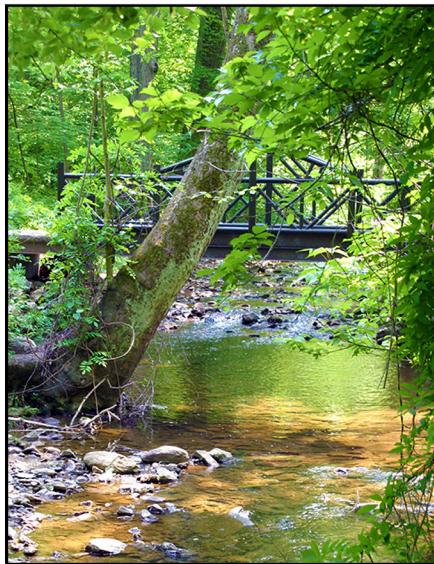


New Castle County, Delaware



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

**NEW CASTLE COUNTY, DELAWARE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Small
Executive Assistant IV

Richard Piekarski, Jr.
Senior Financial Officer

Christine Piekarski
Senior Financial Officer

Linda Reed
Accounting and Fiscal Officer

Judi Marando
Accountant II

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, 2021
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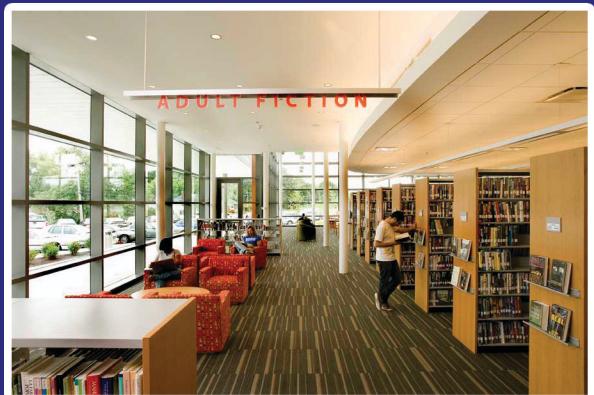
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Libraries



MATTHEW MEYER
COUNTY EXECUTIVE



MICHAEL SMITH
CHIEF FINANCIAL OFFICER

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NEW CASTLE, DE 19720
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nccde.org

OFFICE OF FINANCE

June 15, 2022

**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, 2021. 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, 2021 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, 2021 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 1,340 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. Within the last year, the County has attracted leading companies including ThruPore Technologies, Old Dominion Freight Line and WuXi to create jobs in the County.

Ordinance No. 17-038 and No. 19-115 provided tax abatements for Del Monte Fresh Produce, N.A., Inc. and Dot Foods, Inc. as part of ongoing economic development incentives to provide more job opportunities and generally benefit the economy of New Castle County. New Castle County partnered with the State of Delaware in both of these initiatives.

New Castle County builds on the historic success in public safety, improved public services, and government efficiencies achieved over the past three years, including:

- Conserved more than 250 acres of critical farm and wetland in Port Penn;
- 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 to successfully recruit qualified and diverse police applicants during these challenging times. The 47th Police Academy graduated January 2021 and the 48th Police Academy started May 2021;
- Developed and executed NCC Scholarship program providing \$100,000 in funds to students in New Castle County who are furthering their college education; and
- Continued to prioritize community policing during these unprecedented times. Long-standing programs have been combined with new programs such as: mask giveaways for seniors and those at risk, partnership with Blood Bank of Delmarva for blood drives to combat blood shortages, prayer vigils during protests and riots, community clean ups, "Lights On" program, meal giveaways, assisting at COVID-19 test sites, participating in parades, birthdays and graduations for those quarantining in their homes and many other community-oriented events.

The County's population has grown to an estimated 571,058 in 2021, up from 547,059 in 2012. By the year 2030, it is estimated that the County's population will grow to approximately 580,351. 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 \$507.6 million in fiscal year 2021 from \$218.9 million in fiscal year 2012. Expenditures reached a high of \$507.6 million in fiscal year 2021 and a low of \$218.9 million in fiscal year 2012.

Total governmental expenditures increased \$243.2 million from fiscal year 2020 to fiscal year 2021.

General government operating costs have shown the largest dollar increase, \$278.6 million, growing to \$298.5 million from \$19.9 million in 2012. Capital outlays were \$25.5 million in fiscal year 2021 versus \$14.4 million in fiscal year 2012. This \$11.1 million increase represents the second largest expenditure increase over the past 10 years.

Taxes, both property and real estate transfer, represent 34.1 percent of fiscal year 2021 Governmental funds revenue. Tax revenues have increased \$48.9 million since fiscal year 2012. Intergovernmental revenue represents 58.4 percent of fiscal year 2021 Governmental funds revenue. Intergovernmental revenue has increased \$271 million since fiscal year 2012.

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 \$42,951,901 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 (\$70,619,431) 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 (\$7,662,425) 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 2022 Capital Budget of \$60.4 million primarily supports repairing and improving our aging sewer system (\$54.5 million), park improvements (\$2.8 million), and facility/equipment investments (\$3.0 million). The Fiscal Year 2022 Capital Budget supports a variety of maintenance needs, safety programs and service improvements, including:

- Appoquinimink Library, an approximately 27,271 square foot facility scheduled for a grand opening in 2022;
- Design and construction of an 80-acre regional park to serve southern New Castle County;
- Countywide park enhancements, including renovations and enhancements at Banning Park Turf Field, Coventry Park Playground, Bonsall Park Tennis Courts, Jester Park Pathway, and Pencader Park;
- Continued construction of trails, including Commons Boulevard Pathway and Newport River Pathway; and
- Sewer improvement projects across the county to reduce sewer overflows, increase capacity and expand service.

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, 2021, the total General Fund bonded debt was 26.19 percent of the total debt limit.

Major initiatives. Our Fiscal Year 2022 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 2022 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.

Initiatives include:

- \$74.3 million for the Division of Police to provide for 415 police officers, civilian employees and support services to protect our communities.
- \$20.8 million for the Division of Emergency Medical Services to provide for 137 paramedics.
- \$4.6 million to support our partnership with 21 local volunteer fire companies which provide critical fire, basic life support/ambulance and rescue services to our residence.

- Continue response to COVID-19 pandemic by conducting testing of individuals and wastewater, providing emergency supplies to local agencies and organizations in need, and coordinating with local, state and federal partners.
- Library funding of \$15.6 million supports annual operating costs for the New Castle County library system, which includes 10 County libraries (\$13.1 million) and 5 contractual libraries (\$2.5 million).
- New Castle County is embracing new technology to improve productivity, efficiency and customer service. The \$5.5 million programmed for technology through Fiscal Year 2027 will allow for an upgrade to the countywide computer network and provide additional technical business solutions throughout New Castle County.
- Jobs Now is an economic development, land use initiative that provides accelerated plan review to commercial developers committed to bringing new jobs or expanding employment opportunities in New Castle County.
- NCCinnovates is a two-pronged approach to supporting entrepreneurship with focus on access to data regarding New Castle County's business climate and providing seed money grants.
- GreeNCC is a working group of environmentally conscious local governments, organizations, and advocates. The mission is to improve the environment and enhance the quality of life for County residents by enacting policies, practices, and legislation to: enhance water and air quality; encourage health and eco-friendly lifestyles; conserve and protect local habitats; promote smart growth; and reduce harmful emissions by promoting renewables and improving energy efficiency.

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, 2020. 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 40 consecutive years (fiscal years ended 1981-2020). 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 2021 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 31st 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,

A blue ink signature of the name Matthew Meyer.

Matthew Meyer
County Executive

A black ink signature of the name Michael Smith.

Michael Smith
Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**New Castle County
Delaware**

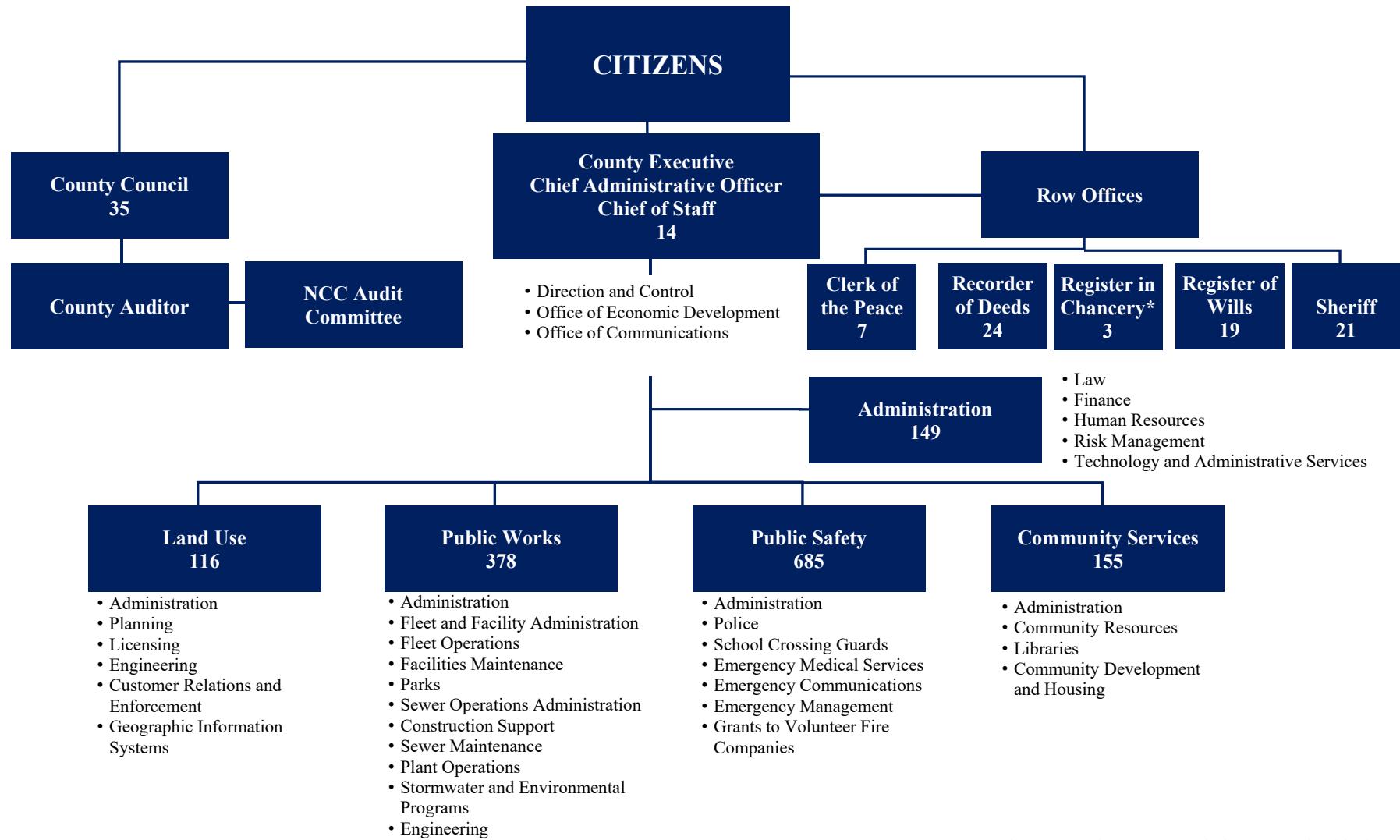
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Monill

Executive Director/CEO

FY2021 ORGANIZATION CHART



*Effective January 1, 2002 Register in Chancery became a State of Delaware Agency (see Chancery budget unit)

**NEW CASTLE COUNTY, DELAWARE
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021**

EXECUTIVE

County Executive Matthew Meyer

COUNTY COUNCIL

President of Council	Karen Hartley-Nagle
First District	Kenneth R. Woods
Second District	Dee Durham
Third District	Janet Kilpatrick
Fourth District	Penrose Hollins
Fifth District	Lisa Diller
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

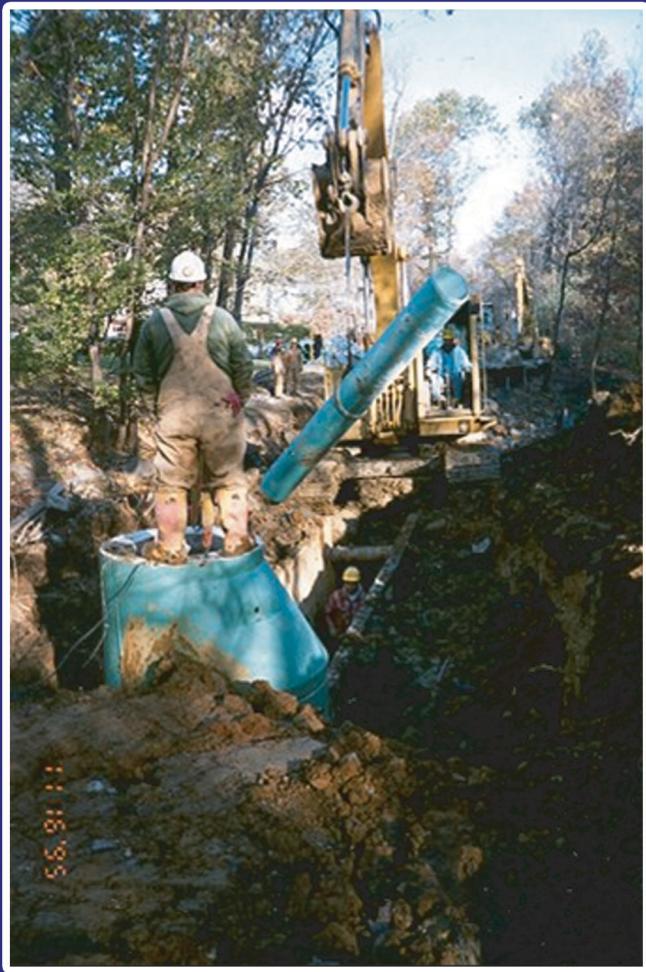
ADMINISTRATIVE

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	Marcus Henry
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

Public Works



Report of
Independent Public
Accountants

Community Services





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying combining and individual fund statements, and the budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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.

Members of County Council
New Castle County, Delaware

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



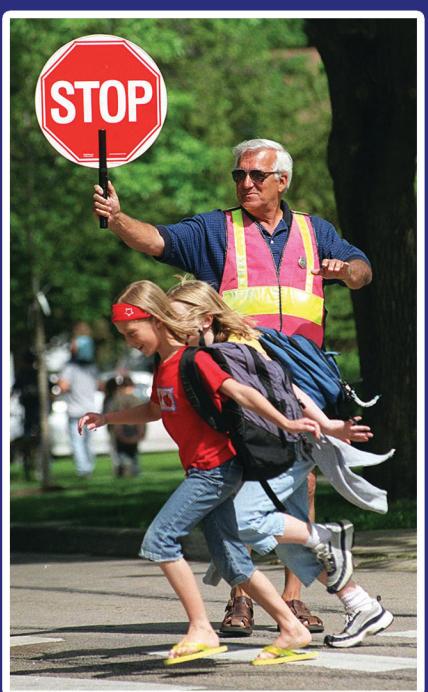
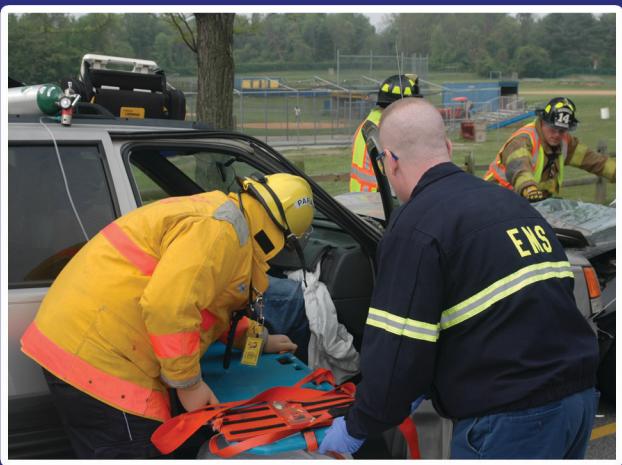
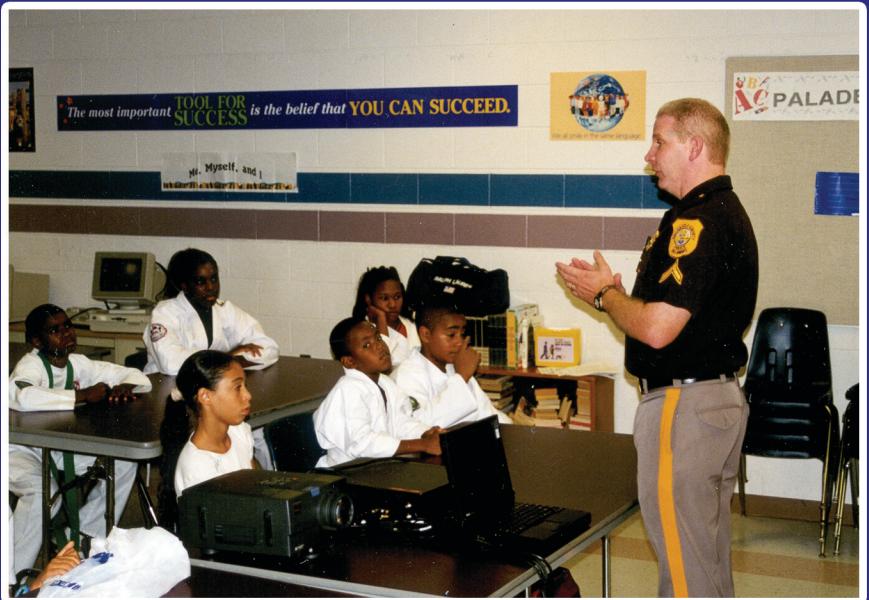
CliftonLarsonAllen LLP

Baltimore, Maryland
June 15, 2022



Management's Discussion and Analysis

Public Safety



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, 2021. 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 2021

- The net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of the County for fiscal year 2021 totaled \$253.7 million. Of this amount, \$103.5 million represents governmental activities net position, and \$150.2 million represents business-type net position.
- The current year change in net position for governmental activities was an increase of \$75.5 million and for the business-type activities a decrease of \$5.2 million.
- The General fund reported an ending fund balance of \$157.0 million, which represents an increase of \$23.3 million from fiscal year 2020. The Sewer Facilities fund net position reported an ending balance of \$148.0 million, a decrease of \$5.2 million of total net position from fiscal year 2020.
- The County's total outstanding bonds payable as of June 30, 2021, was \$468.7 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, 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 \$253.7 million for fiscal year 2021, an increase of \$70.3 million from fiscal year 2020.

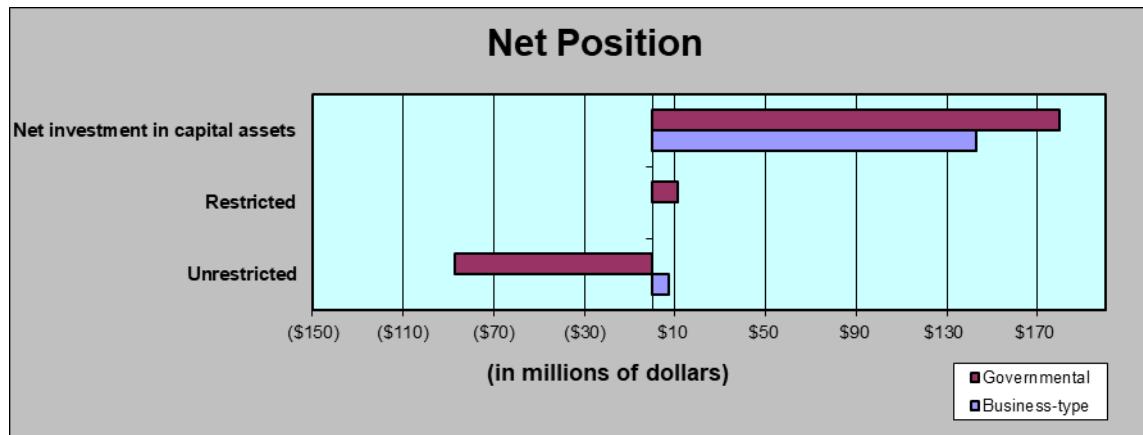
The following table reflects the condensed comparative Statement of Net Position:

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current assets	\$ 280,431	\$ 497,526	\$ 54,655	\$ 78,391	\$ 335,086	\$ 575,917
Other non-current assets	-	3,000	-	-	-	3,000
Capital assets	345,381	321,338	501,305	490,344	846,686	811,682
Total assets	625,812	821,864	555,960	568,735	1,181,772	1,390,599
Deferred Outflows:						
	77,883	52,042	14,500	11,371	92,383	63,413
Liabilities:						
Long-term liabilities	385,382	463,910	378,567	394,354	763,949	858,264

Other liabilities	123,308	370,152	30,254	29,109	153,562	399,261
Total liabilities	508,690	834,062	408,821	423,463	917,511	1,257,525
Deferred Inflows:	91,477	11,844	11,425	1,228	102,902	13,072
Net position:						
Net investment in capital assets	180,153	147,889	142,924	128,231	323,077	276,120
Restricted	10,611	12,253	-	-	10,611	12,253
Unrestricted	(87,236)	(132,142)	7,290	27,184	(79,946)	(104,958)
Total net position	\$ 103,528	\$ 28,000	\$ 150,214	\$ 155,415	\$ 253,742	\$ 183,415

Other liabilities decreased \$246 million in Fiscal Year 2021 mainly due to receipt of funding in FY20 from the Department of Treasury for the CARES Act grant which was spent during FY21.



The largest portion of the County's net position totaling \$323.1 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 \$47.0 million from the prior year, primarily because of the net addition of capital assets of \$35.0 million, the decrease in related bond debt of \$26.7 million, the net increase in loans payable of (\$5.3 million), the net decrease in capital leases payable of \$2.5 million, the net decrease in unspent bond proceeds of (\$11.2 million), and the net amortization of the deferred effect of bond refunding of (\$0.7 million).

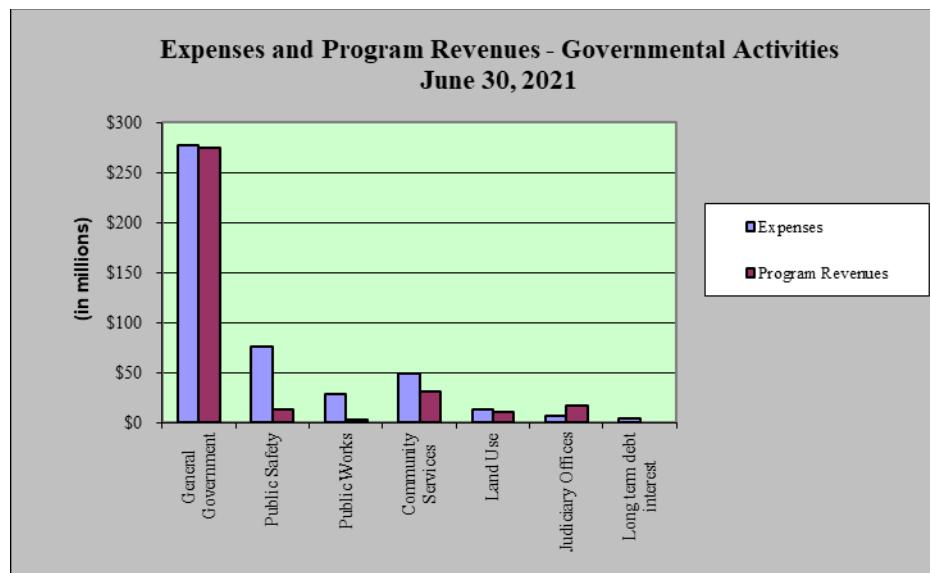
The second portion of net position, restricted net position of \$10.6 million, reported in the governmental activities, represents restricted balances for capital projects and special revenue funds.

The remaining portion of net position, unrestricted net position, is a deficit balance of (\$79.9 million). The governmental activities are reflecting a deficit balance of (\$87.2 million), while the business-type activities have a balance of \$7.3 million. Unrestricted net position increased \$44.9 million in governmental activities from the prior year's unrestricted net position. The increase is

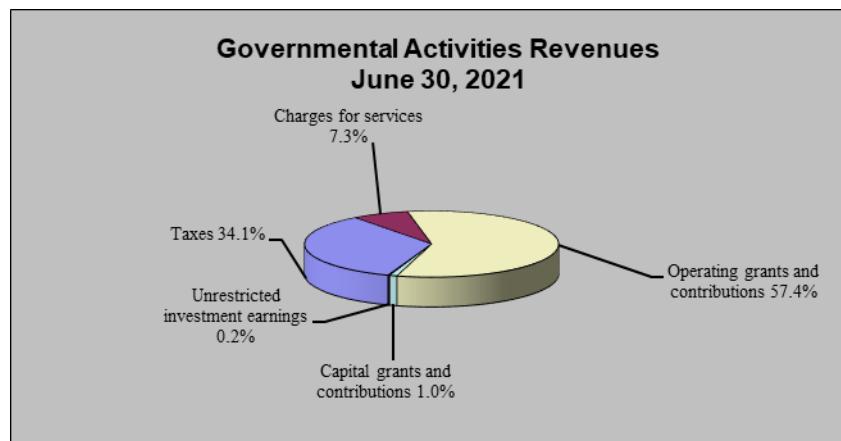
mainly attributable to unrestricted revenues exceeding expenses and transfers by \$75.5 million which is explained in detail in the following section on governmental activity. This is offset by the net effect of the increase in net investment in capital assets (\$32.3 million), described above. In business-type activities, unrestricted net position decreased \$19.9 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 decrease in net investment in capital assets, (\$14.7 million), described above, and expenses exceeding revenue (\$5.2 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 38,536	\$ 38,683	\$ 79,373	\$ 79,608	\$117,909	\$118,291
Operating grants and contributions	305,240	62,839	2,694	1,065	307,934	63,904
Capital grants and contributions	5,064	3,632	-	-	5,064	3,632
General revenues:						
Real estate taxes	144,111	143,051	-	-	144,111	143,051
Transfer tax	35,761	31,918	-	-	35,761	31,918
Hotel tax	1,532	1,799	-	-	1,532	1,799
Investment earnings	1,131	7,526	153	3,062	1,284	10,588
Total revenues	531,375	289,448	82,220	83,735	613,595	373,183
Expenses:						
General government	276,858	59,467	-	-	276,858	59,467
Public safety	76,399	91,935	-	-	76,399	91,935
Public works	29,068	22,941	-	-	29,068	22,941
Community services	48,627	48,857	-	-	48,627	48,857
Land use	12,700	12,260	-	-	12,700	12,260
Judiciary offices	6,725	6,582	-	-	6,725	6,582
Interest on long-term debt	5,470	6,052	-	-	5,470	6,052
Sewer	-	-	87,421	84,732	87,421	84,732
Airport	-	-	-	-	-	-
Total expenses	455,847	248,094	87,421	84,732	543,268	332,826
Increase (decrease) before transfers	75,528	41,354	(5,201)	(997)	70,327	40,357
Transfers	-	(1,500)	-	1,500	-	-
Increase (decrease) in net position	75,528	39,854	(5,201)	503	70,327	40,357
Net position – beginning	28,000	(11,854)	155,415	154,912	183,415	143,058
Net position – ending	\$ 103,528	\$ 28,000	\$ 150,214	\$ 155,415	\$ 253,742	\$ 183,415



Governmental activities. Governmental activities increased the County's net position by \$75.5 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, 2021, revenues from governmental activities totaled \$531.4 million.



Tax revenues totaling \$181.4 million, comprised of property, real estate transfer taxes and a hotel tax, represent 34.1 percent of revenue. Tax revenue increased by \$4.6 million from fiscal year 2020. Collection of the current tax levy remains strong at 99.3 percent, with a 10-year average of 99.6 percent. Property tax revenue increased \$1.2 million, due to a tax amnesty program which increased collections. Real estate transfer taxes yielded \$35.8 million, an increase of \$3.8 million, or 12.0 percent above fiscal year 2020. Crossing Guard and Light taxes were a combined (\$0.1 million) lower than the prior year. The gross receipts tax on lodgings/hotels decreased taxes by (\$0.3 million) from fiscal year 2020.

Charges for services, which account for \$38.6 million, or 7.3 percent of the governmental activities revenue, decreased \$0.1 million from fiscal year 2020. This program revenue is derived from judiciary fees, \$17.3 million, primarily from real estate recording fees, Sheriff fees from foreclosed properties, and Register of Wills settlements; Land Use permits, fines and fees, \$11.4 million, received primarily from building permits; Community Services revenues, \$2.3 million for

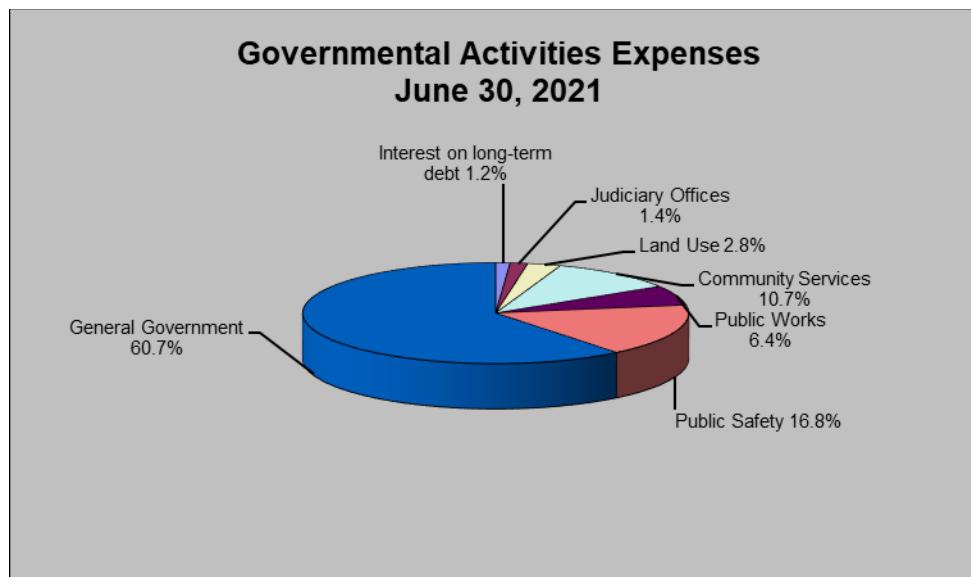
grant related project income, recreation, and library activities; Public Safety-related services, \$1.0 million primarily from traffic fines, police contract duty services, and 911 reporting system fees; general government, \$5.5 million; and Public Works, \$1.1 million primarily for rentals of buildings and park pavilions and for golf course fees.

Operating grants and contributions totaling \$305.2 million were derived primarily from the U.S. Department of Treasury, \$268.0 million, from the CARES Act to combat the coronavirus, and \$22.1 million, from the U.S. Department of Housing and Urban Development, and an additional \$0.6 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 for low-income families. Revenues in the amount of \$9.6 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 \$1.7 million were received for State aid to our libraries, and a combined total of \$1.1 million was received from Federal and State Departments of Homeland Security. Interest income mainly related to the Garstin Trust totaled \$1.0 million. Various other operating grants amounted to \$1.1 million to fund other programs.

Capital grants and contributions, which account for \$5.1 million, were primarily received from the State of Delaware - Department of State \$3.6 million, and private donations \$0.7 million were used for construction of the Appoquinimink Library. Funds were also received from the State of Delaware -DNREC \$0.4 million and the Department of Safety and Homeland Security \$0.2 million. Revenue from DNREC was mainly used for construction on the Greenway systems and the funding from the Department of Safety and Homeland Security, \$0.2 million, was mainly used to purchase communication equipment.

Unrestricted investment income of \$1.1 million was earned by the governmental activities and is comprised of investment earnings, \$3.2 million, and an unrealized loss on investments \$2.1 million. This amount was \$6.4 million lower than what was earned in fiscal year 2020. The primary driver(s) for this decrease were the lowering of the targeted federal funds rate and the spike in fixed income yields in the latter half of fiscal year 2021 due to inflationary concerns, global supply chain interruptions and the pace of the pandemic recovery. This spike in yields drove prices of existing investment holdings down (due to the yield/price inverse relationship).

For fiscal year ended June 30, 2021, expenses for governmental activities totaled \$455.8 million. This represents a total increase of \$207.8 million, or 83.7 percent, from fiscal year 2020. 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 \$276.9 million, or 60.7 percent of the charges. This area supports services for the general administrative operations of the County. These costs increased \$217.4 million from the prior fiscal year, mainly due to an increase in expenses related to the COVID pandemic charged to the CARES Act grant including an increase of \$8.3 million for salaries of the County's first responders as well as an increase of \$6.6 million for employee benefits expenses, as well as, additional professional services, \$11.9 million, computer and communications equipment, \$1.9 million, grants/contributions to other agencies, \$186.3 million. Additional increases were due to cost-of-living increases, \$1.0 million and increased benefit costs of \$1.7 million due to an increase in high dollar medical claims.

Public Safety accounted for \$76.4 million, or 16.8 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 decreased \$15.5 million over fiscal year 2020, primarily due to a decrease of (\$6.2 million) in salaries and wages, (\$0.6 million) in employee benefits; these expenses decreased due to most of the department's expenses being charged to the CARES Act grant, these expenses are now reflected under general government, the benefits decrease is offset by an increase in medical costs; a decrease for pension expense, (\$9.2 million). Other miscellaneous decreases and increases totaled \$0.5 million.

Community Services represents \$48.6 million, or 10.7 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 decreased \$0.2 million from 2020 representing a less than 1 percent variance attributable to minimal spending increases and decreases in various expense categories.

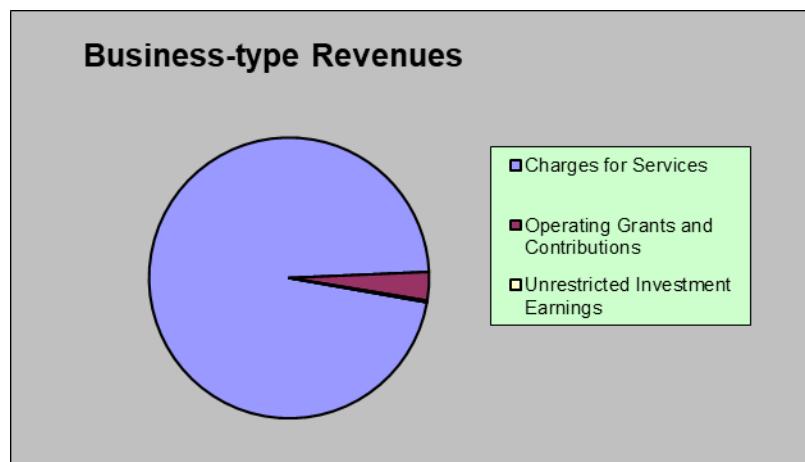
Public Works, which accounts for \$29.1 million, or 6.4 percent of these expenses, was used to support services for the operation of County parks, facilities, and vehicular fleet. These costs increased by \$6.1 million from fiscal year 2020. The increase was mainly attributable to the net effect of capital assets, \$9.7 million. This is offset by reductions in landfill costs (\$0.2 million), lease payments (\$0.3 million) and reductions in capital outlays of (\$1.3 million) for contractual services and (\$1.7 million) for equipment.

Land Use represents \$12.7 million, or 2.8 percent of these costs, and was responsible for short and long-range comprehensive land use planning. The costs increased \$0.4 million from fiscal year 2020. The increase is mainly attributable to salary increases of \$0.4 million, due to cost-of-living adjustments, benefit increases of \$0.8 million due to increasing medical claims, increases in contractual services of \$0.4 million needed due to the pandemic offset by a decrease in pension expenses (\$1.1 million).

Judiciary offices, which account for \$6.7 million, or 1.4 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 \$0.1 million from the previous fiscal year.

Interest on long-term debt represents \$5.5 million, or 1.2 percent of the expenses, and is used to pay interest on the outstanding general obligation bonds related to governmental activities. These costs reflect a decrease of \$0.6 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 \$5.2 million. Key elements for revenues and expenditures are as follows:



Charges for Services totaling \$79.4 million are comprised of revenue that is primarily earned through sewer service charges to our customers. Residential customers generated approximately 50% percent of this revenue, with the balance being received from industrial, commercial, and other non-residential user classes. The Charges for Services was \$0.2 million lower than what was earned in fiscal year 2020.

Operating Grants and Contributions totaling \$2.7 million, comprised primarily of a combination of the Recovery Zone Economic Development Bond interest reimbursement of \$0.9 million, contribution to sewer capital from impact fees of \$1.4 million and miscellaneous revenue of \$.4 million.

Investment income of \$.2 million was earned by the business-type activities, comprised of investment earnings equaling \$.5 million, and an unrealized loss on investments of (\$.3 million). This amount was \$2.9 million lower than what was earned in fiscal year 2020. The primary

driver(s) for this decrease were the lowering of the targeted federal funds rate and the spike in fixed income yields in the latter half of fiscal year 2021 due to inflationary concerns, global supply chain interruptions and the pace of the pandemic recovery. This spike in yields drove prices of existing investment holdings down (due to the yield/price inverse relationship).

Expenses, which total \$87.4 million, increased \$2.7 million from the previous year. Decreases in equipment of \$1.4 million, pension benefits expense, \$1.9 million, and interest, \$.3 million, were partially offset by increases in salaries, wages & benefits of \$2.5 million; communications and utilities of \$1.2 million, administrative and fixed charges of \$.2 million and other, \$2.4 million. The decrease in equipment expenses was due to decreased purchases of general fixed assets and a decrease in lease payments. The increase in salaries, wages & benefits was primarily due to cost-of-living adjustments and higher medical costs. The increase in communications and utilities expenses was due primarily to the impact of a legal settlement of amounts owed for FY 2020 invoices for sewer treatment costs to the City of Wilmington, partially offset by lower monthly payments for sewer treatment costs, as well as increases to utility costs. The increase in other was primarily due to legal costs incurred with the City of Wilmington sewer treatment litigation, along with increased costs associated with sewer root control treatments and various materials and supplies.

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, 2021, New Castle County governmental funds reported a combined ending fund balance of \$186.7 million, an increase of \$26.5 million from fiscal year 2020.

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 \$157.0 million. The fund balance of the County's General Fund increased \$23.3 million during the current fiscal year. This change in fund balance is the net result of revenues exceeding expenditures by \$43.7 million, net revenue transfers to other funds of (\$21.0 million), capital lease proceeds of \$0.3 million and the sale of capital assets of \$0.3 million. The General fund made net interfund transfers to the Grants fund (\$0.6 million) to fund the local match to the Emergency Management Grant, to provide funding for senior home repair, to sponsor a summer recreation camp for youth, and a summer youth employment program. Interfund transfers were also made to the Capital Projects Fund (\$5.4 million) to provide funding for fleet vehicles and public safety equipment and the Route 9 library and to the Housing Trust Fund to provide funding for affordable housing.

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 \$42.9 million as of June 30, 2021, 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, \$70.6 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, \$7.7 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 \$32.1 million, have been dedicated in the General fund.

These amounts are reported as nonspendable, committed and assigned. Nonspendable has been established as prepaid costs, \$0.6 million; committed includes library, \$0.01 million; the Strategic Economic Development Fund, \$0.5 million; and the Reassessment Reserve, \$30 million; and assigned is established for departmental encumbrances, \$1.0 million; See Note 18 for additional information on these amounts.

The unassigned fund balance of \$3.7 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, Public Works, and Land Use are financed through this fund with revenue from federal, state, local, and private sources. The largest activity of the Grants fund was to address the COVID pandemic. The second largest activity of the Grants fund is to provide aid to low-income families in obtaining decent, safe, sanitary, and affordable rental housing. The Grants fund ending fund balance is \$2.6 million for fiscal year 2021, an increase of \$0.7 million. The increase is primarily due to an increase in the Section 8 Housing grants.

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, 2021, the Light Tax fund balance is \$1.2 million, a slight decrease of \$0.2 million from the previous fiscal year. The Crossing Guard fund balance is \$0.9 million, which represents a decrease of \$0.2 million over 2020. The Garstin Trust fund balance is \$4.1 million, which is an increase of \$0.7 million from the previous fiscal year. The Housing Trust fund balance is \$16.9 million, an increase of \$14.8 million from the previous year, due to a transfer in from the general fund for an affordable housing fund and increased collection of revenue from building permits, offset by a transfer out to the grants fund.

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 (\$212). The Park Development fund accounts for the acquisition and development of County parkland. This fund balance is \$5,069,296. The Public Safety fund, with an ending fund balance of \$34,270, 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 (\$1,205,470). In total, the four capital projects funds reported a fund balance of \$3,897,884 million representing a decrease of approximately \$12.7 million from the previous year. The primary driver of the decreased fund balance was due to the last issuance of bonds occurring in May 2019.

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 \$7.3 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 2021 show decreases of \$12.9 million. This decrease is mainly due to an increase in transfers out (\$15.6 million) and a decrease in miscellaneous of (\$1.0 million); offset by increases in intergovernmental revenue, \$3.5 million; charges for services, \$0.2 million. Transfers out changed for matching funds for the emergency management grant, senior home repair program the summer youth program, summer camp funding, and for a transfer to the housing trust fund for affordable housing. Miscellaneous revenue decreased for the removal of budget for debt service for real estate transfer tax. Intergovernmental revenue increased due to appropriations from the State of Delaware for the pension contribution allocation on behalf of County police. Charges for services increased due to an appropriation from Row office technology fee accounts to the department of Land Use for to improve picture resolution for GIS mapping, to the Clerk of the Peace for program improvements to marriage license software and to the department of Community services for to support the youth workforce development program.

Appropriation budget. Budgetary expenditure variances between the original (\$209.1 million) and prior year appropriations to the final budget (\$3.8 million) for fiscal year 2021 reflect an increase of \$0.6 million. This change is mainly attributed to increases in; Administration, \$2.3 million; Executive Office, \$0.5 million; Land Use, \$0.1 million; offset by decreases in Public Works (\$1.2 million); Community Services (\$0.6 million); Council (\$0.3 million); Judiciary offices (\$0.1 million); Ethics (\$0.1 million). Administration appropriations increased due to funding needed for salary and benefit costs for employee attrition offset by reductions in the contingency line to transfer to other departments with salary shortfalls. Executive Office increases were to cover contributions to community grants and other donations and for legal and consulting services. Land Use increased for equipment costs for GIS software. Public Works appropriations were transferred to Contingencies due to attrition adjustments to salaries and benefits and reductions in materials and supplies needs allowing for closure of prior year purchase orders in that line item. Community Services and Judiciary Offices saw reductions mainly due to attrition adjustments to salaries. Ethics reductions were due to closing of prior year purchase orders for contractual services.

Budget to actual – revenue. Variances between actual revenue and budgeted revenue for fiscal year 2021 reflect a net positive variance of \$2.7 million, or 1.2 percent. Taxes showed a positive variance of \$3.9 million, due to appreciation in home sale prices in an extremely active real estate market. Charges for services were over budget by \$1.2 million mainly due to an increase in revenue from Recorder of Deeds due to an increase in mortgage refinancing due to low interest rates. Miscellaneous revenue came in over budget by \$1.1 million due to an increase in pharmacy rebates and medical stop loss refunds received in during the fiscal year. Offsetting this positive variance, investment income showed a negative variance of \$2.5 million. The main contributor to portfolio underperformance was that yields spiked in the markets during the second half of FY 2021, due to concerns on inflationary pressures, global supply chain interruptions and the pace of the pandemic recovery causing pricing to drop for fixed income securities in the County's portfolio. Licenses and permits were under budget by \$0.4 million lower than anticipated filings for business and contractor licenses and for commercial and industrial building permits due to the pandemic. Intergovernmental revenue showed a negative variance of \$0.3 million mainly attributable to less than funding from the State of Delaware for the reimbursement for services provided by County Paramedics. Rentals have a negative variance of \$0.2 million mainly due to lower reimbursements from the City of Wilmington.

Budget to actual – expenditure. Fiscal year 2021 reflected a positive variance between expenditures and final appropriations of \$38.6 million, or 18.1 percent. This positive variance was realized in all departments by managing expenditures while ensuring that service goals were met.

Positive variances were reported in the following expenditure object levels: salaries and wages, \$24.1 million; employee benefits, \$10.5 million; contractual services, \$3.6 million; materials and supplies, \$1.2 million; communications and utilities, \$0.6 million; equipment, \$0.3 million; contingencies, \$0.2 million; training, \$0.2 million; and intragovernmental credits, \$2.1 million. Salaries had a positive variance due to position vacancies and police salaries were charged to the CARES Act grant since the start of the COVID pandemic. Employee benefits had a positive variance because, as with salaries, employee benefit costs for police were charged to the CARES Act grant. Factors contributing to the positive variance realized in contractual services are less than anticipated usage of service contracts, fleet vehicle services and information system support services, and a decrease in: instructors fees, health and medical fees, landscaping services, printing costs, attorney fees, equipment and property rentals, fire and security services, sanitary waste services, property enforcement services, telephone equipment repairs, and less need for vehicular 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 \$0.5 million in encumbrances against this line item. Materials and supplies variances are favorable due to savings in library books, clothing and uniforms, diesel fuel, ammunition, books and subscriptions, computer supplies and medical and safety supplies. Communications and utilities variances were favorable due to savings in postage, water service, as well as gas heating and electric service from the contract with our service provider. Equipment charges were under budget by delaying purchases. Training reflects a positive variance due to a decrease in airfare, hotel travel, seminar fees, trainer fees, conference fees, membership dues and community event fees due to the pandemic. Intragovernmental credits reflect a difference from lower-than-expected charge backs for workers compensation, information systems, and motor vehicle costs.

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, 2021, amounts to \$846.7 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 90,203	\$ 83,197	\$ 35,321	\$ 35,321	\$ 125,524	\$ 118,518
Buildings	148,565	127,902	23,516	24,035	172,081	151,937
Building improvements	38,774	37,528	2,566	2,644	41,340	40,172
Improvements other than buildings	16,605	19,050	1,588	1,716	18,193	20,766
Equipment	48,682	51,868	11,870	12,397	60,552	64,265
Infrastructure	48	30	421,144	408,919	421,192	408,949
Construction in progress	2,504	1,763	5,300	5,312	7,804	7,075
Total	\$ 345,381	\$ 321,338	\$ 501,305	\$ 490,344	\$ 846,686	\$ 811,682

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

- Various capitalized facilities and equipment costs totaled \$8.5 million. These expenditures consisted of \$4.0 million for the purchase of vehicles and special purpose equipment, \$2.3 million for building rehabilitation, security upgrades and paving projects at various County facilities, while the remaining \$2.2 million was used for lease payments on vehicles and other equipment.
- Community Services capital projects totaled \$7.0 million, of which \$6.8 million was used for the building of a new library in southern New Castle County and \$0.2 million was used for various other community services projects.
- Park development expenditures during the year amounted to \$4.5 million. These expenditures included \$2.4 million of land acquisition for parkland and agricultural preservation, \$1.1 million for various renovation/restoration projects; \$0.3 million for play area improvements and general parkland improvements; and \$0.7 million for various other park improvements and developments.
- Public Safety capital projects totaled \$3.4 million, of which \$2.4 million was used for construction of a new paramedic station and renovation of existing paramedic station (Glasgow), \$.9 million was used for police vests and other public safety equipment/upgrades, and \$0.1 million was used for improvements to the Public Safety Facility.
- Miscellaneous capital improvements totaled \$2.1 million during the year. These improvements included replacing the County's financial and human capital management system(s), as well as installation of new communication cabling and phone system upgrades in various County facilities.
- In the Sewer Facilities fund, project expenditures amounted to \$28.8 million. The costs incurred were for the White Clay System Rehabilitation project, \$4.9 million and other various sewer rehabilitation projects, \$7.0 million; Southern Sewer Service Area project, \$4.6 million, offset by retainage \$.2 million; Delaware City Industrial Sewer Expansion, \$2.4 million, offset by retainage \$.1 million; Christina River Force Main project, \$2.2 million, offset by retainage (\$.6 million); Brandywine Hundred North and Brandywine Hundred South Rehabilitation projects, \$1.8 million, offset by retainage (\$.2 million); Public Works Complex project, \$1.7 million; other pump station projects, \$.9 million, offset by retainage (\$.3 million); and fleet equipment expenditures, \$1.4 million. Expenditures for various sewer interceptor projects and other sewer improvement projects amounted to \$2.8 million, offset by retainage (\$1.1 million). Additional capital expenditures in the Sewer Facilities Fund totaled \$1.0 million for stormwater projects and purchases of vehicles.

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, 2021, the County had total bonded debt outstanding of \$468.7 million. Of the total bonded debt, \$152.9 million is subject to New Castle County's debt limit of \$583.7 million, leaving a legal debt margin of \$430.8 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
General Obligation Bonds
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	<u>\$152,900</u>	<u>\$166,085</u>	<u>\$315,755</u>	<u>\$326,475</u>	<u>\$468,655</u>	<u>\$492,560</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 April 2019, all three agencies reaffirmed the Aaa/AAA ratings for the County's outstanding bonds and rated the County's new Series 2019 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.

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 2022 Budgets

The County's unemployment rate as of June 2021 was 5.9 percent, which was slightly higher than the State of Delaware's rate of 5.7 percent, and equal to the national average of 5.9 percent. In the second quarter of 2021, estimated per capita personal income of Delaware residents was \$59,955.

The fiscal year 2022 operating budget is \$311.6 million, which is \$8.1 million or 2.68% more than the 2021 operating budget.

Highlights of the County's operating budget include:

- Funding of \$74.3 million to provide for 415 police officers, civilian employees, and support services to protect our communities.
- Emergency Medical Services funding of \$20.8 million to fund 137 paramedics.
- Emergency Communications Center funding of \$11.9 million which includes staffing of 95 positions.
- Funding of \$4.6 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 \$15.6 million, which covers operating costs of our 10 County libraries (\$13.1 million) and 5 contractual libraries (\$2.5 million).

- Information technology is funded at \$7.5 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 \$6.1 million.
- Funding of \$7.1 million for licensing and enforcement of drainage, building, plumbing, and mechanical codes, with authorized staffing of 56 positions.

The fiscal year 2022 capital budget and six-year capital program provides funding of \$60.4 million for major projects throughout the County that will expand and enhance services to our residents.

Highlights of the County's 2022 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 \$54.5 million in fiscal year 2022 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, parking lots, fleet, and upgrades to facilities security are budgeted for a total of \$3 million in fiscal year 2022.
- Parks is authorized for \$2.8 million in fiscal year 2022, with \$2.7 million slated for Banning Park improvements.

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.nccde.org.

Basic Financial Statements

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 115,354,829	\$ 16,562,832	\$ 131,917,661
Investments (Note 2)	130,322,020	25,979,177	156,301,197
Receivables (net of allowances):			
Taxes, including interest and penalties (Note 3 and 4)	2,977,706	-	2,977,706
Accounts	3,187,957	-	3,187,957
Service charges (Note 4)	-	7,573,364	7,573,364
Other	6,979,649	545,756	7,525,405
Due from other governments (Note 4)	9,095,677	1,211,404	10,307,081
Due from other agencies (Note 4)	52,076	-	52,076
Prepaid costs	563,579	-	563,579
Capital assets held for resale	636,132	-	636,132
Restricted:			
Cash and cash equivalents (Note 2)	11,260,809	2,782,584	14,043,393
Total current assets	280,430,434	54,655,117	335,085,551
Noncurrent assets:			
Capital assets, not being depreciated (Note 5)	92,707,054	40,620,718	133,327,772
Capital assets, being depreciated, net (Note 5)	252,674,207	460,684,279	713,358,486
Total noncurrent assets	345,381,261	501,304,997	846,686,258
Total Assets	625,811,695	555,960,114	1,181,771,809
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow from pensions (Note 24)	58,577,153	6,267,211	64,844,364
Deferred outflows from OPEB (Note 19)	17,445,872	2,336,369	19,782,241
Deferred effect of bond refunding, net	1,859,717	5,896,685	7,756,402
Total Deferred Outflows of Resources	77,882,742	14,500,265	92,383,007
LIABILITIES			
Current liabilities:			
Vouchers payable and other current liabilities	48,107,539	10,164,595	58,272,134
Retainage payable	426,015	617,778	1,043,793
Accrued interest payable	1,927,608	4,259,580	6,187,188
Escrowed amounts	9,968,807	489,528	10,458,335
Unearned revenue (Note 9)	32,591,714	-	32,591,714
General obligation bonds payable plus unamortized bond premium (Note 10)	14,542,776	12,683,414	27,226,190
Loans payable (Notes 10)	-	148,153	148,153
Claims and judgments payable (Notes 10 and 14)	4,265,000	-	4,265,000
Capital lease payable (Notes 10 and 22)	3,257,546	942,073	4,199,619
Accrued compensated leave (Notes 8 and 10)	8,152,147	948,752	9,100,899
Estimated liability for landfill postclosure care (Notes 10 and 13)	69,143	-	69,143
Total current liabilities	123,308,295	30,253,873	153,562,168
Noncurrent liabilities:			
General obligation bonds payable plus unamortized bond premium (Note 10)	150,672,414	327,552,213	478,224,627
Loans payable (Notes 10)	-	24,319,387	24,319,387
Claims and judgments payable (Notes 10 and 14)	10,894,644	-	10,894,644
Capital lease payable (Notes 10 and 22)	5,187,339	1,415,215	6,602,554
Accrued compensated leave (Notes 8 and 10)	22,069,213	2,438,934	24,508,147
Net pension liability (Notes 10 and 24)	142,296,869	19,280,600	161,577,469
Net OPEB liability (Notes 10 and 19)	53,846,412	3,560,670	57,407,082
Estimated liability for landfill postclosure care (Notes 10 and 13)	414,857	-	414,857
Total noncurrent liabilities	385,381,748	378,567,019	763,948,767
Total Liabilities	508,690,043	408,820,892	917,510,935

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions (Note 24)	54,702,144	6,502,446	61,204,590
Deferred inflows from OPEB (Note 19)	36,774,638	4,922,946	41,697,584
Total Deferred Inflows of Resources	<u>91,476,782</u>	<u>11,425,392</u>	<u>102,902,174</u>
NET POSITION			
Net investment in capital assets	180,153,560	142,923,813	323,077,373
Restricted:			
Street light special assessment	1,221,001	-	1,221,001
School crossing guards	703,483	-	703,483
Parkland improvements	4,140,597	-	4,140,597
Affordable housing services	1,914,990	-	1,914,990
Other programs	2,630,104	-	2,630,104
Unrestricted (Note 17)			
Capital recovery fees	-	4,744,310	4,744,310
Other unrestricted	<u>(87,236,123)</u>	<u>2,545,972</u>	<u>(84,690,151)</u>
Total Net Position	\$ 103,527,612	\$ 150,214,095	\$ 253,741,707

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, 2021

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
Primary government:							
Governmental activities:							
General government	\$ 276,858,498	\$ 5,517,696	\$ 268,168,630	\$ 74,195	\$ (3,097,977)	\$ -	\$ (3,097,977)
Public safety	76,398,913	1,001,468	11,776,760	312,224	(63,308,461)	-	(63,308,461)
Public works	29,067,989	1,129,845	900,955	439,010	(26,598,179)	-	(26,598,179)
Community services	48,627,102	2,221,877	24,393,384	4,238,887	(17,772,954)	-	(17,772,954)
Land use	12,700,171	11,413,483	-	-	(1,286,688)	-	(1,286,688)
Judiciary offices	6,725,407	17,251,932	-	-	10,526,525	-	10,526,525
Interest on long-term debt	5,469,692	-	-	-	(5,469,692)	-	(5,469,692)
Total governmental activities (See note 1)	455,847,772	38,536,301	305,239,729	5,064,316	(107,007,426)	-	(107,007,426)
Business-type activities:							
Sewer facilities	87,420,361	79,373,059	2,693,971	-	-	(5,353,331)	(5,353,331)
New Castle County airport	-	-	-	-	-	-	-
Total business-type activities	87,420,361	79,373,059	2,693,971	-	-	(5,353,331)	(5,353,331)
Total primary government	\$ 543,268,133	\$ 117,909,360	\$ 307,933,700	\$ 5,064,316	(107,007,426)	(5,353,331)	(112,360,757)
General revenues:							
Real estate tax				144,111,041	-	144,111,041	
Transfer tax				35,760,346	-	35,760,346	
Hotel tax				1,532,280	-	1,532,280	
Unrestricted investment earnings				1,131,307	152,903	1,284,210	
Total general revenues				182,534,974	152,903	182,687,877	
Change in net position				75,527,548	(5,200,428)	70,327,120	
Net position:							
Beginning of year				28,000,064	155,414,523	183,414,587	
End of year				\$ 103,527,612	\$ 150,214,095	\$ 253,741,707	

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

NEW CASTLE COUNTY, DELAWARE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents (Note 2)	\$ 67,527,148	\$ 30,879,822	\$ 16,947,859	\$ 115,354,829
Investments (Note 2)	126,212,837	-	4,109,183	130,322,020
Receivables (net of allowances):				
Taxes, including interest and penalties (Note 3 and 4)	2,802,767	-	174,939	2,977,706
Accounts (Note 4)	3,187,957	-	-	3,187,957
Other (Note 4)	260,165	6,718,314	1,170	6,979,649
Due from other funds (Note 7)	2,831,835	-	9,466,753	12,298,588
Due from other governments (Note 4)	-	5,339,981	3,755,696	9,095,677
Due from other agencies (Note 4)	-	52,076	-	52,076
Cash - restricted	11,236,319	24,490	-	11,260,809
Capital assets held for resale	317,995	318,137	-	636,132
Prepaid costs	563,579	-	-	563,579
Total assets	\$ 214,940,602	\$ 43,332,820	\$ 34,455,600	\$ 292,729,022
LIABILITIES:				
Vouchers payable and accrued expenditures	\$ 21,389,147	\$ 8,379,594	\$ 4,051,447	\$ 33,820,188
Retainage payable	-	-	426,015	426,015
Due to other funds (Note 7)	9,466,753	-	2,831,835	12,298,588
Other liabilities	14,262,438	24,913	-	14,287,351
Escrowed amounts	9,944,317	24,490	-	9,968,807
Unearned revenues (Note 9)	317,995	32,273,719	-	32,591,714
Total liabilities	55,380,650	40,702,716	7,309,297	103,392,663
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes (Note 9)	2,597,324	-	62,463	2,659,787
FUND BALANCES:				
Nonspendable:				
Prepaid costs	563,579	-	-	563,579
Restricted for:				
Light tax	-	-	1,221,001	1,221,001
Crossing guard	-	-	641,020	641,020
Garstin trust	-	-	4,140,597	4,140,597
Housing trust	-	-	16,914,990	16,914,990
Grants	-	2,630,104	-	2,630,104
Capital projects	-	-	5,103,566	5,103,566
Committed to:				
Budget reserve	42,951,901	-	-	42,951,901
Tax stabilization reserve	70,619,431	-	-	70,619,431
Transfer tax proceeds	7,662,425	-	-	7,662,425
Library	10,029	-	-	10,029
Strategic Economic Development fund	525,000	-	-	525,000
Reassessment Reserve	30,000,000	-	-	30,000,000
Assigned to:				
Other departmental purposes	976,698	-	268,348	1,245,046
Unassigned	3,653,565	-	(1,205,682)	2,447,883
Total fund balances	156,962,628	2,630,104	27,083,840	186,676,572
Total liabilities, deferred inflows of resources, and fund balances	\$ 214,940,602	\$ 43,332,820	\$ 34,455,600	\$ 292,729,022

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, 2021

Total fund balances for governmental funds (Exhibit 3)	\$ 186,676,572
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Amounts reported for governmental activities in the statement of net position are different because:

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

Land and construction in progress	\$ 92,707,054
Other capital assets net of \$239,166,245 accumulated depreciation	252,674,207
Total capital assets, net	345,381,261

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

Deferred effect of bond refunding	1,859,717
Pension contributions after the measurement date	5,132,783
Difference between expected and actual retirement plan experience	15,808,154
Change in actuarial assumptions	37,566,054
Change in actuarial assumptions - OPEB	17,445,872
Change in proportionate share	70,162
	77,882,742

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

Change in actuarial assumptions	(741,013)
Difference between expected and actual retirement plan experience	(2,652,466)
Difference between projected and actual investment earnings	(51,139,527)
Change in proportionate share	(169,138)
Difference between expected and actual retirement plan experience - OPEB	(29,434,643)
Difference between projected and actual investment earnings - OPEB	(7,339,995)
	(91,476,782)

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

2,659,787

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	(15,159,644)
Accrued interest payable	(1,927,608)
Accrued compensated leave	(30,221,360)
Estimated liability for landfill postclosure care	(484,000)
Capital lease payable	(8,444,885)
Unamortized bond premium	(12,315,190)
Net pension liability	(142,296,869)
Net OPEB liability	(53,846,412)
General obligation bonds payable	(152,900,000)
	(417,595,968)

Total net position of governmental activities	\$ 103,527,612
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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, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 171,792,007	\$ -	\$ 9,524,379	\$ 181,316,386
Charges for services	23,697,146	1,660,964		25,358,110
Licenses and permits	7,754,936	-	315,862	8,070,798
Intergovernmental	11,067,587	294,601,505	4,290,397	309,959,489
Investment income (loss)	3,207,583	127,658	147,436	3,482,677
Net appreciation (depreciation) in fair value of investments	(2,076,276)	-	753,519	(1,322,757)
Rentals	570,962	-		570,962
Contributions from private sources	-	-	687,500	687,500
Miscellaneous	2,985,840	-	86,419	3,072,259
Total revenues	218,999,785	296,390,127	15,805,512	531,195,424
Expenditures:				
Current:				
General government	22,824,817	268,168,630	7,464,135	298,457,582
Public safety	73,680,442	2,896,319	2,427,321	79,004,082
Public works	16,795,779	-	183,750	16,979,529
Community services	21,780,716	25,702,802	-	47,483,518
Land use	13,311,163	-	-	13,311,163
Judiciary offices	7,028,194	-	-	7,028,194
Capital outlays	-	-	25,475,394	25,475,394
Debt service:				
Principal	13,185,000	-	-	13,185,000
Interest and other charges	6,682,298	-	-	6,682,298
Total expenditures	175,288,409	296,767,751	35,550,600	507,606,760
Excess (deficiency) of revenues over expenditures	43,711,376	(377,624)	(19,745,088)	23,588,664
Other Financing Sources (Uses):				
Transfers in	1,006,094	1,131,185	21,387,447	23,524,726
Transfers out	(22,018,632)	(6,094)	(1,500,000)	(23,524,726)
Capital leases	328,924	-	2,307,830	2,636,754
Sale of capital assets	293,525	15,914	-	309,439
Total other financing sources (uses)	(20,390,089)	1,141,005	22,195,277	2,946,193
Net change in fund balances	23,321,287	763,381	2,450,189	26,534,857
Fund Balances:				
Beginning of year	133,641,341	1,866,723	24,633,651	160,141,715
End of year	\$ 156,962,628	\$ 2,630,104	\$ 27,083,840	\$ 186,676,572

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, 2021

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)	\$ 26,534,857
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 (\$45,776,608) exceeded depreciation (\$21,676,840) in the current period.	24,099,768
The net effect of various miscellaneous transactions involving capital asset disposals (capital assets (\$2,391,470), and accumulated depreciation (\$2,334,952)), is to decrease net position.	(56,518)
Revenues from property taxes (\$87,282) in the statement of activities that do not provide current financial resources, are not reported as revenues in the funds.	87,282
Capital lease proceeds (\$2,636,754), 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.	(2,636,754)
Governmental funds report debt service and capital lease principal payments as expenditures. However, these amounts are not recorded in the statement of activities, because bond principal payments (\$13,185,000) and capital lease payments (\$4,150,551) are a reduction of their related liability.	17,335,551
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.	(41,953,538)
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.	(16,723,166)
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.	5,132,783
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	(3,194,696)
Claims and judgments payable	(292,926)
Net pension liability	46,083,606
Net OPEB liability	19,689,694
Accrued interest payable	222,201
Amortization of bond premium	1,237,776
Deferred effect of bond refunding, net	(247,372)
Estimated liability for landfill postclosure care	209,000
	<u>63,707,283</u>
Change in net position of governmental activities (Exhibit 2)	<u>\$ 75,527,548</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, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 167,852,000	\$ 167,852,000	\$ 171,792,007	\$ 3,940,007
Charges for services	22,313,406	22,507,835	23,697,146	1,189,311
Licenses and permits	8,162,000	8,162,000	7,754,936	(407,064)
Intergovernmental	7,833,783	11,364,343	11,067,587	(296,756)
Investment income	3,700,500	3,700,500	3,207,583	(492,917)
Net appreciation in fair value of investments	-	-	(2,076,276)	(2,076,276)
Rentals	810,812	810,812	570,962	(239,850)
Miscellaneous	2,900,443	1,924,100	2,985,840	1,061,740
Total revenues	213,572,944	216,321,590	218,999,785	2,678,195
Expenditures:				
Current:				
General Government:				
Council:				
Salaries and wages	2,157,874	1,996,495	1,992,101	4,394
Fringe benefits	1,275,131	1,254,788	1,254,305	483
Training/civic affairs	85,888	59,716	42,559	17,157
Communications/utilities	23,008	22,153	14,842	7,311
Materials/supplies	64,834	28,528	19,381	9,147
Contractual services	336,031	401,723	325,173	76,550
Fixed charges/pass-thru-grants	307,372	225,667	218,975	6,692
Equipment	1,600	2,582	981	1,601
General and administrative credits	(10,575)	(10,575)	(10,575)	-
Total council	4,241,163	3,981,077	3,857,742	123,335
Executive:				
Salaries and wages	1,427,674	1,487,160	1,469,921	17,239
Fringe benefits	843,641	917,565	917,024	541
Training/civic affairs	31,904	21,904	21,061	843
Communications/utilities	17,904	16,379	13,269	3,110
Materials/supplies	22,236	8,489	9,107	(618)
Contractual services	156,490	274,006	188,687	85,319
Fixed charges/pass-thru-grants	43,000	429,003	425,369	3,634
Equipment	1,000	1,000	852	148
Contingencies	55,000	2,498	-	2,498
General and administrative credits	(49,564)	(49,564)	(49,564)	-
Total executive	2,549,285	3,108,440	2,995,726	112,714
Administration:				
Salaries and wages	8,671,393	10,671,898	10,671,679	219
Fringe benefits	5,042,769	6,625,094	6,479,605	145,489
Training/civic affairs	121,525	100,264	60,488	39,776
Communications/utilities	569,963	482,180	452,742	29,438
Materials/supplies	156,247	137,511	102,941	34,570
Contractual services	6,760,626	7,329,271	6,736,160	593,111
Fixed charges/pass-thru-grants	4,774,000	5,133,589	5,261,535	(127,946)
Equipment	281,900	306,387	295,725	10,662
Contingencies	2,005,978	786,674	-	786,674
Intragovernmental credits	(12,283,930)	(12,283,930)	(10,051,197)	(2,232,733)
General and administrative credits	(4,650,462)	(4,650,462)	(4,650,462)	-
Total administration	11,450,009	14,638,476	15,359,216	(720,740)

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, 2021
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government: (Continued):				
Ethics Commission:				
Salaries and wages	\$ 38,000	\$ 38,000	\$ 35,520	\$ 2,480
Fringe benefits	4,372	4,372	4,087	285
Training/civic affairs	8,800	8,800	445	8,355
Communications/utilities	3,572	3,572	1,492	2,080
Materials/supplies	2,450	2,489	540	1,949
Contractual services	307,331	308,904	239,637	69,267
Equipment	500	2,000	1,488	512
Total ethics commission	365,025	368,137	283,209	84,928
Total general government	18,605,482	22,096,130	22,495,893	(399,763)
Public Safety:				
Salaries and wages	57,265,639	56,585,938	32,556,136	24,029,802
Fringe benefits	33,726,387	34,718,344	24,357,758	10,360,586
Training/civic affairs	122,894	103,790	60,457	43,333
Communications/utilities	902,614	1,006,140	884,485	121,655
Materials/supplies	1,127,252	1,410,335	939,862	470,473
Contractual services	9,010,101	8,873,996	7,975,132	898,864
Equipment	916,012	1,074,971	972,683	102,288
Fixed charges/pass-thru-grants	6,148,639	6,148,639	6,148,023	616
General and administrative credits	(214,094)	(214,094)	(214,094)	-
Total public safety	109,005,444	109,708,059	73,680,442	36,027,617
Public Works:				
Salaries and wages	9,254,030	8,709,823	8,709,084	739
Fringe benefits	5,405,817	5,445,322	5,444,689	633
Training/civic affairs	13,459	13,459	6,673	6,786
Communications/utilities	1,352,409	1,343,584	1,114,654	228,930
Materials/supplies	2,901,728	2,913,523	2,540,740	372,783
Contractual services	5,116,194	5,363,149	4,740,306	622,843
Fixed charges/pass-thru-grants	1,000,000	1,088,225	983,836	104,389
Equipment	464,685	492,996	460,622	32,374
Intragovernmental credits	(7,125,794)	(7,125,794)	(6,749,703)	(376,091)
General and administrative credits	(455,122)	(455,122)	(455,122)	-
Total public works	17,927,406	17,789,165	16,795,779	993,386
Community Services:				
Salaries and wages	10,191,892	9,503,735	9,502,799	936
Fringe benefits	4,764,234	5,157,636	5,156,989	647
Training/civic affairs	18,560	18,560	3,676	14,884
Communications/utilities	929,732	971,861	817,007	154,854
Materials/supplies	1,291,763	1,425,509	1,234,803	190,706
Contractual services	3,197,596	2,983,662	2,281,838	701,824
Fixed charges/pass-thru-grants	2,878,396	2,950,635	2,950,635	-
Equipment	17,900	52,940	14,969	37,971
Intragovernmental credits	(182,000)	(182,000)	(182,000)	-
Total community services	23,108,073	22,882,538	21,780,716	1,101,822

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, 2021
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Land Use:				
Salaries and wages	\$ 7,218,031	\$ 7,223,306	\$ 7,222,534	\$ 772
Fringe benefits	4,243,391	4,523,234	4,522,349	885
Training/civic affairs	58,915	40,630	25,064	15,566
Communications/utilities	97,482	109,082	96,691	12,391
Materials/supplies	223,627	196,359	59,097	137,262
Contractual services	2,177,337	2,499,958	2,095,073	404,885
Fixed charges/pass-thru-grants	31,500	31,500	31,500	-
Equipment	51,275	212,641	78,111	134,530
Intragovernmental credits	(567,783)	(567,783)	(500,638)	(67,145)
General and administrative credits	(318,618)	(318,618)	(318,618)	-
Total land use	13,215,157	13,950,309	13,311,163	639,146
Judiciary Offices:				
Prothonotary:				
Fringe benefits	22,037	22,037	5,222	16,815
Total prothonotary	22,037	22,037	5,222	16,815
Register in Chancery:				
Salaries and wages	177,959	120,542	120,175	367
Fringe benefits	105,159	76,230	75,760	470
Total register in chancery	283,118	196,772	195,935	837
Register of Wills:				
Salaries and wages	1,053,207	1,057,592	1,042,526	15,066
Fringe benefits	613,796	649,842	649,704	138
Training/civic affairs	35,150	34,405	31,194	3,211
Communications/utilities	11,194	13,023	11,656	1,367
Materials/supplies	10,274	7,851	7,327	524
Contractual services	85,240	81,890	70,988	10,902
Equipment	1,950	5,350	4,359	991
Total register of wills	1,810,811	1,849,953	1,817,754	32,199
Recorder of Deeds:				
Salaries and wages	1,225,350	1,127,707	1,127,602	105
Fringe benefits	712,190	711,676	710,861	815
Training/civic affairs	43,170	43,170	39,745	3,425
Communications/utilities	30,716	37,042	34,957	2,085
Materials/supplies	12,898	12,989	7,155	5,834
Contractual services	232,906	233,114	185,300	47,814
Fixed charges/pass-thru-grants	15,000	15,000	15,000	-
Equipment	8,000	2,000	505	1,495
Total recorder of deeds	2,280,230	2,182,698	2,121,125	61,573

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, 2021
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Judiciary Offices: (Continued):				
Sheriff:				
Salaries and wages	\$ 1,169,052	\$ 1,122,599	\$ 1,113,235	\$ 9,364
Fringe benefits	687,113	700,663	700,369	294
Training/civic affairs	29,452	29,452	20,929	8,523
Communications/utilities	17,584	20,684	10,898	9,786
Materials/supplies	20,684	21,034	12,223	8,811
Contractual services	213,094	214,069	176,028	38,041
Equipment	5,000	5,000	56	4,944
Total sheriff	2,141,979	2,113,501	2,033,738	79,763
Clerk of the Peace:				
Salaries and wages	448,988	458,327	458,246	81
Fringe benefits	265,317	289,335	288,886	449
Training/civic affairs	14,130	11,540	9,000	2,540
Communications/utilities	3,977	5,402	4,554	848
Materials/supplies	5,424	5,424	4,437	987
Contractual services	50,664	110,889	89,297	21,592
Equipment				-
Total clerk of the peace	788,500	880,917	854,420	26,497
Total judiciary offices	7,326,675	7,245,878	7,028,194	217,684
Debt Service:				
Principal	13,185,000	13,185,000	13,185,000	-
Interest and other charges	6,682,300	6,682,300	6,682,298	2
Total debt service	19,867,300	19,867,300	19,867,298	2
Total expenditures	209,055,537	213,539,379	174,959,485	38,579,894
Excess of revenues over expenditures	4,517,407	2,782,211	44,040,300	41,258,089
Other Financing Sources (Uses):				
Transfers in	-	-	1,006,094	1,006,094
Transfers out	(4,637,447)	(20,268,632)	(22,018,632)	(1,750,000)
Sale of capital assets	120,040	120,040	293,525	173,485
Total other financing sources (uses)	(4,517,407)	(20,148,592)	(20,719,013)	(570,421)
Net change in fund balance	-	(17,366,381)	23,321,287	40,687,668
Adjustment to reconcile to GAAP basis:				
Expenditures not budgeted - Lease payments	-	-	(328,924)	(328,924)
Revenues recognized on GAAP basis-Leases	-	-	328,924	328,924
Fund Balance:				
Beginning of year	<u>42,719,086</u>	<u>22,888,293</u>	<u>133,641,341</u>	<u>110,753,048</u>
End of year	<u>\$ 42,719,086</u>	<u>\$ 5,521,912</u>	<u>\$ 156,962,628</u>	<u>\$ 151,440,716</u>

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, 2021

		Business-type Activities - Enterprise Funds		
		Sewer Facilities	Nonmajor Fund New Castle County Airport	Total
ASSETS				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 16,506,774	\$ 56,058	\$ 16,562,832	
Investments (Note 2)	25,979,177	-	25,979,177	
Receivables (net of allowances):				
Service charges (Note 4)	7,573,364	-	7,573,364	
Other (Note 4)	545,756	-	545,756	
Due from other governments (Note 4)	1,211,404	-	1,211,404	
Due from other agencies (Note 4)	-	-	-	
Restricted cash and cash equivalents (Note 2)	2,782,584	-	2,782,584	
Total current assets	54,599,059	56,058	54,655,117	
Capital Assets: (Note 5)				
Land	33,162,038	2,158,912	35,320,950	
Buildings	38,897,753	4,820,100	43,717,853	
Building improvements	3,521,819	-	3,521,819	
Equipment	46,632,146	1,000	46,633,146	
Improvements other than buildings	3,985,864	43,682,500	47,668,364	
Infrastructure	660,744,081	-	660,744,081	
Construction in progress	5,299,768	-	5,299,768	
Less accumulated depreciation	(293,097,384)	(48,503,600)	(341,600,984)	
Total capital assets, net	499,146,085	2,158,912	501,304,997	
Total noncurrent assets	499,146,085	2,158,912	501,304,997	
Total assets	553,745,144	2,214,970	555,960,114	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow from pensions (Note 24)	6,267,211	-	6,267,211	
Deferred outflow from other post-employment benefits (Note 19)	2,336,369	-	2,336,369	
Deferred effect of bond refunding, net (Note 10)	5,896,685	-	5,896,685	
Total deferred outflows of resources	14,500,265	-	14,500,265	
LIABILITIES				
Current Liabilities:				
Vouchers payable and accrued expenses	10,164,595	-	10,164,595	
Retainage payable	617,778	-	617,778	
Accrued interest payable	4,259,580	-	4,259,580	
Escrowed amounts	489,528	-	489,528	
General obligation bonds - current (Note 10)	12,683,414	-	12,683,414	
Loans payable - current (Note 10)	148,153	-	148,153	
Leases payable - current (Notes 10 and 22)	942,073	-	942,073	
Accrued compensated leave (Notes 8 and 10)	948,752	-	948,752	
Total current liabilities	30,253,873	-	30,253,873	
Noncurrent Liabilities:				
Net pension liability (Note 24)	19,280,600	-	19,280,600	
Net other post-employment benefit liability (Note 19)	3,560,670	-	3,560,670	
General obligation bonds payable (net of current portion) (Note 10)	327,552,213	-	327,552,213	
Loans payable (Note 10)	24,319,387	-	24,319,387	
Leases payable (Note 10 and 22)	1,415,215	-	1,415,215	
Accrued compensated leave (Notes 8 and 10)	2,438,934	-	2,438,934	
Total noncurrent liabilities	378,567,019	-	378,567,019	
Total liabilities	408,820,892	-	408,820,892	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow from pensions (Note 24)	6,502,446	-	6,502,446	
Deferred inflow from other post-employment benefits (Note 19)	4,922,946	-	4,922,946	
Total deferred inflows of resources	11,425,392	-	11,425,392	
NET POSITION				
Net investment in capital assets	140,764,901	2,158,912	142,923,813	
Unrestricted (Note 17)				
Capital recovery fees	4,744,310	-	4,744,310	
Other unrestricted	2,489,914	56,058	2,545,972	
Total net position	\$ 147,999,125	2,214,970	\$ 150,214,095	

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, 2021

	Business - type Activities Enterprise Funds		
	Sewer Facilities	New Castle County Airport	Total
Operating Revenues:			
Charges for services	\$ 79,373,059	-	79,373,059
Total operating revenues	79,373,059		79,373,059
Operating Expenses:			
Salaries and wages	13,392,002	-	13,392,002
Employee benefits	8,588,785	-	8,588,785
Training and civic affairs	9,523	-	9,523
Communications and utilities	22,454,883	-	22,454,883
Materials and supplies	1,164,613	-	1,164,613
Contractual services	9,377,504	-	9,377,504
Equipment	164,070	-	164,070
Depreciation	16,736,658	-	16,736,658
Pension expense	(1,147,202)	-	(1,147,202)
OPEB expense	(397,682)	-	(397,682)
Administrative and fixed charges	4,320,553	-	4,320,553
Land and structure	1,800	-	1,800
Total operating expenses	74,665,507		74,665,507
Operating Income (loss)	4,707,552		4,707,552
Non-operating Revenues (Expenses):			
Investment income	465,113	-	465,113
Net depreciation in fair value of investments	(312,210)	-	(312,210)
RZEDB Interest Reimbursement	874,806	-	874,806
Interest expense	(14,231,077)	-	(14,231,077)
Lease interest expense	(67,191)	-	(67,191)
Other revenues/expenses	1,783,096	-	1,783,096
Gain/Loss on sale of capital assets	36,069	-	36,069
Bond premium amortization	1,543,414	-	1,543,414
Total non-operating revenues (expenses)	(9,907,980)		(9,907,980)
Change in net position	(5,200,428)		(5,200,428)
Net Position:			
Beginning of year	153,199,553	2,214,970	155,414,523
End of year	\$ 147,999,125	2,214,970	\$ 150,214,095

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, 2021

	Business - type Activities - Enterprise Funds		
	Sewer Facilities	New Castle County Airport	Totals
Cash Flows From Operating Activities:			
Cash received from customers	\$ 81,038,353	\$ -	\$ 81,038,353
Cash payments to employees for services	(21,662,661)	-	(21,662,661)
Cash payments to suppliers for goods and services	(38,092,755)	-	(38,092,755)
Customer deposits received	439,915	-	439,915
Customer deposits returned	(1,350,000)	-	(1,350,000)
Other revenue	431,897	-	431,897
Net cash provided by operating activities	20,804,749	-	20,804,749
Cash Flows From Noncapital Financing Activities:			
Transfers from / to other funds		-	-
Cash Flows From Capital and Related Financing Activities:			
RZEDB Interest Reimbursement	874,806	-	874,806
Debt Issuance	6,425,896	-	6,425,896
Principal paid on bond debt	(10,720,000)	-	(10,720,000)
Interest paid on bond debt	(13,540,601)	-	(13,540,601)
Principal paid on loan payable	(171,319)	-	(171,319)
Interest paid on loan payable	(346,957)	-	(346,957)
Principal paid on lease payable	(1,288,316)	-	(1,288,316)
Interest paid on lease payable	(67,191)	-	(67,191)
Payments to acquire, construct, or improve capital assets	(24,593,631)	-	(24,593,631)
Capital Transfers	1,351,200	-	1,351,200
Net cash used for capital and related financing activities	(42,076,113)	-	(42,076,113)
Cash Flows From Investing Activities:			
Income received on investments	468,517	-	468,517
Proceeds from sales of investments	63,558,286	-	63,558,286
Purchases of investments	(49,577,566)	-	(49,577,566)
Net cash provided/(used) by investing activities	14,449,237	-	14,449,237
Net decrease in cash and cash equivalents	(6,822,127)	-	(6,822,127)
Cash and cash equivalents at beginning of year	26,111,485	56,058	26,167,543
Cash and cash equivalents at end of year	19,289,358	56,058	19,345,416
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income/(loss)	\$ 4,707,552	\$ -	\$ 4,707,552
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation expense	16,736,658	-	16,736,658
Other revenue/(expense)	431,897	-	431,897
Effect of changes in operating assets and liabilities:			
Decrease/(Increase) in receivables	1,665,294	-	1,665,294
Increase/(Decrease) in vouchers payable and accrued expenses	(281,683)	-	(281,683)
Increase/(Decrease) in escrowed amounts	(910,085)	-	(910,085)
Decrease in net pension liability	(5,533,150)	-	(5,533,150.00)
Increase in deferred inflow from pensions	6,276,622	-	6,276,622.00
Increase in deferred outflow from pensions	(1,890,674)	-	(1,890,674.00)
Decrease in net OPEB liability	(2,628,815)	-	(2,628,815.00)
Increase in deferred inflow from OPEB	3,920,952	-	3,920,952.00
Increase in deferred outflow from OPEB	(1,689,819)	-	(1,689,819.00)
Total reconciling adjustments	16,097,197	-	16,097,197
Net cash provided by operating activities	\$ 20,804,749	\$ -	\$ 20,804,749
Noncash Investing, Capital, and Financing Activities:			
Increase/(Decrease) in fair value of investments	\$ (312,210)	\$ -	\$ (312,210)
Increase in assets related to lease payable	329,508	-	329,508
Reconciliation to the Statement of Net Position:			
Cash and cash equivalents	\$ 16,506,774	\$ 56,058	\$ 16,562,832
Restricted cash and cash equivalents	\$ 2,782,584	\$ -	\$ 2,782,584
Cash and cash equivalents at end of year	\$ 19,289,358	\$ 56,058	\$ 19,345,416

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, 2021

	<u>Pension and OPEB Trusts</u>
ASSETS	
Cash and cash equivalents (Note 2)	\$ 14,173,411
Investments: (Note 2)	
Common and preferred stock	65,738,170
Mutual funds	150,056,386
Real estate equity funds	4,727,025
Collective trusts	343,929,657
Private equity	38,842,475
Receivables (net of allowances):	
Other (Note 4)	<u>2,361,589</u>
Total assets	<u>619,828,713</u>
LIABILITIES	
Vouchers payable and accrued expenses	830,116
Total liabilities	<u>830,116</u>
NET POSITION	
Net position restricted for pensions	552,356,443
Net position restricted for other post employment benefits	<u>66,642,154</u>
Total Net Position	<u>\$ 618,998,597</u>

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, 2021

	Pension and OPEB Trusts
Additions:	
Contributions:	
Plan members	\$ 3,881,479
New Castle County	33,883,236
State of Delaware	3,536,177
Other contributions	<u>351</u>
Total contributions	<u>41,301,243</u>
Investment income:	
Net increase in fair value of investments	85,382,618
Interest, dividends, and other income, including realized gains/losses	<u>40,032,163</u>
Total investment income	<u>125,414,781</u>
Less investment expense	<u>2,486,661</u>
Net investment income	<u>122,928,120</u>
Total additions	<u>164,229,363</u>
Deductions:	
Benefit payments	52,827,196
Refunds of contributions	50,662
Administrative expenses	590,821
Other expenses, net	<u>107</u>
Total deductions	<u>53,468,786</u>
Net increase in net position	<u>110,760,577</u>
Net position	
Beginning of year	<u>508,238,020</u>
End of year	<u>\$ 618,998,597</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, 2021

- (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) Prior Year Defeasance of Debt
- (13) Landfill Postclosure Care Costs
- (14) Risk Management
- (15) Contingencies
- (16) Conduit Debt
- (17) Unrestricted Net Position
- (18) Fund Balance
- (19) Other Post Employment Benefits
- (20) On-Behalf Payments
- (21) Operating Lease
- (22) Capital Leases
- (23) Deferred Compensation Plan
- (24) Defined Benefit Pension Plans
- (25) Tax Abatements
- (26) Subsequent Events

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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.

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.

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

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

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:

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

(Continued)

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

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

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.

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

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

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 market 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.

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

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

J. Advance Deposits and Prepaid Costs:

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.

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, 2021 were \$18,388,094.

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.

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

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

(Continued)

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:

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

N. 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.

O. Deferred Inflows/Outflows of Resources:

Deferred Inflows of Resources, reported after Total Liabilities, is defined by GASB as an acquisition of net position 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 position that applies to a future period 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 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)

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

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

O. Deferred Inflows/Outflows of Resources (Continued):

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.

P. 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. Accordingly, no expenditures over appropriations are incurred.

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, 2021. Supplemental appropriations to the original budget of \$640,211 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.

Q. 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, 2021
(Continued)

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

Q. 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.

R. 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.

S. GASB Statements:

Adoption of New Accounting Pronouncements

During fiscal year ending June 30, 2021, the County adopted GASB Statement No. 84 Fiduciary Activities. The objective of this statement is to enhance the consistency and comparability of state and local government fiduciary activity and improve the usefulness of the information for assessing the government's accountability as fiduciaries. This statement establishes standards of accounting and financial reporting for fiduciary activities, which includes fiduciary component units of pension and OPEB plans, pension and OPEB plans that are not component units but meet the criteria in Statement No. 67 or 74 and other activities such as investment or private-purpose trust funds or custodial funds. All fiduciary activities are to be reported in the statement of fiduciary net position and statement of changes in fiduciary net position. The County conducted internal control policy review and evaluated management systems for fiduciary activities in accordance with GASB Statement No. 84. The adoption of this statement had no effect on the Statement of Net Position and Governmental Funds Balance Sheet as no additional custodial funds were identified.

During fiscal year ending June 30, 2021, the County adopted GASB Statement No. 98 The Annual Comprehensive Financial Report. The purpose of this statement is to transition away from utilizing the previous title of comprehensive annual financial report and its acronym, as the pronunciation of this term was found to have an alternative meaning which is racially insensitive and disparaging globally.

In June of 2017, the GASB issued Statement No. 87 Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. It requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

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

S. GASB Statements (Continued):

reporting periods beginning after June 15, 2021. 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, 2021 was \$82,329,384. The bank balances were \$82,432,488. In addition, \$812,534 in bank money market accounts were classified as deposits for purposes of custodial credit risk disclosure. Of the \$83,245,022 in total deposits, none of the County's deposits were subject to custodial risk because they were collateralized as of June 30, 2021. 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 \$77,805,081 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, \$76,992,547 are unsecured investment instruments and therefore are reflected as uncollateralized.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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, 2021. The lower of the two ratings was used in this table.

Investment Type	Fair Value	Weighted Average Modified Duration (Years)	Credit Rating	Rating Agency
US Government Obligations	\$ 43,156,355	3.990	AA+	S&P
US Government Agencies and Instrumentalities	15,075,253	1.093	AA+	S&P
Corporate Obligations	132,909		Aa1	Moody's
Corporate Obligations	396,945		Aa2	Moody's
Corporate Obligations	295,310		Aa3	Moody's
Corporate Obligations	27,477		AA-	S&P
Corporate Obligations	1,716,694		A1	Moody's
Corporate Obligations	1,452,960		A+	S&P
Corporate Obligations	5,263,287		A2	Moody's
Corporate Obligations	2,196,290		A	S&P
Corporate Obligations	4,579,074		A3	Moody's
Corporate Obligations	3,975,159		A-	S&P
Corporate Obligations	6,946,004		Baa1	Moody's
Corporate Obligations	7,123,407		BBB+	S&P
Corporate Obligations	10,345,508		Baa2	Moody's
Corporate Obligations	1,703,208		BBB	S&P
Corporate Obligations	1,680,749		Baa3	Moody's
Corporate Obligations	714,052		BBB-	S&P
Corporate Obligations	1,245,851		NR	
Subtotal - Corporate Obligations	49,794,884	3.410		
Asset Backed Securities	820,249		Aaa	Moody's
Asset Backed Securities	655,104		Aa1	Moody's
Asset Backed Securities	17,590,874		AA+	S&P
Asset Backed Securities	159,173		A+	S&P
Asset Backed Securities	115,881		A2	Moody's
Asset Backed Securities	164,027		A-	S&P
Asset Backed Securities	8,828,673		NR	
Subtotal - Asset Backed Securities	28,333,981	0.978		

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(2) Deposits and Investments (Continued):

Investments (Continued):

Investment Type		Fair Value	Weighted Average Modified Duration (Years)	Credit Rating	Rating Agency
Municipal Obligations	\$	229,685		Aaa	Moody's
Municipal Obligations		644,128		Aa1	Moody's
Municipal Obligations		683,762		Aa2	Moody's
Municipal Obligations		403,748		AA	S&P
Municipal Obligations		1,374,947		Aa3	Moody's
Municipal Obligations		137,339		AA-	S&P
Municipal Obligations		821,666		A1	Moody's
Municipal Obligations		509,470		A+	S&P
Municipal Obligations		1,550,931		A2	Moody's
Municipal Obligations		733,211		A	S&P
Municipal Obligations		354,753		A3	Moody's
Municipal Obligations		244,482		A-	S&P
Municipal Obligations		414,053		Baa1	Moody's
Municipal Obligations		195,639		Baa2	Moody's
Municipal Obligations		132,783		Baa3	Moody's
Municipal Obligations		7,400,944		NR	
Subtotal - Municipal Obligations		<u>15,831,541</u>	5.595		
Subtotal Debt Securities		<u>152,192,014</u>			
Portfolio weighted modified duration			3.120		
Mutual Funds		70,765,605		N/A	N/A
Total Investments at Fair Value		<u>222,957,619</u>		N/A	N/A
US Treasury Bills (included in cash deposits)		4,995,571		N/A	N/A
Money Market Mutual Funds (included in cash equivalents)		55,125,981		N/A	N/A
Money Market Funds (included in cash equivalents)		812,534		N/A	N/A
Commercial Paper (included in cash equivalents)		4,896,350		N/A	N/A
Subtotal Cash Equivalents		<u>65,830,436</u>			
Total		<u>\$ 288,788,055</u>			

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(2) Deposits and Investments (Continued):

Investments (Continued):

Investment Type	Fair Value	Investment Maturities (In Years)					Interest Rate
		Less than 1	1 - 5 years	6 - 10 years	10 + years		
U.S. Government Obligations	\$ 43,156,355	\$ 1,366,556	\$ 33,077,595	\$ 8,712,204	\$	-	0.13% - 3.13%
U.S. Government Agencies and Instrumentalities	15,075,253	456,700	9,842,514	1,528,462	3,247,577	0.21% - 3.83%	
Corporate Obligations	49,794,884	3,150,330	38,110,492	8,112,344	421,718	0.05% - 7.95%	
Municipal Obligations	15,831,541	182,639	6,526,461	3,717,404	5,405,037	0.62% - 7.09%	
Asset Backed Securities	28,333,981	311,415	10,110,393	2,477,360	15,434,813	0.45% - 6.15%	
Total	\$ 152,192,014	\$ 5,467,640	\$ 97,667,455	\$ 24,547,774	\$ 24,509,145		

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

Investment Type	Fair Value
Common and Preferred Stock	\$ 65,738,170
Mutual Funds	83,399,964
Real Estate Equity Funds	4,727,025
Subtotal Equity Securities	153,865,159
Collective Trusts	343,929,657
Private Equity	38,842,475
Total Investments at Fair Value	536,637,291
Short Term Investment Trusts (included in cash deposits)	11,974,645
Total	\$ 548,611,936

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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, 2021
(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 market 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, 2021
(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	5.0%	0.0%	10.0%
Real Estate	5.0%	0.0%	10.0%
Total "Equity Like"	55.0%	20.0%	80.0%
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	3.0%	0.0%	10.0%
Cash	1.0%	0.0%	5.0%
Total "Fixed Income Like"	35.0%	20.0%	80.0%
Global Tactical Asset Allocation/Risk Parity	10.0%	0.0%	15.0%

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 market 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, 2021
(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, 2021:

Investments and Derivative Instruments Measured at Fair Value

	Fair Value Measurements Using						
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021			
Investments by fair value level							
Debt Securities							
U.S. Treasury obligations	\$ -	\$ 43,156,355	\$ -	\$ 43,156,355			
U.S. Government Agencies		- 15,075,253		- 15,075,253			
Corporate Bonds		- 49,794,884		- 49,794,884			
Asset Backed Securities		- 28,333,981		- 28,333,981			
Municipal Obligations		- 15,831,541		- 15,831,541			
Total Debt Securities	-	152,192,014		152,192,014			
Fixed Income Mutual Funds		20,933,308	-	-	20,933,308		
Equity Mutual Funds		49,832,297	-	-	49,832,297		
Total investments in equity securities and mutual funds		70,765,605			70,765,605		
Total investments, at fair value	\$ 70,765,605	\$ 152,192,014		\$ 222,957,619			

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, 2021
(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, 2021:

Investments and Derivative Instruments Measured at Fair Value

	Fair Value Measurements Using				
	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Other Inputs	Significant Unobservable Inputs	Balance as of
	(Level 1)	(Level 2)	(Level 3)		June 30, 2021
Investments by fair value level					
Equity Securities					
Energy	\$ 1,258,441	\$ -	\$ -	\$ -	\$ 1,258,441
Consumer discretionary	8,732,528	-	-	-	8,732,528
Health care	14,084,637	-	-	-	14,084,637
Materials	1,423,318	-	-	-	1,423,318
Consumer staples	6,827,762	-	-	-	6,827,762
Information technology	9,710,229	-	-	-	9,710,229
Industrials	8,726,915	-	-	-	8,726,915
Real estate	4,760,462	-	-	-	4,760,462
Utilities	299,894	-	-	-	299,894
Financials	9,624,973	-	-	-	9,624,973
Communication Services	289,011	-	-	-	289,011
Real estate equity funds	4,727,025	-	-	-	4,727,025
Mutual Funds					
Equity mutual funds	83,399,964	-	-	-	83,399,964
Total investments by fair value level	<u>153,865,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,865,159</u>
Investments measured at the net asset value (NAV)					
Private equity/private debt investments	-	-	-	-	38,842,475
Collective trusts - hedge funds	-	-	-	-	36,664,874
Collective trusts - real estate funds	-	-	-	-	25,743,375
Collective trusts - equities	-	-	-	-	123,901,863
Collective trusts - fixed income	-	-	-	-	<u>157,619,545</u>
Total investments measured at the NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,772,132</u>
Total investments	<u>\$ 153,865,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,637,291</u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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	\$ 38,842,475	\$ 20,366,826	N/A	N/A
Collective trusts - hedge funds	36,664,874	-	Quarterly	90-95 days
Collective trusts - real estate funds	25,743,375	-	Quarterly	45 days
Collective trusts - equities	123,901,863	-	Daily	0-2 days
Collective trusts - fixed income	157,619,545	-	Daily	0 days
Total	\$ 382,772,132	\$ 20,366,826		

Investments in private equity and private debt funds consists of investments in twelve 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, 2021
(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 \$3,661,642, and penalties and interest receivable of \$2,405,489 and are reduced by an allowance for uncollectible accounts of \$3,264,364 for 2021 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 2021 initial levy was assessed at \$19.5 billion.

(4) Receivables:

Receivables as of June 30, 2021 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:

	General	Grants	Sewer	Nonmajor / Fiduciary *	Total
Receivables					
Taxes	\$ 2,802,767	\$ -	\$ -	\$ 174,939	\$ 2,977,706
Service charges	-	-	7,573,364	-	7,573,364
Accounts	3,187,957	-	-		3,187,957
Other	260,165	6,718,314	545,756	2,362,759	9,886,994
Due from other governments	-	5,339,981	1,211,404	3,755,696	10,307,081
Due from other agencies	-	52,076	-	-	52,076
Total Receivables, Net	\$ 6,250,889	\$ 12,110,371	\$ 9,330,524	\$ 6,293,394	\$ 33,985,178

* 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, 2021
(Continued)

(4) Receivables (Continued):

Residential sewer service charges are levied on January 1st and non-residential sewer service charges are billed quarterly and shall be due and payable as of January 1st, April 1st, July 1st and October 1st. 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 \$7,259,400 and penalties and interest receivable of \$863,372 and are reduced by an allowance for uncollectible accounts of \$549,408 for 2021 which is determined by a review of account aging.

(5) Capital Assets:

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 83,196,779	\$ 7,005,989	\$ -	\$ 90,202,768
Construction in progress	1,763,116	741,170	-	2,504,286
Total capital assets, not being depreciated	<u>84,959,895</u>	<u>7,747,159</u>	<u>-</u>	<u>92,707,054</u>
Capital assets, being depreciated:				
Buildings	201,063,071	24,930,152	-	225,993,223
Building improvements	47,406,745	2,368,792	-	49,775,537
Other improvements	88,352,864	581,878	-	88,934,742
Equipment	167,757,258	10,129,877	(2,391,470)	175,495,665
Infrastructure	38,501	18,750	-	57,251
Total capital assets, being depreciated	<u>504,618,439</u>	<u>38,029,449</u>	<u>(2,391,470)</u>	<u>540,256,418</u>
Less accumulated depreciation for:				
Buildings	(73,160,649)	(4,267,511)	-	(77,428,160)
Building improvements	(9,878,632)	(1,122,457)	-	(11,001,089)
Other improvements	(69,302,743)	(3,026,656)	-	(72,329,399)
Equipment	(115,889,744)	(13,259,221)	2,334,952	(126,814,013)
Infrastructure	(8,555)	(995)	-	(9,550)
Total accumulated depreciation	<u>(268,240,323)</u>	<u>(21,676,840)</u>	<u>2,334,952</u>	<u>(287,582,211)</u>
Total capital assets, being depreciated, net	<u>236,378,116</u>	<u>16,352,609</u>	<u>(56,518)</u>	<u>252,674,207</u>
Governmental activities				
capital assets, net	<u>\$ 321,338,011</u>	<u>\$ 24,099,768</u>	<u>\$ (56,518)</u>	<u>\$ 345,381,261</u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(5) Capital Assets (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 35,320,950	-	-	\$ 35,320,950
Construction in progress	5,311,985	-	(12,217)	5,299,768
Total capital assets, not being depreciated	<u>40,632,935</u>	-	(12,217)	<u>40,620,718</u>
Capital assets, being depreciated:				
Buildings	43,398,280	319,573	-	43,717,853
Building improvements	3,519,535	2,284	-	3,521,819
Other improvements	47,629,718	38,646	-	47,668,364
Equipment	45,011,801	2,040,563	(419,218)	46,633,146
Infrastructure	<u>635,433,420</u>	<u>25,310,661</u>	-	<u>660,744,081</u>
Total capital assets, being depreciated	<u>774,992,754</u>	<u>27,711,727</u>	<u>(419,218)</u>	<u>802,285,263</u>
Less accumulated depreciation for:				
Buildings	(19,363,068)	(838,320)	-	(20,201,388)
Building improvements	(875,138)	(80,773)	-	(955,911)
Other improvements	(45,914,230)	(166,002)	-	(46,080,232)
Equipment	(32,614,353)	(2,565,852)	416,894	(34,763,311)
Infrastructure	<u>(226,514,431)</u>	<u>(13,085,711)</u>	-	<u>(239,600,142)</u>
Total accumulated depreciation	<u>(325,281,220)</u>	<u>(16,736,658)</u>	<u>416,894</u>	<u>(341,600,984)</u>
Total capital assets, being depreciated, net	<u>449,711,534</u>	<u>10,975,069</u>	<u>(2,324)</u>	<u>460,684,279</u>
Business-type activities capital assets, net	<u>\$ 490,344,469</u>	<u>\$ 10,975,069</u>	<u>\$ (14,541)</u>	<u>\$ 501,304,997</u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(5) Capital Assets (Continued):

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

Governmental activities:

General Government	\$ 4,926,051
Public Works	10,926,020
Police	3,432,406
Community Services	2,380,024
Land Use	11,476
Judiciary Offices	<u>863</u>
Total depreciation expense-governmental activities	<u>\$ 21,676,840</u>

Business-type activities:

Sewer Facilities	<u>\$ 16,736,658</u>
Total depreciation expense-business-type activities	<u>\$ 16,736,658</u>

(6) Construction Commitments:

The County has active construction projects as of June 30, 2021. 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:

Project	Expended Through June 30, 2021	Remaining Commitment
Buildings and facilities	\$ 819,091	\$ 1,947,546
Park development	1,242,369	97,986
Public safety	<u>442,826</u>	<u>12,226</u>
Subtotal	2,504,286	2,057,758
Sewer/stormwater construction	<u>5,299,768</u>	<u>821,218</u>
Total	<u>\$ 7,804,054</u>	<u>\$ 2,878,976</u>

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 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, 2021
(Continued)

(6) Construction Commitments (Continued):

Encumbrance Commitments by Fund:

General Fund	\$ 976,698
Grants Fund	31,217,270
Sewer Facilities Fund	18,756,900
Nonmajor Funds	7,442,348
Total Encumbrances	<u><u>\$ 58,393,216</u></u>

(7) Interfund Receivables, Payables and Transfers:

The compositions of interfund balances as of June 30, 2021, are as follows:

Due To	Due From				
	Miscellaneous				
	General Fund	Facilities and Equipment	Capital Improvements	Total	
Light Tax Fund	\$ 1,614,979	\$ -	\$ -	\$ 1,614,979	
Crossing Guard Fund	933,170	-	-	933,170	
Park Development	6,573,072	-	-	6,573,072	
Public Safety	345,532	-	-	345,532	
General Fund	-	1,851,385	980,450	2,831,835	
Total	<u><u>\$ 9,466,753</u></u>	<u><u>\$ 1,851,385</u></u>	<u><u>\$ 980,450</u></u>	<u><u>\$ 12,298,588</u></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, 2021, are as follows:

Transfers Out	Transfers In						
	Grants Fund	General Fund	Housing Trust	Facilities and Equipment	Public Safety	Parks	Total
General Fund	\$ 631,185	\$ -	\$ 15,000,000	5,487,447	\$ 150,000	\$ 750,000	\$ 22,018,632
Grants Fund			6,094	-	-	-	6,094
Facilities and Equipment	-	1,000,000	-	-	-	-	1,000,000
Housing Trust Fund	500,000	-	-	-	-	-	500,000
Total	<u><u>\$ 1,131,185</u></u>	<u><u>\$ 1,006,094</u></u>	<u><u>\$ 15,000,000</u></u>	<u><u>\$ 5,487,447</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 750,000</u></u>	<u><u>\$ 23,524,726</u></u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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 for its share of the match for the current year emergency management grant, 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 Capital Projects fund received proceeds from the General Fund to fund capital costs for the purchase of fleet equipment, public safety equipment and the Route 9 library. The Housing Trust fund contributed to the Grants Fund to provide funding for a homeless shelter. The General Fund contributed to the Housing Trust Fund to provide funding for affordable housing.

(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, 2021, total accumulated vacation leave for governmental fund types was \$19,339,027, (including accrued FICA and Medicare), total vested sick leave was \$9,334,726 (including accrued FICA and Medicare), and other total compensated leave was \$1,547,607 (including accrued FICA and Medicare). These amounts total to \$30,221,360 and are reported in the government-wide financial statements. At June 30, 2021, accumulated vacation, sick, and other compensated leave for Proprietary Funds in the amount of \$3,387,686 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, 2021, 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, 2021
(Continued)

(9) Unavailable / Unearned Revenue (Continued):

General Fund:

Property tax receivables-net	\$ 2,802,767
Less: estimated 60-day collection 7/20 - 8/20	<u>(205,443)</u>
Total General Fund – Unavailable	\$2,597,324

Total General Fund – Unearned (Capital Assets Held for Resale)	317,995
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Crossing Guard Fund:

Property tax receivables-net	68,475
Less: estimated 60-day collection 7/20 - 8/20	<u>(6,012)</u>
Total Crossing Guard Fund – Unavailable	62,463

Grants Fund:

Unearned grant revenue	31,954,864
Capital assets held for resale	318,137
Police duty fund	<u>718</u>
Total Grants Fund – Unearned	32,273,719
Total	<u>\$35,251,501</u>

Governmental funds report unavailable revenue of \$2,659,787, whereas the governmental activities report no unavailable revenue as a result of the full accrual reporting of property tax receivable to revenue.

(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, 2021 are general obligation debt supported by the full faith and credit of the County and are summarized as follows:

Purpose	Original Issue	Maturities	Interest Rates	Outstanding Amount
Governmental Activities	\$210,610,000	2039	2.00 – 5.00%	\$152,900,000
Business-type Activities:				
Sewer Facilities	<u>366,100,000</u>	2049	2.00 – 5.00%	<u>315,755,000</u>
TOTAL	<u>\$576,710,000</u>			<u>\$468,655,000</u>

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(10) Long-term Debt (Continued):

General Obligation Bonds (Continued):

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

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	13,305,000	6,022,955	11,140,000	13,006,576
2023	13,825,000	5,359,223	11,585,000	12,471,965
2024	14,100,000	4,715,515	11,725,000	11,946,350
2025	14,340,000	4,146,242	11,830,000	11,443,666
2026	14,000,000	3,520,818	12,065,000	10,887,787
2027-2031	46,850,000	10,225,743	59,960,000	46,247,500
2032-2036	28,690,000	4,065,206	64,350,000	34,151,381
2037-2041	7,790,000	403,331	74,565,000	19,263,617
2042-2046	-	-	47,710,000	6,870,300
2047-2049	-	-	10,825,000	582,350
	<u>\$ 152,900,000</u>	<u>\$ 38,459,033</u>	<u>\$ 315,755,000</u>	<u>\$ 166,871,492</u>

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 2021 \$5,474,582 was drawn on the WPCRF to fund various projects.

<u>Purpose</u>	<u>Original Issue</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Outstanding Amount</u>
Business-type Activities:				
Sewer Facilities	<u>\$25,992,881</u>	2040	2.00 – 2.601%	<u>\$24,467,540</u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(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:

Fiscal Year	Business-type Activities	
	Principal	Interest
2022	\$ 148,153	\$ 503,892
2023	1,490,108	496,743
2024	1,493,146	465,728
2025	1,496,245	434,651
2026	1,455,492	403,730
2027-2031	7,313,543	1,562,894
2032-2036	6,694,886	828,907
2037-2040	4,375,967	169,320
	<u>\$ 24,467,540</u>	<u>\$ 4,865,865</u>

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 \$29,180,354. Of this amount, \$23,121,648 had been drawn down as of June 30, 2021.

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(10) Long-term Debt (Continued):

Changes in Long-term Liabilities:

Long-term liability activity for the year ended June 30, 2021, was as follows:

Liability	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated leave	\$ 27,026,663	\$ 11,186,998	\$ 7,992,301	\$ 30,221,360	\$ 8,152,147
Claims and judgment costs	14,866,718	4,165,579	3,872,653	15,159,644	4,265,000
Capital lease payable	9,958,682	2,636,754	4,150,551	8,444,885	3,257,546
Estimated liability for landfill postclosure care costs	693,000	-	209,000	484,000	69,143
Unamortized bond premium	13,552,966	-	1,237,776	12,315,190	1,237,776
Bonds	166,085,000	-	13,185,000	152,900,000	13,305,000
Net OPEB liability	73,536,106	-	19,689,694	53,846,412	-
Net pension liability	188,380,475	-	46,083,606	142,296,869	-
Governmental activity					
Long-term liabilities	\$ 494,099,610	\$ 17,989,331	\$ 96,420,581	\$ 415,668,360	\$ 30,286,612
Business-type activities:					
Compensated leave	\$ 3,236,689	\$ 1,086,957	\$ 935,960	\$ 3,387,686	\$ 948,752
Capital lease payable	3,316,096	329,508	1,288,316	2,357,288	942,073
Loans payable	19,164,277	5,474,582	171,319	24,467,540	148,153
Unamortized bond premium	26,024,041	-	1,543,414	24,480,627	1,543,414
Bonds	326,475,000	-	10,720,000	315,755,000	11,140,000
Net OPEB liability	6,189,485	-	2,628,815	3,560,670	-
Net pension liability	24,813,750	-	5,533,150	19,280,600	-
Business-type activity					
Long-term liabilities	\$ 409,219,338	\$ 6,891,047	\$ 22,820,974	\$ 393,289,411	\$ 14,722,392

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, 2021 totaled \$185,506,272. The County's legal debt margin for general obligation debt at year end was \$430,847,654. Delaware Code allows for the exclusion of Enterprise debt from the legal debt margin.

(12) Prior Year Defeasance of Debt:

As of June 30, 2021, the County had no bonds outstanding that were considered defeased.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(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 \$484,000. 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 and Sewer Funds. The County recognizes expenditures/expenses in the General and Sewer Funds. 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:

	<u>Governmental</u>		<u>Business-type</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning balance	\$ 14,866,718	\$ 16,041,865	\$ -	\$ 96,752
Incurred claims	4,165,579	\$ 1,592,864	- -	- -
Claim payments and adjustments	\$ (3,872,653)	\$ (2,768,011)	- -	(96,752)
Unpaid claims, ending balance	<u>\$ 15,159,644</u>	<u>\$ 14,866,718</u>	<u>\$ -</u>	<u>\$ -</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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(15) Contingencies (Continued):

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 2023, provided, however, that if events beyond the control of the County prevent the completion of the reassessment by that date, the vendor may elect a schedule that will result in reassessment being completed by February of 2025. The general reassessment will cost \$14.35 million if completed in 2023 or \$15.5 million if completed in 2025 (due to a two-year extension of necessary software licenses). The reassessment will be paid from a Reassessment Reserve Account currently funded with \$30 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 included in the financial statements. As of June 30, 2021, conduit debt in an aggregate principal amount of \$53,200,000 was outstanding.

(17) Unrestricted Net Position:

General Fund

The County's committed net position represents resources that are subject to legislated restrictions on how they may be used. For the general fund, reserves have been established for the following purposes: Budget Reserve account of \$42,951,901 was legislated to set aside resources to cover unanticipated deficits or revenue reductions and other externally imposed regulations; Tax Stabilization Reserve account of \$70,619,431 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; Transfer Tax of \$7,662,425 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 to establish these reserves and appropriate these reserves as may be necessary.

Business-type Activities / Sewer Facilities Fund

Business-type activities reported unrestricted net position of \$7,290,282 of which \$4,744,310 is comprised of capital recovery fees that are restricted by management for Sewer Fund debt service.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(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** (\$563,579): Prepaid costs are reserved to cover charges that will be incurred within the next ninety days.
- **Restricted:**
 - **Light tax** (\$1,221,001): This balance is restricted for lighting costs financed with revenues from users within the light districts.
 - **Crossing guard** (\$641,020): This balance is restricted for school crossing guard costs financed with revenues from users within the school districts.
 - **Garstin trust** (\$4,140,597): This balance is restricted for the care, maintenance, and upkeep of parks in New Castle County.
 - **Housing trust** (\$16,914,990): This balance is restricted for costs to construct, purchase, and maintain permanently affordable housing units.
 - **Grants** (\$2,630,104): This balance is restricted for use in accordance with the purpose of grant agreements.
 - **Capital projects** (\$5,103,566): This balance is restricted for acquisition or construction of capital facilities or equipment other than those financed by proprietary funds.
- **Committed:**
 - **Budget reserve** (\$42,951,901): The budget reserve was legislated to set aside resources of twenty percent of the General Fund's Fiscal Year 2021 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 appropriate these funds for the established conditions or to change the percentage allocated to this fund.
 - **Tax stabilization reserve** (\$70,619,431): 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** (\$7,662,425): 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** (\$10,029): County Council is authorized to appropriate this fund balance.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(18) Fund Balance (Continued):

- **Committed (Continued):**
 - **Strategic Economic Development fund** (\$525,000): County Council is authorized to appropriate this fund balance.
 - **Reassessment Reserve** (\$30,000,000): County Council is authorized to appropriate this fund balance.
- **Assigned:**
 - **Departmental purposes** (\$1,245,046): 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, 2021. County Council appropriated fund balance for these encumbrances. The separation of these funds by function is detailed below:
 - **General Government** - \$90,260
 - **Public Works** - \$386,001
 - **Community Services** - \$27,191
 - **Land Use** - \$206,103
 - **Public Safety** - \$264,994
 - **Judiciary Offices** - \$2,149
 - **Crossing Guard** - \$268,348

Fund Balance Deficit

The Facilities and Equipment Capital Projects fund has a fund deficit of \$212 and the Miscellaneous Capital Capital Projects fund has a fund deficit of \$1,205,470 as of June 30, 2021. These fund balance deficits will be eliminated when authorized bonds are issued.

(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, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

Membership consisted of the following at July 1, 2020, the date of the latest actuarial valuation:

Medical/Drug		Life	
Actives	1,433	Actives	1,433
Retirees	982	Retirees	982
Total	<u>2,415</u>		<u>2,415</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 2021, the County contributed \$7,393,141 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, 2021:

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

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, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

Rate of Return:

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 28.3%. 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, 2021, were as follows:

Total OPEB Liability	\$124,049,236
Plan Fiduciary Net Position	<u>66,642,154</u>
County's Net OPEB Liability	<u>\$ 57,407,082</u>
Plan Fiduciary Net Position as a percentage of Total OPEB liability	53.7%

Actuarial Methods and Assumptions:

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, 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 5.75% to 4.25%.

Mortality rates were based on the RP-2014 Combined Healthy Mortality Table with Blue Collar adjustments and generational projections using SSA-2015 scale 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.

The assumed rate of return was reduced to 6.00% from 6.50% since the prior year.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

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.

Asset Class	Long-Term Expected Real Return - Portfolio	Weight
Domestic Equity	6.10%	35%
International Equity	6.40%	35%
Fixed Income – U.S.	1.35%	30%
Total Weighted Average Real Return	4.78%	100%
Plus inflation	2.50%	
Total return without Adjustment	7.28%	
Risk adjustment	-1.28%	
Total Expected Return	6.00%	

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

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:

	Current		
	1% Decrease	Discount Rate	1% Increase
Discount rate	5.00%	6.00%	7.00%
Total OPEB Liability	\$ 140,108,653	\$ 124,049,236	\$ 110,769,869
Plan Net Position	66,642,154	66,642,154	66,642,154
Net OPEB Liability	<u>\$ 73,466,499</u>	<u>\$ 57,407,082</u>	<u>\$ 44,127,715</u>
Ratio of Plan Net Position to Total OPEB Liability	47.56%	53.72%	60.16%

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 5.75% 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:

	Current Ultimate		
	1% Decrease	Trend Rate	1% Increase
Ultimate Trend	3.25%	4.25%	5.25%
Total OPEB Liability	\$ 106,108,096	\$ 124,049,236	\$ 146,062,321
Plan Net Position	66,642,154	66,642,154	66,642,154
Net OPEB Liability	<u>\$ 39,465,942</u>	<u>\$ 57,407,082</u>	<u>\$ 79,420,167</u>
Ratio of Plan Net Position to Total OPEB Liability	62.81%	53.72%	45.63%

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

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, 2021, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
Balances at 6/30/20	\$130,880,687	\$51,155,096	\$79,725,591
Changes for the year:			
Service cost	3,367,370	-	3,367,370
Interest	8,521,618	-	8,521,618
Changes in benefit terms	-	-	-
Difference between expected & actual experience	(31,618,315)	-	(31,618,315)
Changes in assumptions	19,291,017	-	19,291,017
Contributions – employer	-	7,393,141	(7,393,141)
Contributions – employee	-	1,091,422	(1,091,422)
Net investment income	-	14,503,559	(14,503,559)
Benefit payments	(6,393,141)	(7,484,563)	1,091,422
Administrative expense	-	(16,501)	16,501
Net changes	(6,831,451)	15,487,058	(22,318,509)
Balances at 6/30/21	\$124,049,236	\$66,642,154	\$57,407,082

As of June 30, 2021, \$3,560,670 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 \$53,846,412 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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(19) Other Post Employment Benefits (Continued):

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

The County recognized \$4,028,931 in OPEB expense and as of June 30, 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience (gain) or loss	\$ -	\$ (33,378,314)
Changes of assumptions	19,782,241	-
Net difference between projected and actual earnings on plan investments	-	(8,319,270)
Total	\$ 19,782,241	\$ (41,697,584)

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

Fiscal Year ended June 30	Amount
2022	\$ (4,805,346)
2023	(4,735,466)
2024	(4,804,930)
2025	(4,047,513)
2026	(1,761,042)
After 2026	(1,761,046)
Total	<u>\$ (21,915,343)</u>

(20) On-Behalf Payments:

The County receives a pension contribution from the State of Delaware for New Castle County Police and Prothonotary employees 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 2021 was \$3,536,177.

(21) Operating Lease:

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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(22) Capital Leases:

The County has entered into numerous lease 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 4.80% per annum. The County has also entered into a lease agreement for the financing of energy efficient HVAC building equipment. Payments are due in quarterly installments with an interest rate of 3.79%. These capital leases have been recorded at the present value of their future minimum lease payments as of the inception date.

The capital assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Equipment and building equipment	\$41,021,645	\$11,315,143
Less: Accumulated depreciation	27,188,218	7,381,614
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	\$13,833,427	\$3,933,529

The Governmental Activities minimum lease payment amounted to \$4,362,298 in fiscal year 2021. The Business-type Activities minimum lease payment amounted to \$1,355,507 in fiscal year 2021. The future lease payments under the capital leases at June 30, 2021 are as follows:

Fiscal Year	Governmental Activities	Business-type Activities
2022	\$ 3,411,626	\$ 987,075
2023	2,735,081	784,073
2024	1,606,934	389,219
2025	813,884	208,261
2026	152,432	67,972
Total minimum lease payments	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	8,719,957	2,436,600
Less: amount representing interest	275,072	79,313
Present value of minimum lease payments	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 8,444,885	\$ 2,357,287

(23) 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, 2021
(Continued)

(24) 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, 2021
(Continued)

(24) 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 1st 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, 2021
(Continued)

(24) 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 39.62% 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, 2020, valuation is used to establish the contribution level for the year ended June 30, 2021.

The total pension liability was determined as of June 30, 2021 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, 2021
(Continued)

(24) 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. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

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, 2021, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weight
Domestic Equity	6.10%	23%
International Equity	6.40%	17%
Fixed Income – U.S.	1.35%	31%
Global Asset Allocation	5.10%	10%
Opportunistic Debt	3.25%	3%
Real Estate	4.85%	5%
Private Equity	8.10%	5%
Hedge Funds	2.50%	5%
Cash Equivalents	0.40%	1%
Total Weighted Average Real Return	4.29%	100%
Plus inflation	2.75%	
Total return without Adjustment	7.04%	
Risk adjustment	-0.04%	
Total Expected Return	7.00%	

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(24) Defined Benefit Pension Plans (Continued):

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

Discount Rate

The discount rate used to measure 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:

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total Pension Liability	\$785,964,090	\$709,028,826	\$630,823,167
Plan Net Position	552,356,443	552,356,443	552,356,443
Net Pension Liability	<u>\$233,607,647</u>	<u>\$156,672,383</u>	<u>\$78,466,724</u>
Ratio of Plan Net Position to Total Pension Liability	70.3%	77.9%	87.6%

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(24) 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, 2021, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at 6/30/20	\$660,731,476	\$457,082,924	\$203,648,552
Changes for the year:			
Service cost	7,622,511	-	7,622,511
Interest	45,222,885	-	45,222,885
Differences between expected and actual experience	10,034,013	-	10,034,013
Changes in assumptions	30,811,236	-	30,811,236
Contributions – employer	-	30,026,272	(30,026,272)
Contributions – employee	-	2,790,057	(2,790,057)
Net investment income	-	108,424,912	(108,424,912)
Benefit payments, including refunds of employee contributions	(45,393,295)	(45,393,295)	-
Administrative expense	-	(574,427)	574,427
Net changes	48,297,350	95,273,519	(46,976,169)
Balances at 6/30/21	\$709,028,826	\$552,356,443	\$156,672,383

As of June 30, 2021, \$19,280,600 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 \$137,391,783 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 \$19,921,966 in Pension expense for fiscal year 2021 and as of June 30, 2021, 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	\$ 12,386,385	\$ (1,257,475)
Changes in actuarial assumptions	40,563,709	-
Net difference between projected and actual earnings on plan investments	-	(54,013,819)
Total	\$ 52,950,094	\$ (55,271,294)

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(24) 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>		
2022	\$	3,438,938
2023		4,771,270
2024		(3,287,262)
2025		(7,244,146)
Total	\$	(2,321,200)

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, 2021
(Continued)

(24) 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, 2020.

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, 2021, 2020, and 2019: 16.59%, 16.84%, and 16.68%. The County's contributions to the plan for the same fiscal years were \$5,132,783, \$4,900,686, and \$4,900,351, 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 RP-2014 Mortality Tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 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, 2020 in the Schedule of Employer Allocations in the DPERS County and Municipal Police and Firefighters' Pension Plan report. The proportionate share percentage is 31.9%, a decrease of 1.3% from the year ending June 30, 2019.

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, 2021
(Continued)

(24) 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	28.5%	5.7%
International equity	15.2%	5.7%
Fixed income	28.8%	2.0%
Alternative investments	23.0%	7.8%
Cash and equivalents	4.5%	0.0%
Total	100.0%	

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)	\$85,541,000	\$15,368,330	\$(41,906,000)
County's Proportionate Share	\$27,301,985	\$ 4,905,086	\$(13,375,071)

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 \$305,748 in Pension expense in fiscal year 2021 and, as of June 30, 2021 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, 2021
(Continued)

(24) 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	\$ 5,132,783	\$ ---
Proportionate share increase	70,162	(169,138)
Experience (gain) or loss	4,880,293	(1,545,541)
Changes of assumptions	1,811,032	(741,013)
Net difference between projected and actual earnings on plan investments	---	(3,477,604)
Total	\$ 11,894,270	\$ (5,933,296)

The County reported \$5,132,783 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, 2022. 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>		
2022	\$ (264,941)	
2023	(264,941)	
2024	(264,941)	
2025	(264,942)	
2026-2030	1,887,956	
Total	\$ 828,191	

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

	Total Pension Liability	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
New Castle County Pension Plan	\$709,028,826	\$156,672,383	\$52,950,094	\$(55,271,294)	\$19,921,966
DPERS (proportionate share)	N/A	4,905,086	11,894,270	(5,933,296)	305,748
Total Pension Plans	\$709,028,826	\$161,577,469	\$64,844,364	\$(61,204,590)	\$20,227,714

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(Continued)

(25) Tax Abatements:

As of June 30, 2021, New Castle County provides two tax abatements requiring disclosure under GASB Statement No. 77:

- 1) Ordinance No. 17-038 provides an exemption from County property taxes on property purchased by Del Monte Fresh Produce, N.A., Inc. ("Del Monte") at 300 Executive Drive in Newark, Delaware, for any increase in assessed valuation attributable to new construction or renovation of the property. The exemption commenced on July 1, 2017 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, 2022. If Del Monte 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. In November 2020, Del Monte transferred ownership of this parcel to a third party and the exemption terminated.
- 2) 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. \$39,076.67 in County property taxes qualified for this tax abatement in fiscal year 2021.

(27) Subsequent Events:

New Castle County performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that the County reached an agreement with the City of Wilmington on May 31, 2022 whereby the County is to pay \$6,657,360 for additional wastewater treatment costs for the fiscal years 2017 through 2020. Payment was made to the City of Wilmington on June 8, 2022.

Required Supplementary Information

NEW CASTLE COUNTY, DELAWARE EMPLOYEES' PENSION PROGRAM
(A Pension Trust Fund of New Castle County, Delaware)
Required Supplementary Information
June 30, 2021

Schedule of Changes in Net Pension Liability and Related Ratios*

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Total Pension Liability								
Service Cost	\$ 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	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	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	(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	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	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	<u>\$ 709,028,826</u>	<u>\$ 660,731,476</u>	<u>\$ 646,646,296</u>	<u>\$ 601,112,807</u>	<u>\$ 589,509,112</u>	<u>\$ 583,995,260</u>	<u>\$ 560,105,619</u>	<u>\$ 546,565,266</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 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	2,790,057	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)	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	(45,393,295)	(44,182,032)	(42,835,175)	(41,141,436)	(39,523,627)	(37,813,325)	(36,345,952)	(34,213,002)
Administrative expenses	(574,320)	(743,098)	(830,410)	(717,800)	(682,369)	(660,453)	(581,179)	(642,018)
Other expenses	(107)	(31,633)	(61,202)	(16,704)	(33,285)	-	-	-
Net Change in Plan Fiduciary Net Position	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	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	<u>\$ 552,356,443</u>	<u>\$ 457,082,924</u>	<u>\$ 454,154,613</u>	<u>\$ 445,967,468</u>	<u>\$ 425,727,245</u>	<u>\$ 400,021,036</u>	<u>\$ 427,521,515</u>	<u>\$ 428,424,074</u>
Net Pension Liability - Beginning of Year	<u>\$ 203,648,552</u>	<u>\$ 192,491,683</u>	<u>\$ 155,145,339</u>	<u>\$ 163,781,867</u>	<u>\$ 183,974,224</u>	<u>\$ 132,584,104</u>	<u>\$ 118,141,192</u>	<u>\$ 130,969,879</u>
Net Pension Liability - End of Year	<u>\$ 156,672,383</u>	<u>\$ 203,648,552</u>	<u>\$ 192,491,683</u>	<u>\$ 155,145,339</u>	<u>\$ 163,781,867</u>	<u>\$ 183,974,224</u>	<u>\$ 132,584,104</u>	<u>\$ 118,141,192</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	77.9%	69.2%	70.2%	74.2%	72.2%	68.5%	76.3%	78.4%
Covered Payroll	\$ 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	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.

*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 EMPLOYEES' PENSION PROGRAM

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

Required Supplementary Information

June 30, 2021

SCHEDULE OF COUNTY CONTRIBUTIONS

Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 30,026,272	\$ 26,734,944	\$ 22,504,179	\$ 22,677,474	\$ 17,259,347	\$ 17,035,119	\$ 19,158,322	\$ 14,803,656	\$ 13,407,480	\$ 14,186,487
Contributions in relation to the actuarially determined contribution	30,026,272	26,734,944	22,504,179	22,677,474	17,259,347	17,035,119	18,025,371	13,672,749	13,626,668	13,063,608
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132,951	\$ 1,130,907	\$ (219,188)	\$ 1,122,879
Covered payroll	\$ 66,089,534	\$ 63,662,011	\$ 62,750,893	\$ 63,082,234	\$ 61,704,013	\$ 61,711,130	\$ 62,272,733	\$ 62,346,860	\$ 62,292,327	\$ 64,113,546
Contributions as a percentage of covered payroll	45.43%	42.00%	35.86%	35.95%	27.97%	27.60%	28.95%	21.93%	21.88%	20.38%

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 have also been two separate time periods in which the actuarial contribution rate was phased in over a period of several years. This occurred in 2010 through 2012, as well as 2014 through 2015. 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
YEAR ENDED JUNE 30, 2021

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*:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension asset/(liability)	32%	33%	33%	33%	33%	33%
County's proportionate share of the net pension asset/(liability)	\$ (4,905,086)	\$ (9,545,673)	\$ (7,663,479)	\$ (3,278,567)	\$ (5,301,474)	\$ 1,724,155
County's covered payroll	\$ 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	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)	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, 2021

SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Required contribution	\$ 5,089,826	\$ 4,896,496	\$ 4,900,341	\$ 3,250,051	\$ 3,642,408	\$ 3,364,482	\$ 3,290,327	\$ 3,268,300	\$ 2,931,021	\$ 2,692,809
Contributions in relation to the required contribution	5,132,783	4,900,686	4,900,351	3,308,991	3,679,422	3,365,308	3,293,491	3,270,358	2,928,485	2,692,809
Contribution deficiency/(excess)	\$ (42,957)	\$ (4,190)	\$ (10)	\$ (58,940)	\$ (37,014)	\$ (826)	\$ (3,164)	\$ (2,058)	\$ 2,536	\$ -
Covered payroll	\$ 30,680,085	\$ 29,076,581	\$ 29,378,545	\$ 28,459,289	\$ 26,451,763	\$ 24,292,287	\$ 23,203,998	\$ 21,058,636	\$ 19,871,328	\$ 18,532,755
Contributions as a percentage of covered payroll	16.73%	16.85%	16.68%	11.63%	13.91%	13.85%	14.19%	15.53%	14.74%	14.53%

NEW CASTLE COUNTY, DELAWARE
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

NEW CASTLE COUNTY, DELAWARE
OTHER POST EMPLOYMENT BENEFITS TRUST FUND

Schedule of Changes in Net OPEB Liability and Related Ratios*

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>
<u>Total OPEB Liability</u>					
Service Cost	\$ 3,367,370	\$ 3,269,291	\$ 2,691,193	\$ 4,370,366	\$ 4,243,074
Interest	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	(31,618,315)	-	(12,553,801)	-	-
Changes in assumptions	19,291,017	-	6,494,167	-	-
Benefit payments, including refunds	(6,393,141)	(4,206,368)	(4,767,616)	(7,185,024)	(8,956,954)
<u>Net Change in Total OPEB Liability</u>	<u>(6,831,451)</u>	<u>7,181,330</u>	<u>(94,911,057)</u>	<u>11,589,936</u>	<u>8,997,965</u>
 Total OPEB Liability – Beginning of Year	 130,880,687	 123,699,357	 218,610,414	 207,020,478	 198,022,513
 Total OPEB Liability – End of Year	 \$ 124,049,236	 \$ 130,880,687	 \$ 123,699,357	 \$ 218,610,414	 \$ 207,020,478
 <u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$ 7,393,141	\$ 5,206,368	\$ 5,767,616	\$ 8,185,024	\$ 9,956,954
Net investment income	14,503,559	1,883,359	2,776,954	3,170,902	4,374,426
Benefit payments	(6,393,141)	(4,206,368)	(4,767,616)	(7,185,024)	(8,956,954)
Administrative expenses	(16,501)	(9,241)	(15,478)	(4,010)	(16,475)
<u>Net Change in Plan Fiduciary Net Position</u>	<u>15,487,058</u>	<u>2,874,118</u>	<u>3,761,476</u>	<u>4,166,892</u>	<u>5,357,951</u>
 Plan Fiduciary Net Position - Beginning of Year	 51,155,096	 48,280,978	 44,519,502	 40,352,610	 34,994,659
 Plan Fiduciary Net Position - End of Year	 \$ 66,642,154	 \$ 51,155,096	 \$ 48,280,978	 \$ 44,519,502	 \$ 40,352,610
 Net OPEB Liability – Beginning of Year	 \$ 79,725,591	 \$ 75,418,379	 \$ 174,090,912	 \$ 166,667,868	 \$ 163,027,854
 Net OPEB Liability – End of Year	 \$ 57,407,082	 \$ 79,725,591	 \$ 75,418,379	 \$ 174,090,912	 \$ 166,667,868
 Plan Fiduciary Net Position as a percentage of Total OPEB Liability	 53.7%	 39.1%	 39.0%	 20.4%	 19.5%
 Covered Payroll	 \$ 96,769,619	 \$ 92,738,592	 \$ 92,129,438	 \$ 91,541,524	 \$ 88,155,776
 Net OPEB Liability as a percentage of Covered Payroll	 59.3%	 86.0%	 81.9%	 190.1%	 189.1%

*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, 2021

SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 8,692,389	\$ 9,617,995	\$ 9,414,559	\$ 18,489,193	\$ 18,338,946	\$ 17,582,179	\$ 22,562,637	\$ 24,179,501	\$ 24,585,445	\$ 22,958,228
Contributions in relation to the actuarially determined contribution	7,393,141	5,206,368	5,767,616	8,185,024	9,956,954	9,883,996	9,361,876	9,363,060	11,451,980	11,387,500
Contribution deficiency	\$ 1,299,248	\$ 4,411,627	\$ 3,646,943	\$ 10,304,169	\$ 8,381,992	\$ 7,698,183	\$ 13,200,761	\$ 14,816,441	\$ 13,133,465	\$ 11,570,728
Covered payroll	\$96,769,619	\$92,738,592	\$92,129,438	\$91,541,524	\$88,155,776	\$86,003,417	\$85,476,731	\$83,405,496	\$82,163,655	\$82,646,301
Contributions as a percentage of covered payroll	7.64%	5.61%	6.26%	8.94%	11.29%	11.49%	10.95%	11.23%	13.94%	13.78%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years*

	<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	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, 2021**

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, 2020.

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: 5.75% initially, grading down to 4.25% ultimate

Mortality rates:

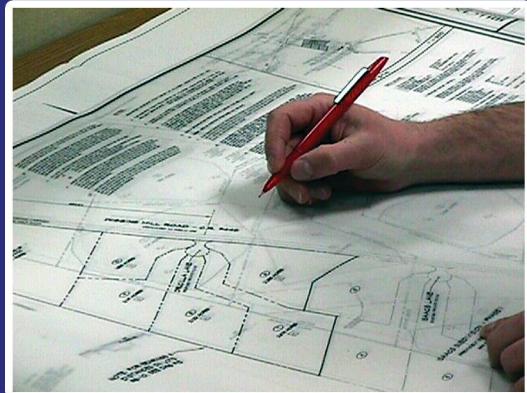
Mortality rates were based on the RP-2014 Combined Mortality Tables with Blue Collar adjustments and generational projections using Scale SSA with a 1 year set forward for females. 50% of these rates are applied for pre-retirement deaths. Mortality rates for Disabled members were based on the RP-2014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

Changes of actuarial assumptions: The assumed rate of return was reduced to 6.00% from 6.50% in the current year. The Healthcare Trend was reduced from 6.50% to 5.75% initially and is now grading down to 4.25% instead of 4.50% previously. Demographic changes to the Rates of Retirement and Rates of Disability were also made based on an experience study that was completed in 2018.

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

Land Use



NEW CASTLE COUNTY, DELAWARE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	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		
ASSETS:											
Cash and cash equivalents	\$ -	\$ -	\$ 32,869	\$ 16,914,990	\$ 16,947,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,947,859
Investments	-	-	4,109,183	-	4,109,183	-	-	-	-	-	4,109,183
Receivables (net of allowances):											
Taxes, including interest and penalties	106,464	68,475	-	-	174,939	-	-	-	-	-	174,939
Other	-	-	1,170	-	1,170	-	-	-	-	-	1,170
Due from other funds	1,614,979	933,170	-	-	2,548,149	-	6,573,072	345,532	-	6,918,604	9,466,753
Due from other governments	-	-	-	-	-	3,717,282	38,414	-	-	3,755,696	3,755,696
Total assets	\$ 1,721,443	\$ 1,001,645	\$ 4,143,222	\$ 16,914,990	\$ 23,781,300	\$ 3,717,282	\$ 6,611,486	\$ 345,532	\$ -	\$ 10,674,300	\$ 34,455,600
LIABILITIES:											
Vouchers payable and accrued expenditures	\$ 500,442	\$ 29,814	\$ 2,625	\$ -	\$ 532,881	\$ 1,606,493	\$ 1,501,678	\$ 185,375	\$ 225,020	\$ 3,518,566	\$ 4,051,447
Due to other funds	-	-	-	-	-	1,851,385	-	-	980,450	2,831,835	2,831,835
Retainage payable	-	-	-	-	-	259,616	40,512	125,887	-	426,015	426,015
Total liabilities	500,442	29,814	2,625	-	532,881	3,717,494	1,542,190	311,262	1,205,470	6,776,416	7,309,297
DEFERRED INFLOWS OF RESOURCES:											
Unavailable revenue-property taxes	-	62,463	-	-	62,463	-	-	-	-	-	62,463
FUND BALANCES:											
Restricted for:											
Light tax	1,221,001	-	-	-	1,221,001	-	-	-	-	-	1,221,001
Crossing guard	-	641,020	-	-	641,020	-	-	-	-	-	641,020
Garstin trust	-	-	4,140,597	-	4,140,597	-	-	-	-	-	4,140,597
Housing trust	-	-	-	16,914,990	16,914,990	-	-	-	-	-	16,914,990
Capital projects	-	-	-	-	-	-	5,069,296	34,270	-	5,103,566	5,103,566
Assigned for:											
Crossing guard	-	268,348	-	-	268,348	-	-	-	-	-	268,348
Unassigned (Note 18)	-	-	-	-	-	(212)	-	-	(1,205,470)	(1,205,682)	(1,205,682)
Total fund balances	1,221,001	909,368	4,140,597	16,914,990	23,185,956	(212)	5,069,296	34,270	(1,205,470)	3,897,884	27,083,840
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,721,443	\$ 1,001,645	\$ 4,143,222	\$ 16,914,990	\$ 23,781,300	\$ 3,717,282	\$ 6,611,486	\$ 345,532	\$ -	\$ 10,674,300	\$ 34,455,600

NEW CASTLE COUNTY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	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		
Revenues:												
Taxes	\$ 6,316,392	\$ 3,207,987	\$ -	\$ -	\$ 9,524,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,524,379	
Licenses and permits	-	-	-	315,862	315,862	-	-	-	-	-	315,862	
Intergovernmental	-	-	-	-	-	3,568,887	421,510	300,000	-	4,290,397	4,290,397	
Investment income	-	-	147,436	-	147,436	-	-	-	-	-	147,436	
Net appreciation in fair value of investments	-	-	753,519	-	753,519	-	-	-	-	-	753,519	
Contributions from private sources	-	-	-	-	-	670,000	17,500	-	-	687,500	687,500	
Miscellaneous Revenue	-	-	-	-	-	-	-	12,224	74,195	86,419	86,419	
Total revenues	6,316,392	3,207,987	900,955	315,862	10,741,196	4,238,887	439,010	312,224	74,195	5,064,316	15,805,512	
Expenditures:												
Current:												
General government	6,476,974	987,161	-	-	7,464,135	-	-	-	-	-	7,464,135	
Public safety	-	2,427,321	-	-	2,427,321	-	-	-	-	-	2,427,321	
Public Works	-	-	183,750	-	183,750	-	-	-	-	-	183,750	
Capital outlays	-	-	-	-	-	15,506,719	4,485,631	3,407,573	2,075,471	25,475,394	25,475,394	
Total expenditures	6,476,974	3,414,482	183,750	-	10,075,206	15,506,719	4,485,631	3,407,573	2,075,471	25,475,394	35,550,600	
Excess (deficiency) of revenues over expenditures	(160,582)	(206,495)	717,205	315,862	665,990	(11,267,832)	(4,046,621)	(3,095,349)	(2,001,276)	(20,411,078)	(19,745,088)	
Other Financing Sources:												
Capital leases	-	-	-	-	-	2,307,830	-	-	-	2,307,830	2,307,830	
Transfers in	-	-	-	15,000,000	15,000,000	5,487,447	750,000	150,000	-	6,387,447	21,387,447	
Transfers out	-	-	-	(500,000)	(500,000)	(1,000,000)	-	-	-	(1,000,000)	(1,500,000)	
Total other financing sources	-	-	-	14,500,000	14,500,000	6,795,277	750,000	150,000	-	7,695,277	22,195,277	
Net change in fund balances	(160,582)	(206,495)	717,205	14,815,862	15,165,990	(4,472,555)	(3,296,621)	(2,945,349)	(2,001,276)	(12,715,801)	2,450,189	
Fund Balances:												
Beginning of year	1,381,583	1,115,863	3,423,392	2,099,128	8,019,966	4,472,343	8,365,917	2,979,619	795,806	16,613,685	24,633,651	
End of year	\$ 1,221,001	\$ 909,368	\$ 4,140,597	\$ 16,914,990	\$ 23,185,956	\$ (212)	\$ 5,069,296	\$ 34,270	\$ (1,205,470)	\$ 3,897,884	\$ 27,083,840	

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 6,248,881	\$ 6,248,881	\$ 6,316,392	\$ 67,511
Expenditures:				
General government	<u>6,429,302</u>	<u>6,509,302</u>	<u>6,476,974</u>	<u>32,328</u>
Excess (deficiency) of revenues over expenditures	(180,421)	(260,421)	(160,582)	99,839
Fund Balance:				
Beginning of year	<u>1,381,583</u>	<u>1,381,583</u>	<u>1,381,583</u>	<u>-</u>
End of year	<u>\$ 1,201,162</u>	<u>\$ 1,121,162</u>	<u>\$ 1,221,001</u>	<u>\$ 99,839</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, 2021 (1)

	Actual			
	Prior Years	Current Year	Total to Date	Grant Budget
Revenues:				
Intergovernmental	\$ 540,405,327	\$ 294,601,505	\$ 835,006,832	\$ 889,854,832
Charges for services	60,101,899	1,660,964	61,762,863	62,362,788
Investment income	1,664,048	127,658	1,791,706	1,640,727
Total revenues	602,171,274	296,390,127	898,561,401	953,858,347
Expenditures:				
General government	35,175,022	268,168,630	303,343,652	328,174,251
Public safety	73,922,950	2,896,319	76,819,269	81,776,462
Public works	1,112,059	-	1,112,059	1,112,059
Community services	515,960,342	25,702,802	541,663,144	570,092,097
Land use	5,417,043	0	5,417,043	5,650,709
Total expenditures	631,587,416	296,767,751	928,355,167	986,805,578
Deficiency of revenues over expenditures	(29,416,142)	(377,624)	(29,793,766)	(32,947,231)
Other Financing Sources:				
Net transfers in	31,282,865	1,141,005	32,423,870	32,947,231
Net change in fund balance	\$ 1,866,723	763,381	\$ 2,630,104	\$ -
Fund Balance:				
Beginning of year		1,866,723		
End of year		\$ 2,630,104		

(1) Encompassing current grant file information.

CAPITAL PROJECTS FUNDS

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Actual			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Intergovernmental	\$ 28,924,886	\$ 4,290,397	\$ 33,215,283	\$ 38,111,422
Contributions from Private Sources	\$ 1,674,826	\$ 687,500	\$ 2,362,326	\$ 2,424,826
Other	7,432,958	86,419	7,519,377	7,507,158
Total revenues	38,032,670	5,064,316	43,096,986	48,043,406
Expenditures:				
General government	10,510,169	2,075,471	12,585,640	22,878,413
Public safety	24,691,980	3,407,573	28,099,553	34,211,713
Public works	136,571,509	13,002,225	149,573,734	203,282,036
Community services	47,764,398	6,990,125	54,754,523	67,220,730
Total expenditures	219,538,056	25,475,394	245,013,450	327,592,892
Deficiency of revenues over expenditures	(181,505,386)	(20,411,078)	(201,916,464)	(279,549,486)
Other Financing Sources/(Uses):				
Debt issuance	153,655,181	-	153,655,181	225,144,134
Bond premium	8,357,789	-	8,357,789	8,357,789
Capital lease proceeds	5,295,080	2,307,830	7,602,910	-
Transfers	30,811,021	5,387,447	36,198,468	46,047,563
Total other financing sources	198,119,071	7,695,277	205,814,348	279,549,486
Net change in fund balances	\$ 16,613,685	(12,715,801)	\$ 3,897,884	\$ -
Fund Balances:				
Beginning of year		16,613,685		
End of year		\$ 3,897,884		

(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, 2021

	Budgeted Amounts			Variance with Final Budget (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 3,668,179	\$ 3,668,179	\$ 3,207,987	\$ (460,192)
Expenditures:				
General government	987,161	987,161	987,161	-
Public safety	2,681,018	2,683,328	2,427,321	256,007
Total expenditures	3,668,179	3,670,489	3,414,482	256,007
Net change in fund balance	-	(2,310)	(206,495)	(204,185)
Fund Balance:				
Beginning of year	1,115,863	1,115,863	1,115,863	-
End of year	\$ 1,115,863	\$ 1,113,553	\$ 909,368	\$ (204,185)

NEW CASTLE COUNTY, DELAWARE

BALANCE SHEET BY SUBFUND

GENERAL FUND

June 30, 2021

General Fund						
	General	Jean W. Sinclair Trust	Strategic Economic Development	Reassessment Reserve	Total General Fund	
ASSETS:						
Cash and cash equivalents	\$ 36,992,119	\$ 10,029	\$ 525,000	\$ 30,000,000	\$ 67,527,148	
Investments	126,212,837	-	-	-	126,212,837	
Receivables (net of allowances):						
Taxes, including interest and penalties	2,802,767	-	-	-	2,802,767	
Accounts	3,187,957	-	-	-	3,187,957	
Other	260,165	-	-	-	260,165	
Due from other funds	2,831,835	-	-	-	2,831,835	
Cash - restricted	11,236,319	-	-	-	11,236,319	
Capital assets held for resale	317,995	-	-	-	317,995	
Prepaid costs	563,579	-	-	-	563,579	
Total assets	\$ 184,405,573	\$ 10,029	\$ 525,000	\$ 30,000,000	\$ 214,940,602	
LIABILITIES:						
Vouchers payable and accrued expenditures	\$ 21,389,147	\$ -	\$ -	\$ -	\$ 21,389,147	
Due to other funds	9,466,753	-	-	-	9,466,753	
Other liabilities	14,262,438	-	-	-	14,262,438	
Escrowed amounts	9,944,317	-	-	-	9,944,317	
Unearned revenues	317,995	-	-	-	317,995	
Total liabilities	\$ 55,380,650	-	-	-	\$ 55,380,650	
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue-property taxes	2,597,324	-	-	-	2,597,324	
FUND BALANCES:						
Nonspendable:						
Prepaid costs	563,579	-	-	-	563,579	
Committed to:						
Budget reserve	42,951,901	-	-	-	42,951,901	
Tax stabilization reserve	70,619,431	-	-	-	70,619,431	
Transfer tax proceeds	7,662,425	-	-	-	7,662,425	
Library	-	10,029	-	-	10,029	
Strategic Economic Development fund	-	-	525,000	-	525,000	
Reassessment Reserve	-	-	-	30,000,000	30,000,000	
Assigned to:						
Other departmental purposes	976,698	-	-	-	976,698	
Unassigned	3,653,565	-	-	-	3,653,565	
Total fund balances	\$ 126,427,599	\$ 10,029	\$ 525,000	\$ 30,000,000	\$ 156,962,628	
Total liabilities, deferred inflows of resources, and fund balances	\$ 184,405,573	\$ 10,029	\$ 525,000	\$ 30,000,000	\$ 214,940,602	

NEW CASTLE COUNTY, DELAWARE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund					Total General Fund
	General	Jean W. Sinclair Trust	Strategic Economic Development	Reassessment Reserve		
Revenues:						
Taxes	\$ 171,792,007	\$ -	\$ -	\$ -	\$ -	\$ 171,792,007
Charges for services	23,697,146	-	-	-	-	23,697,146
Licenses and permits	7,754,936	-	-	-	-	7,754,936
Intergovernmental	11,067,587	-	-	-	-	11,067,587
Investment income (loss)	3,027,559	24	-	-	180,000	3,207,583
Net appreciation (depreciation) in fair value of investments	(2,076,276)	-	-	-	-	(2,076,276)
Rentals	570,962	-	-	-	-	570,962
Miscellaneous	2,985,840	-	-	-	-	2,985,840
Total revenues	218,819,761	24	-	180,000	218,999,785	
Expenditures:						
Current:						
General government	21,324,817	-	1,500,000	-	-	22,824,817
Public safety	73,680,442	-	-	-	-	73,680,442
Public works	16,795,779	-	-	-	-	16,795,779
Community services	21,780,716	-	-	-	-	21,780,716
Land use	13,311,163	-	-	-	-	13,311,163
Judiciary offices	7,028,194	-	-	-	-	7,028,194
Debt service:						
Principal	13,185,000	-	-	-	-	13,185,000
Interest and other charges	6,682,298	-	-	-	-	6,682,298
Total expenditures	173,788,409	-	1,500,000	-	-	175,288,409
Excess (deficiency) of revenues over expenditures	45,031,352	24	(1,500,000)	180,000	180,000	43,711,376
Other Financing Sources (Uses):						
Transfers in	6,094	-	-	-	29,640,000	29,646,094
Transfers out	(50,658,632)	-	-	-	-	(50,658,632)
Capital leases	328,924	-	-	-	-	328,924
Sale of capital assets	293,525	-	-	-	-	293,525
Total other financing sources (uses)	(50,030,089)	-	-	-	29,640,000	(20,390,089)
Net change in fund balances	(4,998,737)	24	(1,500,000)	29,820,000	29,820,000	23,321,287
Fund Balances:						
Beginning of year	131,426,336	10,005	2,025,000	180,000	180,000	133,641,341
End of year	\$ 126,427,599	\$ 10,029	\$ 525,000	\$ 30,000,000	\$ 30,000,000	\$ 156,962,628

NEW CASTLE COUNTY, DELAWARE

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2021

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents (Note 2)	\$ 14,173,411	\$ -	\$ 14,173,411
Investments: (Note 2)			
Common and preferred stock	65,738,170	-	65,738,170
Mutual funds	83,399,964	66,656,422	150,056,386
Real estate equity funds	4,727,025	-	4,727,025
Collective trusts	343,929,657	-	343,929,657
Private equity	38,842,475	-	38,842,475
Receivables (net of allowances):			
Other (Note 4)	2,361,589	-	2,361,589
Total assets	553,172,291	66,656,422	619,828,713
LIABILITIES			
Vouchers payable and accrued expenses	815,848	14,268	830,116
Total liabilities	815,848	14,268	830,116
NET POSITION			
Total Net Position	\$ 552,356,443	\$ 66,642,154	\$ 618,998,597

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

NEW CASTLE COUNTY, DELAWARE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
Additions:			
Contributions:			
Plan members	\$ 2,790,057	\$ 1,091,422	\$ 3,881,479
New Castle County	26,490,095	7,393,141	33,883,236
State of Delaware	3,536,177	-	3,536,177
Other contributions	351	-	351
Total contributions	32,816,680	8,484,563	41,301,243
Investment income:			
Net increase in fair value of investments	72,130,323	13,252,295	85,382,618
Interest, dividends, and other income, including realized gains/losses	38,726,621	1,305,542	40,032,163
Total investment income	110,856,944	14,557,837	125,414,781
Less investment expense	2,432,383	54,278	2,486,661
Net investment income	108,424,561	14,503,559	122,928,120
Total additions	141,241,241	22,988,122	164,229,363
Deductions:			
Benefit payments	45,342,633	7,484,563	52,827,196
Refunds of contributions	50,662	-	50,662
Administrative expenses	574,320	16,501	590,821
Other expenses, net	107	-	107
Total deductions	45,967,722	7,501,064	53,468,786
Net increase in net position	95,273,519	15,487,058	110,760,577
Net position			
Beginning of year	457,082,924	51,155,096	508,238,020
End of year	\$ 552,356,443	\$ 66,642,154	\$ 618,998,597

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



STATISTICAL SECTION

This part of the New Castle County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 comprehensive annual 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									
	2012	2013	2014 (1)	2015 (2)	2016	2017	2018 (3)	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 69,064	\$ 80,388	\$ 96,158	\$ 110,575	\$ 120,590	\$ 121,493	\$ 132,728	\$ 138,622	\$ 147,889	\$ 180,154
Restricted	-	-	20,185	15,214	11,699	15,942	14,031	13,406	12,253	10,610
Unrestricted	45,769	34,171	(9,262)	(127,999)	(146,974)	(167,609)	(241,937)	(163,882)	(132,142)	(87,236)
Total governmental activities net position	<u>\$ 114,833</u>	<u>\$ 114,559</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 150,506	\$ 125,891	\$ 153,387	\$ 148,646	\$ 149,931	\$ 129,604	\$ 131,750	\$ 128,142	\$ 128,231	\$ 142,924
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	37,617	50,821	14,384	20,536	13,066	26,181	10,697	26,770	27,184	7,290
Total business-type activities net position	<u>\$ 188,123</u>	<u>\$ 176,712</u>	<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>
Primary government										
Net investment in capital assets	\$ 219,570	\$ 206,279	\$ 249,545	\$ 259,221	\$ 270,521	\$ 251,097	\$ 264,478	\$ 266,764	\$ 276,120	\$ 323,078
Restricted	-	-	20,185	15,214	11,699	15,942	14,031	13,406	12,253	10,610
Unrestricted	83,386	84,992	5,122	(107,463)	(133,908)	(141,428)	(231,240)	(137,112)	(104,958)	(79,946)
Total primary government net position	<u>\$ 302,956</u>	<u>\$ 291,271</u>	<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>

(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									
	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 31,977	\$ 33,218	\$ 38,368	\$ 35,655	\$ 33,516	\$ 36,884	\$ 30,391	\$ 29,813	\$ 59,467	\$ 276,859
Public safety	87,890	92,696	95,797	104,391	109,328	115,072	118,764	119,453	91,935	76,399
Public works	17,296	17,588	18,400	17,913	19,627	23,836	22,439	27,144	22,941	29,068
Community services	47,878	45,477	45,170	43,074	46,751	47,408	48,665	50,402	48,857	48,627
Land use	12,610	10,763	11,057	10,905	12,503	12,382	12,121	13,138	12,260	12,700
Judiciary offices	6,459	6,804	6,680	6,663	7,306	7,342	7,238	7,373	6,582	6,725
Interest on long-term debt	8,671	6,734	6,180	5,964	6,764	6,891	7,471	7,147	6,052	5,470
Total governmental activities expenses	<u>212,781</u>	<u>213,280</u>	<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>
Business-type activities:										
Sewer facilities	74,085	77,277	79,257	76,061	80,756	80,047	80,586	86,076	84,732	87,420
New Castle County airport	88	88	88	52	2	1	-	-	-	-
Total business-type activities expenses	<u>74,173</u>	<u>77,365</u>	<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>
Total primary government expenses	<u>286,954</u>	<u>290,645</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
Land use	7,714	8,017	7,978	8,355	9,133	9,916	10,525	12,377	13,677	11,413
Judiciary offices	17,438	15,213	15,175	15,010	15,669	18,078	17,772	14,824	14,297	17,252
Other activities	11,180	8,295	10,801	11,169	11,341	11,245	11,428	10,849	10,709	9,871
Operating grants and contributions	33,243	35,397	31,966	32,868	30,494	31,752	32,917	33,325	62,839	305,240
Capital grants and contributions	5,779	7,663	3,413	1,677	4,541	7,460	5,862	4,447	3,632	5,064
Total governmental activities program revenues	<u>75,354</u>	<u>74,585</u>	<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>
Business-type activities:										
Charges for services-Sewer	64,483	63,156	67,046	68,675	71,918	72,049	71,702	82,421	79,607	79,373
Operating grants and contributions	2,627	2,586	2,643	1,763	1,866	488	932	992	1,065	2,694
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>67,110</u>	<u>65,742</u>	<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>
Total primary government program revenues	<u>142,464</u>	<u>140,327</u>	<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>
Net (Expense) Revenue										
Governmental activities	(137,427)	(138,695)	(152,319)	(155,486)	(164,617)	(171,364)	(168,585)	(178,648)	(142,940)	(107,008)
Business-type activities	(7,063)	(11,623)	(9,656)	(5,675)	(6,974)	(7,511)	(7,952)	(2,663)	(4,060)	(5,353)
Total primary government net expenses	<u>(144,490)</u>	<u>(150,318)</u>	<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>

NEW CASTLE COUNTY, DELAWARE

CHANGES IN NET POSITION

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Real estate tax	\$ 132,680	\$ 137,408	\$ 143,289	\$ 146,418	\$ 149,779	\$ 154,984	\$ 159,850	\$ 165,823	\$ 176,768	\$ 144,111
Transfer tax	-	-	-	-	-	-	-	-	-	35,761
Hotel tax	-	-	-	-	-	-	-	-	-	1,532
Unrestricted investment earnings	4,146	991	1,871	1,477	2,363	891	263	6,408	7,526	1,131
Transfers	25	23	(319)	-	-	-	-	-	(1,500)	-
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	-	-	89,741	-	-
Total governmental activities	136,851	138,422	144,841	147,895	152,142	155,875	160,113	261,972	182,794	182,535
Business-type activities:										
Unrestricted investment earnings	1,217	234	396	203	790	299	844	2,923	3,062	153
Transfers	(25)	(23)	319	-	-	-	-	-	1,500	-
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	-	-	12,205	-	-
Total business-type activities	1,192	211	715	203	790	299	844	15,128	4,562	153
Total primary government	138,043	138,633	145,556	148,098	152,932	156,174	160,957	277,100	187,356	182,688
Change in Net Position										
Government activities	(576)	(273)	(7,478)	(7,591)	(12,475)	(15,489)	(8,472)	83,324	39,854	75,527
Business-type activities	(5,871)	(11,412)	(8,941)	(5,472)	(6,184)	(7,212)	(7,108)	12,465	502	(5,200)
Total primary government	\$ (6,447)	\$ (11,685)	\$ (16,419)	\$ (13,063)	\$ (18,659)	\$ (22,701)	\$ (15,580)	\$ 95,789	\$ 40,356	\$ 70,327

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Fund balances:										
Nonspendable	\$ 147,523	\$ 109,714	\$ 140,788	\$ 430,348	\$ 859,815	\$ 3,836,550	\$ 3,894,586	\$ 3,083,813	\$ 15,758	\$ 563,579
Committed	88,303,483	91,456,225	91,525,479	86,885,580	78,141,417	75,362,993	72,051,126	81,568,688	122,766,059	151,768,786
Assigned	2,565,778	3,283,016	2,512,342	1,883,240	9,590,112	8,975,172	6,974,779	5,281,440	5,280,796	976,698
Unassigned	7,887,876	3,898,334	4,227,713	4,056,261	3,767,295	2,158,009	3,813,395	3,698,805	5,578,728	3,653,565
Total general fund	<u>\$ 98,904,660</u>	<u>\$ 98,747,289</u>	<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>
All other governmental funds										
Fund balances:										
Nonspendable	\$ 1,255,074	\$ 622	\$ -	\$ -	\$ -	\$ -	\$ 101,270	\$ 46,389	\$ 3,794	\$ -
Restricted	20,206,088	25,959,297	20,107,655	34,138,751	19,608,313	36,188,869	25,140,227	38,383,600	26,228,232	30,651,278
Assigned	-	-	-	-	-	-	268,348	268,348	268,348	268,348
Unassigned	121,144	-	(1,538,612)	-	(883,184)	-	(2,125,618)	-	-	(1,205,682)
Total all other governmental funds	<u>\$ 21,582,306</u>	<u>\$ 25,959,919</u>	<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>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes (1)	\$ 132,429	\$ 137,342	\$ 142,952	\$ 146,374	\$ 149,741	\$ 155,004	\$ 160,023	\$ 165,930	\$ 176,546	\$ 181,316
Charges for services	28,195	23,081	24,142	23,024	25,622	26,804	26,607	26,667	24,874	25,358
Licenses and permits	5,900	6,277	6,142	6,791	6,674	7,817	7,821	7,489	9,537	8,071
Intergovernmental	38,936	40,635	34,944	34,863	34,885	40,132	38,025	36,327	65,876	309,960
Investment income	4,070	1,374	2,442	1,570	2,365	1,346	531	6,597	7,672	2,160
Rentals	863	776	753	744	732	725	841	732	721	571
Contributions from private sources	645	2,553	630	298	778	10	-	30	-	688
Miscellaneous	649	524	1,799	2,546	1,503	1,741	2,742	2,139	4,031	3,072
Total revenues	211,687	212,562	213,804	216,210	222,300	233,579	236,590	245,911	289,257	531,196
Expenditures										
General government	19,941	21,796	23,525	23,379	23,649	26,221	26,609	24,777	56,002	298,458
Public safety	83,257	87,003	91,588	100,229	100,370	105,594	108,673	105,385	84,132	79,004
Public works	14,493	13,448	14,419	13,714	11,504	13,640	11,839	15,498	15,579	16,980
Community services	46,219	43,428	43,009	41,608	43,380	44,001	44,599	45,108	45,147	47,484
Land use	12,387	10,294	10,793	10,765	11,438	11,564	11,346	11,846	11,699	13,311
Judiciary offices	6,318	6,476	6,486	6,539	6,641	6,836	6,753	6,605	6,242	7,028
Capital outlays	14,376	15,006	15,881	20,847	26,930	39,049	25,488	28,201	24,049	25,475
Debt service										
Principal	13,590	15,346	13,088	13,824	10,242	13,103	13,335	14,031	14,285	13,185
Interest	8,361	7,686	7,186	6,628	7,390	6,611	7,363	6,963	7,225	6,682
Total expenditures	218,942	220,483	225,975	237,533	241,544	266,619	256,005	258,414	264,360	507,607
Excess of revenues over (under) expenditures	(7,255)	(7,921)	(12,171)	(21,323)	(19,244)	(33,040)	(19,415)	(12,503)	24,897	23,589
Other Financing Sources (Uses):										
Transfers in	993	835	3,212	5,339	6,170	4,278	6,218	6,362	5,400	23,525
Transfers out	(968)	(813)	(3,531)	(5,339)	(6,170)	(4,278)	(6,218)	(6,362)	(6,900)	(23,525)
Debt issuance	-	11,260	-	20,670	-	37,600	-	28,040	-	-
Bond premium (net of issuance costs)	-	739	-	4,345	-	2,409	-	2,050	-	-
Issuance of refunding bonds	-	58,296	-	53,021	-	2,210	-	-	-	-
Payment to refunded bond escrow agent (2)	-	(58,296)	-	(53,021)	-	-	-	-	-	-
Capital leases	1,255	-	4,643	6,301	2,807	5,952	2,786	4,205	4,277	2,637
Sale of capital assets	325	120	115	426	127	307	226	421	137	309
Total other financing sources (uses)	1,605	12,141	4,439	31,742	2,934	48,478	3,012	34,716	2,914	2,946
Net change in fund balances	\$ (5,650)	\$ 4,220	\$ (7,732)	\$ 10,419	\$ (16,310)	\$ 15,438	\$ (16,403)	\$ 22,213	\$ 27,811	\$ 26,535
Debt service as a percentage of noncapital expenditures	10.8%	11.3%	9.7%	9.5%	8.1%	8.6%	8.8%	9.0%	9.0%	9.1%
Bonded debt service as a percentage of total general governmental expenditures (3)	10.0%	10.4%	9.0%	8.6%	7.3%	7.4%	8.1%	8.1%	8.1%	3.9%

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.

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
2012	107,709,124	15,881,887	3,582,292	5,255,689	132,428,992
2013	109,038,614	19,666,166	3,672,563	4,964,647	137,341,990
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

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
2012	12,017,659	10,288,998	4,263,165	18,043,492	0.7006	*
2013	12,084,980	10,350,300	4,351,439	18,083,841	0.7006	*
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	*

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct Rates:										
Unincorporated area:										
New Castle County										
General operating budget	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2801	\$ 0.2711	\$ 0.2562
Local service function budget	0.4570	0.4570	0.4570	0.4570	0.4570	0.4570	0.4570	0.5256	0.5329	0.5542
Total Direct Rate (1)	<u>\$ 0.7006</u>	<u>\$ 0.8057</u>	<u>(7)</u>	<u>\$ 0.8040</u>						
										\$ 0.8104
Incorporated areas: (6)										
Arden	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7531
Bellefonte	0.6966	0.6966	0.6966	0.6966	0.6966	0.6966	0.6966	0.8011	0.7926	0.7998
Newark	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2904	0.2562
Elsmere	0.3193	0.3193	0.3193	0.3193	0.3193	0.3193	0.3193	0.3672	0.3192	0.2973
Newport	0.2838	0.2838	0.2838	0.2838	0.2838	0.2838	0.2838	0.3263	0.3554	0.3435
New Castle	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192	0.3032
Delaware City	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2876	0.3192	0.3071
Middletown	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192	0.2849
Odessa	0.3640	0.3640	0.3640	0.3640	0.3640	0.3640	0.3640	0.4186	0.3772	0.3599
Townsend	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.4158	0.3466	0.3347
Wilmington	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2711	0.2562
Ardentown	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7588
Smyrna	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040	0.8104
Ardencroft	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572	0.7581
Clayton	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040	0.8104
Overlapping Rates:										
School Districts:										
Appoquinimink District	1.4527	1.4527	1.7527	1.7647	1.7707	1.8473	2.1024	2.1024	2.2461	2.5001
Brandywine District	1.8385	1.8385	2.1785	2.1835	2.1835	2.4435	2.4435	2.5385	2.5385	2.5385
Christina District	1.7770	1.7770	1.9970	2.0900	2.0900	2.3800	2.3850	2.3850	2.4850	2.9382
Colonial District	1.3660	1.3660	1.7060	1.7360	1.7360	2.0430	2.0430	2.1930	2.1930	2.1930
Red Clay District	1.6620	1.6620	1.7410	1.7710	1.9840	2.1740	2.3140	2.3140	2.3080	2.3080
New Castle County Vo-Tech	0.1410	0.1410	0.1500	0.1533	0.1550	0.1583	0.1603	0.1603	0.1710	0.1710
Smyrna District	1.0119	1.0119	1.1267	1.3077	1.4191	1.4065	1.3780	1.3780	1.3813	1.3621
Polytech (4)	0.1111	0.1111	0.1128	0.1128	0.1163	0.1220	0.1251	0.1251	0.1272	0.1298
Municipalities (3):										
Wilmington	1.7670	1.7670	1.7670	1.8550	1.8550	1.8550	1.9950	1.9950	1.9950	1.9950
Newark	0.6458	0.6458	0.6961	0.7065	0.7737	0.7737	0.8047	0.8047	0.9120	0.9120
Elsmere (5)	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750	0.8750
Newport	0.9315	0.9315	0.9315	1.0712	1.0712	1.0712	1.0712	1.0712	1.2318	1.2318
New Castle	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
Delaware City	1.0900	1.0900	1.0900	1.0900	1.0900	1.0900	1.0900	1.1900	1.1900	1.1900
Middletown	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Townsend	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.8000	0.8000
Odessa (2)	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Bellefonte	0.5000	0.4500	0.4500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000

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 \$.7531).

NEW CASTLE COUNTY, DELAWARE

PRINCIPAL PROPERTY TAXPAYERS

June 30, 2021

(amounts expressed in thousands)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power & Light Co.	\$ 470,927	1	2.42%	\$ 326,733	1	1.81%
Dupont Specialty Products USA LLC	200,294	2	1.03%	-	-	-
Verizon Delaware LLC (1)	196,649	3	1.01%	246,421	3	1.37%
AWCI Inc.	94,718	4	0.49%	94,896	6	0.53%
Bank of America National Assoc.	86,912	5	0.45%	-	-	-
JPMorgan Chase Bank National Assoc.	71,408	6	0.37%	-	-	-
Delaware City Refining Company, LLC	67,011	7	0.34%	-	-	-
Christiana Mall LLC	57,756	8	0.30%	-	-	-
Manufacturers & Traders Trust Co.	56,569	9	0.29%	-	-	-
Chase Bank USA National Association	54,558	10	0.28%	-	-	-
E. I. Dupont de Nemours & Co	-		-	280,535	2	1.55%
AstraZeneca Pharmaceuticals LP	-		-	176,513	4	0.98%
Bracebridge Corporation	-		-	151,251	5	0.84%
Barley Mill, LLC	-		-	58,588	7	0.32%
D C L Leasing Partners LP LTD VI	-		-	58,084	8	0.32%
United Water Delaware Inc	-		-	56,728	9	0.31%
Premcor Refining Group Inc.	-		-	53,216	10	0.29%
	<u>\$ 1,356,802</u>		<u>6.98%</u>	<u>\$ 1,502,965</u>		<u>8.32%</u>

(1) In FY 2021 and FY 2012, some property owned by Verizon was titled in the name of Diamond State Telephone Co.

Source: New Castle County Assessment Division

Exhibit C-4

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

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount (2)	Percent of Levy
2012	107,894,937	106,513,521	98.7	1,429,860	107,943,381	100.0
2013	108,355,824	107,273,166	99.0	950,305	108,223,471	99.9
2014	109,413,344	108,189,703	98.9	1,012,385	109,202,088	99.8
2015	110,635,797	109,510,528	99.0	457,079	109,967,607	99.4
2016	111,777,226	110,570,085	98.9	530,142	111,100,227	99.4
2017	113,011,393	111,770,567	98.9	361,559	112,132,126	99.2
2018	113,528,395	112,594,765	99.2	597,945	113,192,710	99.7
2019	131,782,816	130,845,128	99.3	491,637	131,336,765	99.7
2020	132,811,856	131,788,047	99.2	322,486	132,110,533	99.5
2021	134,273,183	133,279,945	99.3	-	133,279,945	99.3

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	Capital Leases	General Obligation Bonds	Capital Leases	Loans Payable			
2012	181,227	6,722	187,833	-	2,362	378,144	1.46	691.23
2013	175,029	5,204	227,651	-	2,332	410,216	1.59	745.18
2014	165,389 (2)	8,284	224,088 (2)	462	2,195	400,418	1.49	723.64
2015	179,566 (2)	10,972	282,944 (2)	2,859	2,054	478,395	1.69	859.21
2016	168,336 (2)	9,832	275,548 (2)	4,522	2,251	460,489	1.60	822.09
2017	196,788 (2)	12,122	338,194 (2)	4,493	2,087	553,684	1.84	982.71
2018	181,289 (2)	10,434	326,947 (2)	4,493	7,008	530,171	1.67	939.07
2019	195,209 (2)	9,898	366,209 (2)	4,385	10,278	585,979	1.77	1,041.38
2020	179,638 (2)	9,959	352,499 (2)	3,316	19,164	564,576	1.68	1,010.22
2021	165,215 (2)	8,445	340,236 (2)	2,357	24,468	540,721	*	946.88

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.

* 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

Fiscal Year	Population (1)	Taxable Assessed Value (000 Omitted)	General Obligation Bonded Debt (000 Omitted)	Percentage of Long-Term Bonded Debt to Assessed Value	Long-Term Bonded Debt Per Capita
2012	547,059	18,043,492	369,060	2.0	674.63
2013	550,495	18,083,841	402,680	2.2	731.49
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	571,058 *	19,458,255	505,451 (2)	2.6	885.11 *

(1) Source: Delaware Population Consortium - 10/31/2020

(2) Includes unamortized bond premium.

* Estimated

NEW CASTLE COUNTY, DELAWARE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2021

Jurisdiction	Total Debt Outstanding	Percentage Applicable to New Castle County	Amount Applicable to New Castle County
New Castle County	\$ 173,660,075 (2)	100%	\$ 173,660,075
School Districts:			
Appoquinimink	109,077,578	100	109,077,578
Brandywine	51,340,064	100	51,340,064
Christina	29,271,409	100	29,271,409
Colonial	18,199,985	100	18,199,985
Red Clay	56,053,188	100	56,053,188
New Castle VoTech	40,671,816	100	40,671,816
Smyrna (1)	16,809,957	29	4,874,888
Total Districts	<u>321,423,997</u>		<u>309,488,928</u>
Municipalities:			
Middletown	28,355,384	100	28,355,384
Newark	24,283,176	100	24,283,176
Wilmington	<u>114,434,013</u>	100	<u>114,434,013</u>
Total Municipalities	<u>167,072,573</u>		<u>167,072,573</u>
Total Overlapping Debt	<u>488,496,570</u>		<u>476,561,501</u>
Total Direct and Overlapping Debt	<u>\$ 662,156,645</u>		<u>\$ 650,221,576</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 capital leases 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.

NEW CASTLE COUNTY, DELAWARE

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total assessed taxable value at July 1	\$ 18,043,492	\$ 18,083,841	\$ 18,187,898	\$ 18,358,012	\$ 18,557,224	\$ 18,776,801	\$ 18,970,815	\$ 19,055,907	\$ 19,274,354	\$ 19,458,255
Debt limit - 3% of total assessed value	\$ 541,305	\$ 542,515	\$ 545,637	\$ 550,740	\$ 556,717	\$ 563,304	\$ 569,124	\$ 571,677	\$ 578,231	\$ 583,748
Amount of debt applicable to debt limit: (2)										
Total bonded debt	369,060	402,680	380,795	416,310	399,945	487,230	464,840	518,930	492,560	468,655
Less:										
Deductions allowed by Delaware Code (1):										
Sewer facilities	(187,833)	(227,651)	(218,854)	(252,909)	(246,785)	(307,534)	(298,478)	(338,560)	(326,475)	(315,755)
Total amount of debt applicable to debt limit	181,227	175,029	161,941	163,401	153,160	179,696	166,362	180,370	166,085	152,900
Legal debt margin	\$ 360,078	\$ 367,486	\$ 383,696	\$ 387,339	\$ 403,557	\$ 383,608	\$ 402,762	\$ 391,307	\$ 412,146	\$ 430,848
Total net debt applicable to the limit as a percentage of debt limit	33.48%	32.26%	29.68%	29.67%	27.51%	31.90%	29.23%	31.55%	28.72%	26.19%

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 of 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 defeated in-substance.

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

NEW CASTLE COUNTY, DELAWARE

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2) (000 Omitted)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2012	547,059	25,854,909	49,215	76,571	7.1
2013	550,495	25,779,767	48,983	77,466	7.8
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	571,058	**	*	78,073	5.9

Sources: (1) Delaware Population Consortium - 10/31/2020

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

(3) Delaware Department of Education, Public School Enrollment.

(4) State of Delaware Department of Labor, Bureau of Labor Statistics

* Figures not available.

** Estimated

NEW CASTLE COUNTY, DELAWARE

PRINCIPAL EMPLOYERS (1)

CURRENT YEAR AND TEN YEARS AGO

<u>Industry Description</u>	2021			2012		
	<u>Employment</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employment</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Health care and social assistance	69,353	1	16.1%	60,240	1	14.6%
Retail trade	48,329	2	11.2%	53,056	2	12.9%
Finance and insurance	41,984	3	9.8%	38,210	3	9.3%
Accommodation and food services	33,494	4	7.8%	33,690	4	8.2%
State government	33,313	5	7.7%	29,037	5	7.0%
Administration and waste services	27,649	6	6.4%	23,583	9	5.7%
Local government	27,398	7	6.4%	26,280	7	6.4%
Professional & technical services	25,829	8	6.0%	23,583	6	5.7%
Manufacturing	24,709	9	5.7%	25,738	8	6.2%
Construction	22,824	10	5.3%	19,145	10	4.6%
Transportation and warehousing	16,117	11	3.7%	10,342	13	2.5%
Total	<u><u>370,999</u></u>		<u><u>86.2%</u></u>	<u><u>342,904</u></u>		<u><u>83.2%</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
County Council										
Legislation	32	32	32	33	32	32	32	32	32	32
Audit	1	1	1	1	2	2	2	2	2	3
	<u>33</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>35</u>
County Executive										
Direction and Control	11	12	13	12	12	11	12	12	12	12
Office of Economic Development	2	2	1	1	1	1	1	1	1	1
Office of Communications	-	-	-	-	-	2	1	1	1	1
	<u>13</u>	<u>14</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
Dept of Administration										
Law	22	22	22	23	23	18	18	18	18	18
Administrative Services	43	43	43	42	42	41	40	32	32	32
Finance	54	75 (A)	75	77	77	77	78	73	73	73
Human Resources and Risk Management	18	18	19	19	19	24	25	25	26	26
	<u>137</u>	<u>158</u>	<u>159</u>	<u>161</u>	<u>161</u>	<u>160</u>	<u>161</u>	<u>148</u>	<u>149</u>	<u>149</u>
Total General Government										
	<u>183</u>	<u>205</u>	<u>206</u>	<u>208</u>	<u>208</u>	<u>208</u>	<u>209</u>	<u>196</u>	<u>197</u>	<u>198</u>
Public Safety:										
Administration	9	9	9	9	8	8	8	8	8	8
Police Operations	399	400	400	405	417	432	432	434	434	434
Crossing Guards	3	3	3	3	3	3	3	3	3	3
Emergency Services	200	209	209	216	217	217	223	225	240	240
Total Public Safety										
	<u>611</u>	<u>621</u>	<u>621</u>	<u>633</u>	<u>645</u>	<u>660</u>	<u>666</u>	<u>670</u>	<u>685</u>	<u>685</u>
Public Works:										
Non-Sewer related:										
Administration	20.5	19.5	18.5	18.5	18.5	18.5	17.5	16.5	15.5	14.5
Internal Services	6	6	6	6	6	6	6	6	5	5
Fleet Operations	34	34	32	32	32	31	30	29	29	29
Facilities Maintenance	44	35	35	36	36	36	34	33	33	33
Parks	67	67	67	66	66	67	65	62	64	65
Engineering	33	36	36	36	35	35	35	35	34	32
Total Non-Sewer related										
	<u>204.5</u>	<u>197.5</u>	<u>194.5</u>	<u>194.5</u>	<u>193.5</u>	<u>193.5</u>	<u>187.5</u>	<u>181.5</u>	<u>180.5</u>	<u>178.5</u>
Sewer:										
Sewer Operations Administration	12.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	9.5	10.5
Construction Support	66	64	64	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	16	17	17	17	17	17	17	17	19	20
Total Sewer										
	<u>200.5</u>	<u>197.5</u>	<u>197.5</u>	<u>196.5</u>	<u>196.5</u>	<u>196.5</u>	<u>196.5</u>	<u>196.5</u>	<u>197.5</u>	<u>199.5</u>
Total Public Works										
	<u>405</u>	<u>395</u>	<u>392</u>	<u>391</u>	<u>390</u>	<u>390</u>	<u>384</u>	<u>378</u>	<u>378</u>	<u>378</u>

Community Services:

NEW CASTLE COUNTY, DELAWARE

FULL-TIME COUNTY EMPLOYEE POSITIONS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	14	14	17	16	16	15	16	15	15	15
Community Resources	17	16	17	17	17	19	25	26	27	27
Community Development/Housing	36	34	33	33	33	32	30	30	29	29
Libraries	84	83	83	83	82	84	84	84	84	84
Total Community Services	151	147	149	149	148	150	155	155	155	155
 Land Use:										
Administration	9	9	9	10	10	10	9	8	8	14
Assessment	21	- (A)	-	-	-	-	-	-	-	-
Planning	16	17	17	18	18	17	17	19	19	19
Licensing	61	61	61	59	59	58	51	46	46	46
Engineering	-	-	-	-	-	-	8	8	10	10
Customer Relations and Enforcement	31	31	31	31	31	30	30	27	27	22
Geographic Information Systems	-	-	-	-	-	-	-	5	5	5
Total Land Use	138	118	118	118	118	115	115	113	115	116
 Judiciary Offices:										
Register in Chancery (B)	3	3	3	3	3	3	3	3	3	3
Register of Wills	19	19	19	19	19	19	19	18	18	19
Recorder of Deeds	28	27	27	27	27	27	25	25	25	24
Sheriff	20	20	20	21	21	21	21	21	21	21
Clerk of the Peace	6	7	7	7	7	7	7	7	7	7
Total Judiciary Offices	76	76	76	77	77	77	75	74	74	74
Total Full-Time Employees	1,564	1,562	1,562	1,576	1,586	1,600	1,604	1,586	1,604	1,606

Source: New Castle County Budget Office

Notes:

- (A) Transferred from the Department of Land Use into Office of Finance.
 (B) Effective 1/1/2002 became a State of Delaware Agency.

NEW CASTLE COUNTY, DELAWARE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	Fiscal Year										2021-Est.	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021-Est.		
County Council												
Avg. constituency represented per district	46,000	46,000	46,500	46,500	46,500	47,016	46,500	46,500	46,500	46,500	46,500	
Resolutions/ordinances adopted	322	322	390	368	337	361	325	353	348	330		
Administration												
Finance												
% of current property tax levy collected	98.9	99.0	99.0	99.0	98.9	98.9	99.0	97.0	99.2	99.2		
% of vendor invoices processed within thirty days	84.5	87.6	87.6	86.0	84.4	80.4	67.1	75.0	69.7	70.0		
Assessment												
Real property parcels	207,200	207,400	208,000	208,400	209,400	210,100	210,200	210,300	211,500	211,900		
Exemption applications processed	1,881	2,140	1,563	1,346	1,355	1,418	1,541	1,501	1,229	1,263		
Human Resources												
Applications received	3,322	3,751	4,911	3,847	4,003	4,788	5,194	5,450	4,797	5,000		
New retirees	60	95	61	89	73	90	69	123	96	103		
Public Works												
Fleet Operations												
Average cost per mile per vehicle	\$ 0.75	\$ 0.70	\$ 0.48	\$ 0.83	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.36	\$ 0.44	\$ 0.44		
Engineering												
CIP budget (millions) / # of projects	\$46.3 / 40	\$17.0 / 35	\$35.6 / 40	\$58.4 / 48	\$59.7 / 59	\$55.5 / 68	\$35.3 / 51	\$48.2 / 55	\$75.9 / 49	\$65.2 / 53		
Property Maintenance												
Acres maintained	5,832	5,832	5,893	5,894	5,923	5,923	5,934	5,097	5,099	5,099		
Parks maintained	258	258	243	248	245	248	248	248	249	249		
Wastewater												
Miles of sewer line maintained	1,800	1,800	1,744	1,744	1,744	1,764	1,764	1,764	1,804	1,811		
Pump stations in operation	172	170	174	176	176	175	175	175	172	172		
Number of residential sewer service accounts	115,506	116,361	116,888	117,597	118,653	119,582	119,582	121,723	122,344	123,648		
Community Services												
Administration												
Number of seniors served	35,705	18,398	15,759	22,596	27,316	30,473	33,285	35,663	26,374	43,514*		
Total participants in Com Resources programs	713,818	242,601	298,334	308,729	322,829	382,596	322,384	305,979	236,039	195,222*		
Libraries												
Average number of items checked out per week	75,292	76,829	77,666	76,405	73,109	68,616	68,492	69,243	51,280	30,306		
Visits annually	2,284,917	2,071,536	2,203,838	2,358,123	2,354,342	2,334,895	2,292,579	2,310,372	1,599,025	250,965		
Community Development & Housing												
Number of units rehabbed (CDBG)/repair	94	103	99	84	56	59	55	62	66	59		

Sources: New Castle County Comprehensive Annual Budget Summary - Departmental submissions.

NEW CASTLE COUNTY, DELAWARE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021-Est.
Land Use										
Administration										
Number of walk-in customers	n/a	n/a	n/a	24,630	23,646	25,064	23,680	23,689	15,573	-
Number of customer phone calls	n/a	n/a	n/a	39,277	21,162	55,085	50,845	53,752	43,075	55,000
Planning										
No. Board of Adjustment applications processed	183	169	151	165	161	196	185	175	126	125
Land Use plans submitted and reviewed	122	139	120	127	143	135	114	114	114	131
Licensing										
Number of permits issued	15,120	15,295	14,405	16,237	16,529	16,425	n/a	n/a	n/a	n/a
Inspections performed	42,000	48,150	51,517	51,517	59,700	53,257	n/a	n/a	n/a	n/a
Customer Service and Enforcement										
Calls received by Customer Service	28,721	27,899	30,156	33,101	33,101	n/a	n/a	n/a	n/a	n/a
Code Enforcement cases assigned	8,233	8,868	8,276	9,706	9,706	9,496	9,812	8,854	8,128	8,000
Public Safety										
Emergency Communications										
Calls for service **	129,596	131,469	134,402	250,114	267,407	253,726	292,758	292,341	268,113	277,960
Emergency Services										
Annual paramedic responses	35,335	40,770	38,132	41,548	45,811	50,139	52,191	54,250	53,368	54,500
No. of people trained/recertified in CPR by EMS division	893	1,135	880	1,268	969	1,264	712	1,498	172	1,200
School Crossing Guards										
Number of schools serviced	82	78	76	83	83	83	84	86	86	87
Number of stations guarded	278	276	268	230	230	232	232	230	231	233
Register of Wills										
Files opened	2,646	2,516	2,542	2,707	2,646	2,748	2,806	2,702	2,560	2,970
Estates probated	1,436	1,351	1,402	1,517	1,473	1,537	1,530	1,508	1,430	1,650
Recorder of Deeds										
Deeds recorded and indexed	11,400	12,133	11,881	12,636	13,565	14,261	14,930	14,337	13,929	16,000
Mortgages recorded and indexed	19,984	24,506	17,057	17,096	17,764	19,007	17,243	15,467	21,230	33,000
Sheriff										
Prisoner commitments*	14	14	25	1	11	0	0	0	0	0
Service trips for court documents	55,967	49,137	54,558	49,670	49,523	49,313	50,642	42,973	30,079	22,143
Clerk of the Peace										
Marriage licenses issued	2,432	2,731	3,432	2,791	2,825	2,746	2,148	2,646	1,983	2,100
Marriage ceremonies performed	760	842	1,108	846	1,035	1,041	828	837	261	500

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Police										
Number of stations/substations	4	4	4	4	4	6	6	6	5	5
Emergency Services										
Number of paramedic stations/substations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Parks										
Regional park acreage	3,133	3,133	3,199	3,200	3,225	3,225	3,225	3,225	3,225	3,225
Local/district park acreage	2,699	2,699	2,694	2,694	2,698	2,698	2,709	2,715	2,820	2,820
Parks	258	258	243	248	245	248	248	248	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	92	92	70	96	96
Football fields	3	3	3	3	3	3	3	5	5	5
Basketball courts	100	100	100	100	100	100	100	91	91	91
Tennis courts	70	70	70	70	70	70	70	60	68	68
Soccer fields	38	38	38	38	38	38	38	15	24	24
Big toy play equipment units	131	131	131	131	131	131	131	131	127	127
Museums	1	1	1	1	1	1	1	1	1	1
Fleet										
Fleet vehicles and equipment	1,743	1,729	1,729	1,729	1,806	1,806	1,832	1,832	1,834	1,881
Sewer Facilities										
Sanitary sewer (miles)	1,800	1,800	1,744	1,744	1,744	1,764	1,764	1,790	1,804	1,811
Pump stations	172	170	174	176	176	175	175	175	172	172
Treatment plants	4	4	4	4	4	4	4	4	4	4
Community Services:										
Libraries:										
Number of libraries directly administered	10	10	9	9	9	10	10	10	10	10
Circulation (millions)	3.9**	3.9**	4.0**	4.0**	4.0**	3.7**	3.6**	3.6**	2.6**	1.6**
Airport*	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.

** Reflects the County's conversion to the State of Delaware system.



NEW CASTLE COUNTY, DELAWARE



2021 Annual Comprehensive Financial Report