

New Castle County, Delaware



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

**NEW CASTLE COUNTY, DELAWARE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Matthew Meyer
County Executive

Michael Smith
Chief Financial Officer



Acknowledgements

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

Karen V. Smalls

Executive Assistant IV

Stephen Cunliffe

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
Comprehensive Annual Financial Report.*

New Castle County, Delaware

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Table of Contents

I.	INTRODUCTORY SECTION	Page
	Letter of Transmittal	VI-XI
	Certificate of Achievement for Excellence in Financial Reporting	XII
	Organization Chart	XIII
	List of Principal Officials	XIV
II.	FINANCIAL SECTION	
Exhibit		
	Report of Independent Public Accountants.....	3-5
	Management's Discussion and Analysis.....	9-24
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	26-27
2	Statement of Activities.....	28
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	29
3	Reconciliation of the Governmental Funds Fund Balance to the Statement of Net Position	30
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	31
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
5	Statement of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual - General Fund	33-36
6	Statement of Net Position - Proprietary Funds	37
7	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	38
8	Statement of Cash Flows - Proprietary Funds.....	39-40
9	Statement of Fiduciary Net Position - Fiduciary Funds.....	41
10	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	42
	Notes to the Financial Statements	44-94
	Required Supplementary Information:	
	Schedule of Changes in the County's Net Pension Liability and Related Ratios	96
	Schedule of County Contributions – New Castle County, Delaware Employees' Pension Program	97
	Schedule of the County's Proportionate Share of the Net Pension Asset/(Liability) – DPERS County and Municipal Police and Firefighters' Pension Plan.....	98
	Schedule of County Contributions – DPERS County and Municipal Police and Firefighters' Pension Plan	99
	Schedule of Changes in Net OPEB Liability and Related Ratios	100
	Schedule of County Contributions – Other Post Employment Benefits Trust Fund	101
	Schedule of Investment Returns – Other Post Employment Benefits Trust Fund.....	101
	Notes to Required Supplementary Information – Other Post Employment Benefits Plan.....	102

**New Castle County, Delaware
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020
Table of Contents**

Exhibit		Page
	Supplementary Information:	
	Combining and Individual/Fund Statements and Schedules:	
11	Combining Balance Sheet - Nonmajor Governmental Funds.....	106
12	Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds	107
	Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
13	Light Tax Fund	108
14	Grants Fund	109
15	Capital Projects Funds	110
16	Crossing Guard Fund.....	111
17	Balance Sheet by Subfund – General Fund	112
18	Revenues, Expenditures and Changes in Fund Balances by Subfund – General Fund.....	113
19	Combining Statement of Fiduciary Net Position - Fiduciary Funds	114
20	Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	115

III. STATISTICAL SECTION

Exhibit

A-1	Statistical Section Summary	117
B-1	Net Position by Component	118
B-2	Changes in Net Position.....	119-120
B-3	Fund Balances of Governmental Funds	121
B-4	Changes in Fund Balances of Governmental Funds	122
B-5	Real Estate Tax Revenue by Source – Governmental Funds	123
C-1	Assessed Value and Estimated Actual Value of Taxable Property	124
C-2	Property Tax Rates – Direct and All Overlapping Governments	125
C-3	Principal Property Taxpayers.....	126
C-4	Property Tax Levies and Collections	127
D-1	Ratios of Outstanding Debt by Type	128
D-2	Ratio of General Bonded Debt.....	129
D-3	Computation of Direct and Overlapping Debt	130
D-4	Computation of Legal Debt Margin	131
E-1	Demographic Statistics	132
E-2	Principal Employers	133
F-1	Full-Time County Employee Positions by Function/Program	134-135
F-2	Operating Indicators by Function/Program	136-137
F-3	Capital Asset Statistics by Function.....	138

Libraries





87 READS WAY
NEW CASTLE, DE 19720
(302) 395-5684
nccde.org

OFFICE OF FINANCE

January 19, 2021

**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 a Comprehensive Annual Financial Report ("CAFR") 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 Comprehensive Annual Financial Report of New Castle County, Delaware ("County"), for the fiscal year that ended June 30, 2019. 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, 2020 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, 2020 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.

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 1,326 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 CAFR 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.

Long-term financial planning. New Castle County has a long history of being fiscally responsible. For the past 19 years, the County's bonds have been rated AAA/Aaa by all three major bond rating agencies. 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 \$42,543,328 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 (\$76,372,447) 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 (\$3,850,284) 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:

- Rapidly expend funds to keep residents safe in an imminent, life-threatening public health crisis.
- 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 2021 Capital Budget of \$65.2 million primarily supports repairing and improving our aging sewer system (\$38.5 million), park improvements (\$6.4 million), facility/equipment investments (\$18.9 million) and public safety initiatives (\$0.8 million). The Fiscal Year 2021 Capital Budget supports a variety of maintenance needs, safety programs and service improvements, including:

- The Public Safety vest protection program;
- Design of pedestrian safety improvements along the Route 9 corridor;
- Design of an 80-acre regional park to serve southern New Castle County;
- Countywide park enhancements, including renovations and utility upgrades at Surratte Pool, Delcastle Park bleachers and Jester Park walking path;
- Construction of a new library to serve residents of southern New Castle County; 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

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 Amazon, Solo Cup, Trader Joe's, Wegmans and DOT Foods to create jobs in the County.

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

- Contributed \$20 million to housing and rental relief efforts in support of New Castle County residents impacted by COVID-19;
- Developed partnership with MIT startup BioBot and the University of Delaware to monitor County wastewater for COVID-19 virus;
- Developed and executed NCC Scholarship program providing \$50,000 in funds to 27 students in New Castle County who are furthering their college education;
- In the face of COVID-19, launched curb-side pickup for New Castle County library patrons;
- Supported the JobsNow initiative supporting shovel-ready projects through county land use; and
- Reduced the number of vacant properties by over 38% and collected \$1.9 million in delinquent taxes and fees from owners of vacant properties through our Vacant Spaces to Livable Places initiative;

The County's population has grown to an estimated 564,790 in 2020, up from 541,153 in 2011. 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 \$264.4 million in fiscal year 2020 from \$213.5 million in fiscal year 2011. Expenditures reached a high of \$266.6 million in fiscal year 2017 and a low of \$213.5 million in fiscal year 2011. Total governmental expenditures increased \$5.9 million from fiscal year 2019 to fiscal year 2020.

General government operating costs have shown the largest dollar increase, \$36.8 million, growing to \$56 million from \$19.2 million in 2011. Capital outlays were \$24 million in fiscal year 2020 versus \$13.7 million in fiscal year 2011. This \$10.3 million increase represents the second largest expenditure increase over the past 10 years. However, Capital outlays decreased \$4.2 million from fiscal year 2019 to fiscal year 2020.

Taxes, both property and real estate transfer, represent 61 percent of fiscal year 2020 Governmental funds revenue. Tax revenues have increased \$45.1 million since fiscal year 2011.

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, 2020, the total General Fund bonded debt was 28.72 percent of the total debt limit.

Major initiatives. Our Fiscal Year 2021 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 2021 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:

- \$71.3 million for the Division of Police to provide for 400 police officers, civilian employees and support services to protect our communities.
- \$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 \$15.1 million supports annual operating costs for the New Castle County library system, which includes 11 County libraries (\$12.7 million) and 5 contractual libraries (\$2.4 million).
- New Castle County is embracing new technology to improve productivity, efficiency and customer service. The \$4.5 million programmed for technology through Fiscal Year 2026 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.
- The Department of Land Use established Economic Empowerment Districts to further enhance economic development opportunities. An Economic Empowerment District (EED) is a zoning district comprised of a minimum of 10 acres (5 under certain circumstances), designed in a campus-like setting and comprised of job-rich businesses, businesses with high retention rates and new industry ranging from small business incubator facilities to large business organizations. It may include corporate headquarters, offices, research or light assembly centers or master planned employment centers.
- 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. 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 comprehensive annual 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 39 consecutive years (fiscal years ended 1981-2019). 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 2020 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 30th consecutive year that the County received this award for its budget document.

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

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

Respectfully submitted,



Matthew Meyer
County Executive



Michael Smith
Chief Financial Officer



Government Finance Officers Association

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

Presented to

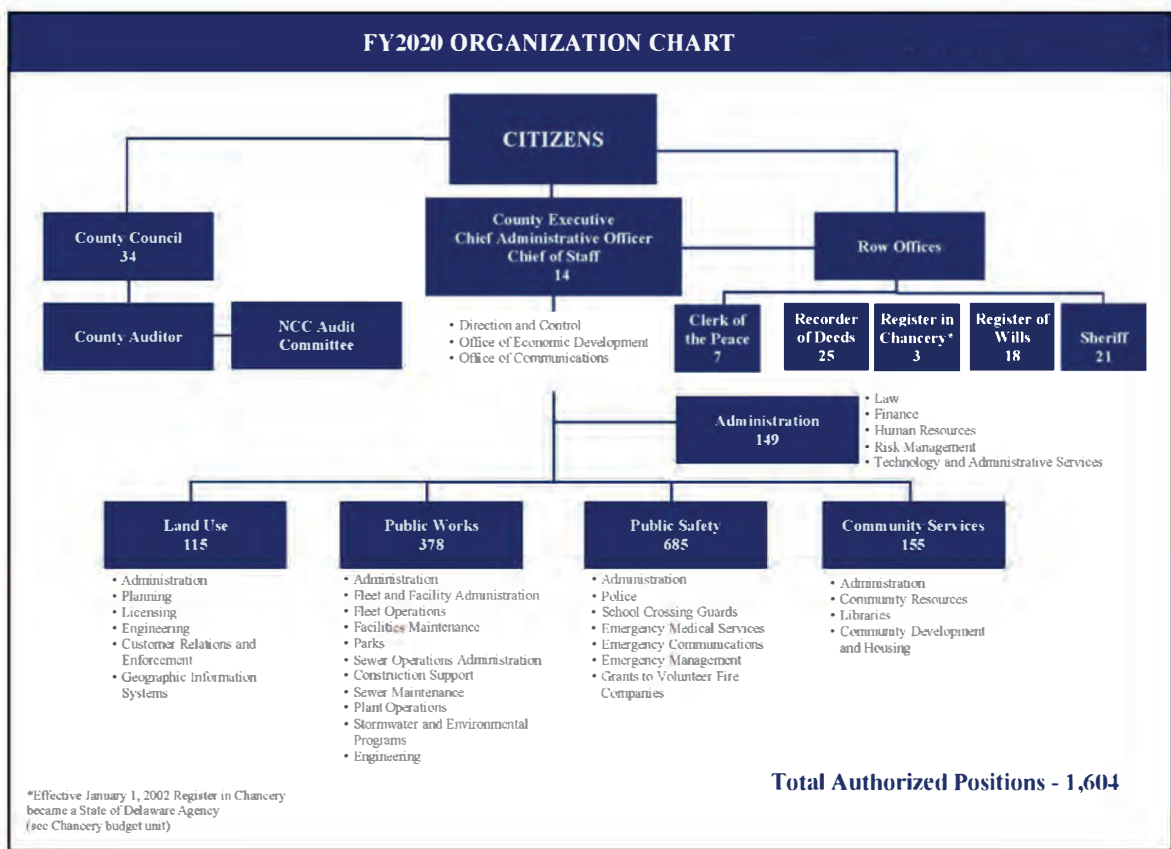
**New Castle County
Delaware**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



**NEW CASTLE COUNTY, DELAWARE
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020**

EXECUTIVE

County ExecutiveMatthew Meyer

COUNTY COUNCIL

President of CouncilKaren Hartley-Nagle
First District Kenneth R. Woods
Second DistrictDee 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 OfficerVanessa Phillips
Chief Financial OfficerMichael Smith
Chief Human Resources Officer Jacqueline Jenkins
Chief of Technology and Administrative Services..... Michael Hojnicky
Community Services General Manager Marcus Henry
County Attorney Wilson Davis
Land Use General ManagerRichard Hall
Public Works General Manager..... Tracy Surles

ROW OFFICES

Clerk of the Peace.....Kenneth W. Boulden, Jr.
Recorder of Deeds Michael E. Kozikowski, Sr.
Register of WillsCiro Poppiti, III
SheriffScott T. Phillips

Public Works



Report of Independent Public Accountants

Parks & Recreation





CliftonLarsonAllen LLP
CLAconnect.com

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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 January 19, 2021, 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 result 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
January 19, 2021



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, 2020. 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 2020

- The net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of the County for fiscal year 2020 totaled \$183.4 million. Of this amount, \$28 million represents governmental activities net position, and \$155.4 million represents business-type net position.
- The current year change in net position for governmental activities was an increase of \$39.9 million and for the business-type activities an increase of \$0.5 million.
- The General fund reported an ending fund balance of \$133.6 million, which represents an increase of \$40 million from fiscal year 2019. The Sewer Facilities fund net position reported an ending balance of \$153.2 million, an increase of \$0.5 million of total net position from fiscal year 2019.
- The County's total outstanding bonds payable as of June 30, 2020 was \$492.6 million.

Overview of the Comprehensive Annual 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 and the County's single audit.

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 the means by which 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, and the single audit schedule.

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 \$183.4 million for fiscal year 2020, an increase of \$40.4 million from fiscal year 2019.

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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current assets	\$ 497,526	\$ 176,568	\$ 78,391	\$ 106,670	\$ 575,917	\$ 283,238
Other non-current assets	3,000	3,000	-	-	3,000	3,000
Capital assets	321,338	316,319	490,344	466,537	811,682	782,856
Total assets	821,864	495,887	568,735	573,207	1,390,599	1,069,094
Deferred Outflows:	52,042	60,541	11,371	12,797	63,413	73,338
Liabilities:						
Long-term liabilities	463,910	460,910	394,354	396,494	858,264	857,404

Other liabilities	370,152	80,759	29,109	31,676	399,261	112,435
Total liabilities	834,062	541,669	423,463	428,170	1,257,525	969,839

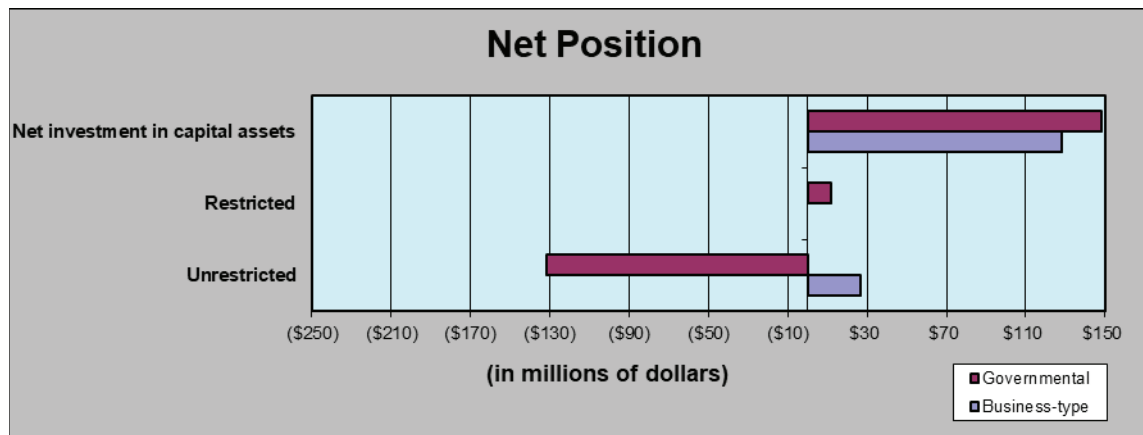
Deferred Inflows: 11,844 26,613 1,228 2,922 13,072 29,535

Net position:

Net investment in capital

assets	147,889	138,622	128,231	128,141	276,120	266,763
Restricted	12,253	13,406	-	-	12,253	13,406
Unrestricted	(132,142)	(163,882)	27,184	26,771	(104,958)	(137,111)
Total net position	\$ 28,000	\$ (11,854)	\$ 155,415	\$ 154,912	\$ 183,415	\$ 143,058

Other liabilities increased \$289 million in Fiscal Year 2020 due to receipt of funding from the Department of Treasury for the CARES Act grant which remains unspent.



The largest portion of the County's net position totaling \$276.1 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 \$9.4 million from the prior year, primarily as a result of the net addition of capital assets of \$28.8 million, the decrease in related bond debt of \$29.3 million, the net increase in loans payable of (\$8.9 million), the net decrease in capital leases payable of \$1.0 million, the net decrease in unspent bond proceeds of (\$40.1 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 \$12.2 million, reported in the governmental activities, represents restricted balances for capital projects and special revenue funds.

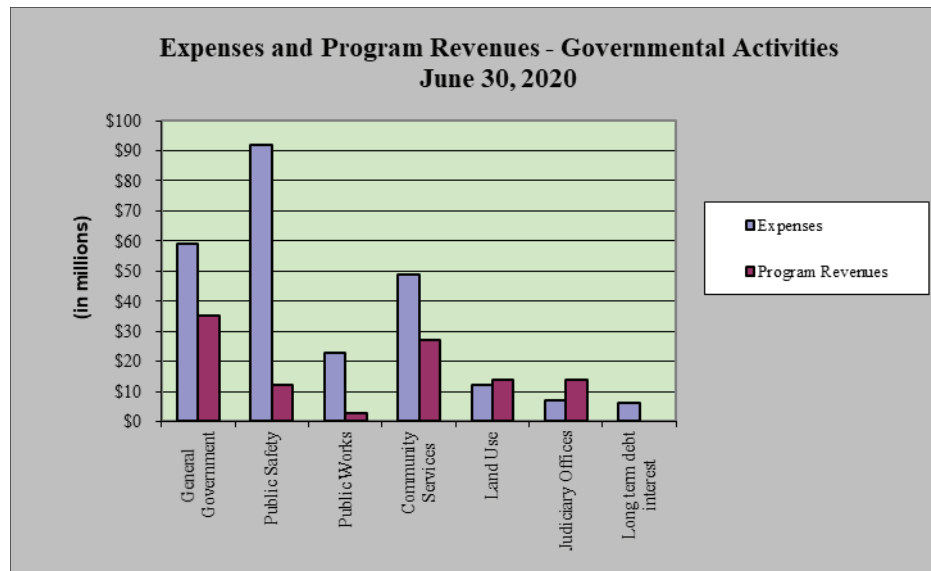
The remaining portion of net position, unrestricted net position, is a deficit balance of (\$104.9 million). The governmental activities are reflecting a deficit balance of (\$132.1 million), while the business-type activities have a balance of \$27.2 million. Unrestricted net position increased \$31.7 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

\$40.0 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 (\$9.3 million), described above. In business-type activities, unrestricted net position increased \$0.4 million from the prior year's unrestricted net position. The increase is mainly driven by the net effect of the sewer fund portion of the increase in net investment in capital assets, (\$0.1 million), described above, and revenue exceeding expenses by \$0.5 million. This increase is explained in detail in the following section on business-type activities.

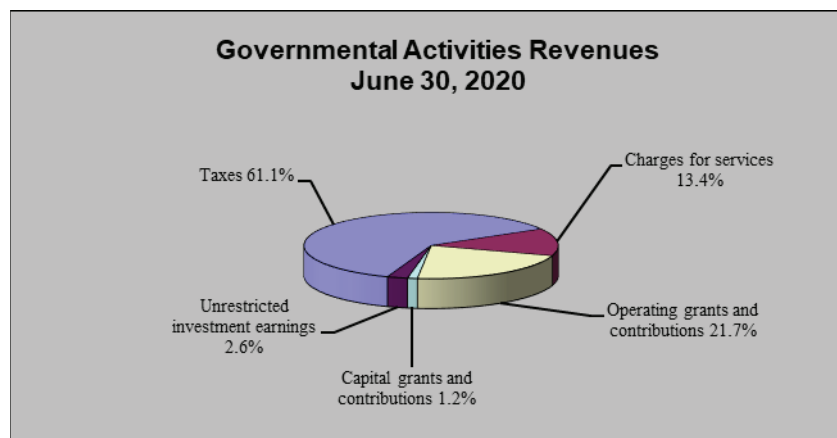
New Castle County, Delaware
Changes in Net Position

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 38,683	\$ 38,050	\$ 79,608	\$ 82,421	\$118,291	\$120,471
Operating grants and contributions	62,839	33,325	1,065	992	63,904	34,317
Capital grants and contributions	3,632	4,447	-	-	3,632	4,447
General revenues:						
Real estate and other taxes	176,768	165,823	-	-	176,768	165,823
Investment earnings	7,526	6,408	3,062	2,923	10,588	9,331
Total revenues	<u>289,448</u>	<u>248,053</u>	<u>83,735</u>	<u>86,336</u>	<u>373,183</u>	<u>334,389</u>
Expenses:						
General government	59,467	29,813	-	-	59,467	29,813
Public safety	91,935	119,453	-	-	91,935	119,453
Public works	22,941	27,144	-	-	22,941	27,144
Community services	48,857	50,402	-	-	48,857	50,402
Land use	12,260	13,138	-	-	12,260	13,138
Judiciary offices	6,582	7,373	-	-	6,582	7,373
Interest on long-term debt	6,052	7,147	-	-	6,052	7,147
Sewer	-	-	84,732	86,076	84,732	86,076
Airport	-	-	-	-	-	-
Total expenses	<u>248,094</u>	<u>254,470</u>	<u>84,732</u>	<u>86,076</u>	<u>332,826</u>	<u>340,546</u>
Increase (decrease) before special item and transfers	41,354	(6,417)	(997)	260	40,357	(6,157)
Special item:						
Effect of change in OPEB benefit terms	-	89,741	-	12,205	-	101,946
Transfers	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	39,854	83,324	503	12,465	40,357	95,789
Net position – beginning	(11,854)	(95,178)	154,912	142,447	143,058	47,269
Net position – ending	<u>\$ 28,000</u>	<u>\$ (11,854)</u>	<u>\$ 155,415</u>	<u>\$ 154,912</u>	<u>\$ 183,415</u>	<u>\$ 143,058</u>



Governmental activities. Governmental activities increased the County's net position by \$39.9 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, 2020, revenues from governmental activities totaled \$289.4 million.



Tax revenues totaling \$176.8 million, comprised of property, real estate transfer taxes and a hotel tax, represent the largest revenue source (61.1 percent). Tax revenue increased by \$10.9 million from fiscal year 2019. Collection of the current tax levy remains strong at 99.2 percent, with a 10-year average of 99.6 percent. Property tax revenue increased \$10.0 million, due to a 7.5% tax increase in fiscal year 2020. Real estate transfer taxes yielded \$31.9 million, an increase of \$2.5 million, or 7.8 percent above fiscal year 2019. Crossing Guard and Light taxes were a combined (\$0.8 million) lower than the prior year. The gross receipts tax on lodgings/hotels decreased taxes by (\$0.8 million) from fiscal year 2019.

Charges for services, which account for \$38.7 million, or 13.4 percent of the governmental activities revenue, increased \$0.6 million from fiscal year 2019, primarily due to increases in income from Land Use permits and fees. This program revenue is derived from judiciary fees, \$14.3 million, primarily from real estate recording fees, Sheriff fees from foreclosed properties, and Register of Wills settlements; Land Use permits and fees, \$13.7 million, received primarily

from building permits; Community Services revenues, \$3.4 million for grant related project income, recreation, and library activities; Public Safety-related services, \$1.2 million primarily from traffic fines, police contract duty services, and 911 reporting system fees; general government, \$4.9 million; and Public Works, \$1.1 million.

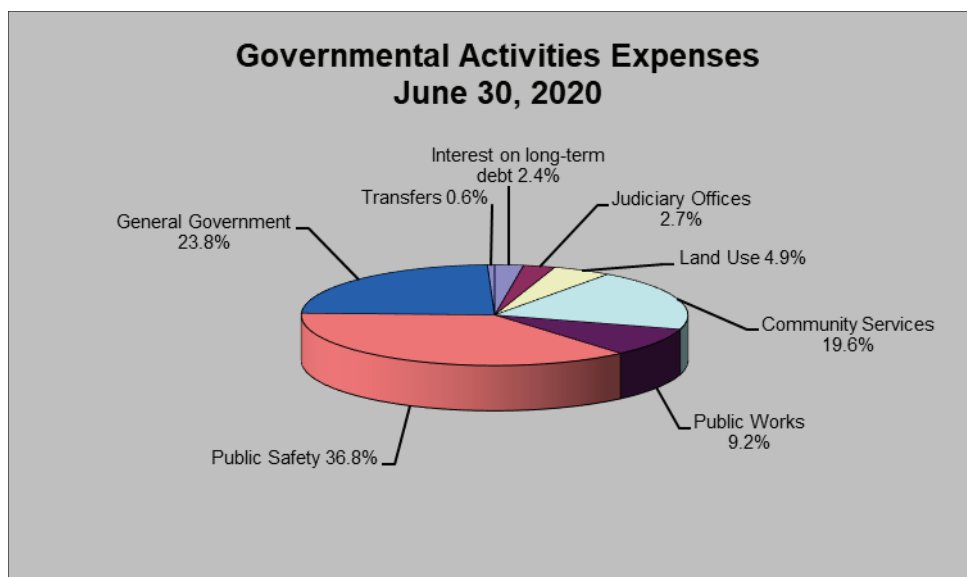
Operating grants and contributions totaling \$62.8 million were derived primarily from the U.S. Department of Treasury, \$29.8 million, from the CARES Act to combat the coronavirus, and \$19.0 million, from the U.S. Department of Housing and Urban Development, and an additional \$0.4 million from other 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 \$9.0 million were received from the State of Delaware for the paramedic reimbursement program and the State pension contribution allocation on behalf of County police. State grants of \$2.0 million were received for State aid to our libraries, and a combined total of \$1.0 million was received from Federal and State Departments of Homeland Security. Interest income mainly related to the Garstin Trust totaled \$0.2 million. Various other operating grants amounted to \$1.4 million to fund other programs.

Capital grants and contributions, which account for \$3.6 million, were primarily received from the State of Delaware - Department of State and Department of Safety and Homeland Security. Revenue from the Department of State, \$1.6 million, and Department of Safety and Homeland Security, \$0.2 million, were mainly used to complete the construction for the Route 9 Library and construction of the southern library and to purchase communication equipment; and impact fees of \$1.6 million was used for the southern regional park and the southern library.

Investment income of \$7.5 million was earned by the governmental activities and is comprised of investment earnings, \$7.4 million, and an unrealized gain on investments \$0.1 million. This amount was \$1.1 million higher than what was earned in fiscal year 2019. The primary driver(s) for this increase are higher average invested balances of operating funds (\$80M from FY 2019, \$95M in FY 2020), including the investment of funding and realized income associated with the Bond 2019 sale (occurred in May 2019 - had funds 1+ months in FY 2019, funds were fully invested for 12 months in FY 2020). For unrealized GL/fair market value changes, driver was primarily due to the flight to quality by investors in response to the pandemic in the first/second quarter of 2020. This drove yields to historic lows and, in turn, created price appreciation (due to the yield/price inverse relationship).

Transfers of (\$1.5 million) were used to purchase land from the Sewer Facilities fund to fund a new County park in Southern New Castle County.

For fiscal year ended June 30, 2020, expenses for governmental activities totaled \$248.1 million. This represents a total decrease of \$6.3 million, or 2.6 percent, from fiscal year 2019. Major functions represented by governmental activities include general government, public safety, public works, community services, land use, judiciary, and interest on debt.



Public Safety accounted for \$91.9 million, or 36.8 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 \$27.5 million over fiscal year 2019, primarily due to a decrease of (\$13.6 million) in salaries and wages, (\$7.4 million) in employee benefits; these expenses decreased due to most of the departments expenses charged to the CARES Act grant starting in March 2020, these expenses are now reflected under general government; a decrease for pension expense, (\$3.4 million), a decrease in other post-employment benefit expense (\$2.8 million), and a decrease in equipment purchases (\$1.8 million). Other miscellaneous decreases and increases totaled \$1.5 million.

Community Services represents \$48.9 million, or 19.6 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 \$1.5 million from 2019. The main contributor to this decrease was (\$0.8 million) for pension expense and (\$0.6 million) for other post-employment benefit expenses.

General Government represents \$59.5 million, or 23.8 percent of the charges. This area supports services for the general administrative operations of the County. These costs increased \$29.7 million from the prior fiscal year, mainly due to the payroll expenses for the County's first responders, as well as, additional purchases of medical and safety equipment and testing supplies incurred under the CARES Act grant in response to the ongoing COVID-19 global pandemic. Computer equipment purchases and communications charges also increased due to the need for much of the County workforce to telecommute to comply with social distancing restrictions.

Public Works, which accounts for \$22.9 million, or 9.2 percent of these expenses, was used to support services for the operation of County parks, facilities, and vehicular fleet. These costs decreased by \$4.2 million from fiscal year 2019. The decrease was mainly attributable to asset changes of (\$3.7 million) related to disposals of obsolete assets offset by new asset acquisitions, pension expenses (\$0.6 million), other post-employment benefit expense (\$0.5 million), landfill costs (\$0.1 million), offset by depreciation expense \$0.6 million, and vehicle leases \$0.1 million.

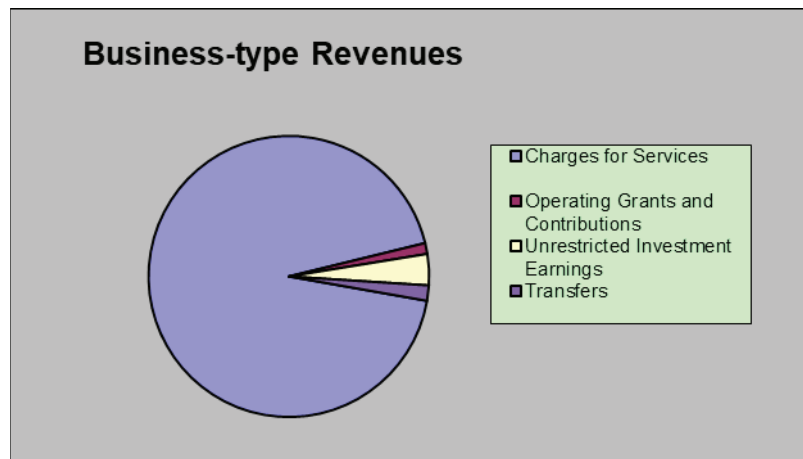
Land Use represents \$12.3 million, or 4.9 percent of these costs, and was responsible for short and long-range comprehensive land use planning. The costs decreased \$0.9 million from fiscal

year 2019. The decrease is mainly attributable to pension expenses (\$0.4 million) and other post-employment benefit expenses (\$0.3 million).

Judiciary offices, which account for \$6.6 million, or 2.6 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 a decrease of \$0.8 million from the previous fiscal year.

Interest on long-term debt represents \$6.0 million, or 2.4 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 \$1.1 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 increased the County's net position by \$0.5 million. Key elements for revenues and expenditures are as follows:



Charges for Services totaling \$79.6 million are comprised of revenue that is primarily earned through sewer service charges to our customers. Residential customers generated approximately 40% percent of this revenue, with the balance being received from industrial, commercial, and other non-residential user classes. Charges for Services decreased \$2.8 million from the previous fiscal year primarily due to reduced billings for industrial users, stormwater fees and septic waste hauler fees.

Operating Grants and Contributions totaling \$1.1 million are primarily comprised of the Recovery Zone Economic Development Bond interest reimbursement of \$0.9 million.

Investment income of \$3.1 million was earned by the business-type activities, comprised of investment earnings equaling \$1.7 million, and an unrealized gain on investments of \$1.4 million. This amount was \$0.2 million higher than what was earned in fiscal year 2019.

Expenses, which total \$84.7 million, decreased \$1.3 million from the previous year. Decreases in communications and utilities of \$2.1 million, administrative and fixed charges, \$1.1 million, pension benefits expense, \$1.0 million, and other areas, \$0.4 million, were partially offset by increases in equipment, \$1.2 million, bond premium amortization, \$1.2 million, and interest, \$0.9

million. The decrease in communications and utilities expenses was due primarily to a true-up payment to the City of Wilmington for sewer treatment costs made in fiscal year 2019 that was not made in fiscal year 2020, partially offset by higher monthly payments to the City for sewer treatment costs in fiscal year 2020. The decrease in administrative charges was primarily due to an adjustment made to reallocate some construction support costs from the Sewer Fund to the General Fund. Bond premium amortization, which offsets interest expense, was lower in fiscal year 2020 than in 2019 (thus, in effect, increasing expense) due to a one-time adjustment made in fiscal year 2019 which increased the amortization in that year. Interest expense was higher in fiscal year 2020 primarily due to the interest on new bonds issued in May 2019.

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, 2020, New Castle County governmental funds reported a combined ending fund balance of \$160.1 million, an increase of \$27.8 million from fiscal year 2019.

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 \$133.6 million. The fund balance of the County's General Fund increased \$40.0 million during the current fiscal year. This change in fund balance is the net result of revenues exceeding expenditures by \$45.3 million, net revenue transfers to other funds of (\$5.2 million), and the sale of capital assets of \$0.1 million. The General fund made net interfund transfers to the Grants fund (\$649,398) to fund the local match to the Emergency Management Grant, to sponsor a summer recreation camp for youth, and a summer youth employment program. Interfund transfers were also made to the Capital Projects Fund (\$4.7 million) to provide funding for fleet vehicles and public safety equipment.

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 \$42.5 million as of June 30, 2020, 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, \$76.4 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, \$3.9 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 \$8.3 million, have been dedicated in the General fund. These amounts are reported as nonspendable and assigned. Nonspendable has been established as prepaid costs, \$0.02 million; and assigned is established for departmental encumbrances, \$3.1 million; library, \$0.01 million; the Strategic Economic Development Fund, \$2.0 million; and the Reassessment Reserve, \$0.2 million. See Note 18 for additional information on these amounts.

The unassigned fund balance of \$5.6 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 is to provide aid to low-income families in obtaining decent, safe, sanitary, and affordable rental housing. The Grants fund ending fund balance is \$1.9 million for fiscal year 2020.

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, 2020, the Light Tax fund balance is \$1.4 million, a slight increase of \$0.1 million from the previous fiscal year. The Crossing Guard fund balance is \$1.1 million, which represents a decrease of \$0.2 million over 2019. The Garstin Trust fund balance is \$3.4 million, which is a decrease of \$0.1 million from the previous fiscal year. The Housing Trust fund balance is \$2.1 million, an increase of \$0.3 million from the previous year, as a result of increasing collection of revenue from building permits.

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 \$4.5 million. The Park Development fund accounts for the acquisition and development of County parkland. This fund balance is \$8.3 million. The Public Safety fund, with an ending fund balance of \$3.0 million, provides continued funding for the Public Safety facility and other public safety projects. The Miscellaneous Capital Improvements fund is used to account for all other capital improvements. This fund balance is \$0.8 million. In total, the four capital projects funds reported a fund balance of \$16.6 million representing a decrease of \$12.9 million from the previous year. The main drivers of the decreased fund balance were the issuance of bonds in May 2019, partially offset by the costs of construction and improvement of County buildings and the acquisition of equipment.

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 \$27.2 million; \$7.9 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 2020 show increases of \$2.7 million. This increase is reflected in intergovernmental revenue, \$3.2 million; charges for services, \$0.1 million; offset by an increase in transfers out (\$0.6 million). 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 to the County Council for the service of live streaming of Council meetings due to the COVID pandemic. Transfers out changed for matching funds for the emergency management grant, the summer youth program, and summer camp funding.

Appropriation budget. Budgetary expenditure variances between the original and prior year appropriations to the final budget for fiscal year 2020 reflect an increase of \$5.2 million. This change is mainly attributed to increases in Public Safety, \$2.9 million; Administration, \$2.1 million; Contingencies, \$0.5 million; Executive Office, \$0.3 million; offset by decreases in Public Works (\$0.6 million). Public Safety appropriations increased for the pension contribution allocation on behalf of County police to the Pension fund, offset by matching funds for the emergency management grant. Administration appropriations increased due to funding needed to purchase supplies, tests, and equipment to protect NCC's first responders and residents during the COVID pandemic. Executive Office increases were to cover contributions to community grants and other donations. Contingency appropriations increased due to attrition adjustments made to salary and benefits across all departments offset by appropriations were transferred to the Executive Office as mentioned above to cover donations to community grants. Public Works appropriations were transferred to Contingencies due to attrition adjustments to salaries and benefits.

Budget to actual – revenue. Variances between actual revenue and budgeted revenue for fiscal year 2020 reflect a net positive variance of \$5.5 million, or 2.6 percent. Investment income showed a positive variance of \$3.1 million. The main contributor to portfolio outperformance was the flight to quality by investors in response to the pandemic during the first and second quarters of 2020 which drove yields to historic lows, creating price appreciation for fixed income securities in the County's portfolio. Licenses and permits were over budget by \$1.7 million as a result of a large commercial construction permit for the Amazon warehouse. Miscellaneous revenue came in over budget by \$1.0 million due to an increase in Pharmacy rebates received in during the fiscal year. Intergovernmental revenue showed a positive variance of \$0.5 million mainly attributable due to an increase in the funding from the State of Delaware for the reimbursement for services provided by County Paramedics. Offsetting this positive variance, charges for services show a negative variance of \$0.4 million due to the cancellation of various events and programs necessitated by the social distancing restrictions of the ongoing pandemic. Taxes were under budget by \$0.3 million, due to decreases in hotel tax revenue as a result of the travel restrictions imposed for the COVID pandemic. Rentals have a slightly negative variance of \$0.1 million mainly due to lower reimbursements from the City of Wilmington.

Budget to actual – expenditure. Fiscal year 2020 reflected a positive variance between expenditures and final appropriations of \$41.2 million, or 19.2 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, \$18.3 million; employee benefits, \$14.4 million; contractual services, \$5.3 million; materials and supplies, \$3.1 million; fixed charges, \$2.3 million; equipment, \$0.8 million; communications and utilities, \$0.7 million; contingencies, \$0.2 million; training, \$0.1 million; and intragovernmental credits, \$4.0 million. Salaries had a positive variance due to position vacancies and that police and other first responders' salaries were charged to the CARES Act grant since the start of the COVID pandemic in March. Employee benefits had a positive variance because actual employee benefit costs were lower than the budgeted employee benefit rate that was charged against salaries, so all departments ended up receiving a credit to their employee benefits line. Also, as with salaries, employee benefit costs for police and other first responders 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 and computer software maintenance contracts, and a decrease in: health and medical fees, grass cutting services, attorney fees, HVAC services, property enforcement services, telephone equipment repairs, advertising services, and less need for vehicular and facility 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 \$2.2 million in encumbrances against this line item. Materials and supplies variances are favorable due to savings in custodial supplies, library books, electrical supplies, medical and safety supplies, and books and subscriptions. Fixed charges/pass-thru-grants reflect a positive variance due to lower medical costs for workers compensation claims. Communications and utilities variances were favorable due to savings in 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 hotel travel, seminar fees, trainer fees, conference fees, membership dues and community event fees. 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, 2020, amounts to \$811.7 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 83,197	\$ 81,479	\$ 35,321	\$ 36,821	\$ 118,518	\$ 118,300
Buildings	127,902	128,932	24,035	24,222	151,937	153,154
Building improvements	37,528	32,686	2,644	2,725	40,172	35,411
Improvements other than buildings	19,050	21,053	1,716	1,828	20,766	22,881
Equipment	51,868	48,573	12,397	13,348	64,265	61,921
Infrastructure	30	31	408,919	379,191	408,949	379,222
Construction in progress	1,763	3,564	5,312	8,402	7,075	11,966
Total	\$ 321,338	\$ 316,318	\$ 490,344	\$ 466,537	\$ 811,682	\$ 782,855

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

- Various capitalized facilities and equipment costs totaled \$15.6 million. These expenditures consisted of \$4.3 million for the purchase of vehicles and special purpose equipment, \$7.2 million for building rehabilitation, security upgrades and paving projects at various County facilities, while the remaining \$4.1 million was used for lease payments on vehicles and other equipment.

- Community Services capital projects totaled \$2.1 million, of which \$1.8 million was used for the initial phase of building a new library in southern New Castle County and \$0.3 million was used for various other community services projects.
- Park development expenditures during the year amounted to \$1.0 million. These expenditures included \$0.4 million for renovations to the Glasgow Regional Park Hermitage; \$0.2 million for play area improvements and general parkland improvements; and \$0.4 million for various other park improvements and developments.
- Public Safety capital projects totaled \$2.3 million, of which \$0.6 million was used for replacing the volunteer fire service paging system, \$0.6 million was used for construction of a new paramedic station, \$0.5 million was used for police vests and other public safety equipment, \$0.3 million was used for improvements to the Public Safety Facility, and \$0.3 million was used for an Emergency Vehicle Operator Course that will be used to teach first responders the necessary skills to operate an emergency vehicle safely.
- Miscellaneous capital improvements totaled \$3.0 million during the year. These improvements included replacing the County's financial system, 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 \$43.1 million. The costs incurred were for the North Delaware Interceptor project, \$18.3 million; Christina River Force Main project, \$7.8 million; Brandywine Hundred North and Brandywine Hundred South Rehabilitation projects, \$3.2 million; various other sewer rehabilitation projects, \$4.4 million; other pump station projects, \$2.4 million; and fleet equipment expenditures, \$2.0 million. Expenditures for various sewer interceptor projects and other sewer improvement projects amounted to \$1.9 million. Treatment plant project expenditures came to \$1.8 million. Additional capital expenditures in the Sewer Facilities Fund totaled \$1.3 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, 2020, the County had total bonded debt outstanding of \$492.6 million. Of the total bonded debt, \$166.1 million is subject to New Castle County's debt limit of \$578.2 million, leaving a legal debt margin of \$412.1 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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	<u>\$166,085</u>	<u>\$180,370</u>	<u>\$326,475</u>	<u>\$338,560</u>	<u>\$492,560</u>	<u>\$518,930</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 2021 Budgets

The County's unemployment rate as of June 2020 was 13.0 percent, which was slightly higher than the State of Delaware's rate of 12.6 percent, and higher than the national average of 11.2 percent. In the second quarter of 2020, estimated per capita personal income of Delaware residents was \$57,774.

The fiscal year 2021 operating budget is \$303.5 million, which reflects an increase of \$2.2 million, or 0.72 percent over the fiscal year 2020 operating budget.

Highlights of the County's operating budget include:

- Funding of \$71.3 million to provide for 400 police officers, civilian employees, and support services to protect our communities.
- Emergency Medical Services funding of \$20.1 million to fund 137 paramedics.
- Emergency Communications Center funding of \$11.4 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 \$15.1 million, which covers operating costs of our 11 County libraries (\$12.7 million) and 5 contractual libraries (\$2.4 million).
- Information technology is funded at \$7.3 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. Budgeted funds for operations of these services are \$5.7 million.
- Funding of \$7.0 million for licensing and enforcement of drainage, building, plumbing, and mechanical codes.

The fiscal year 2021 capital budget and six-year capital program provides funding of \$65.2 million for major projects throughout the County that will expand and enhance services to our residents.

Highlights of the County's 2021 capital budget and program include:

- Continued major sewer rehabilitation projects taking place throughout New Castle County are programmed to receive additional funding of \$35.5 million in fiscal year 2021 to ensure that our infrastructure receives the attention it requires to continue serving the public while protecting our environment.
- Assisting communities with stormwater management to mitigate flood and stormwater management problems will receive funding of \$3.0 million in fiscal year 2021.
- Renovations and upgrades to County facilities, parking lots, fleet, and upgrades to facilities security are budgeted for a total of \$18.9 million in fiscal year 2021.
- Public Safety projects will receive a total of \$0.8 million in fiscal year 2021 for protective vests and other public safety equipment and an emergency vehicle operations course.
- Parks is authorized for \$6.4 million in fiscal year 2021, \$2.1 million for improvements at Delcastle Park, \$1.1 million for improvements at Glasgow Regional Park, \$1.1 million for Countywide parkland and open space acquisition, and an additional \$2.1 million for various other park projects.

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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 359,891,896	\$ 19,649,713	\$ 379,541,609
Investments (Note 2)	112,757,660	40,272,107	153,029,767
Receivables (net of allowances):			
Taxes, including interest and penalties (Note 3 and 4)	2,868,184	-	2,868,184
Accounts	2,285,605	-	2,285,605
Service charges (Note 4)	-	9,564,671	9,564,671
Other	349,632	223,147	572,779
Due from other governments (Note 4)	2,975,585	2,162,718	5,138,303
Due from other agencies (Note 4)	7,047	-	7,047
Prepaid costs	19,551	-	19,551
Capital assets held for resale	551,104	-	551,104
Restricted:			
Cash and cash equivalents (Note 2)	15,820,405	6,517,830	22,338,235
Total current assets	<u>497,526,669</u>	<u>78,390,186</u>	<u>575,916,855</u>
Noncurrent assets:			
Note Receivable (Note 4)	3,000,000	-	3,000,000
Capital assets, not being depreciated (Note 5)	84,959,895	40,632,935	125,592,830
Capital assets, being depreciated, net (Note 5)	236,378,116	449,711,534	686,089,650
Total noncurrent assets	<u>324,338,011</u>	<u>490,344,469</u>	<u>814,682,480</u>
Total Assets	<u>821,864,680</u>	<u>568,734,655</u>	<u>1,390,599,335</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow from pensions (Note 24)	45,173,010	4,376,537	49,549,547
Deferred outflows from OPEB (Note 19)	4,761,607	646,550	5,408,157
Deferred effect of bond refunding, net	2,107,088	6,347,849	8,454,937
Total Deferred Outflows of Resources	<u>52,041,705</u>	<u>11,370,936</u>	<u>63,412,641</u>
LIABILITIES			
Current liabilities:			
Vouchers payable and other current liabilities	29,860,529	5,978,897	35,839,426
Retainage payable	282,394	2,498,176	2,780,570
Accrued interest payable	2,149,809	4,367,225	6,517,034
Escrowed amounts	9,080,971	1,399,613	10,480,584
Unearned revenue (Note 9)	298,588,555	-	298,588,555
General obligation bonds payable plus unamortized bond premium (Note 10)	14,422,776	12,263,414	26,686,190
Loans payable (Notes 10)	-	241,786	241,786
Claims and judgments payable (Notes 10 and 14)	4,147,000	-	4,147,000
Capital lease payable (Notes 10 and 22)	3,735,121	1,288,316	5,023,437
Accrued compensated leave (Notes 8 and 10)	7,786,091	1,071,339	8,857,430
Estimated liability for landfill postclosure care (Notes 10 and 13)	99,000	-	99,000
Total current liabilities	<u>370,152,246</u>	<u>29,108,766</u>	<u>399,261,012</u>
Noncurrent liabilities:			
General obligation bonds payable plus unamortized bond premium (Note 10)	165,215,190	340,235,627	505,450,817
Loans payable (Notes 10)	-	18,922,491	18,922,491
Claims and judgments payable (Notes 10 and 14)	10,719,718	-	10,719,718
Capital lease payable (Notes 10 and 22)	6,223,561	2,027,780	8,251,341
Accrued compensated leave (Notes 8 and 10)	19,240,572	2,165,350	21,405,922
Net pension liability (Notes 10 and 24)	188,380,475	24,813,750	213,194,225
Net OPEB liability (Notes 10 and 19)	73,536,106	6,189,485	79,725,591
Estimated liability for landfill postclosure care (Notes 10 and 13)	594,000	-	594,000
Total noncurrent liabilities	<u>463,909,622</u>	<u>394,354,483</u>	<u>858,264,105</u>
Total Liabilities	<u>834,061,868</u>	<u>423,463,249</u>	<u>1,257,525,117</u>

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions (Note 24)	4,477,246	225,825	4,703,071
Deferred inflows from OPEB (Note 19)	7,367,207	1,001,994	8,369,201
Total Deferred Inflows of Resources	11,844,453	1,227,819	13,072,272
NET POSITION			
Net investment in capital assets	147,889,235	128,230,734	276,119,969
Restricted:			
Capital projects	2,569,108	-	2,569,108
Street light special assessment	1,381,583	-	1,381,583
School crossing guards	912,529	-	912,529
Parkland improvements	3,423,392	-	3,423,392
Affordable housing services	2,099,128	-	2,099,128
Other programs	1,866,723	-	1,866,723
Unrestricted (Note 17)			
Capital recovery fees	-	7,869,083	7,869,083
Other unrestricted	(132,141,634)	19,314,706	(112,826,928)
Total Net Position	\$ 28,000,064	\$ 155,414,523	\$ 183,414,587

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

NEW CASTLE COUNTY, DELAWARE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

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		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 59,466,787	\$ 4,956,120	\$ 29,888,789	\$ 8,051	\$ (24,613,827)	\$ -	\$ (24,613,827)
Public safety	91,935,257	1,234,215	10,742,205	268,019	(79,690,818)	-	(79,690,818)
Public works	22,940,861	1,117,489	113,954	1,394,523	(20,314,895)	-	(20,314,895)
Community services	48,857,037	3,401,240	22,093,770	1,961,482	(21,400,545)	-	(21,400,545)
Land use	12,260,331	13,676,992	-	-	1,416,661	-	1,416,661
Judiciary offices	6,581,813	14,297,197	-	-	7,715,384	-	7,715,384
Interest on long-term debt	6,051,873	-	-	-	(6,051,873)	-	(6,051,873)
Total governmental activities (See note 1)	248,093,959	38,683,253	62,838,718	3,632,075	(142,939,913)	-	(142,939,913)
Business-type activities:							
Sewer facilities	84,732,385	79,607,391	1,065,043	-	-	(4,059,951)	(4,059,951)
New Castle County airport	-	-	-	-	-	-	-
Total business-type activities	84,732,385	79,607,391	1,065,043	-	-	(4,059,951)	(4,059,951)
Total primary government	\$ 332,826,344	\$ 118,290,644	\$ 63,903,761	\$ 3,632,075	(142,939,913)	(4,059,951)	(146,999,864)
General revenues:							
Real estate and other taxes					176,768,463	-	176,768,463
Unrestricted investment earnings					7,525,549	3,062,198	10,587,747
Transfers					(1,500,000)	1,500,000	-
Total general revenues and transfers					182,794,012	4,562,198	187,356,210
Change in net position					39,854,099	502,247	40,356,346
Net position:							
Beginning of year					(11,854,035)	154,912,276	143,058,241
End of year					\$ 28,000,064	\$ 155,414,523	\$ 183,414,587

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

NEW CASTLE COUNTY, DELAWARE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2020

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents (Note 2)	\$ 55,153,294	\$ 302,573,461	\$ 2,165,141	\$ 359,891,896
Investments (Note 2)	109,382,695	-	3,374,965	112,757,660
Receivables (net of allowances):				
Taxes, including interest and penalties (Note 3 and 4)	2,690,795	-	177,389	2,868,184
Accounts (Note 4)	2,285,605	-	-	2,285,605
Other (Note 4)	299,824	48,194	1,614	349,632
Due from other funds (Note 7)	-	-	21,604,540	21,604,540
Due from other governments (Note 4)	-	2,651,218	324,367	2,975,585
Due from other agencies (Note 4)	-	7,047	-	7,047
Cash - restricted	15,794,311	26,094	-	15,820,405
Capital assets held for resale	181,542	369,562	-	551,104
Prepaid costs	15,758	-	3,793	19,551
Note receivable (Note 4)	3,000,000	-	-	3,000,000
Total assets	\$ 188,803,824	\$ 305,675,576	\$ 27,651,809	\$ 522,131,209
LIABILITIES:				
Vouchers payable and accrued expenditures	\$ 13,959,040	\$ 5,375,746	\$ 2,670,750	\$ 22,005,536
Retainage payable	-	-	282,394	282,394
Due to other funds (Note 7)	21,604,540	-	-	21,604,540
Other liabilities	7,854,993	-	-	7,854,993
Escrowed amounts	9,054,877	26,094	-	9,080,971
Unearned revenues (Note 9)	181,542	298,407,013	-	298,588,555
Total liabilities	52,654,992	303,808,853	2,953,144	359,416,989
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes (Note 9)	2,507,491	-	65,014	2,572,505
FUND BALANCES:				
Nonspendable:				
Prepaid costs	15,758	-	3,794	19,552
Restricted for:				
Light tax	-	-	1,381,583	1,381,583
Crossing guard	-	-	847,515	847,515
Garstin trust	-	-	3,423,392	3,423,392
Housing trust	-	-	2,099,128	2,099,128
Grants	-	1,866,723	-	1,866,723
Capital projects	-	-	16,609,891	16,609,891
Committed to:				
Budget reserve	42,543,328	-	-	42,543,328
Tax stabilization reserve	76,372,447	-	-	76,372,447
Transfer tax proceeds	3,850,284	-	-	3,850,284
Assigned to:				
Other departmental purposes	3,065,791	-	268,348	3,334,139
Library	10,005	-	-	10,005
Strategic Economic Development fund	2,025,000	-	-	2,025,000
Reassessment Reserve	180,000	-	-	180,000
Unassigned	5,578,728	-	-	5,578,728
Total fund balances	133,641,341	1,866,723	24,633,651	160,141,715
Total liabilities, deferred inflows of resources, and fund balances	\$ 188,803,824	\$ 305,675,576	\$ 27,651,809	\$ 522,131,209

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, 2020

Total fund balances for governmental funds (Exhibit 3) \$ 160,141,715

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	\$ 84,959,895	
Other capital assets net of \$268,240,323 accumulated depreciation	236,378,116	
Total capital assets, net		321,338,011

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

Deferred effect of bond refunding	2,107,088	
Pension contributions after the measurement date	4,900,686	
Difference between expected and actual retirement plan experience - Pension	11,658,004	
Difference between projected and actual investment earnings - Pension	5,316,406	
Change in actuarial assumptions - Pension	23,214,078	
Change in actuarial assumptions - OPEB	3,811,107	
Difference between projected and actual investment earnings - OPEB	950,500	
Change in proportionate share - Pension	83,836	
		52,041,705

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

Change in actuarial assumptions - Pension	(925,909)	
Difference between expected and actual retirement plan experience - Pension	(3,527,151)	
Change in proportionate share - Pension	(24,186)	
Difference between expected and actual retirement plan experience - OPEB	(7,367,207)	
		(11,844,453)

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

2,572,505

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	(14,866,718)	
Accrued interest payable	(2,149,809)	
Accrued compensated leave	(27,026,663)	
Estimated liability for landfill postclosure care	(693,000)	
Capital lease payable	(9,958,682)	
Unamortized bond premium	(13,552,966)	
Net pension liability	(188,380,475)	
Net OPEB liability	(73,536,106)	
General obligation bonds payable	(166,085,000)	
		(496,249,419)

Total net position of governmental activities \$ 28,000,064

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, 2020

	General	Grants	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 166,949,890	\$ -	\$ 9,595,803	\$ 176,545,693
Charges for services	22,180,911	2,693,111	-	24,874,022
Licenses and permits	9,216,516	-	320,310	9,536,826
Intergovernmental	10,370,974	53,655,499	1,849,536	65,876,009
Investment income (loss)	4,287,583	65,984	113,788	4,467,355
Net appreciation (depreciation) in fair value of investments	3,237,967	-	(33,589)	3,204,378
Rentals	721,273	-	-	721,273
Miscellaneous	2,248,652	-	1,782,539	4,031,191
Total revenues	219,213,766	56,414,594	13,628,387	289,256,747
Expenditures:				
Current:				
General government	19,055,789	29,888,790	7,057,269	56,001,848
Public safety	79,062,295	2,487,894	2,581,235	84,131,424
Public works	15,364,790	33,755	180,282	15,578,827
Community services	21,102,447	24,044,360	-	45,146,807
Land use	11,613,518	85,580	-	11,699,098
Judiciary offices	6,242,378	-	-	6,242,378
Capital outlays	-	-	24,049,276	24,049,276
Debt service:				
Principal	14,285,000	-	-	14,285,000
Interest and other charges	7,224,911	-	-	7,224,911
Total expenditures	173,951,128	56,540,379	33,868,062	264,359,569
Excess (deficiency) of revenues over expenditures	45,262,638	(125,785)	(20,239,675)	24,897,178
Other Financing Sources (Uses):				
Transfers in	4,954	649,398	4,745,827	5,400,179
Transfers out	(5,395,225)	(4,824)	(1,500,130)	(6,900,179)
Capital leases	-	-	4,277,226	4,277,226
Sale of capital assets	136,228	-	-	136,228
Total other financing sources (uses)	(5,254,043)	644,574	7,522,923	2,913,454
Net change in fund balances	40,008,595	518,789	(12,716,752)	27,810,632
Fund Balances:				
Beginning of year	93,632,746	1,347,934	37,350,403	132,331,083
End of year	<u>\$ 133,641,341</u>	<u>\$ 1,866,723</u>	<u>\$ 24,633,651</u>	<u>\$ 160,141,715</u>

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

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, 2020

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)	\$ 27,810,632
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 (\$25,283,364) exceeded depreciation (\$20,150,962) in the current period.	5,132,402
The net effect of various miscellaneous transactions involving capital asset disposals (capital assets (\$5,363,936), and accumulated depreciation (\$5,251,030)), is to decrease net position.	(112,906)
Revenues from property taxes (\$222,770) in the statement of activities that do not provide current financial resources, are not reported as revenues in the funds.	222,770
Capital lease proceeds (\$4,277,226), 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.	(4,277,226)
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 (\$14,285,000) and capital lease payments (\$4,216,884) are a reduction of their related liability.	18,501,884
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.	(152,361)
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.	1,781,160
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.	4,900,686
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	(817,808)
Claims and judgments payable	1,175,147
Net pension liability	(11,726,018)
Net OPEB liability	(3,800,299)
Accrued interest payable	147,721
Amortization of bond premium	1,286,148
Deferred effect of bond refunding, net	(260,833)
Estimated liability for landfill postclosure care	43,000
	(13,952,942)
Change in net position of governmental activities (Exhibit 2)	\$ 39,854,099

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, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 167,274,000	\$ 167,274,000	\$ 166,949,890	\$ (324,110)
Charges for services	22,548,933	22,617,817	22,180,911	(436,906)
Licenses and permits	7,522,000	7,522,000	9,216,516	1,694,516
Intergovernmental	6,630,103	9,895,774	10,370,974	475,200
Investment income	4,400,480	4,400,480	4,287,583	(112,897)
Net appreciation in fair value of investments	-	-	3,237,967	3,237,967
Rentals	815,657	815,657	721,273	(94,384)
Miscellaneous	1,169,200	1,169,200	2,248,652	1,079,452
Total revenues	210,360,373	213,694,928	219,213,766	5,518,838
Expenditures:				
Current:				
General Government:				
Council:				
Salaries and wages	2,062,517	2,010,183	2,000,509	9,674
Fringe benefits	1,218,476	1,186,034	1,087,491	98,543
Training/civic affairs	85,862	77,340	49,592	27,748
Communications/utilities	24,952	23,495	13,421	10,074
Materials/supplies	130,305	39,575	22,216	17,359
Contractual services	386,575	419,644	242,496	177,148
Fixed charges/pass-thru-grants	245,580	181,159	180,043	1,116
Equipment	1,600	74,455	60,355	14,100
General and administrative credits	(10,220)	(10,220)	(10,220)	-
Total council	4,145,647	4,001,665	3,645,903	355,762
Executive:				
Salaries and wages	1,376,754	1,333,791	1,313,266	20,525
Fringe benefits	826,835	786,828	715,518	71,310
Training/civic affairs	38,904	27,500	24,927	2,573
Communications/utilities	17,904	17,904	14,539	3,365
Materials/supplies	22,852	14,593	9,482	5,111
Contractual services	173,105	273,766	232,770	40,996
Fixed charges/pass-thru-grants	40,000	440,000	432,733	7,267
Equipment	1,000	1,000	68	932
Contingencies	55,000	3,652	728	2,924
General and administrative credits	(119,533)	(119,533)	(119,533)	-
Total executive	2,432,821	2,779,501	2,624,498	155,003
Administration:				
Salaries and wages	10,699,434	10,216,116	9,853,599	362,517
Fringe benefits	6,340,947	6,184,115	5,226,776	957,339
Training/civic affairs	110,446	96,861	63,043	33,818
Communications/utilities	769,720	924,970	851,378	73,592
Materials/supplies	191,732	1,629,805	100,286	1,529,519
Contractual services	7,230,870	7,392,933	6,467,256	925,677
Fixed charges/pass-thru-grants	5,281,844	5,781,844	4,015,472	1,766,372
Equipment	283,405	763,786	194,156	569,630
Intragovernmental credits	(13,107,235)	(13,107,235)	(9,881,417)	(3,225,818)
General and administrative credits	(4,421,338)	(4,421,338)	(4,421,338)	-
Total administration	13,379,825	15,461,857	12,469,211	2,992,646

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, 2020
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government:				
(Continued):				
Ethics Commission:				
Salaries and wages	\$ 38,000	\$ 38,000	\$ 33,129	\$ 4,871
Fringe benefits	4,091	4,091	3,156	935
Training/civic affairs	9,305	9,305	8,209	1,096
Communications/utilities	3,572	3,572	1,666	1,906
Materials/supplies	3,512	3,512	570	2,942
Contractual services	376,068	376,068	269,447	106,621
Equipment	2,000	2,000	-	2,000
Total ethics commission	436,548	436,548	316,177	120,371
Contingency:				
Salaries and wages	(892,755)	-	-	-
Fringe benefits	(536,162)	-	-	-
Contingencies	1,631,200	748,705	-	748,705
Total contingency	202,283	748,705	-	748,705
Total general government	20,597,124	23,428,276	19,055,789	4,372,487
Public Safety:				
Salaries and wages	55,305,587	55,085,184	38,828,510	16,256,674
Fringe benefits	33,094,813	36,228,116	24,927,610	11,300,506
Training/civic affairs	131,013	106,688	82,395	24,293
Communications/utilities	732,386	710,117	630,485	79,632
Materials/supplies	1,552,279	1,565,940	910,503	655,437
Contractual services	9,089,607	8,977,169	7,565,972	1,411,197
Equipment	383,835	429,935	315,431	114,504
Fixed charges/pass-thru-grants	5,980,096	6,017,109	6,017,090	19
General and administrative credits	(215,701)	(215,701)	(215,701)	-
Total public safety	106,053,915	108,904,557	79,062,295	29,842,262
Public Works:				
Salaries and wages	9,342,734	8,955,010	8,291,628	663,382
Fringe benefits	5,546,149	5,313,296	4,544,164	769,132
Training/civic affairs	14,459	14,459	13,428	1,031
Communications/utilities	1,355,976	1,335,976	1,015,422	320,554
Materials/supplies	2,980,345	2,900,545	2,228,201	672,344
Contractual services	5,256,663	5,420,663	4,392,947	1,027,716
Fixed charges/pass-thru-grants	1,063,204	1,063,204	564,584	498,620
Equipment	464,609	460,409	413,560	46,849
Intragovernmental credits	(7,040,443)	(7,040,443)	(5,733,053)	(1,307,390)
General and administrative credits	(366,091)	(366,091)	(366,091)	-
Total public works	18,617,605	18,057,028	15,364,790	2,692,238
Community Services:				
Salaries and wages	9,982,209	9,873,289	9,536,029	337,260
Fringe benefits	4,733,029	4,780,659	4,435,313	345,346
Training/civic affairs	18,560	23,729	18,617	5,112
Communications/utilities	919,823	946,178	788,987	157,191
Materials/supplies	1,323,289	1,345,579	1,185,053	160,526
Contractual services	3,241,600	3,161,076	2,508,186	652,890
Fixed charges/pass-thru-grants	2,865,328	2,876,328	2,792,218	84,110
Equipment	19,556	31,756	20,044	11,712
Intragovernmental credits	(182,000)	(182,000)	(182,000)	-
Total community services	22,921,394	22,856,594	21,102,447	1,754,147

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, 2020
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Land Use:				
Salaries and wages	\$ 7,072,382	\$ 6,980,274	\$ 6,822,374	\$ 157,900
Fringe benefits	4,224,785	4,169,467	3,758,074	411,393
Training/civic affairs	59,615	57,275	34,598	22,677
Communications/utilities	97,982	94,582	83,130	11,452
Materials/supplies	104,239	84,428	52,044	32,384
Contractual services	2,223,884	2,494,313	1,686,636	807,677
Fixed charges/pass-thru-grants	31,500	31,500	31,500	-
Equipment	21,331	74,931	52,807	22,124
Intragovernmental credits	(558,467)	(558,467)	(558,467)	-
General and administrative credits	(349,178)	(349,178)	(349,178)	-
Total land use	12,928,073	13,079,125	11,613,518	1,465,607
Judiciary Offices:				
Prothonotary:				
Fringe benefits	22,534	23,050	23,050	-
Total prothonotary	22,534	23,050	23,050	-
Register in Chancery:				
Salaries and wages	175,288	235,664	234,348	1,316
Fringe benefits	105,272	130,439	129,712	727
Total register in chancery	280,560	366,103	364,060	2,043
Register of Wills:				
Salaries and wages	1,009,894	1,002,491	980,092	22,399
Fringe benefits	597,640	593,194	537,853	55,341
Training/civic affairs	33,990	33,490	32,050	1,440
Communications/utilities	11,194	11,694	7,241	4,453
Materials/supplies	12,529	9,529	4,794	4,735
Contractual services	110,157	118,130	102,035	16,095
Equipment	2,804	3,424	2,559	865
Total register of wills	1,778,208	1,771,952	1,666,624	105,328
Recorder of Deeds:				
Salaries and wages	1,214,520	1,182,462	1,121,825	60,637
Fringe benefits	717,083	697,830	616,541	81,289
Training/civic affairs	45,190	45,190	41,233	3,957
Communications/utilities	31,046	31,046	26,744	4,302
Materials/supplies	12,792	12,792	8,194	4,598
Contractual services	260,278	267,401	209,526	57,875
Fixed charges/pass-thru-grants	15,000	15,000	15,000	-
Equipment	8,000	8,000	5,569	2,431
Total recorder of deeds	2,303,909	2,259,721	2,044,632	215,089

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, 2020
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Judiciary Offices:				
(Continued):				
Sheriff:				
Salaries and wages	\$ 1,149,686	\$ 1,125,108	\$ 773,260	\$ 351,848
Fringe benefits	686,629	671,868	428,117	243,751
Training/civic affairs	29,452	29,452	21,496	7,956
Communications/utilities	20,634	20,634	12,195	8,439
Materials/supplies	26,204	26,204	14,271	11,933
Contractual services	215,307	215,307	180,220	35,087
Equipment	5,102	5,102	176	4,926
Total sheriff	2,133,014	2,093,675	1,429,735	663,940
Clerk of the Peace:				
Salaries and wages	438,473	449,987	422,308	27,679
Fringe benefits	263,334	262,578	233,971	28,607
Training/civic affairs	16,845	13,165	10,109	3,056
Communications/utilities	3,677	3,737	2,930	807
Materials/supplies	2,300	2,300	596	1,704
Contractual services	48,649	54,437	44,363	10,074
Equipment	-	-	-	-
Total clerk of the peace	773,278	786,204	714,277	71,927
Total judiciary offices	7,291,503	7,300,705	6,242,378	1,058,327
Debt Service:				
Principal	13,425,000	13,425,000	14,285,000	(860,000)
Interest and other charges	8,125,000	8,125,000	7,224,911	900,089
Total debt service	21,550,000	21,550,000	21,509,911	40,089
Total expenditures	209,959,614	215,176,285	173,951,128	41,225,157
Excess of revenues over expenditures	400,759	(1,481,357)	45,262,638	46,743,995
Other Financing Sources (Uses):				
Transfers in	-	-	4,954	4,954
Transfers out	(4,745,828)	(5,395,225)	(5,395,225)	-
Sale of capital assets	70,040	70,040	136,228	66,188
Total other financing sources (uses)	(4,675,788)	(5,325,185)	(5,254,043)	71,142
Net change in fund balance	(4,275,029)	(6,806,542)	40,008,595	46,815,137
Fund Balance:				
Beginning of year	46,994,115	29,694,836	93,632,746	63,937,910
End of year	<u>\$ 42,719,086</u>	<u>\$ 22,888,294</u>	<u>\$ 133,641,341</u>	<u>\$ 110,753,047</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, 2020

	Business-type Activities - Enterprise Funds		
	Sewer Facilities	Nonmajor Fund New Castle County Airport	Total
ASSETS			
Current Assets:			
Cash and cash equivalents (Note 2)	\$ 19,593,655	\$ 56,058	\$ 19,649,713
Investments (Note 2)	40,272,107	-	40,272,107
Receivables (net of allowances):			
Service charges (Note 4)	9,564,671	-	9,564,671
Other (Note 4)	223,147	-	223,147
Due from other governments (Note 4)	2,162,718	-	2,162,718
Restricted cash and cash equivalents (Note 2)	6,517,830	-	6,517,830
Total current assets	78,334,128	56,058	78,390,186
Capital Assets: (Note 5)			
Land	33,162,038	2,158,912	35,320,950
Buildings	38,578,180	4,820,100	43,398,280
Building improvements	3,519,535	-	3,519,535
Equipment	45,010,801	1,000	45,011,801
Improvements other than buildings	3,947,218	43,682,500	47,629,718
Infrastructure	635,433,420	-	635,433,420
Construction in progress	5,311,985	-	5,311,985
Less accumulated depreciation	(276,777,620)	(48,503,600)	(325,281,220)
Total capital assets, net	488,185,557	2,158,912	490,344,469
Total noncurrent assets	488,185,557	2,158,912	490,344,469
Total assets	566,519,685	2,214,970	568,734,655
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow from pensions (Note 24)	4,376,537	-	4,376,537
Deferred outflow from other post-employment benefits (Note 19)	646,550	-	646,550
Deferred effect of bond refunding, net (Note 10)	6,347,849	-	6,347,849
Total deferred outflows of resources	11,370,936	-	11,370,936
LIABILITIES			
Current Liabilities:			
Vouchers payable and accrued expenses	5,978,897	-	5,978,897
Retainage payable	2,498,176	-	2,498,176
Accrued interest payable	4,367,225	-	4,367,225
Escrowed amounts	1,399,613	-	1,399,613
General obligation bonds - current (Note 10)	12,263,414	-	12,263,414
Loans payable - current (Note 10)	241,786	-	241,786
Lease payable - current (Notes 10 and 22)	1,288,316	-	1,288,316
Accrued compensated leave (Notes 8 and 10)	1,071,339	-	1,071,339
Total current liabilities	29,108,766	-	29,108,766
Noncurrent Liabilities:			
Net Pension liability (Note 24)	24,813,750	-	24,813,750
Net other post-employment benefit liability (Note 19)	6,189,485	-	6,189,485
General obligation bonds payable (net of current portion) (Note 10)	340,235,627	-	340,235,627
Loans payable (Note 10)	18,922,491	-	18,922,491
Lease payable (Notes 10 and 22)	2,027,780	-	2,027,780
Accrued compensated leave (Notes 8 and 10)	2,165,350	-	2,165,350
Total noncurrent liabilities	394,354,483	-	394,354,483
Total liabilities	423,463,249	-	423,463,249
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow from pensions (Note 24)	225,825	-	225,825
Deferred inflow from other post-employment benefits (Note 19)	1,001,994	-	1,001,994
Total deferred inflows of resources	1,227,819	-	1,227,819
NET POSITION			
Net investment in capital assets	126,071,822	2,158,912	128,230,734
Unrestricted (Note 17)			
Capital recovery fees	7,869,083	-	7,869,083
Other unrestricted	19,258,648	56,058	19,314,706
Total net position	\$ 153,199,553	\$ 2,214,970	\$ 155,414,523

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, 2020

	Business-type Activities Enterprise Funds		
	Sewer Facilities	Nonmajor Fund New Castle County Airport	Total
Operating Revenues:			
Charges for services	\$ 79,607,391	\$ -	\$ 79,607,391
Total operating revenues	79,607,391	-	79,607,391
Operating Expenses:			
Salaries and wages	12,567,810	-	12,567,810
Employee benefits	6,882,766	-	6,882,766
Training and civic affairs	20,397	-	20,397
Communications and utilities	21,212,940	-	21,212,940
Materials and supplies	1,021,537	-	1,021,537
Contractual services	7,111,412	-	7,111,412
Equipment	1,545,166	-	1,545,166
Depreciation	16,099,111	-	16,099,111
Pension expense	809,970	-	809,970
Other post-employment benefit expense	267,634	-	267,634
Administrative and fixed charges	4,146,777	-	4,146,777
Land and structure	4,466	-	4,466
Total operating expenses	71,689,986	-	71,689,986
Operating income	7,917,405	-	7,917,405
Non-operating Revenues (Expenses):			
Investment income	1,698,805	-	1,698,805
Net appreciation in fair value of investments	1,363,393	-	1,363,393
RZEDB interest reimbursement	871,994	-	871,994
Interest expense	(14,576,340)	-	(14,576,340)
Lease interest expense	(90,917)	-	(90,917)
Other revenues/expenses	150,931	-	150,931
Gain on sale of assets	42,118	-	42,118
Bond premium amortization	1,624,858	-	1,624,858
Total non-operating revenues (expenses)	(8,915,158)	-	(8,915,158)
Loss before transfers	(997,753)	-	(997,753)
Transfers in	1,500,000	-	1,500,000
Change in net position	502,247	-	502,247
Net Position:			
Beginning of year	152,697,306	2,214,970	154,912,276
End of year	\$ 153,199,553	\$ 2,214,970	\$ 155,414,523

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, 2020

	Business-type Activities - Enterprise Funds		
	Sewer Facilities	Nonmajor Fund New Castle County Airport	Totals
Cash Flows From Operating Activities:			
Cash received from customers	\$ 79,197,248	\$ -	\$ 79,197,248
Cash payments to employees for services	(19,382,917)	-	(19,382,917)
Cash payments to suppliers for goods and services	(32,852,292)	-	(32,852,292)
Customer deposits received	141,847	-	141,847
Customer deposits returned	(445,341)	-	(445,341)
Other revenues	140,283	-	140,283
Net cash provided by operating activities	26,798,828	-	26,798,828
Cash Flows From Capital and Related Financing Activities:			
RZEDB interest reimbursement	871,994	-	871,994
Debt issuance	8,485,794	-	8,485,794
Principal paid on bond debt	(12,085,000)	-	(12,085,000)
Interest paid on bond debt	(13,887,074)	-	(13,887,074)
Principal paid on loans payable	(193,770)	-	(193,770)
Interest paid on loans payable	(207,133)	-	(207,133)
Principal paid on leases payable	(1,821,524)	-	(1,821,524)
Interest paid on leases payable	(90,917)	-	(90,917)
Payments to acquire, construct, or improve capital assets	(41,632,052)	-	(41,632,052)
Proceeds from the transfer of assets	1,417,284	-	1,417,284
Net cash used by capital and related financing activities	(59,142,398)	-	(59,142,398)
Cash Flows From Investing Activities:			
Income received on investments	1,930,011	-	1,930,011
Proceeds from sales of investments	656,278,144	-	656,278,144
Purchases of investments	(638,420,897)	-	(638,420,897)
Net cash provided by investing activities	19,787,258	-	19,787,258
Net increase in cash and cash equivalents	(12,556,312)	-	(12,556,312)
Cash and cash equivalents at beginning of year	38,667,797	56,058	38,723,855
Cash and cash equivalents at end of year	\$ 26,111,485	\$ 56,058	\$ 26,167,543

NEW CASTLE COUNTY, DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Sewer Facilities	Nonmajor Fund New Castle County Airport	Totals
Reconciliation of Operating Income/(Loss) to Net Cash Provided By Operating Activities:			
Operating income/(loss)	\$ 7,917,405	\$ -	\$ 7,917,405
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation expense	16,099,111	-	16,099,111
Other revenue/(expense)	138,987	-	138,987
Effect of changes in operating assets and liabilities:			
Increase in receivables	(408,847)	-	(408,847)
Increase in vouchers payable and accrued expenses	2,278,062	-	2,278,062
Decrease in escrowed amounts	(303,494)	-	(303,494)
Increase in net pension liability	1,313,045	-	1,313,045
Decrease in deferred inflow from pensions	(182,542)	-	(182,542)
Increase in deferred outflow from pensions	(320,533)	-	(320,533)
Increase in net OPEB liability	506,913	-	506,913
Decrease in deferred inflow from OPEB	(250,498)	-	(250,498)
Decrease in deferred outflow from OPEB	11,219	-	11,219
Total reconciling adjustments	18,881,423	-	18,881,423
Net cash provided by operating activities	\$ 26,798,828	\$ -	\$ 26,798,828
Noncash Investing, Capital, and Financing Activities:			
Increase in fair value of investments	\$ 1,363,393	\$ -	\$ 1,363,393
Increase in assets related to lease payable	\$ 752,559	\$ -	\$ 752,559
Reconciliation to the Statement of Net Position:			
Cash and cash equivalents	\$ 19,593,655	\$ 56,058	\$ 19,649,713
Restricted cash and cash equivalents	6,517,830	-	6,517,830
Cash and cash equivalents at end of year	\$ 26,111,485	\$ 56,058	\$ 26,167,543

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, 2020

	Pension and OPEB Trusts
ASSETS	
Cash and cash equivalents (Note 2)	\$ 9,508,760
Investments: (Note 2)	
Common and preferred stock	46,681,787
Mutual funds	118,976,590
Real estate equity funds	3,220,505
Collective trusts	301,435,018
Private equity	27,016,722
Receivables (net of allowances):	
Other (Note 4)	2,040,068
Total assets	508,879,450
LIABILITIES	
Vouchers payable and accrued expenses	641,430
Total liabilities	641,430
NET POSITION	
Net position restricted for pensions	457,082,924
Net position restricted for other post employment benefits	51,155,096
Total Net Position	\$ 508,238,020

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

NEW CASTLE COUNTY, DELAWARE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension and OPEB Trusts
Additions:	
Contributions:	
Plan members	\$ 2,586,225
New Castle County	28,650,927
State of Delaware	3,290,385
Other contributions	13,109
Total contributions	34,540,646
Investment income:	
Net increase in fair value of investments	3,195,809
Interest, dividends, and other income, including realized gains/losses	19,668,000
Total investment income	22,863,809
Less investment expense	2,429,654
Net investment income	20,434,155
Total additions	54,974,801
Deductions:	
Benefit payments	48,184,919
Refunds of contributions	203,481
Administrative expenses	752,339
Other expenses, net	31,633
Total deductions	49,172,372
Net increase in net position	5,802,429
Net position	
Beginning of year	502,435,591
End of year	\$ 508,238,020

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, 2020

- (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

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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, 2020
(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, special services, 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, 2020
(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, 2020
(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 our 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, 2020
(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 loans under the Community Development Block Grant (CDBG) and Home Investment (HOME) programs, and various County and private revolving funds, and records these loans as expenditures in the year the loans are made to participants. These loans are typically deferred for periods of 20 to 30 years or are not required to be paid back until the participating homeowner sells, transfers title to the rehabilitated property, or discontinues residence in the dwelling, at which time the full amount of the deferred loan is due. 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, 2020 were \$19,174,417.

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 capitalized value of the assets constructed. The total interest expense subject to capitalization incurred by the County during the current fiscal year was immaterial.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

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

M. Capital Assets (Continued):

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, 2020
(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, 2020. Supplemental appropriations to the original budget of \$5,216,671 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, 2020
(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 the fiscal year ended June 30, 2020 the GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the implementation date of previously issued standards. In accordance with this standard, the County postponed the implementation of any previously issued applicable standards until their new required implementation date.

(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, 2020 was \$64,378,975. The bank balances were \$65,582,246. In addition, \$811,315 in bank money market accounts were classified as deposits for purposes of custodial credit risk disclosure. Of the \$66,393,561 in total deposits, none of the County's deposits were subject to custodial risk because they were collateralized as of June 30, 2020. 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 \$347,009,629 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, \$346,198,314 are unsecured investment instruments and therefore are reflected as uncollateralized.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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, 2020. 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	\$ 42,349,863	4.034	AA+	S&P
US Government Agencies and Instrumentalities	12,548,303	1.507	AA+	S&P
Corporate Obligations	320,725		Aa1	Moody's
Corporate Obligations	1,061,486		Aa2	Moody's
Corporate Obligations	360,358		AA	S&P
Corporate Obligations	325,756		Aa3	Moody's
Corporate Obligations	341,793		AA-	S&P
Corporate Obligations	1,429,173		A1	Moody's
Corporate Obligations	1,037,220		A+	S&P
Corporate Obligations	5,554,759		A2	Moody's
Corporate Obligations	1,994,114		A	S&P
Corporate Obligations	6,316,881		A3	Moody's
Corporate Obligations	5,022,542		A-	S&P
Corporate Obligations	6,389,035		Baa1	Moody's
Corporate Obligations	4,992,392		BBB+	S&P
Corporate Obligations	9,230,349		Baa2	Moody's
Corporate Obligations	1,929,751		BBB	S&P
Corporate Obligations	2,105,808		Baa3	Moody's
Corporate Obligations	161,988		BBB-	S&P
Corporate Obligations	1,126,932		NR	
Subtotal - Corporate Obligations	49,701,062	3.449		
Asset Backed Securities	1,986,208		Aaa	Moody's
Asset Backed Securities	20,766,081		AA+	S&P
Asset Backed Securities	239,656		Aa2	Moody's
Asset Backed Securities	360,127		AA	S&P
Asset Backed Securities	154,534		A+	S&P
Asset Backed Securities	184,381		A2	Moody's
Asset Backed Securities	256,640		A	S&P
Asset Backed Securities	259,021		A-	S&P
Asset Backed Securities	301,215		Baa1	Moody's
Asset Backed Securities	308,687		Baa2	Moody's
Asset Backed Securities	10,430,910		NR	
Subtotal - Asset Backed Securities	35,247,460	1.670		

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(2) Deposits and Investments (Continued):

Investments (Continued):

Investment Type	Fair Value	Weighted Average Modified Duration (Years)	Credit Rating	Rating Agency
Municipal Obligations	\$ 191,853		Aaa	Moody's
Municipal Obligations	618,199		Aa1	Moody's
Municipal Obligations	293,632		Aa2	Moody's
Municipal Obligations	198,921		AA	S&P
Municipal Obligations	739,207		Aa3	Moody's
Municipal Obligations	206,046		AA-	S&P
Municipal Obligations	845,551		A1	Moody's
Municipal Obligations	31,301		A+	S&P
Municipal Obligations	975,427		A2	Moody's
Municipal Obligations	223,021		A	S&P
Municipal Obligations	224,238		A3	Moody's
Municipal Obligations	254,313		A-	S&P
Municipal Obligations	53,991		Baa1	Moody's
Municipal Obligations	129,176		Baa3	Moody's
Municipal Obligations	4,823,238		NR	
Subtotal - Municipal Obligations	<u>9,808,114</u>	6.046		
Subtotal Debt Securities	<u>149,654,802</u>			
Portfolio weighted modified duration		3.203		
Mutual Funds	<u>54,547,964</u>	N/A	N/A	
Total Investments at Fair Value	<u>204,202,766</u>	N/A	N/A	
US Government Agencies and Instrumentalities (included in cash deposits)	8,253,128	N/A	N/A	
US Treasury Bills (included in cash deposits)	20,383,590	N/A	N/A	
Money Market Mutual Funds (included in cash equivalents)	306,705,441	N/A	N/A	
Money Market Funds (included in cash equivalents)	811,315	N/A	N/A	
Commercial Paper (included in cash equivalents)	<u>1,996,947</u>	N/A	N/A	
Total	<u>\$542,353,187</u>			

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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	\$ 42,349,863	\$ 1,296,750	\$ 31,934,475	\$ 9,118,638	\$ -	0.38% - 3.13%
U.S. Government Agencies and Instrumentalities	12,548,303	-	9,282,359	696,251	2,569,693	0.25% - 3.83%
Corporate Obligations	49,701,062	5,756,335	34,349,199	9,292,556	302,972	0.70% - 9.36%
Municipal Obligations	9,808,114	340,219	3,441,888	1,399,803	4,626,204	0.97% - 7.09%
Asset Backed Securities	35,247,460	479,740	13,927,734	2,855,204	17,984,782	0.51% - 10.00%
Total	\$ 149,654,802	\$ 7,873,044	\$ 92,935,655	\$ 23,362,452	\$ 25,483,651	

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

Investment Type	Fair Value
Common and Preferred Stock	\$ 46,681,787
Mutual Funds	67,803,591
Real Estate Equity Funds	3,220,505
Subtotal Equity Securities	117,705,883
Collective Trusts	301,435,018
Private Equity	27,016,722
Total Investments at Fair Value	446,157,623
Short Term Investment Trusts (included in cash deposits)	8,859,208
Total	\$ 455,016,831

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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 will be less than one year. For longer-term investments, average duration will be less than five years and effective maturities 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, 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 enhanced cash and longer term managed portfolios, 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%
Taxable Municipals	0%	5%

The overall portfolios must have a minimum 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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(2) Deposits and Investments (Continued):

Investments: Credit risk (Continued):

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 debt obligations, 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.

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%

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(2) Deposits and Investments (Continued):

Investments: Concentration of credit risk (Continued):

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.

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 drivers 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, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(2) Deposits and Investments (Continued):

Fair Value Measurement of Investments (Continued)

New Castle County and the OPEB Trust fund have the following recurring fair value measurements as of June 30, 2020:

Investments and Derivative Instruments Measured at Fair Value

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2020
Investments by fair value level				
Debt Securities				
U.S. Treasury obligations	\$ -	\$ 42,349,863	\$ -	\$ 42,349,863
U.S. Government Agencies	-	12,548,303	-	12,548,303
Corporate Bonds	-	9,808,114	-	9,808,114
Asset Backed Securities	-	49,701,062	-	49,701,062
Municipal Obligations	-	35,247,460	-	35,247,460
Total Debt Securities	-	149,654,802	-	149,654,802
Fixed Income Mutual Funds	16,168,016	-	-	16,168,016
Equity Mutual Funds	38,379,948	-	-	38,379,948
Total investments in equity securities and mutual funds	54,547,964	-	-	54,547,964
Total investments, at fair value	\$ 54,547,964	\$ 149,654,802	\$ -	\$ 204,202,766

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, 2020
(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, 2020:

Investments and Derivative Instruments Measured at Fair Value

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2020
Investments by fair value level				
Equity Securities				
Energy	\$ 890,107	\$ -	\$ -	\$ 890,107
Consumer discretionary	6,628,437	-	-	6,628,437
Health care	10,662,715	-	-	10,662,715
Materials	947,135	-	-	947,135
Consumer staples	5,246,135	-	-	5,246,135
Information technology	6,645,436	-	-	6,645,436
Industrials	6,642,066	-	-	6,642,066
Real estate	2,524,348	-	-	2,524,348
Utilities	235,624	-	-	235,624
Financials	6,077,506	-	-	6,077,506
Communication Services	182,278	-	-	182,278
Real estate equity funds	3,220,505	-	-	3,220,505
Mutual Funds				
Equity mutual funds	67,803,591	-	-	67,803,591
Total investments by fair value level	117,705,883	-	-	117,705,883
Investments measured at the net asset value (NAV)				
Private equity/private debt investments	-	-	-	27,016,722
Collective trusts - hedge funds	-	-	-	21,917,924
Collective trusts - real estate funds	-	-	-	18,223,736
Collective trusts - equities	-	-	-	112,916,307
Collective trusts - fixed income	-	-	-	148,377,051
Total investments measured at the NAV	-	-	-	328,451,740
Total investments	\$ 117,705,883	\$ -	\$ -	\$ 446,157,623

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity/private debt investments	\$ 27,016,722	\$ 29,103,856	N/A	N/A
Collective trusts - hedge funds	21,917,924	-	Quarterly	90-95 days
Collective trusts - real estate funds	18,223,736	-	Quarterly	45 days
Collective trusts - equities	112,916,307	-	Daily	0-2 days
Collective trusts - fixed income	148,377,051	-	Daily	0 days
Total	<u>\$ 328,451,740</u>	<u>\$ 29,103,856</u>		

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 two 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, 2020
(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 \$3,343,945, and penalties and interest receivable of \$2,230,939 and are reduced by an allowance for uncollectible accounts of \$2,884,089 for 2020 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 2020 initial levy was assessed at \$19.3 billion.

(4) Receivables:

Receivables as of June 30, 2020 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:

	<u>General</u>	<u>Grants</u>	<u>Sewer</u>	<u>Nonmajor / Fiduciary *</u>	<u>Total</u>
Receivables					
Taxes	\$ 2,690,795	\$ -	\$ -	\$ 177,389	\$ 2,868,184
Service charges	-	-	9,564,671	-	9,564,671
Accounts	2,285,605	-	-	2,040,068	4,325,673
Other	299,824	48,194	223,147	1,614	572,779
Due from other governments	-	2,651,218	2,162,718	324,367	5,138,303
Due from other agencies	-	7,047	-	-	7,047
Note	3,000,000	-	-	-	3,000,000
Total Receivables, Net	<u>\$ 8,276,224</u>	<u>\$ 2,706,459</u>	<u>\$ 11,950,536</u>	<u>\$ 2,543,438</u>	<u>\$ 25,476,657</u>

* 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, 2020
(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 \$8,563,597 and penalties and interest receivable of \$1,538,580 and are reduced by an allowance for uncollectible accounts of \$537,506 for 2020 which is determined by a review of account aging.

The note receivable consists of a promissory note dated November 25, 2015, due from Delaware Board of Trade Holdings, Inc., a Delaware corporation, in the amount of \$3,000,000. The principal amount and all accrued and unpaid interest are due and payable on the earlier of November 25, 2020 or the borrower's receipt of any equity or debt financing that results in the borrower's receipt of aggregate gross proceeds of at least \$15,000,000. The principal balance will accrue interest at a rate of 6% per annum and will be payable on each consecutive anniversary date of the note. Future principal and interest payments are scheduled as follows:

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>
11-25-2020	\$180,000	\$3,000,000

The proceeds of the loan shall be used by Delaware Board of Trade Holdings, Inc. for general corporate purposes. The note is secured by a security interest granted to New Castle County in a licensing agreement held by the borrower.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(5) Capital Assets:

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 81,479,267	\$ 1,717,512	\$ -	\$ 83,196,779
Construction in progress	3,564,209	5,183,690	(6,984,783)	1,763,116
Total capital assets, not being depreciated	<u>85,043,476</u>	<u>6,901,202</u>	<u>(6,984,783)</u>	<u>84,959,895</u>
 Capital assets, being depreciated:				
Buildings	197,877,145	3,185,926	-	201,063,071
Building improvements	41,551,730	5,855,015	-	47,406,745
Other improvements	86,981,093	1,371,771	-	88,352,864
Equipment	158,166,961	14,954,233	(5,363,936)	167,757,258
Infrastructure	38,501	-	-	38,501
Total capital assets, being depreciated	<u>484,615,430</u>	<u>25,366,945</u>	<u>(5,363,936)</u>	<u>504,618,439</u>
 Less accumulated depreciation for:				
Buildings	(68,945,391)	(4,215,258)	-	(73,160,649)
Building improvements	(8,865,329)	(1,013,303)	-	(9,878,632)
Other improvements	(65,928,481)	(3,374,262)	-	(69,302,743)
Equipment	(109,593,490)	(11,547,284)	5,251,030	(115,889,744)
Infrastructure	(7,700)	(855)	-	(8,555)
Total accumulated depreciation	<u>(253,340,391)</u>	<u>(20,150,962)</u>	<u>5,251,030</u>	<u>(268,240,323)</u>
 Total capital assets, being depreciated, net	<u>231,275,039</u>	<u>5,215,983</u>	<u>(112,906)</u>	<u>236,378,116</u>
 Governmental activities capital assets, net	<u><u>\$ 316,318,515</u></u>	<u><u>\$ 12,117,185</u></u>	<u><u>\$ (7,097,689)</u></u>	<u><u>\$ 321,338,011</u></u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(5) Capital Assets (Continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 36,820,950	-	(1,500,000)	\$ 35,320,950
Construction in progress	8,402,306	23,022,449	(26,112,770)	5,311,985
Total capital assets, not being depreciated	<u>45,223,256</u>	<u>23,022,449</u>	<u>(27,612,770)</u>	<u>40,632,935</u>
 Capital assets, being depreciated:				
Buildings	42,752,206	646,074	-	43,398,280
Building improvements	3,519,535		-	3,519,535
Other improvements	47,577,052	52,666	-	47,629,718
Equipment	43,900,333	1,583,699	(472,231)	45,011,801
Infrastructure	593,217,592	42,215,828		635,433,420
Total capital assets, being depreciated	<u>730,966,718</u>	<u>44,498,267</u>	<u>(472,231)</u>	<u>774,992,754</u>
 Less accumulated depreciation for:				
Buildings	(18,529,970)	(833,098)	-	(19,363,068)
Building improvements	(794,377)	(80,761)	-	(875,138)
Other improvements	(45,749,531)	(164,699)	-	(45,914,230)
Equipment	(30,552,975)	(2,532,634)	471,256	(32,614,353)
Infrastructure	(214,026,512)	(12,487,919)	-	(226,514,431)
Total accumulated depreciation	<u>(309,653,365)</u>	<u>(16,099,111)</u>	<u>471,256</u>	<u>(325,281,220)</u>
 Total capital assets, being depreciated, net	<u>421,313,353</u>	<u>28,399,156</u>	<u>(975)</u>	<u>449,711,534</u>
 Business-type activities capital assets, net	<u><u>\$ 466,536,609</u></u>	<u><u>\$ 51,421,605</u></u>	<u><u>\$ (27,613,745)</u></u>	<u><u>\$ 490,344,469</u></u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(5) Capital Assets (Continued):

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

Governmental activities:

General Government	\$ 3,109,761
Special Services	10,815,726
Police	3,423,486
Community Services	2,789,050
Land Use	3,233
Judiciary Offices	9,706
Total depreciation expense- governmental activities	<u>\$ 20,150,962</u>

Business-type activities:

Sewer Facilities	\$ 16,099,111
Total depreciation expense- business-type activities	<u>\$ 16,099,111</u>

(6) Construction Commitments:

The County has active construction projects as of June 30, 2020. 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:

<u>Project</u>	<u>Expended Through June 30, 2020</u>	<u>Remaining Commitment</u>
Buildings and facilities	\$ 465,189	\$ 1,002,080
Park development	942,319	577,262
Public safety	355,608	33,399
Subtotal	1,763,116	1,612,741
Sewer/stormwater construction	5,311,985	728,616
Total	<u>\$ 7,075,101</u>	<u>\$ 2,341,357</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, 2020
(Continued)

(6) Construction Commitments (Continued):

Encumbrance Commitments by Fund:

General Fund	\$ 3,065,791
Grants Fund	12,150,560
Sewer Facilities Fund	28,023,934
Nonmajor Funds	8,868,480
Total Encumbrances	<u><u>\$ 52,108,765</u></u>

(7) Interfund Receivables, Payables and Transfers:

The compositions of interfund balances as of June 30, 2020, are as follows:

		<u>Due From</u>
		<u>General Fund</u>
Due To		
Light Tax Fund	\$ 1,737,466	
Crossing Guard Fund	1,124,593	
Facilities & Equipment	5,532,664	
Park Development	8,434,527	
Public Safety	3,512,006	
Misc Capital Improvements	1,263,284	
Total	<u><u>\$ 21,604,540</u></u>	

During the course of 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 the General fund proceeds.

The compositions of inter-fund transfers during the fiscal year ended June 30, 2020, are as follows:

		<u>Transfers In</u>							
		<u>Grants Fund</u>	<u>General Fund</u>	<u>Facilities and Equipment</u>	<u>Public Safety</u>	<u>Misc Capital Improvements</u>	<u>Sewer Fund</u>	<u>Total</u>	
Transfers Out									
General Fund	\$ 649,398	\$ -	\$ 4,434,063	\$ 311,764	\$ -	\$ -	\$ -	\$ 5,395,225	
Grants Fund	-	4,824	-	-	-	-	-	4,824	
Park Development	-	-	-	-	-	1,500,000	-	1,500,000	
Misc Cap Improv	-	130	-	-	-	-	-	130	
Total	<u><u>\$ 649,398</u></u>	<u><u>\$ 4,954</u></u>	<u><u>\$ 4,434,063</u></u>	<u><u>\$ 311,764</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,900,179</u></u>	

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

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

During the fiscal year, several inter-fund transactions occurred between funds. The Sewer fund received proceeds from the Park Development fund for land that was transferred from the Sewer fund to be used for a park. 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 repairs. The Grants fund returned unused match funds to the General fund from the FY 15 Hazard Mitigation Bayview Beach Elevation grant and the HDF Homeownership-104 Blue Hen Dr grant. The Capital Projects fund received proceeds from the General fund to fund capital costs for the purchase of fleet equipment and public safety equipment.

(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, 2020, total accumulated vacation leave for governmental fund types was \$17,044,023, (including accrued FICA and Medicare), total vested sick leave was \$8,817,588 (including accrued FICA and Medicare), and other total compensated leave was \$1,165,052 (including accrued FICA and Medicare). These amounts total to \$27,026,663 and are reported in the government-wide financial statements. At June 30, 2020, accumulated vacation, sick, and other compensated leave for Proprietary Funds in the amount of \$3,236,689 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, 2020, 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, 2020
(Continued)

(9) Unavailable / Unearned Revenue (Continued):

General Fund:

Property tax receivables-net	\$ 2,690,795	
Less: estimated 60-day collection 7/20 - 8/20	<u>(183,304)</u>	
Total General Fund – Unavailable		\$2,507,491

Total General Fund – Unearned (Capital Assets Held for Resale)	181,542
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Crossing Guard Fund:

Property tax receivables-net	70,813	
Less: estimated 60-day collection 7/20 - 8/20	<u>(5,799)</u>	
Total Crossing Guard Fund – Unavailable		65,014

Grants Fund:

Unearned grant revenue	298,035,950	
Capital assets held for resale	369,562	
Police duty fund	<u>1,501</u>	
Total Grants Fund – Unearned		<u>298,407,013</u>
Total		<u>\$301,161,060</u>

Governmental funds report unavailable revenue of \$2,572,505, 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, 2020 are general obligation debt supported by the full faith and credit of the County and are summarized as follows:

<u>Purpose</u>	<u>Original Issue</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Outstanding Amount</u>
Governmental Activities	\$210,610,000	2039	2.00 – 5.00%	\$166,085,000
Business-type Activities:				
Sewer Facilities	<u>366,100,000</u>	2049	2.00 – 5.00%	<u>326,475,000</u>
TOTAL	<u>\$576,710,000</u>			<u>\$492,560,000</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, 2020
(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
2021	\$ 13,185,000	\$ 6,682,298	\$ 10,720,000	\$ 13,540,601
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
2026-2030	54,400,000	12,341,449	60,290,000	48,856,366
2031-2035	29,315,000	5,054,662	62,325,000	36,683,163
2036-2040	13,615,000	818,987	74,730,000	22,401,914
2041-2045	-	-	52,315,000	8,830,892
2046-2049	-	-	19,815,000	1,230,600
	<u>\$ 166,085,000</u>	<u>\$ 45,141,331</u>	<u>\$ 326,475,000</u>	<u>\$ 180,412,093</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 2020 \$9,080,058 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>\$20,518,299</u>	2040	2.00 – 2.601%	<u>\$19,164,277</u>

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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
2021	\$ 241,786	\$ 344,868
2022	1,119,856	370,634
2023	1,122,834	348,118
2024	1,125,872	325,542
2025	1,128,971	302,904
2026-2030	5,464,984	1,182,841
2031-2035	4,987,222	649,594
2036-2040	3,972,752	168,061
	<u>\$ 19,164,277</u>	<u>\$ 3,692,562</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, \$17,647,066 had been drawn down as of June 30, 2020.

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, 2020
(Continued)

(10) Long-term Debt (Continued):

Changes in Long-term Liabilities:

Long-term liability activity for the year ended June 30, 2020, was as follows:

Liability	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Compensated leave	\$ 26,208,855	\$ 8,451,231	\$ 7,633,423	\$ 27,026,663	\$ 7,786,091
Claims and judgment costs	16,041,865	1,592,864	2,768,011	14,866,718	4,147,000
Capital lease payable	9,898,340	4,277,226	4,216,884	9,958,682	3,735,121
Estimated liability for landfill postclosure care costs	736,000	-	43,000	693,000	99,000
Unamortized bond premium	14,839,115	-	1,286,149	13,552,966	1,237,776
Bonds	180,370,000	-	14,285,000	166,085,000	13,185,000
Net OPEB liability	69,735,807	3,800,299	-	73,536,106	-
Net pension liability	176,654,457	11,726,018	-	188,380,475	-
Governmental activity					
Long-term liabilities	\$ 494,484,439	\$ 29,847,638	\$ 30,232,467	\$ 494,099,610	\$ 30,189,988
Business-type activities:					
Compensated leave	\$ 3,307,111	\$ 979,910	\$ 1,050,332	\$ 3,236,689	\$ 1,071,339
Claims and judgment costs	96,752	-	96,752	-	-
Capital lease payable	4,385,060	752,559	1,821,523	3,316,096	1,288,316
Loans payable	10,277,989	9,080,058	193,770	19,164,277	241,786
Unamortized bond premium	27,648,898	-	1,624,857	26,024,041	1,543,414
Bonds	338,560,000	-	12,085,000	326,475,000	10,720,000
Net OPEB liability	5,682,572	506,913	-	6,189,485	-
Net pension liability	23,500,705	1,313,045	-	24,813,750	-
Business-type activity					
Long-term liabilities	\$ 413,459,087	\$ 12,632,485	\$ 16,872,234	\$ 409,219,338	\$ 14,864,855

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, 2020 totaled \$128,862,563. The County's legal debt margin for general obligation debt at year end was \$412,145,616. Delaware Code allows for the exclusion of Enterprise debt from the legal debt margin.

(12) Prior Year Defeasance of Debt:

As of June 30, 2020, the County had no bonds outstanding that were considered defeased.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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 \$693,000. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning balance	\$16,041,865	\$16,298,440	\$96,752	\$196,752
Incurred claims	1,592,864	3,003,438	-	-
Claim payments and adjustments	(2,768,011)	(3,260,013)	(96,752)	(100,000)
Unpaid claims, ending balance	<u>\$14,866,718</u>	<u>\$16,041,865</u>	<u>\$ -</u>	<u>\$96,752</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. These matters are in various stages of litigation and the issue of damages has not been passed upon. The possible liability, if any, on the part of the County in these actions is not currently determinable. In one of these actions, Plaintiffs successfully sought a declaration from the Delaware Court of Chancery that the County, having not performed a general tax assessment of real property since 1983, was in violation of the Delaware Code and the Delaware Constitution. This likely will require the

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(15) Contingencies (Continued):

County to perform a general reassessment, but the County's level of exposure, if any, is unclear for several reasons. First, the cost of a general reassessment is unknown. The County, however, has received information from vendors that indicate the cost would be in the range of \$17-\$25 million. Second, the time in which these costs would be incurred is unclear. It is likely that the earliest any general reassessment costs would be incurred is the fiscal year commencing July 1, 2020 and those costs would likely be spread out over several years. Third, it is unclear what portion of the costs of a general reassessment would be absorbed by the County. The costs of the reassessment, or a portion of the costs, may be funded by the state or may be directly passed onto the taxpayers. It is the opinion of the County Attorney that the ultimate resolution of these actions will not have any material effect on the County's financial position.

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, 2020, conduit debt in an aggregate principal amount of \$53,200,000 was outstanding.

(17) Unrestricted Net Position:

Governmental Activities

The County's committed net position represents resources that are subject to legislated restrictions on how they may be used. For governmental activities, reserves have been established for the following purposes: Budget Reserve account of \$42,543,328 was legislated to set aside resources to cover unanticipated deficits or revenue reductions and other externally imposed regulations; Tax Stabilization Reserve account of \$76,372,447 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 \$3,850,284 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.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(17) Unrestricted Net Position (Continued):

Business-type Activities / Sewer Facilities Fund

Business-type activities reported unrestricted net position of \$27,183,789, of which \$7,869,083 is comprised of capital recovery fees that are restricted by management for Sewer Fund debt service.

(18) Fund Balance:

Fund balances are classified as follows:

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

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

- **Nonspendable:**
 - **Prepaid costs** (\$15,758): Prepaid costs are reserved to cover charges that will be incurred within the next ninety days.
- **Restricted:**
 - **Light tax** (\$1,381,583): This balance is restricted for lighting costs financed with revenues from users within the light districts.
 - **Crossing guard** (\$847,515): This balance is restricted for school crossing guard costs financed with revenues from users within the school districts.
 - **Garstin trust** (\$3,423,392): This balance is restricted for the care, maintenance, and upkeep of parks in New Castle County.
 - **Housing trust** (\$2,099,128): This balance is restricted for costs to construct, purchase, and maintain permanently affordable housing units.
 - **Grants** (\$1,866,723): This balance is restricted for use in accordance with the purpose of grant agreements.
 - **Capital projects** (\$16,609,892): This balance is restricted for acquisition or construction of capital facilities or equipment other than those financed by proprietary funds.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(18) Fund Balance (Continued):

- **Committed:**
 - **Budget reserve** (\$42,543,328): The budget reserve was legislated to set aside resources of twenty percent of the General Fund's Fiscal Year 2020 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** (\$76,372,447): 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** (\$3,850,284): 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.
- **Assigned:**
 - **Departmental purposes** (\$3,334,139): 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, 2020. County Council appropriated fund balance for these encumbrances. The separation of these funds by function is detailed below:
 - **General Government** - \$741,184
 - **Public Works** - \$905,991
 - **Community Services** - \$361,087
 - **Land Use** - \$474,216
 - **Public Safety** - \$554,385
 - **Judiciary Offices** - \$28,928
 - **Crossing Guard** - \$268,348
 - **Library** (\$10,005): County Council is authorized to appropriate this fund balance.
 - **Strategic Economic Development fund** (\$2,025,000): County Council is authorized to appropriate this fund balance.
 - **Reassessment Reserve** (\$180,000): County Council is authorized to appropriate this fund balance.

(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, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(19) Other Post Employment Benefits (Continued):

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.

Membership consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Medical/Drug		Life	
Actives	1,395	Actives	1,395
Retirees	735	Retirees	735
Spouses/Beneficiaries	262	Spouses/Beneficiaries	-
Total	<u>2,392</u>		<u>2,130</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 2020, the County contributed \$5,206,368 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, 2020:

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

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(19) Other Post Employment Benefits (Continued):

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.

Rate of Return:

For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 3.9%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested and other cash flows during the year.

Funded Status:

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

Net OPEB Liability:

The components of the net OPEB liability of the County as of June 30, 2020, were as follows:

Total OPEB Liability	\$130,880,687
Plan Fiduciary Net Position	<u>51,155,096</u>
County's Net OPEB Liability	<u>\$ 79,725,591</u>
Plan Fiduciary Net Position as a percentage of Total OPEB liability	39.1%

Actuarial Methods and Assumptions:

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, adjusted for the two-year time difference, using the Entry Age actuarial cost method. The actuarial assumptions include a 6.50% investment rate of return, net of expenses and including inflation, and annual medical and prescription inflation trends varying from 6.50% to 4.50%.

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale BB (projected to 2011). Mortality rates for Disabled members were based on 100% and 120% of the 1974-1978 Social Security experience study for Police and Non-police, respectively.

There were no changes in actuarial assumptions since the prior year.

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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	5.70%	35%
International Equity	5.90%	35%
Fixed Income – U.S.	1.65%	30%
Total Weighted Average Real Return	4.55%	100%
Plus inflation	2.50%	
Total return without Adjustment	7.05%	
Risk adjustment	-0.55%	
Total Expected Return	6.50%	

Discount Rate:

The discount rate used to measure the total OPEB liability is 6.50%. 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, 2020
(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:

	1% Decrease	Current Discount Rate	1% Increase
Discount rate	5.50%	6.50%	7.50%
Total OPEB Liability	\$ 147,419,353	\$ 130,880,687	\$ 117,185,292
Plan Net Position	51,155,096	51,155,096	51,155,096
Net OPEB Liability	<u>\$ 96,264,257</u>	<u>\$ 79,725,591</u>	<u>\$ 66,030,196</u>
Ratio of Plan Net Position to Total OPEB Liability	34.70%	39.10%	43.70%

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

The following presents the net OPEB liability of the Trust, calculated using the healthcare trend rate of 6.50% to an ultimate rate of 4.50%, as well as what the County's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

	1% Decrease	Current Ultimate Trend Rate	1% Increase
Ultimate Trend	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 113,035,556	\$ 130,880,687	\$ 152,723,668
Plan Net Position	51,155,096	51,155,096	51,155,096
Net OPEB Liability	<u>\$ 61,880,460</u>	<u>\$ 79,725,591</u>	<u>\$ 101,568,572</u>
Ratio of Plan Net Position to Total OPEB Liability	45.30%	39.10%	33.50%

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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, 2020, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
Balances at 6/30/19	\$123,699,357	\$48,280,978	\$75,418,379
Changes for the year:			
Service cost	3,269,291	-	3,269,291
Interest	8,118,407	-	8,118,407
Changes in benefit terms	-	-	-
Difference between expected & actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions – employer	-	5,206,368	(5,206,368)
Net investment income	-	1,883,359	(1,883,359)
Benefit payments	(4,206,368)	(4,206,368)	-
Administrative expense	-	(9,241)	9,241
Net changes	7,181,330	2,874,118	4,307,212
Balances at 6/30/20	\$130,880,687	\$51,155,096	\$79,725,591

As of June 30, 2020, \$6,189,485 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 \$73,536,106 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, 2020
(Continued)

(19) Other Post Employment Benefits (Continued):

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

The County recognized \$7,493,141 in OPEB expense and as of June 30, 2020, 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	\$ -	\$ (8,369,201)
Changes of assumptions	4,329,445	-
Net difference between projected and actual earnings on plan investments	1,078,712	-
Total	\$ 5,408,157	\$ (8,369,201)

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
2021	\$ (757,835)
2022	(757,835)
2023	(687,955)
2024	(757,419)
2025	-
Total	\$ (2,961,044)

(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 2020 was \$3,290,385.

(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, 2020
(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 installments with interest rates varying from 1.39% to 3.35% 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	\$39,935,192	\$10,985,635
Less: Accumulated depreciation	24,292,383	5,837,100
	\$15,642,809	\$5,148,535

The Governmental Activities minimum lease payment amounted to \$4,463,346 in fiscal year 2020. The Business-type Activities minimum lease payment amounted to \$1,912,441 in fiscal year 2020. The future lease payments under the capital leases at June 30, 2020 are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2021	\$ 3,936,355	\$ 1,355,517
2022	2,740,432	919,103
2023	2,056,729	716,101
2024	1,131,273	321,247
2025	510,304	140,289
Total minimum lease payments	10,375,093	3,452,257
Less: amount representing interest	416,411	136,161
Present value of minimum lease payments	\$ 9,958,682	\$ 3,316,096

(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, 2020
(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, 2020
(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, 2020
(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 36.56% 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, 2019, valuation is used to establish the contribution level for the year ended June 30, 2020.

The total pension liability was determined as of June 30, 2020 using the entry age normal actuarial cost method based on an actuarial valuation dated January 1, 2020. 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, 2020
(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, 2020, and the final investment return assumption, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weight</u>
Domestic Equity	5.80%	23%
International Equity	6.25%	17%
Fixed Income – U.S.	1.85%	31%
Global Asset Allocation	5.00%	10%
Opportunistic Debt	3.25%	3%
Real Estate	4.80%	5%
Private Equity	7.80%	5%
Hedge Funds	2.60%	5%
Cash Equivalents	0.40%	1%
Total Weighted Average Real Return	4.33%	100%
Plus inflation	2.75%	
Total return without Adjustment	7.08%	
Risk adjustment	-0.08%	
Total Expected Return	7.00%	

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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	\$734,125,751	\$660,731,476	\$587,291,258
Plan Net Position	457,082,924	457,082,924	457,082,924
Net Pension Liability	<u>\$277,042,827</u>	<u>\$203,648,552</u>	<u>\$130,208,334</u>
Ratio of Plan Net Position to Total Pension Liability	62.3%	69.2%	77.8%

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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, 2020, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at 6/30/19	\$646,646,296	\$454,154,613	\$192,491,683
Changes for the year:			
Service cost	6,782,145	-	6,782,145
Interest	44,219,774	-	44,219,774
Differences between expected and actual experience	7,265,293	-	7,265,293
Changes in assumptions	-	-	-
Contributions – employer	-	26,734,944	(26,734,944)
Contributions – employee	-	2,586,225	(2,586,225)
Net investment income	-	18,563,905	(18,563,905)
Benefit payments, including refunds of employee contributions	(44,182,032)	(44,182,032)	-
Administrative expense	-	(774,731)	774,731
Net changes	14,085,180	2,928,311	11,156,869
Balances at 6/30/20	\$660,731,476	\$457,082,924	\$203,648,552

As of June 30, 2020, \$24,813,750 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 \$178,834,802 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 \$33,070,286 in Pension expense for fiscal year 2020 and as of June 30, 2020, 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	\$ 6,593,000	\$ (1,886,212)
Changes in actuarial assumptions	23,872,080	-
Net difference between projected and actual earnings on plan investments	5,971,795	-
Total	\$ 36,436,875	\$ (1,886,212)

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(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>	<u>Amount</u>
2021	\$ 7,895,285
2022	10,683,082
2023	12,015,414
2024	3,956,882
Total	<u>\$ 34,550,663</u>

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, 2020
(Continued)

(24) Defined Benefit Pension Plans (Continued):

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

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, 2020, 2019, and 2018: 16.84%, 16.68%, and 11.42%. The County's contributions to the plan for the same fiscal years were \$4,900,686, \$4,900,351, and \$3,308,991, 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, 2019 in the Schedule of Employer Allocations in the DPERS County and Municipal Police and Firefighters' Pension Plan report. The proportionate share percentage is 33.2%, a decrease of 0.1% from the year ending June 30, 2018.

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, 2020
(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	29.5%	5.7%
International equity	13.5%	5.7%
Fixed income	27.1%	2.0%
Alternative investments	22.4%	7.8%
Cash and equivalents	7.5%	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)	\$94,353,000	\$28,722,713	\$(24,811,000)
County's Proportionate Share	\$31,357,163	\$ 9,545,673	\$(8,245,658)

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 \$1,452,321 in Pension expense in fiscal year 2020 and, as of June 30, 2020 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, 2020
(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	\$ 4,900,686	\$ ---
Proportionate share increase	83,836	(24,186)
Experience (gain) or loss	5,836,264	(1,866,764)
Changes of assumptions	2,200,058	(925,909)
Net difference between projected and actual earnings on plan investments	91,828	---
Total	\$ 13,112,672	\$ (2,816,859)

The County reported \$4,900,686 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, 2021. 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>	
2021	\$ 548,696
2022	548,696
2023	548,695
2024	548,695
2025	548,695
2026-2030	2,651,650
Total	\$ 5,395,127

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

	<u>Total Pension Liability</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
New Castle County Pension Plan	\$660,731,476	\$203,648,552	\$ 36,436,875	\$ 1,886,212	\$ 33,070,286
DPERS (proportionate share)	N/A	9,545,673	13,112,672	2,816,859	1,452,321
Total Pension Plans	\$660,731,476	\$213,194,225	\$ 49,549,547	\$ 4,703,071	\$ 34,522,607

NEW CASTLE COUNTY, DELAWARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020
(Continued)

(25) Tax Abatements:

As of June 30, 2020, 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. Del Monte will forfeit the otherwise applicable County tax exemption for the following County fiscal year if it either fails to pay timely all County sewer service charges or annual school taxes, or if it fails to comply with the conditions of the Delaware Economic Development Strategic Grant Agreement. There was no activity in fiscal year 2020 that qualified for this tax abatement.

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. There was no activity in fiscal year 2020 that qualified for this tax abatement.

Required Supplementary Information

NEW CASTLE COUNTY, DELAWARE EMPLOYEES' PENSION PROGRAM
(A Pension Trust Fund of New Castle County, Delaware)
Required Supplementary Information
June 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios*

	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	\$ 6,782,145	\$ 8,002,663	\$ 7,578,587	\$ 7,700,742	\$ 7,847,444	\$ 7,733,029	\$ 7,803,030
Interest	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	7,265,293	(3,143,686)	3,123,070	(2,077,314)	1,314,713	1,188,291	-
Changes in assumptions	-	39,786,800	-	(1,789,625)	11,647,493	721,980	-
Benefit payments, including refunds	(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	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	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	\$ 660,731,476	\$ 646,646,296	\$ 601,112,807	\$ 589,509,112	\$ 583,995,260	\$ 560,105,619	\$ 546,565,266
Plan Fiduciary Net Position							
Contributions - employer	\$ 26,734,944	\$ 22,504,179	\$ 22,677,474	\$ 17,259,347	\$ 17,035,119	\$ 18,025,370	\$ 13,672,749
Contributions - member	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)	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	(44,182,032)	(42,835,175)	(41,141,436)	(39,523,627)	(37,813,327)	(36,345,952)	(34,213,002)
Administrative expenses	(743,098)	(830,410)	(717,800)	(682,369)	(660,453)	(581,179)	(642,018)
Other expenses	(31,633)	(61,202)	(16,704)	(33,285)	-	-	-
Net Change in Plan Fiduciary Net Position	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	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	\$ 457,082,924	\$ 454,154,613	\$ 445,967,468	\$ 425,727,245	\$ 400,021,036	\$ 427,521,515	\$ 428,424,074
Net Pension Liability - Beginning of Year	\$ 192,491,683	\$ 155,145,339	\$ 163,781,867	\$ 183,974,224	\$ 132,584,104	\$ 118,141,192	\$ 130,969,879
Net Pension Liability - End of Year	\$ 203,648,552	\$ 192,491,683	\$ 155,145,339	\$ 163,781,867	\$ 183,974,224	\$ 132,584,104	\$ 118,141,192
Plan Fiduciary Net Position as a percentage of Total Pension Liability	69.2%	70.2%	74.2%	72.2%	68.5%	76.3%	78.4%
Covered Payroll	\$ 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	319.9%	306.8%	245.9%	265.4%	298.1%	212.9%	189.5%

Notes to schedule:

Benefit changes: None

Changes of assumptions: 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, 2020

SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<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>	<u>2011</u>
Actuarially determined contribution	\$26,734,944	\$22,504,179	\$17,874,191	\$15,491,040	\$15,341,397	\$15,381,365	\$13,201,521	\$11,373,584	\$11,842,677	\$11,111,476
Contributions in relation to the actuarially determined contribution	26,734,944	22,504,179	17,874,191	15,491,040	15,341,397	14,248,413	12,070,614	11,592,772	10,719,798	9,091,687
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132,952	\$ 1,130,907	\$ (219,188)	\$ 1,122,879	\$ 2,019,789
Covered payroll	\$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	\$63,246,700
Contributions as a percentage of covered payroll	42.00%	35.86%	28.33%	25.11%	24.86%	22.88%	19.36%	18.61%	16.72%	14.37%

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 are also net of 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, 2020

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension asset/(liability)	33%	33%	33%	33%	33%
County's proportionate share of the net pension asset/(liability)	\$ (9,545,673)	\$ (7,663,479)	\$ (3,278,567)	\$ (5,301,474)	\$ 1,724,155
County's covered payroll	\$ 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	32.5%	26.9%	12.4%	21.8%	7.4%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	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, 2020

SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<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>	<u>2011</u>
Required contribution	\$ 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	\$ 2,361,542
Contributions in relation to the required contribution	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	2,361,542
Contribution deficiency/(excess)	\$ (4,190)	\$ (10)	\$ (58,940)	\$ (37,014)	\$ (826)	\$ (3,164)	\$ (2,058)	\$ 2,536	\$ -	\$ -
Covered payroll	\$ 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	\$ 16,989,513
Contributions as a percentage of covered payroll	16.85%	16.68%	11.63%	13.91%	13.85%	14.19%	15.53%	14.74%	14.53%	13.90%

NEW CASTLE COUNTY, DELAWARE
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

NEW CASTLE COUNTY, DELAWARE
OTHER POST EMPLOYMENT BENEFITS TRUST FUND

Schedule of Changes in Net OPEB Liability and Related Ratios*

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

SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<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>	<u>2011</u>
Actuarially determined contribution	\$ 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	\$ 23,204,027
Contributions in relation to the actuarially determined contribution	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	15,251,694
Contribution deficiency	<u>\$ 4,411,627</u>	<u>\$ 3,646,943</u>	<u>\$ 10,304,169</u>	<u>\$ 8,381,992</u>	<u>\$ 7,698,183</u>	<u>\$ 13,200,761</u>	<u>\$ 14,816,441</u>	<u>\$ 13,133,465</u>	<u>\$ 11,570,728</u>	<u>\$ 7,952,333</u>
Covered payroll	\$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	\$80,236,213
Contributions as a percentage of covered payroll	5.61%	6.26%	8.94%	11.29%	11.49%	10.95%	11.23%	13.94%	13.78%	19.01%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	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, 2020

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, 2018.

Methods or assumptions used to determine contribution rates:

Actuarial cost method: Entry Age

Amortization method: Level Dollar

Amortization period: 30 years

Investment Return: 6.50%, net of investment expense and including inflation

Healthcare Trend: 6.50% initially, grading down to 4.50% ultimate

Mortality rates:

(Healthy)

Males: RP2000 Combined projected to 2011 with scale BB set forward 1 year.

Females: RP2000 Combined projected to 2011 with scale BB

(Disabled)

Police: 100% of the rates based on the 1974-1978 Social Security experience study

Non-Police: 120% of the rates based on the 1974-1978 Social Security experience study

Changes of actuarial assumptions: In 2019, the only change in actuarial assumptions was the change in the GASB discount rate.

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



Special Revenue Funds

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

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

Capital Projects Funds

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

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

NEW CASTLE COUNTY, DELAWARE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	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	
ASSETS:											
Cash and cash equivalents	\$ -	\$ -	\$ 66,013	\$ 2,099,128	\$ 2,165,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,165,141
Investments	-	-	3,374,965	-	3,374,965	-	-	-	-	-	3,374,965
Receivables (net of allowances):											
Taxes, including interest and penalties	106,576	70,813	-	-	177,389	-	-	-	-	-	177,389
Other	-	-	1,614	-	1,614	-	-	-	-	-	1,614
Due from other funds	1,737,466	1,124,593	-	-	2,862,059	5,532,664	8,434,527	3,512,006	1,263,284	18,742,481	21,604,540
Due from other governments	-	-	-	-	-	290,962	33,405	-	-	324,367	324,367
Prepaid costs	-	-	-	-	-	-	-	-	3,793	3,793	3,793
Total assets	\$ 1,844,042	\$ 1,195,406	\$ 3,442,592	\$ 2,099,128	\$ 8,581,168	\$ 5,823,626	\$ 8,467,932	\$ 3,512,006	\$ 1,267,077	\$ 19,070,641	\$ 27,651,809
LIABILITIES:											
Vouchers payable and accrued expenditures	\$ 462,459	\$ 14,529	\$ 19,200	\$ -	\$ 496,188	\$ 1,207,136	\$ 45,467	\$ 450,688	\$ 471,271	\$ 2,174,562	\$ 2,670,750
Retainage payable	-	-	-	-	-	144,147	56,548	81,699	-	282,394	282,394
Total liabilities	462,459	14,529	19,200	-	496,188	1,351,283	102,015	532,387	471,271	2,456,956	2,953,144
DEFERRED INFLOWS OF RESOURCES:											
Unavailable revenue-property taxes	-	65,014	-	-	65,014	-	-	-	-	-	65,014
FUND BALANCES:											
Nonspendable:											
Prepaid costs	-	-	-	-	-	-	-	-	3,793	3,793	3,793
Restricted for:											
Light tax	1,381,583	-	-	-	1,381,583	-	-	-	-	-	1,381,583
Crossing guard	-	847,515	-	-	847,515	-	-	-	-	-	847,515
Garstin trust	-	-	3,423,392	-	3,423,392	-	-	-	-	-	3,423,392
Housing trust	-	-	-	2,099,128	2,099,128	-	-	-	-	-	2,099,128
Capital projects	-	-	-	-	-	4,472,343	8,365,917	2,979,619	792,013	16,609,892	16,609,892
Assigned for:											
Crossing guard	-	268,348	-	-	268,348	-	-	-	-	-	268,348
Total fund balances	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
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,844,042	\$ 1,195,406	\$ 3,442,592	\$ 2,099,128	\$ 8,581,168	\$ 5,823,626	\$ 8,467,932	\$ 3,512,006	\$ 1,267,077	\$ 19,070,641	\$ 27,651,809

NEW CASTLE COUNTY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 6,220,546	\$ 3,375,257	\$ -	\$ -	\$ 9,595,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,595,803
Licenses and permits	-	-	-	320,310	320,310	-	-	-	-	-	320,310
Intergovernmental	-	-	-	-	-	1,573,542	33,405	242,589	-	1,849,536	1,849,536
Investment income	-	-	113,788	-	113,788	-	-	-	-	-	113,788
Net depreciation in fair value of investments	-	-	(33,589)	-	(33,589)	-	-	-	-	-	(33,589)
Miscellaneous Revenue	-	-	-	-	-	549,058	1,200,000	25,430	8,051	1,782,539	1,782,539
Total revenues	6,220,546	3,375,257	80,199	320,310	9,996,312	2,122,600	1,233,405	268,019	8,051	3,632,075	13,628,387
Expenditures:											
Current:											
General government	6,108,374	948,895	-	-	7,057,269	-	-	-	-	-	7,057,269
Public safety	-	2,581,235	-	-	2,581,235	-	-	-	-	-	2,581,235
Public works	-	-	180,282	-	180,282	-	-	-	-	-	180,282
Capital outlays	-	-	-	-	-	17,745,877	1,004,296	2,255,862	3,043,241	24,049,276	24,049,276
Total expenditures	6,108,374	3,530,130	180,282	-	9,818,786	17,745,877	1,004,296	2,255,862	3,043,241	24,049,276	33,868,062
Excess (deficiency) of revenues over expenditures	112,172	(154,873)	(100,083)	320,310	177,526	(15,623,277)	229,109	(1,987,843)	(3,035,190)	(20,417,201)	(20,239,675)
Other Financing Sources (Uses):											
Capital leases	-	-	-	-	-	4,277,226	-	-	-	4,277,226	4,277,226
Transfers in	-	-	-	-	-	4,434,063	-	311,764	-	4,745,827	4,745,827
Transfers out	-	-	-	-	-	-	(1,500,000)	-	(130)	(1,500,130)	(1,500,130)
Total other financing sources	-	-	-	-	-	8,711,289	(1,500,000)	311,764	(130)	7,522,923	7,522,923
Net change in fund balances	112,172	(154,873)	(100,083)	320,310	177,526	(6,911,988)	(1,270,891)	(1,676,079)	(3,035,320)	(12,894,278)	(12,716,752)
Fund Balances:											
Beginning of year	1,269,411	1,270,736	3,523,475	1,778,818	7,842,440	11,384,331	9,636,808	4,655,698	3,831,126	29,507,963	37,350,403
End 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

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 6,086,569	\$ 6,086,569	\$ 6,220,546	\$ 133,977
Expenditures:				
General government	6,381,565	6,381,565	6,108,374	273,191
Excess (deficiency) of revenues over expenditures	(294,996)	(294,996)	112,172	407,168
Fund Balance:				
Beginning of year	1,269,411	1,269,411	1,269,411	-
End of year	\$ 974,415	\$ 974,415	\$ 1,381,583	\$ 407,168

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, 2020 (1)

	Actual			
	Prior Years	Current Year	Total to Date	Grant Budget
Revenues:				
Intergovernmental	\$ 486,749,828	\$ 53,655,499	\$ 540,405,327	\$ 621,431,510
Charges for services	57,408,788	2,693,111	60,101,899	59,318,944
Investment income	1,598,064	65,984	1,664,048	1,605,004
Total revenues	545,756,680	56,414,594	602,171,274	682,355,458
Expenditures:				
General government	5,286,232	29,888,790	35,175,022	90,757,582
Public safety	71,435,056	2,487,894	73,922,950	78,964,144
Public works	1,078,304	33,755	1,112,059	1,112,059
Community services	491,915,982	24,044,360	515,960,342	537,687,010
Land use	5,331,463	85,580	5,417,043	5,650,709
Total expenditures	575,047,037	56,540,379	631,587,416	714,171,504
Deficiency of revenues over expenditures	(29,290,357)	(125,785)	(29,416,142)	(31,816,046)
Other Financing Sources:				
Net transfers in	30,638,291	644,574	31,282,865	31,816,046
Net change in fund balance	\$ 1,347,934	518,789	\$ 1,866,723	\$ -
Fund Balance:				
Beginning of year		1,347,934		
End of year		\$ 1,866,723		

(1) Encompassing current grant file information.

NEW CASTLE COUNTY, DELAWARE

CAPITAL PROJECTS FUNDS

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020 (1)

	Actual			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Intergovernmental	\$ 28,266,173	\$ 1,849,536	\$ 30,115,709	\$ 37,987,608
Other	7,528,896	1,782,539	9,311,435	10,060,559
Total revenues	<u>35,795,069</u>	<u>3,632,075</u>	<u>39,427,144</u>	<u>48,048,167</u>
Expenditures:				
General government	7,523,798	3,043,241	10,567,039	14,236,283
Public safety	26,237,464	2,255,862	28,493,326	37,163,059
Public works	125,263,032	16,663,294	141,926,326 (2)	177,547,467
Community services	45,718,719	2,086,879	47,805,598	67,055,265
Total expenditures	<u>204,743,013</u>	<u>24,049,276</u>	<u>228,792,289</u>	<u>296,002,074</u>
Deficiency of revenues over expenditures	<u>(168,947,944)</u>	<u>(20,417,201)</u>	<u>(189,365,145)</u>	<u>(247,953,907)</u>
Other Financing Sources/(Uses):				
Debt issuance	156,455,524	-	156,455,524	206,540,188
Bond premium	8,369,238	-	8,369,238	8,369,238
Capital lease proceeds	5,681,456	4,277,226	9,958,682 (3)	-
Transfers in	27,949,689	3,245,697	31,195,386	33,044,481
Total other financing sources	<u>198,455,907</u>	<u>7,522,923</u>	<u>205,978,830</u>	<u>247,953,907</u>
Net change in fund balances	<u>\$ 29,507,963</u>	<u>(12,894,278)</u>	<u>\$ 16,613,685</u>	<u>\$ -</u>
Fund Balances:				
Beginning of year		<u>29,507,963</u>		
End of year		<u>\$ 16,613,685</u>		

(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.

(2) Amount of capital lease expenditures included in Total to Date is taken from Note 22.

(3) See Note 22.

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, 2020

	Budgeted Amounts			Variance with Final Budget (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 3,329,763	\$ 3,329,763	\$ 3,375,257	\$ 45,494
Expenditures:				
General government	948,895	948,895	948,895	-
Public safety	2,776,729	2,776,729	2,581,235	195,494
Total expenditures	3,725,624	3,725,624	3,530,130	195,494
Net change in fund balance	(395,861)	(395,861)	(154,873)	240,988
Fund Balance:				
Beginning of year	1,270,736	1,270,736	1,270,736	-
End of year	\$ 874,875	\$ 874,875	\$ 1,115,863	\$ 240,988

NEW CASTLE COUNTY, DELAWARE

BALANCE SHEET BY SUBFUND

GENERAL FUND

June 30, 2020

	General Fund				
	General	Jean W. Sinclair Trust	Strategic Economic Development	Reassessment Reserve	Total General Fund
ASSETS:					
Cash and cash equivalents	\$ 52,938,289	\$ 10,005	\$ 2,025,000	\$ 180,000	\$ 55,153,294
Investments	109,382,695	-	-	-	109,382,695
Receivables (net of allowances):					
Taxes, including interest and penalties	2,690,795	-	-	-	2,690,795
Accounts	2,285,605	-	-	-	2,285,605
Other	299,824	-	-	-	299,824
Cash - restricted	15,794,311	-	-	-	15,794,311
Capital assets held for resale	181,542	-	-	-	181,542
Prepaid costs	15,758	-	-	-	15,758
Note receivable	3,000,000	-	-	-	3,000,000
Total assets	\$ 186,588,819	\$ 10,005	\$ 2,025,000	\$ 180,000	\$ 188,803,824
LIABILITIES:					
Vouchers payable and accrued expenditures	\$ 13,959,040	\$ -	\$ -	\$ -	\$ 13,959,040
Due to other funds	21,604,540	-	-	-	21,604,540
Other liabilities	7,854,993	-	-	-	7,854,993
Escrowed amounts	9,054,877	-	-	-	9,054,877
Unearned revenues	181,542	-	-	-	181,542
Total liabilities	52,654,992	-	-	-	52,654,992
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property taxes	2,507,491	-	-	-	2,507,491
FUND BALANCES:					
Nonspendable:					
Prepaid costs	15,758	-	-	-	15,758
Committed to:					
Budget reserve	42,543,328	-	-	-	42,543,328
Tax stabilization reserve	76,372,447	-	-	-	76,372,447
Transfer tax proceeds	3,850,284	-	-	-	3,850,284
Assigned to:					
Other departmental purposes	3,065,791	-	-	-	3,065,791
Library	-	10,005	-	-	10,005
Strategic Economic Development fund	-	-	2,025,000	-	2,025,000
Reassessment Reserve	-	-	-	180,000	180,000
Unassigned	5,578,728	-	-	-	5,578,728
Total fund balances	131,426,336	10,005	2,025,000	180,000	133,641,341
Total liabilities, deferred inflows of resources, and fund balances	\$ 186,588,819	\$ 10,005	\$ 2,025,000	\$ 180,000	\$ 188,803,824

NEW CASTLE COUNTY, DELAWARE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2020

	General Fund				
	General	Jean W. Sinclair Trust	Strategic Economic Development	Reassessment Reserve	Total General Fund
Revenues:					
Taxes	\$ 166,949,890	\$ -	\$ -	\$ -	\$ 166,949,890
Charges for services	22,180,911	-	-	-	22,180,911
Licenses and permits	9,216,516	-	-	-	9,216,516
Intergovernmental	10,370,974	-	-	-	10,370,974
Investment income (loss)	4,107,444	139	-	180,000	4,287,583
Net appreciation (depreciation) in fair value of investments	3,237,967	-	-	-	3,237,967
Rentals	721,273	-	-	-	721,273
Miscellaneous	2,248,652	-	-	-	2,248,652
Total revenues	219,033,627	139	-	180,000	219,213,766
Expenditures:					
Current:					
General government	17,555,789	-	1,500,000	-	19,055,789
Public safety	79,062,295	-	-	-	79,062,295
Special services	15,364,790	-	-	-	15,364,790
Community services	21,102,447	-	-	-	21,102,447
Land use	11,613,518	-	-	-	11,613,518
Judiciary offices	6,242,378	-	-	-	6,242,378
Debt service:					
Principal	14,285,000	-	-	-	14,285,000
Interest and other charges	7,224,911	-	-	-	7,224,911
Total expenditures	172,451,128	-	1,500,000	-	173,951,128
Excess (deficiency) of revenues over expenditures	46,582,499	139	(1,500,000)	180,000	45,262,638
Other Financing Sources (Uses):					
Transfers in	4,954	-	-	-	4,954
Transfers out	(5,395,225)	-	-	-	(5,395,225)
Sale of capital assets	136,228	-	-	-	136,228
Total other financing sources (uses)	(5,254,043)	-	-	-	(5,254,043)
Net change in fund balances	41,328,456	139	(1,500,000)	180,000	40,008,595
Fund Balances:					
Beginning of year	90,097,880	9,866	3,525,000	-	93,632,746
End of year	\$ 131,426,336	\$ 10,005	\$ 2,025,000	\$ 180,000	\$ 133,641,341

NEW CASTLE COUNTY, DELAWARE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2020

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents (Note 2)	\$ 9,508,760	\$ -	\$ 9,508,760
Investments: (Note 2)			
Common and preferred stock	46,681,787	-	46,681,787
Mutual funds	67,803,591	51,172,999	118,976,590
Real estate equity funds	3,220,505	-	3,220,505
Collective trusts	301,435,018	-	301,435,018
Private equity	27,016,722	-	27,016,722
Receivables (net of allowances):			
Other (Note 4)	2,040,068	-	2,040,068
Total assets	457,706,451	51,172,999	508,879,450
LIABILITIES			
Vouchers payable and accrued expenses	623,527	17,903	641,430
Total liabilities	623,527	17,903	641,430
NET POSITION			
Total Net Position	\$ 457,082,924	\$ 51,155,096	\$ 508,238,020

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, 2020

	Pension Trust	Other Postemployment Benefits Trust	Total Fiduciary Funds
Additions:			
Contributions:			
Plan members	\$ 2,586,225	\$ -	\$ 2,586,225
New Castle County	23,444,559	5,206,368	28,650,927
State of Delaware	3,290,385	-	3,290,385
Other contributions	13,109	-	13,109
Total contributions	29,334,278	5,206,368	34,540,646
Investment income:			
Net increase in fair value of investments	2,456,987	738,822	3,195,809
Interest, dividends, and other income, including realized gains/losses	18,473,869	1,194,131	19,668,000
Total investment income	20,930,856	1,932,953	22,863,809
Less investment expense	2,380,060	49,594	2,429,654
Net investment income	18,550,796	1,883,359	20,434,155
Total additions	47,885,074	7,089,727	54,974,801
Deductions:			
Benefit payments	43,978,551	4,206,368	48,184,919
Refunds of contributions	203,481	-	203,481
Administrative expenses	743,098	9,241	752,339
Other expenses, net	31,633	-	31,633
Total deductions	44,956,763	4,215,609	49,172,372
Net increase in net position	2,928,311	2,874,118	5,802,429
Net position			
Beginning of year	454,154,613	48,280,978	502,435,591
End of year	\$ 457,082,924	\$ 51,155,096	\$ 508,238,020

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

Exhibit

Financial Trends

B-1 to B-5

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

Revenue Capacity

C-1 to C-4

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

Debt Capacity

D-1 to D-4

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.

Demographic and Economic Information

E-1 to E-2

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

Operating Information

F-1 to F-3

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.

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									
	2011	2012	2013	2014 (1)	2015 (2)	2016	2017	2018 (3)	2019	2020
Governmental activities										
Net investment in capital assets	\$ 51,445	\$ 69,064	\$ 80,388	\$ 96,158	\$ 110,575	\$ 120,590	\$ 121,493	\$ 132,728	\$ 138,622	\$ 147,889
Restricted	-	-	-	20,185	15,214	11,699	15,942	14,031	13,406	12,253
Unrestricted	63,964	45,769	34,171	(9,262)	(127,999)	(146,974)	(167,609)	(241,937)	(163,882)	(132,142)
Total governmental activities net position	<u>\$ 115,409</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 117,662	\$ 150,506	\$ 125,891	\$ 153,387	\$ 148,646	\$ 149,931	\$ 129,604	\$ 131,750	\$ 128,142	\$ 128,231
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	76,333	37,617	50,821	14,384	20,536	13,066	26,181	10,697	26,770	27,184
Total business-type activities net position	<u>\$ 193,995</u>	<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>
Primary government										
Net investment in capital assets	\$ 169,107	\$ 219,570	\$ 206,279	\$ 249,545	\$ 259,221	\$ 270,521	\$ 251,097	\$ 264,478	\$ 266,764	\$ 276,120
Restricted	-	-	-	20,185	15,214	11,699	15,942	14,031	13,406	12,253
Unrestricted	140,297	83,386	84,992	5,122	(107,463)	(133,908)	(141,428)	(231,240)	(137,112)	(104,958)
Total primary government net position	<u>\$ 309,404</u>	<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>

(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									
	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 29,305	\$ 31,977	\$ 33,218	\$ 38,368	\$ 35,655	\$ 33,516	\$ 36,884	\$ 30,391	\$ 29,813	\$ 59,467
Public safety	86,635	87,890	92,696	95,797	104,391	109,328	115,072	118,764	119,453	91,935
Public works	16,202	17,296	17,588	18,400	17,913	19,627	23,836	22,439	27,144	22,941
Community services	47,112	47,878	45,477	45,170	43,074	46,751	47,408	48,665	50,402	48,857
Land use	12,060	12,610	10,763	11,057	10,905	12,503	12,382	12,121	13,138	12,260
Judiciary offices	6,204	6,459	6,804	6,680	6,663	7,306	7,342	7,238	7,373	6,582
Interest on long-term debt	8,545	8,671	6,734	6,180	5,964	6,764	6,891	7,471	7,147	6,052
Total governmental activities expenses	<u>206,063</u>	<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>
Business-type activities:										
Sewer facilities	71,555	74,085	77,277	79,257	76,061	80,756	80,047	80,586	86,076	84,732
New Castle County airport	88	88	88	88	52	2	1	-	-	-
Total business-type activities expenses	<u>71,643</u>	<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>
Total primary government expenses	<u>277,706</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
Land use	7,524	7,714	8,017	7,978	8,355	9,133	9,916	10,525	12,377	13,677
Judiciary offices	16,579	17,438	15,213	15,175	15,010	15,669	18,078	17,772	14,824	14,297
Other activities	9,932	11,180	8,295	10,801	11,169	11,341	11,245	11,428	10,849	10,709
Operating grants and contributions	35,966	33,243	35,397	31,966	32,868	30,494	31,752	32,917	33,325	62,839
Capital grants and contributions	2,011	5,779	7,663	3,413	1,677	4,541	7,460	5,862	4,447	3,632
Total governmental activities program revenues	<u>72,012</u>	<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>
Business-type activities:										
Charges for services-Sewer	63,245	64,483	63,156	67,046	68,675	71,918	72,049	71,702	82,421	79,607
Operating grants and contributions	1,948	2,627	2,586	2,643	1,763	1,866	488	932	992	1,065
Capital grants and contributions	2,741	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>67,934</u>	<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>
Total primary government program revenues	<u>139,946</u>	<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>
Net (Expense) Revenue										
Governmental activities	(134,051)	(137,427)	(138,695)	(152,319)	(155,486)	(164,617)	(171,364)	(168,585)	(178,648)	(142,940)
Business-type activities	(3,709)	(7,063)	(11,623)	(9,656)	(5,675)	(6,974)	(7,511)	(7,952)	(2,663)	(4,060)
Total primary government net expenses	<u>(137,760)</u>	<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>

NEW CASTLE COUNTY, DELAWARE

CHANGES IN NET POSITION

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Real estate taxes	\$ 131,788	\$ 132,680	\$ 137,408	\$ 143,289	\$ 146,418	\$ 149,779	\$ 154,984	\$ 159,850	\$ 165,823	\$ 176,768
Unrestricted investment earnings	3,173	4,146	991	1,871	1,477	2,363	891	263	6,408	7,526
Transfers	-	25	23	(319)	-	-	-	-	-	(1,500)
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	-	-	-	89,741	-
Total governmental activities	<u>134,961</u>	<u>136,851</u>	<u>138,422</u>	<u>144,841</u>	<u>147,895</u>	<u>152,142</u>	<u>155,875</u>	<u>160,113</u>	<u>261,972</u>	<u>182,794</u>
Business-type activities:										
Unrestricted investment earnings	2,152	1,217	234	396	203	790	299	844	2,923	3,062
Transfers	-	(25)	(23)	319	-	-	-	-	-	1,500
Special item - effect of change in OPEB benefit terms	-	-	-	-	-	-	-	-	12,205	-
Total business-type activities	<u>2,152</u>	<u>1,192</u>	<u>211</u>	<u>715</u>	<u>203</u>	<u>790</u>	<u>299</u>	<u>844</u>	<u>15,128</u>	<u>4,562</u>
Total primary government	<u>137,113</u>	<u>138,043</u>	<u>138,633</u>	<u>145,556</u>	<u>148,098</u>	<u>152,932</u>	<u>156,174</u>	<u>160,957</u>	<u>277,100</u>	<u>187,356</u>
Change in Net Position										
Government activities	910	(576)	(273)	(7,478)	(7,591)	(12,475)	(15,489)	(8,472)	83,324	39,854
Business-type activities	(1,557)	(5,871)	(11,412)	(8,941)	(5,472)	(6,184)	(7,212)	(7,108)	12,465	502
Total primary government	<u>\$ (647)</u>	<u>\$ (6,447)</u>	<u>\$ (11,685)</u>	<u>\$ (16,419)</u>	<u>\$ (13,063)</u>	<u>\$ (18,659)</u>	<u>\$ (22,701)</u>	<u>\$ (15,580)</u>	<u>\$ 95,789</u>	<u>\$ 40,356</u>

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																													
	2011	(1)	2012	2013	2014	2015	2016	2017	2018	2019	2020																			
General fund																														
Fund balances:																														
Nonspendable	\$		352,244	\$		147,523	\$		109,714	\$		140,788	\$		430,348	\$		859,815	\$		3,836,550	\$		3,894,586	\$		3,083,813	\$		15,758
Committed			76,681,716			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
Assigned			2,320,931			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
Unassigned			17,986,238			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
Total general fund	\$		97,341,129	\$		98,904,660	\$		98,747,289	\$		98,406,322	\$		93,255,429	\$		92,358,639	\$		90,332,724	\$		86,733,886	\$		93,632,746	\$		133,641,341
All other governmental funds																														
Fund balances:																														
Nonspendable	\$		1,280,867	\$		1,255,074	\$		622	\$		-	\$		-	\$		-	\$		-	\$		101,270	\$		46,389	\$		3,794
Restricted			27,651,625			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
Assigned																								268,348			268,348			268,348
Unassigned			(136,673)			121,144			-			(1,538,612)			-			(883,184)			-			(2,125,618)			-			-
Total all other governmental funds	\$		28,795,819	\$		21,582,306	\$		25,959,919	\$		18,569,043	\$		34,138,751	\$		18,725,129	\$		36,188,869	\$		23,384,227	\$		38,698,337	\$		26,500,374

Note:

(1) In Fiscal Year 2011, GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was implemented.

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes (1)	\$ 131,403	\$ 132,429	\$ 137,342	\$ 142,952	\$ 146,374	\$ 149,741	\$ 155,004	\$ 160,023	\$ 165,930	\$ 176,546
Charges for services	26,880	28,195	23,081	24,142	23,024	25,622	26,804	26,607	26,667	24,874
Licenses and permits	4,914	5,900	6,277	6,142	6,791	6,674	7,817	7,821	7,489	9,537
Intergovernmental	37,936	38,936	40,635	34,944	34,863	34,885	40,132	38,025	36,327	65,876
Investment income	3,845	4,070	1,374	2,442	1,570	2,365	1,346	531	6,597	7,672
Rentals	971	863	776	753	744	732	725	841	732	721
Contributions from private sources	(13)	645	2,553	630	298	778	10	-	30	-
Miscellaneous	338	649	524	1,799	2,546	1,503	1,741	2,742	2,139	4,031
Total revenues	206,274	211,687	212,562	213,804	216,210	222,300	233,579	236,590	245,911	289,257
Expenditures										
General government	19,192	19,941	21,796	23,525	23,379	23,649	26,221	26,609	24,777	56,002
Public safety	82,775	83,257	87,003	91,588	100,229	100,370	105,594	108,673	105,385	84,132
Public works	11,485	14,493	13,448	14,419	13,714	11,504	13,640	11,839	15,498	15,579
Community services	45,544	46,219	43,428	43,009	41,608	43,380	44,001	44,599	45,108	45,147
Land use	11,942	12,387	10,294	10,793	10,765	11,438	11,564	11,346	11,846	11,699
Judiciary offices	6,137	6,318	6,476	6,486	6,539	6,641	6,836	6,753	6,605	6,242
Capital outlays	13,712	14,376	15,006	15,881	20,847	26,930	39,049	25,488	28,201	24,049
Debt service										
Principal	14,183	13,590	15,346	13,088	13,824	10,242	13,103	13,335	14,031	14,285
Interest	8,505	8,361	7,686	7,186	6,628	7,390	6,611	7,363	6,963	7,225
Total expenditures	213,475	218,942	220,483	225,975	237,533	241,544	266,619	256,005	258,414	264,360
Excess of revenues over (under) expenditures	(7,201)	(7,255)	(7,921)	(12,171)	(21,323)	(19,244)	(33,040)	(19,415)	(12,503)	24,897
Other Financing Sources (Uses):										
Transfers in	3,564	993	835	3,212	5,339	6,170	4,278	6,218	6,362	5,400
Transfers out	(3,564)	(968)	(813)	(3,531)	(5,339)	(6,170)	(4,278)	(6,218)	(6,362)	(6,900)
Debt issuance	10,000	-	11,260	-	20,670	-	37,600	-	28,040	-
Bond premium (net of issuance costs)	299	-	739	-	4,345	-	2,409	-	2,050	-
Issuance of refunding bonds	17,781	-	58,296	-	53,021	-	2,210	-	-	-
Payment to refunded bond escrow agent (2)	(17,781)	-	(58,296)	-	(53,021)	-	-	-	-	-
Capital leases	3,364	1,255	-	4,643	6,301	2,807	5,952	2,786	4,205	4,277
Sale of capital assets	56	325	120	115	426	127	307	226	421	137
Total other financing sources (uses)	13,719	1,605	12,141	4,439	31,742	2,934	48,478	3,012	34,716	2,914
Net change in fund balances	\$ 6,518	\$ (5,650)	\$ 4,220	\$ (7,732)	\$ 10,419	\$ (16,310)	\$ 15,438	\$ (16,403)	\$ 22,213	\$ 27,811
Debt service as a percentage of noncapital expenditures	11.3%	10.8%	11.3%	9.7%	9.5%	8.1%	8.6%	8.8%	9.0%	9.0%
Bonded debt service as a percentage of total general governmental expenditures (3)	10.6%	10.0%	10.4%	9.0%	8.6%	7.3%	7.4%	8.1%	8.1%	8.1%

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)

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Transfer Tax</u>	<u>Crossing Guards (1)</u>	<u>Light Tax(1)</u>	<u>Total</u>
2011	\$ 107,181,578	\$ 16,486,257	\$ 2,809,264	\$ 4,926,052	\$ 131,403,151
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

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
2011	\$ 11,937,004	\$ 10,243,675	\$ 4,184,976	\$ 17,995,703	\$ 0.7018	*
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	*

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Rates:										
Unincorporated area:										
New Castle County										
General operating budget	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2436	\$ 0.2801	\$ 0.2711
Local service function budget	0.4582	0.4570	0.4570	0.4570	0.4570	0.4570	0.4570	0.4570	0.5256	0.5329
Total Direct Rate (1)	\$ 0.7018	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.7006	\$ 0.8057	(7) \$ 0.8040
Incorporated areas: (6)										
Arden	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572
Bellefonte	0.3948	0.6966	0.6966	0.6966	0.6966	0.6966	0.6966	0.6966	0.8011	0.7926
Newark	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2904
Elsmere	0.3193	0.3193	0.3193	0.3193	0.3193	0.3193	0.3193	0.3193	0.3672	0.3192
Newport	0.2838	0.2838	0.2838	0.2838	0.2838	0.2838	0.2838	0.2838	0.3263	0.3554
New Castle	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192
Delaware City	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2501	0.2876
Middletown	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2529	0.2908	0.3192
Odessa	0.3640	0.3640	0.3640	0.3640	0.3640	0.3640	0.3640	0.3640	0.4186	0.3772
Townsend	0.3826	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.3616	0.4158	0.3466
Wilmington	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2436	0.2801	0.2711
Ardentown	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572
Smyrna	0.7018	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040
Ardencroft	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.5821	0.6694	0.7572
Clayton	0.7018	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.7006	0.8057	0.8040
Overlapping Rates:										
School Districts:										
Appoquinimink District	1.4527	1.4527	1.4527	1.7527	1.7647	1.7707	1.8473	2.1024	2.1024	2.2461
Brandywine District	1.8165	1.8385	1.8385	2.1785	2.1835	2.1835	2.4435	2.4435	2.4435	2.5385
Christina District	1.6620	1.7770	1.7770	1.9970	2.0900	2.0900	2.3800	2.3850	2.3850	2.4850
Colonial District	1.3960	1.3660	1.3660	1.7060	1.7360	1.7360	1.7360	2.0430	2.0430	2.1930
Red Clay District	1.6870	1.6620	1.6620	1.7410	1.7710	1.9840	2.1740	2.3140	2.3140	2.3080
New Castle County Vo-Tech	0.1370	0.1410	0.1410	0.1500	0.1533	0.1550	0.1583	0.1603	0.1603	0.1710
Smyrna District	0.9970	1.0119	1.0119	1.1267	1.3077	1.4191	1.4065	1.3780	1.3780	1.3813
Polytech (4)	0.1026	0.1111	0.1111	0.1128	0.1128	0.1163	0.1220	0.1251	0.1251	0.1272
Municipalities (3):										
Wilmington	1.7670	1.7670	1.7670	1.7670	1.8550	1.8550	1.8550	1.9950	1.9950	1.9950
Newark	0.6458	0.6458	0.6458	0.6961	0.7065	0.7737	0.7737	0.7737	0.8047	0.8047
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	0.9315	1.0712	1.0712	1.0712	1.0712	1.0712	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	1.0900	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	0.2600	0.3000
Odessa (2)	0.2000	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Bellefonte	0.5000	0.5000	0.4500	0.4500	0.5500	0.5500	0.5500	0.5500	0.5500	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, 2020

(amounts expressed in thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power & Light Co.	\$ 450,524	1	2.34%	\$ 326,493	1	1.81%
Verizon Delaware LLC (1)	203,822	2	1.06%	218,692	3	1.22%
Dupont Specialty Products USA LLC	200,236	3	1.04%	288,015	2	1.60%
AWCI Inc.	93,830	4	0.49%	-	-	-
Bank of America National Assoc.	86,958	5	0.45%	-	-	-
Delaware City Refining Company, LLC	71,465	6	0.37%	-	-	-
Manufacturers & Traders Trust Co.	56,569	7	0.29%	-	-	-
Chase Bank USA National Association	54,558	8	0.28%	-	-	-
JPMorgan Chase Bank National Assoc.	46,456	9	0.24%	-	-	-
Suez Water	45,890	10	0.24%	-	-	-
AstraZeneca Pharmaceuticals LP	-	-	-	175,501	4	0.98%
Bracebridge Corporation	-	-	-	151,251	5	0.84%
E. I. DuPont de Nemours & Co	-	-	-	93,159	6	0.52%
1743 Holdings LLC	-	-	-	67,872	7	0.37%
Barley Mill, LLC	-	-	-	58,588	8	0.33%
Premcor Refining Group Inc.	-	-	-	58,292	9	0.32%
D C L Leasing Partners LP LTD VI	-	-	-	58,084	10	0.32%
	<u>\$ 1,310,308</u>		<u>6.80%</u>	<u>\$ 1,495,947</u>		<u>8.31%</u>

(1) In FY 2020 and FY 2011, some property owned by Verizon was titled in the name of Diamond State Telephone Co.

Source: New Castle County Assessment Division

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

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of Levy		Collections in in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount (2)	Percent of Levy
2011	\$ 107,101,270	\$ 106,020,251	99.0	\$ 842,025	\$ 106,862,276	99.8
2012	107,894,937	106,513,521	98.7	1,302,611	107,816,132	99.9
2013	108,355,824	107,273,166	99.0	939,576	108,212,742	99.9
2014	109,413,344	108,189,703	98.9	993,938	109,183,641	99.8
2015	110,635,797	109,510,528	99.0	436,439	109,946,967	99.4
2016	111,777,226	110,570,085	98.9	499,443	111,069,528	99.4
2017	113,011,393	111,770,567	98.9	304,580	112,075,147	99.2
2018	113,528,395	112,594,765	99.2	522,143	113,116,908	99.6
2019	131,782,816	130,845,128	99.3	388,718	131,233,846	99.6
2020	132,811,856	131,788,047	99.2	-	131,788,047	99.2

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			
2011	\$ 194,817	\$ 7,417	\$ 194,403	\$ -	\$ 2,246	\$ 398,883	1.52%	\$ 737.10
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	724.54
2015	179,566 (2)	10,972	282,944 (2)	2,859	2,054	478,395	1.69	861.32
2016	168,336 (2)	9,832	275,548 (2)	4,522	2,251	460,489	1.60	823.64
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	933.90
2019	195,209 (2)	9,898	366,209 (2)	4,385	10,278	585,979	*	1,031.80
2020	179,638 (2)	9,959	352,499 (2)	3,316	19,164	564,576	*	999.62

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

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
2011	541,153	\$ 17,995,703	\$ 389,220	2.2%	\$ 719.24
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	564,790 *	19,274,354	532,137 (2)	2.8	942.19

* Estimated

(1) Source: Delaware Population Consortium - 10/31/2019

(2) Includes unamortized bond premium.

NEW CASTLE COUNTY, DELAWARE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2020

Jurisdiction	Total Debt Outstanding	Percentage Applicable to New Castle County	Amount Applicable to New Castle County
New Castle County	\$ 189,596,648 (2)	100%	\$ 189,596,648
School Districts:			
Appoquinimink	97,950,555	100	97,950,555
Brandywine	55,935,533	100	55,935,533
Christina	21,647,808	100	21,647,808
Colonial	22,488,566	100	22,488,566
Red Clay	64,031,544	100	64,031,544
New Castle VoTech	44,894,481	100	44,894,481
Smyrna (1)	18,443,291	29	5,348,554
Total Districts	325,391,778		312,297,042
Municipalities:			
Middletown	31,873,122	100	31,873,122
Newark	11,217,949	100	11,217,949
Wilmington	101,422,407	100	101,422,407
Total Municipalities	144,513,478		144,513,478
Total Overlapping Debt	469,905,256		456,810,520
Total Direct and Overlapping Debt	\$ 659,501,904		\$ 646,407,168

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total assessed taxable value at July 1	<u>\$ 17,995,703</u>	<u>\$ 18,043,492</u>	<u>\$ 18,083,841</u>	<u>\$ 18,187,898</u>	<u>\$ 18,358,012</u>	<u>\$ 18,557,224</u>	<u>\$ 18,776,801</u>	<u>\$ 18,970,815</u>	<u>\$ 19,055,907</u>	<u>\$ 19,274,354</u>
Debt limit - 3% of total assessed value	<u>\$ 539,871</u>	<u>\$ 541,305</u>	<u>\$ 542,515</u>	<u>\$ 545,637</u>	<u>\$ 550,740</u>	<u>\$ 556,717</u>	<u>\$ 563,304</u>	<u>\$ 569,124</u>	<u>\$ 571,677</u>	<u>\$ 578,231</u>
Amount of debt applicable to debt limit: (2)										
Total bonded debt	389,220	369,060	402,680	380,795	416,310	399,945	487,230	464,840	518,930	492,560
Less:										
Deductions allowed by Delaware Code (1):										
Sewer facilities	<u>(194,403)</u>	<u>(187,833)</u>	<u>(227,651)</u>	<u>(218,854)</u>	<u>(252,909)</u>	<u>(246,785)</u>	<u>(307,534)</u>	<u>(298,478)</u>	<u>(338,560)</u>	<u>(326,475)</u>
Total amount of debt applicable to debt limit	<u>194,817</u>	<u>181,227</u>	<u>175,029</u>	<u>161,941</u>	<u>163,401</u>	<u>153,160</u>	<u>179,696</u>	<u>166,362</u>	<u>180,370</u>	<u>166,085</u>
Legal debt margin	<u>\$ 345,054</u>	<u>\$ 360,078</u>	<u>\$ 367,486</u>	<u>\$ 383,696</u>	<u>\$ 387,339</u>	<u>\$ 403,557</u>	<u>\$ 383,608</u>	<u>\$ 402,762</u>	<u>\$ 391,307</u>	<u>\$ 412,146</u>
Total net debt applicable to the limit as a percentage of debt limit	36.09%	33.48%	32.26%	29.68%	29.67%	27.51%	31.90%	29.23%	31.55%	28.72%

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 defeased 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)	Unemploy- ment Rate (4)
2011	541,153	\$ 26,164,489	\$ 48,243	76,135	8.8%
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	*	*	79,578	3.6
2020	564,790 **	*	*	79,767	13.0

Sources: (1) Delaware Population Consortium - 10/31/2019
(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>	<u>2020</u>			<u>2011</u>		
	<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	72,737	1	16.4%	58,793	1	14.5%
Retail trade	49,938	2	11.2%	53,218	2	13.1%
Finance and insurance	42,027	3	9.5%	37,189	3	9.1%
Accommodation and food services	39,121	4	8.8%	32,664	4	8.0%
State government	30,505	5	6.9%	29,113	5	7.2%
Local government	28,400	6	6.4%	26,139	7	6.4%
Administration and waste services	28,400	6	6.4%	23,506	9	5.8%
Manufacturing	26,989	7	6.1%	25,464	8	6.3%
Professional & technical services	25,606	8	5.8%	26,466	6	6.5%
Construction	22,922	9	5.2%	18,783	10	4.6%
Transportation and warehousing	14,722	10	3.3%	9,412	13	2.3%
Total	<u>381,367</u>		<u>85.9%</u>	<u>340,747</u>		<u>83.8%</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
County Council										
Legislation	33	32	32	32	33	32	32	32	32	32
Audit	1	1	1	1	1	2	2	2	2	2
	34	33	33	33	34	34	34	34	34	34
County Executive										
Direction and Control	10	11	12	13	12	12	11	12	12	12
Office of Economic Development	2	2	2	1	1	1	1	1	1	1
Office of Communications	-	-	-	-	-	-	2	1	1	1
	12	13	14	14	13	13	14	14	14	14
Dept of Administration										
Law	23	22	22	22	23	23	18	18	18	18
Administrative Services	45	43	43	43	42	42	41	40	32	32
Finance	54	54	75 (A)	75	77	77	77	78	73	73
Human Resources and Risk Management	18	18	18	19	19	19	24	25	25	26
	140	137	158	159	161	161	160	161	148	149
Total General Government	186	183	205	206	208	208	208	209	196	197
Public Safety:										
Administration	9	9	9	9	9	8	8	8	8	8
Police Operations	398	399	400	400	405	417	432	432	434	434
Crossing Guards	3	3	3	3	3	3	3	3	3	3
Emergency Services	200	200	209	209	216	217	217	223	225	240
Total Public Safety	610	611	621	621	633	645	660	666	670	685
Public Works:										
Non-Sewer related:										
Administration	21.5	20.5	19.5	18.5	18.5	18.5	18.5	17.5	16.5	15.5
Internal Services	7	6	6	6	6	6	6	6	6	5
Fleet Operations	34	34	34	32	32	32	31	30	29	29
Facilities Maintenance	44	44	35	35	36	36	36	34	33	33
Parks	73	67	67	67	66	66	67	65	62	64
Engineering	37	33	36	36	36	35	35	35	35	34
Total Non-Sewer related	216.5	204.5	197.5	194.5	194.5	193.5	193.5	187.5	181.5	180.5
Sewer:										
Sewer Operations Administration	13.5	12.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	9.5
Construction Support	66	66	64	64	63	63	63	63	63	63
Sewer Maintenance	54	53	53	53	53	53	53	53	53	53
Plant Operations	56	53	53	53	53	53	53	53	53	53
Stormwater and Environmental Program	16	16	17	17	17	17	17	17	17	19
Total Sewer	205.5	200.5	197.5	197.5	196.5	196.5	196.5	196.5	196.5	197.5
Total Public Works	422	405	395	392	391	390	390	384	378	378

NEW CASTLE COUNTY, DELAWARE

FULL-TIME COUNTY EMPLOYEE POSITIONS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community Services:										
Administration	15	14	14	17	16	16	15	16	15	15
Community Resources	19	17	16	17	17	17	19	25	26	27
Community Development/Housing	36	36	34	33	33	33	32	30	30	29
Libraries	85	84	83	83	83	82	84	84	84	84
Total Community Services	<u>155</u>	<u>151</u>	<u>147</u>	<u>149</u>	<u>149</u>	<u>148</u>	<u>150</u>	<u>155</u>	<u>155</u>	<u>155</u>
Land Use:										
Administration	9	9	9	9	10	10	10	9	8	8
Assessment	22	21	- (A)	-	-	-	-	-	-	-
Planning	15	16	17	17	18	18	17	17	19	19
Licensing	61	61	61	61	59	59	58	51	46	46
Engineering	-	-	-	-	-	-	-	8	8	10
Customer Relations and Enforcement	31	31	31	31	31	31	30	30	27	27
Geographic Information Systems	-	-	-	-	-	-	-	-	5	5
Total Land Use	<u>138</u>	<u>138</u>	<u>118</u>	<u>118</u>	<u>118</u>	<u>118</u>	<u>115</u>	<u>115</u>	<u>113</u>	<u>115</u>
Judiciary Offices:										
Register in Chancery (B)	3	3	3	3	3	3	3	3	3	3
Register of Wills	18	19	19	19	19	19	19	19	18	18
Recorder of Deeds	28	28	27	27	27	27	27	25	25	25
Sheriff	21	20	20	20	21	21	21	21	21	21
Clerk of the Peace	6	6	7	7	7	7	7	7	7	7
Total Judiciary Offices	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>77</u>	<u>77</u>	<u>77</u>	<u>75</u>	<u>74</u>	<u>74</u>
Total Full-Time Employees	<u>1,587</u>	<u>1,564</u>	<u>1,562</u>	<u>1,562</u>	<u>1,576</u>	<u>1,586</u>	<u>1,600</u>	<u>1,604</u>	<u>1,586</u>	<u>1,604</u>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-Est.
County Council										
Avg. constituency represented per district	46,000	46,000	46,000	46,500	46,500	46,500	47,016	46,500	46,500	46,500
Resolutions/ordinances adopted	291	322	322	390	368	337	361	325	353	355
Administration										
Finance										
% of current property tax levy collected	99.0	98.9	99.0	99.0	99.0	98.9	98.9	99.0	97.0	98.0
% of vendor invoices processed within thirty days	84.5	84.5	87.6	87.6	86.0	84.4	80.4	67.1	75.0	69.7
Assessment										
Real property parcels	206,266	207,200	207,400	208,000	208,400	209,400	210,100	210,200	210,300	211,500
Exemption applications processed	1,467	1,881	2,140	1,563	1,346	1,355	1,418	1,541	1,501	1,229
Human Resources										
Applications received	4,270	3,322	3,751	4,911	3,847	4,003	4,788	5,194	5,450	5,650
New retirees	80	60	95	61	89	73	90	69	123	87
Public Works										
Fleet Operations										
Average cost per mile per vehicle	\$ 0.67	\$ 0.75	\$ 0.70	\$ 0.48	\$ 0.83	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.36	\$ 0.44
Engineering										
CIP budget (millions) / # of projects	\$73.5 / 42	\$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
Property Maintenance										
Acres maintained	5,832	5,832	5,832	5,893	5,894	5,923	5,923	5,934	5,097	5,099
Parks maintained	258	258	258	243	248	245	248	248	248	249
Wastewater										
Miles of sewer line maintained	1,800	1,800	1,800	1,744	1,744	1,744	1,764	1,764	1,764	1,804
Pump stations in operation	172	172	170	174	176	176	175	175	175	172
Number of residential sewer service accounts	114,761	115,506	116,361	116,888	117,597	118,653	119,582	119,582	121,723	122,344
Community Services										
Administration										
Number of seniors served	77,513	35,705	18,398	15,759	22,596	27,316	30,473	33,285	35,663	26,374
Total participants in Com Resources programs	637,401	713,818	242,601	298,334	308,729	322,829	382,596	322,384	305,979	233,372
Libraries										
Average number of items checked out per week	85,810	75,292	76,829	77,666	76,405	73,109	68,616	68,492	69,243	51,280
Visits annually	2,558,637	2,284,917	2,071,536	2,203,838	2,358,123	2,354,342	2,334,895	2,292,579	2,310,372	1,598,633
Community Development & Housing										
Number of units rehabbed (CDBG)/repair	106	94	103	99	84	56	59	55	62	95

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-Est.
Land Use										
Administration										
Number of walk-in customers	n/a	n/a	n/a	n/a	24,630	23,646	25,064	23,680	23,689	16,000
Number of customer phone calls	n/a	n/a	n/a	n/a	39,277	21,162	55,085	50,845	53,752	50,000
Planning										
No. Board of Adjustment applications processed	157	183	169	151	165	161	196	185	175	126
Land Use plans submitted and reviewed	121	122	139	120	127	143	135	114	114	114
Licensing										
Number of permits issued	13,721	15,120	15,295	14,405	16,237	16,529	16,425	n/a	n/a	n/a
Inspections performed	42,669	42,000	48,150	51,517	51,517	59,700	53,257	n/a	n/a	n/a
Customer Service and Enforcement										
Calls received by Customer Service	32,865	28,721	27,899	30,156	33,101	33,101	n/a	n/a	n/a	n/a
Code Enforcement cases assigned	8,616	8,233	8,868	8,276	9,706	9,706	9,496	9,812	8,854	7,400
Public Safety										
Emergency Communications										
Calls for service **	136,605	129,596	131,469	134,402	250,114	267,407	253,726	292,758	292,341	295,168
Emergency Services										
Annual paramedic responses	35,905	35,335	40,770	38,132	41,548	45,811	50,139	52,191	54,250	56,420
No. of people trained/recertified in CPR by EMS division	893	893	1,135	880	1,268	969	1,264	712	1,498	700
School Crossing Guards										
Number of schools serviced	93	82	78	76	83	83	83	84	86	86
Number of stations guarded	287	278	276	268	230	230	232	232	230	231
Register of Wills										
Files opened	2,468	2,646	2,516	2,542	2,707	2,646	2,748	2,806	2,702	2,748
Estates probated	1,203	1,436	1,351	1,402	1,517	1,473	1,537	1,530	1,508	1,375
Recorder of Deeds										
Deeds recorded and indexed	10,080	11,400	12,133	11,881	12,636	13,565	14,261	14,930	14,337	13,929
Mortgages recorded and indexed	20,396	19,984	24,506	17,057	17,096	17,764	19,007	17,243	15,467	21,230
Sheriff										
Prisoner commitments*	521	14	14	25	1	11	0	0	0	0
Service trips for court documents	62,638	55,967	49,137	54,558	49,670	49,523	49,313	50,642	42,973	38,104
Clerk of the Peace										
Marriage licenses issued	2,442	2,432	2,731	3,432	2,791	2,825	2,746	2,148	2,646	2,800
Marriage ceremonies performed	650	760	842	1,108	846	1,035	1,041	828	837	900

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

NEW CASTLE COUNTY, DELAWARE
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police										
Number of stations/substations	4	4	4	4	4	4	6	6	6	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	3,133	3,199	3,200	3,225	3,225	3,225	3,225	3,225
Local/district park acreage	2,699	2,699	2,699	2,694	2,694	2,698	2,698	2,709	2,715	2,820
Parks	258	258	258	243	248	245	248	248	248	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	92	70	96
Football fields	3	3	3	3	3	3	3	3	5	5
Basketball courts	100	100	100	100	100	100	100	100	91	91
Tennis courts	70	70	70	70	70	70	70	70	60	68
Soccer fields	38	38	38	38	38	38	38	38	15	24
Big toy play equipment units	131	131	131	131	131	131	131	131	131	127
Museums	1	1	1	1	1	1	1	1	1	1
Fleet										
Fleet vehicles and equipment	1,783	1,743	1,729	1,729	1,729	1,806	1,806	1,832	1,832	1,834
Sewer Facilities										
Sanitary sewer (miles)	1,800	1,800	1,800	1,744	1,744	1,744	1,764	1,764	1,790	1,804
Pump stations	172	172	170	174	176	176	175	175	175	172
Treatment plants	4	4	4	4	4	4	4	4	4	4
Community Services:										
Libraries:										
Number of libraries directly administered	10	10	10	9	9	9	10	10	10	10
Circulation (millions)	4.4	3.9**	3.9**	4.0**	4.0**	4.0**	3.7**	3.6**	3.6**	3.6**
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



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