ 19,055,907	\$ 19,274,354	\$ 19,458,255	\$ 19,611,603	\$ 19,913,627
Debt limit - 3% of total assessed value	\$ 545,637	\$ 550,740	\$ 556,717	\$ 563,304	\$ 569,124	\$ 571,677	\$ 578,231	\$ 583,748	\$ 588,348	\$ 597,409
Amount of debt applicable to debt limit: (2)										
Total bonded debt	380,795	416,310	399,945	487,230	464,840	518,930	492,560	468,655	558,875	<b>556,144</b> (3)
Less:										
Deductions allowed by Delaware Code (1):										
Sewer facilities	(218,854)	(252,909)	(246,785)	(307,534)	(298,478)	(338,560)	(326,475)	(315,755)	(378,075)	(390,339) (3)
Total amount of debt applicable to debt limit	161,941	163,401	153,160	179,696	166,362	180,370	166,085	152,900	180,800	<b>165,805</b>
Legal debt margin	\$ 383,696	\$ 387,339	\$ 403,557	\$ 383,608	\$ 402,762	\$ 391,307	\$ 412,146	\$ 430,848	\$ 407,548	<b>\$ 431,604</b>
Total net debt applicable to the limit as a percentage of debt limit	29.68%	29.67%	27.51%	31.90%	29.23%	31.55%	28.72%	26.19%	30.73%	<b>27.75%</b>

Note: (1) In accordance with Title 9, Delaware Code Sec. 1163(a)(7), the aggregate principal of all outstanding bonds of New Castle County may not be in excess of 3% of the total assessed valuation of the taxable real estate. The "outstanding bonds" are not to include any bonds, notes, etc. issued for the purpose of financing certain Special Assessment and Enterprise Fund projects and facilities, or issued in anticipation of tax or other revenues, or which are secured by a pledge of obligations or guaranteed by the U. S. Government or any agency or instrumentality thereof or which do not pledge the full faith and credit of the County. Debt secured by pledged funds is not included in the above schedule because it is considered defeased in-substance.

(2) Amounts for legal debt margin exclude premium for consistency.

(3) Includes loans payable, starting in FY 2023

## NEW CASTLE COUNTY, DELAWARE

## DEMOGRAPHIC STATISTICS

## LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (1) (000 Omitted)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)
2014	553,340	\$ 26,839,193	48,292	78,008	6.6
2015	556,786	28,235,100	50,820	78,656	5.2
2016	560,147	28,802,867	51,859	78,892	4.8
2017	563,423	30,156,725	54,198	79,113	4.9
2018	564,568	31,739,233	56,745	79,164	3.9
2019	562,694	33,064,369	59,175	79,578	3.6
2020	558,863	33,666,443	59,955	79,767	13.0
2021	571,708	36,125,614	63,189	78,073	5.9
2022	571,058	*	*	78,878	4.9
<b>2023</b>	<b>570,888</b>	*	*	<b>78,943</b>	<b>4.5</b>

## Sources:

- (1) Bureau of Economic Analysis, BEA.gov.
- (2) Delaware Department of Education, Public School Enrollment.
- (3) State of Delaware Department of Labor, Bureau of Labor Statistics

\* Figures not available.

## NEW CASTLE COUNTY, DELAWARE

## PRINCIPAL EMPLOYERS (1)

## CURRENT YEAR AND TEN YEARS AGO

Industry Description	2023			2014		
	Employment	Rank	Percentage of Total County Employment	Employment	Rank	Percentage of Total County Employment
Health care and social assistance	71,453	1	15.5%	64,790	1	14.9%
Retail trade	50,354	2	10.9%	55,149	2	12.7%
Finance and insurance	44,341	3	9.6%	40,986	3	9.5%
Accommodation and food services	40,458	4	8.8%	35,762	4	8.2%
State government	32,300	5	7.0%	29,698	5	6.9%
Administration and waste services	29,126	7	6.3%	29,034	6	6.7%
Local government	29,471	6	6.4%	26,799	8	6.2%
Professional & technical services	27,626	8	6.0%	28,982	7	6.7%
Manufacturing	26,822	9	5.8%	25,909	9	6.0%
Construction	23,293	10	5.0%	20,751	10	4.8%
Transportation and warehousing	22,623	11	4.9%	13,150	13	3.0%
Total	<u><u>397,867</u></u>		<u><u>86.2%</u></u>	<u><u>371,010</u></u>		<u><u>85.6%</u></u>

(1) The United States Department of Labor, Employment & Training Administration has informed the Delaware Department of Labor that pursuant to 20 CFR (Code of Federal Regulations) Part 603, this information (the names of Delaware's top employers) is confidential and may not be disclosed to the public. Therefore, information about employment by industry is provided.

Source: Delaware Department of Labor - Office of Occupational and Labor Market Information (LMI).

## NEW CASTLE COUNTY, DELAWARE

## FULL-TIME COUNTY EMPLOYEE POSITIONS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government:</b>										
<b>County Council</b>										
Legislation	32	33	32	32	32	32	32	32	32	32
Audit	1	1	2	2	2	2	2	3	3	3
	33	34	34	34	34	34	34	35	35	35
<b>County Executive</b>										
Direction and Control	13	12	12	11	12	12	12	12	12	12
Office of Economic Development	1	1	1	1	1	1	1	1	1	1
Office of Communications	-	-	-	2	1	1	1	1	1	1
	14	13	13	14	14	14	14	14	14	14
<b>Dept of Administration</b>										
Law	22	23	23	18	18	18	18	18	18	18
Administrative Services	43	42	42	41	40	32	32	32	31	31
Finance	75	77	77	77	78	73	73	73	73	89
Human Resources and Risk Management	19	19	19	24	25	25	26	26	28	28
	159	161	161	160	161	148	149	149	150	166
<b>Total General Government</b>	<b>206</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>209</b>	<b>196</b>	<b>197</b>	<b>198</b>	<b>199</b>	<b>215</b>
<b>Public Safety:</b>										
Administration	9	9	8	8	8	8	8	8	8	9
Police Operations	400	405	417	432	432	434	434	434	449	449
Crossing Guards	3	3	3	3	3	3	3	3	3	3
Emergency Services	209	216	217	217	223	225	240	240	240	250
<b>Total Public Safety</b>	<b>621</b>	<b>633</b>	<b>645</b>	<b>660</b>	<b>666</b>	<b>670</b>	<b>685</b>	<b>685</b>	<b>700</b>	<b>711</b>
<b>Public Works:</b>										
<b>Non-Sewer related:</b>										
Administration	18.5	18.5	18.5	18.5	17.5	16.5	15.5	14.5	14.5	15.5
Internal Services	6	6	6	6	6	6	5	5	5	6.8
Fleet Operations	32	32	32	31	30	29	29	29	29	29
Facilities Maintenance	35	36	36	36	34	33	33	33	33	31
Parks	67	66	66	67	65	62	64	65	66	66
Engineering	36	36	35	35	35	35	34	32	32	32
<b>Total Non-Sewer related</b>	<b>194.5</b>	<b>194.5</b>	<b>193.5</b>	<b>193.5</b>	<b>187.5</b>	<b>181.5</b>	<b>180.5</b>	<b>178.5</b>	<b>179.5</b>	<b>180.3</b>
<b>Sewer:</b>										
Sewer Operations Administration	10.5	10.5	10.5	10.5	10.5	10.5	9.5	10.5	10.5	9.7
Construction Support	64	63	63	63	63	63	63	63	63	63
Sewer Maintenance	53	53	53	53	53	53	53	53	53	53
Plant Operations	53	53	53	53	53	53	53	53	53	53
Stormwater and Environmental Program	17	17	17	17	17	17	19	20	20	20
<b>Total Sewer</b>	<b>197.5</b>	<b>196.5</b>	<b>196.5</b>	<b>196.5</b>	<b>196.5</b>	<b>196.5</b>	<b>197.5</b>	<b>199.5</b>	<b>199.5</b>	<b>198.7</b>
<b>Total Public Works</b>	<b>392</b>	<b>391</b>	<b>390</b>	<b>390</b>	<b>384</b>	<b>378</b>	<b>378</b>	<b>378</b>	<b>379</b>	<b>379</b>

NEW CASTLE COUNTY, DELAWARE

FULL-TIME COUNTY EMPLOYEE POSITIONS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Community Services:</b>										
Administration	17	16	16	15	16	15	15	15	16	15
Community Resources	17	17	17	19	25	26	27	27	27	28
Community Development/Housing	33	33	33	32	30	30	29	29	32	32
Libraries	83	83	82	84	84	84	84	84	86	86
<b>Total Community Services</b>	<b>149</b>	<b>149</b>	<b>148</b>	<b>150</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>161</b>	<b>161</b>
<b>Land Use:</b>										
Administration	9	10	10	10	9	8	8	14	14	14
Planning	17	18	18	17	17	19	19	19	20	19
Licensing	61	59	59	58	51	46	46	46	46	47
Engineering	-	-	-	-	8	8	10	10	10	10
Customer Relations and Enforcement	31	31	31	30	30	27	27	22	22	22
Geographic Information Systems	-	-	-	-	-	5	5	5	5	6
<b>Total Land Use</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>115</b>	<b>115</b>	<b>113</b>	<b>115</b>	<b>116</b>	<b>117</b>	<b>118</b>
<b>Judiciary Offices:</b>										
Register in Chancery (A)	3	3	3	3	3	3	3	3	2	0
Register of Wills	19	19	19	19	19	18	18	19	19	19
Recorder of Deeds	27	27	27	27	25	25	25	24	24	24
Sheriff	20	21	21	21	21	21	21	21	21	21
Clerk of the Peace	7	7	7	7	7	7	7	7	7	7
<b>Total Judiciary Offices</b>	<b>76</b>	<b>77</b>	<b>77</b>	<b>77</b>	<b>75</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>73</b>	<b>71</b>
<b>Total Full-Time Employees</b>	<b>1,562</b>	<b>1,576</b>	<b>1,586</b>	<b>1,600</b>	<b>1,604</b>	<b>1,586</b>	<b>1,604</b>	<b>1,606</b>	<b>1,629</b>	<b>1,655</b>

Source: New Castle County Budget Office

Notes:

(A) Effective 1/1/2002 became a State of Delaware Agency.

## NEW CASTLE COUNTY, DELAWARE

## OPERATING INDICATORS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-Est.
<b>County Council</b>										
Avg. constituency represented per district	46,500	46,500	46,500	47,016	46,500	46,500	46,500	47,560	47,560	<b>47,560</b>
Resolutions/ordinances adopted	390	368	337	361	325	353	348	374	395	<b>380</b>
<b>Administration</b>										
<b>Finance</b>										
% of current property tax levy collected	99.0	99.0	98.9	98.9	99.0	97.0	99.2	99.3	99.2	<b>99.5</b>
% of vendor invoices processed within thirty days	87.6	86.0	84.4	80.4	67.1	75.0	69.7	79.5	81.9	<b>80.0</b>
<b>Assessment</b>										
Real property parcels	208,000	208,400	209,400	210,100	210,200	210,300	211,500	211,900	213,000	<b>213,500</b>
Exemption applications processed	1,563	1,346	1,355	1,418	1,541	1,501	1,229	1,233	1,386	<b>1,300</b>
<b>Human Resources</b>										
Applications received	4,911	3,847	4,003	4,788	5,194	5,450	4,797	5,374	7,506	<b>7,000</b>
New retirees	61	89	73	90	69	123	96	129	151	<b>127</b>
<b>Public Works</b>										
<b>Fleet Operations</b>										
Average cost per mile per vehicle	\$ 0.48	\$ 0.83	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.36	\$ 0.44	\$ 0.47	\$ 0.62	<b>\$ 0.65</b>
<b>Engineering</b>										
CIP budget (millions) / # of projects	\$35.6 / 40	\$58.4 / 48	\$59.7 / 59	\$55.5 / 68	\$35.3 / 51	\$48.2 / 55	\$75.9 / 49	\$65.2 / 53	\$60.4 / 45	<b>\$39.5 / 46</b>
<b>Property Maintenance</b>										
Acres maintained	5,893	5,894	5,923	5,923	5,934	5,097	5,099	5,099	5,099	<b>5,099</b>
Parks maintained	243	248	245	248	248	248	249	249	249	<b>249</b>
<b>Wastewater</b>										
Miles of sewer line maintained	1,744	1,744	1,744	1,764	1,764	1,764	1,804	1,811	1,818	<b>1,822</b>
Pump stations in operation	174	176	176	175	175	175	172	172	173	<b>187</b>
Number of residential sewer service accounts	116,888	117,597	118,653	119,582	119,582	121,723	122,344	123,648	125,110	<b>125,980</b>
<b>Community Services</b>										
<b>Administration</b>										
Number of seniors served	15,759	22,596	27,316	30,473	33,285	35,663	26,374	43,514*	14,548	<b>15,000</b>
Total participants in Com Resources programs	298,334	308,729	322,829	382,596	322,384	305,979	236,039	202,697*	196,062	<b>203,000*</b>
<b>Libraries</b>										
Average number of items checked out per week	77,666	76,405	73,109	68,616	68,492	69,243	51,280	30,584*	46,263	<b>53,486*</b>
Visits annually	2,203,838	2,358,123	2,354,342	2,334,895	2,292,579	2,310,372	1,599,025	253,569*	883,331	<b>1,600,000</b>
<b>Community Development &amp; Housing</b>										
Number of units rehabbed (CDBG)/repair	99	84	56	59	55	62	66	59	74	<b>101</b>

Sources: New Castle County Comprehensive Annual Budget Summary - Departmental submissions.

NEW CASTLE COUNTY, DELAWARE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-Est.
<b>Land Use</b>										
<b>Administration</b>										
Number of walk-in customers	n/a	24,630	23,646	25,064	23,680	23,689	15,573	-	-	4,000
Number of customer phone calls	n/a	39,277	21,162	55,085	50,845	53,752	43,075	54,639	58,342	50,000
<b>Planning</b>										
No. Board of Adjustment applications processed	151	165	161	196	185	175	126	174	156	160
Land Use plans submitted and reviewed	120	127	143	135	114	114	114	112	112	134
<b>Licensing</b>										
Number of permits issued	14,405	16,237	16,529	16,425	n/a	n/a	n/a	n/a	n/a	n/a
Inspections performed	51,517	51,517	59,700	53,257	n/a	n/a	n/a	n/a	n/a	n/a
<b>Customer Service and Enforcement</b>										
Calls received by Customer Service	30,156	33,101	33,101	n/a						
Code Enforcement cases assigned	8,276	9,706	9,706	9,496	9,812	8,854	8,128	7,979	9,609	8,500
<b>Public Safety</b>										
<b>Emergency Communications</b>										
Calls for service **	134,402	250,114	267,407	253,726	292,758	292,341	268,113	285,236	440,404	345,170
<b>Emergency Services</b>										
Annual paramedic responses	38,132	41,548	45,811	50,139	52,191	54,250	53,490	57,405	39,302	38,029
No. of people trained/recertified in CPR by EMS division	880	1,268	969	1,264	712	1,498	172	212	223	954
<b>School Crossing Guards</b>										
Number of schools serviced	76	83	83	83	84	86	86	87	87	88
Number of stations guarded	268	230	230	232	232	230	231	233	233	238
<b>Register of Wills</b>										
Files opened	2,542	2,707	2,646	2,748	2,806	2,702	2,560	2,975	3,275	2,910
Estates probated	1,402	1,517	1,473	1,537	1,530	1,508	1,430	1,714	1,878	1,610
<b>Recorder of Deeds</b>										
Deeds recorded and indexed	11,881	12,636	13,565	14,261	14,930	14,337	13,929	16,147	17,000	14,000
Mortgages recorded and indexed	17,057	17,096	17,764	19,007	17,243	15,467	21,230	32,616	30,000	19,000
<b>Sheriff</b>										
Prisoner commitments*	25	1	11	-	-	-	-	-	-	-
Service trips for court documents	54,558	49,670	49,523	49,313	50,642	42,973	30,079	22,164	24,762	36,429
<b>Clerk of the Peace</b>										
Marriage licenses issued	3,432	2,791	2,825	2,746	2,148	2,646	1,983	2,819	2,900	3,000
Marriage ceremonies performed	1,108	846	1,035	1,041	828	837	261	-	750	1,040

Sources: New Castle County Comprehensive Annual Budget Summary - Departmental submissions.

\* Effective November 2010, prisoner transfer responsibility was transferred to Capitol Police.

\*\* Effective FY 2015, calls for service include County Police, Paramedic Services, and Volunteer Fire Companies

\*2021 includes virtual programs provided during the COVID-19 pandemic

## NEW CASTLE COUNTY, DELAWARE

## CAPITAL ASSET STATISTICS BY FUNCTION

## LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety:</b>										
<b>Police</b>										
Number of stations/substations	4	4	4	6	6	6	5	5	5	5
<b>Emergency Services</b>										
Number of paramedic stations/substations	9	9	9	9	9	9	9	9	9	9
<b>Public Works:</b>										
<b>Parks</b>										
Regional park acreage	3,199	3,200	3,225	3,225	3,225	3,225	3,225	3,225	3,225	3,225
Local/district park acreage	2,694	2,694	2,698	2,698	2,709	2,715	2,820	2,820	2,820	2,821
Parks	243	248	245	248	248	248	249	249	249	249
Golf courses	1	1	1	1	1	1	1	1	1	1
Riding stables	1	1	1	1	1	1	1	1	1	1
Softball/baseball fields	92	92	92	92	92	70	96	96	96	94
Football fields	3	3	3	3	3	5	5	5	5	5
Basketball courts	100	100	100	100	100	91	91	91	91	91
Tennis courts	70	70	70	70	70	60	68	68	59	57
Soccer fields	38	38	38	38	38	15	24	24	24	24
Big toy play equipment units	131	131	131	131	131	131	127	127	125	128
Museums	1	1	1	1	1	1	1	1	1	1
Pickleball Courts	-	-	-	-	-	-	-	-	-	20
<b>Fleet</b>										
Fleet vehicles and equipment	1,729	1,729	1,806	1,806	1,832	1,832	1,834	1,881	1,855	1,885
<b>Sewer Facilities</b>										
Sanitary sewer (miles)	1,744	1,744	1,744	1,764	1,764	1,790	1,804	1,811	1,818	1,822
Pump stations	174	176	176	175	175	175	172	172	173	187
Treatment plants	4	4	4	4	4	4	4	4	4	3
<b>Community Services:</b>										
<b>Libraries:</b>										
Number of libraries directly administered	9	9	9	10	10	10	10	10	10	10
Circulation (millions)	4.0	4.0	4.0	3.7	3.6	3.6	2.6	1.6	2.4	2.8
<b>Airport*</b>										
	1	1	1	1	1	1	1	1	1	1

Sources: Various County departments.

\* On June 30, 1995, New Castle County transferred operation and control of the New Castle County Airport to the Delaware River and Bay Authority (DRBA), vis-à-vis a 30-year lease agreement. All capital improvements at the County Airport are financed and managed by DRBA.

# NEW CASTLE COUNTY, DELAWARE



## 2023 Annual Comprehensive Financial Report