



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF WILMINGTON, NORTH CAROLINA



FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**(BACK OF COVER)**



# ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

City of Wilmington, North Carolina  
For the Fiscal Year Ended June 30, 2025



Prepared by the Finance Department



**W** CITY OF  
**WILMINGTON**  
NORTH CAROLINA

**INTRODUCTORY SECTION TAB (FRONT)**

**INTRODUCTORY SECTION TAB (BACK)**

# CITY OF WILMINGTON, NORTH CAROLINA

## Annual Comprehensive Financial Report

Year Ended June 30, 2025

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**City Council**

Bill Saffo, Mayor  
Clifford Barnett Sr., Mayor Pro-Tem  
Charles H. Rivenbark  
David Joyner  
Kevin Spears  
Luke Waddell Sr.  
Salette Andrews

**City Manager**

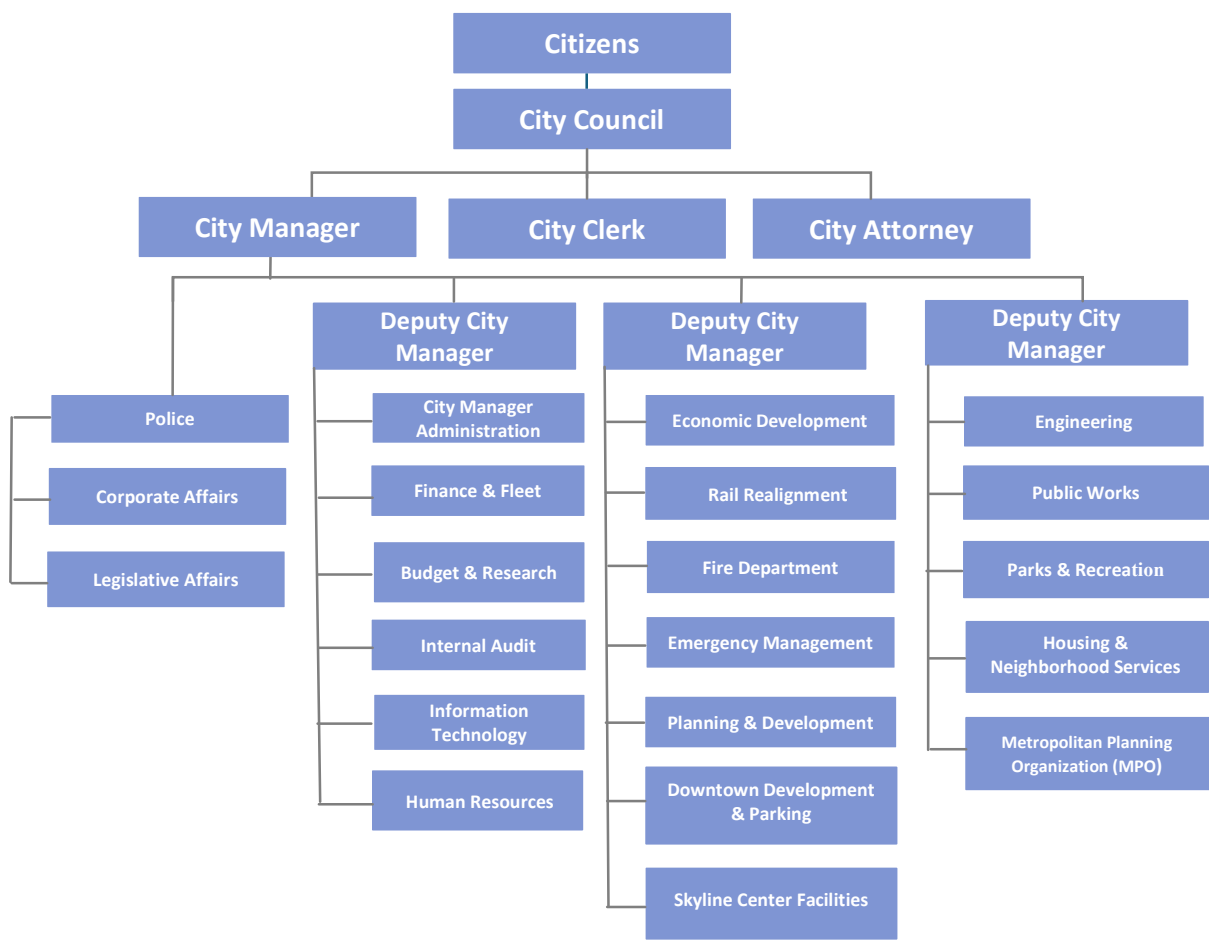
Becky Hawke

**Finance Director**

Martha Wayne



# CITY OF WILMINGTON NORTH CAROLINA



December 19, 2025



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

It is our pleasure to submit the Annual Comprehensive Financial Report of the City of Wilmington, North Carolina for the fiscal year ended June 30, 2025. State law requires that all general-purpose local governments annually publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with these requirements.

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

The City's financial statements have been audited by PBMares LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, are free of material misstatement. The independent auditor concluded, based upon the audit that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

**929 North Front Street • P.O. BOX 1810 • WILMINGTON, NC 28401**

## PROFILE OF THE CITY OF WILMINGTON



Wilmington, incorporated in 1739, is located approximately at the midpoint of the eastern seaboard of the United States, in the southeastern coastal section of the State. The City is an active business, service and industrial center for the surrounding counties. Numerous State and Federal agencies have regional offices in the area, and the City serves as the financial, medical, legal, communications and transportation center for the southeastern part of the State. With a land area of approximately 52.9 square miles, the City is on the Cape Fear River approximately 30 miles from the Atlantic Ocean, the County seat of New Hanover County and home to the State's largest port. The City has a population of 126,164 people, making it the eighth largest city in North Carolina.

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



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

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

The Annual Budget serves as the foundation of the City's financial planning and control. The City's strategic plan is revised as needed and priorities for the upcoming budget process are identified. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the fiscal year. The annual budget is prepared at a fund level for most funds while certain funds are at the functional level (e.g. public safety). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds or function (e.g. public safety to transportation) require the special approval of City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund and enterprise fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For enterprise funds with appropriated annual budgets, this comparison is presented in the enterprise funds subsection of this report. Also included are budget-to-actual comparisons for each governmental fund and enterprise fund for which a project-length budget has been adopted (i.e., special revenue funds and capital projects funds).

## ECONOMIC CONDITIONS AND OUTLOOK

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

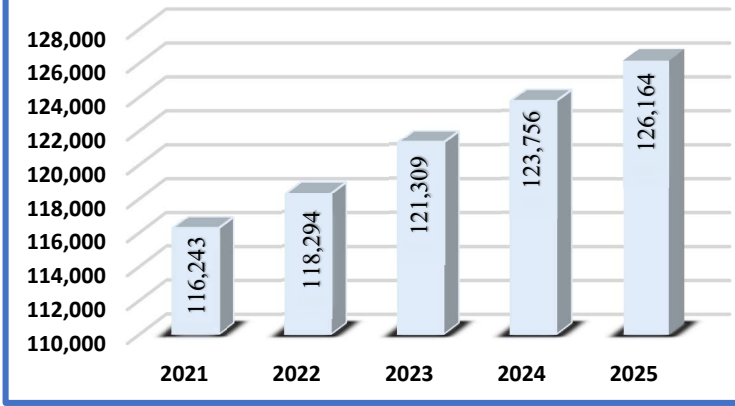
- In its *Best Performing Cities 2025* report, the Milken Institute ranked the Wilmington MSA 13<sup>th</sup> in United States, up from 21<sup>st</sup> in 2024.
- USA Today's 10 Best reader's choice named the City of Wilmington's Riverwalk as the 3rd best in the nation and the Azalea Festival and Feast Wilmington were runner up Ten best Flower festival and Best city food festival respectively.
- In USA Today's best beach towns in North Carolina, Wilmington area beaches grabbed 3 of the top 10 spots, Kure Beach (7), Wrightsville Beach (6), and Carolina Beach (2).
- PODS' latest Moving Trends Report has Wilmington for a record setting 3<sup>rd</sup> year in a row atop the list.
- Wilmington was ranked #6 in the nation in LawnStarter's 2025 Best Cities for Dog Lovers report, which evaluated 500 cities across 37 factors including parks, walkability, affordability, vet access, and dog-friendly housing.
- Wilmington was ranked as the 9<sup>th</sup> best East Coast beach town according to Stacker's list, with special note made of dual waterfronts, the Atlantic Ocean and Cape Fear River.

The City of Wilmington was also ranked as one of the top eleven "Cleanest Cities" in the country for air quality per the American Lung Association's 2025 annual *State of the Air* report. The Association prepares an annual "report card" on air quality Americans are exposed to.

Wilmington North Carolina is enjoying another great year for calendar 2024. Tourism is a major factor for the City's robust economy and has produced record figures for airport travel and the transportation of goods from our port as well as record amounts of occupancy tax revenue from hotel room stays. It also has strong economic figures from our film industry and fine cuisine reviews for our downtown restaurants.

Whether you are a sightseeing visitor or a resident, the Battleship North Carolina and events such as the Azalea Festival, Riverfest, and the Cocaleros film festival are available destinations for entertainment and have received accolades from numerous fans and connoisseurs alike. Our Thalian Hall is historic and renowned, and the Live Oak Amphitheatre and Wilson Center are building a large, dedicated fan base to support the future of Wilmington's economy. The City is exponentially expanding its population and infrastructure on an annual basis, so this is a very exciting time for the future of the economy here.

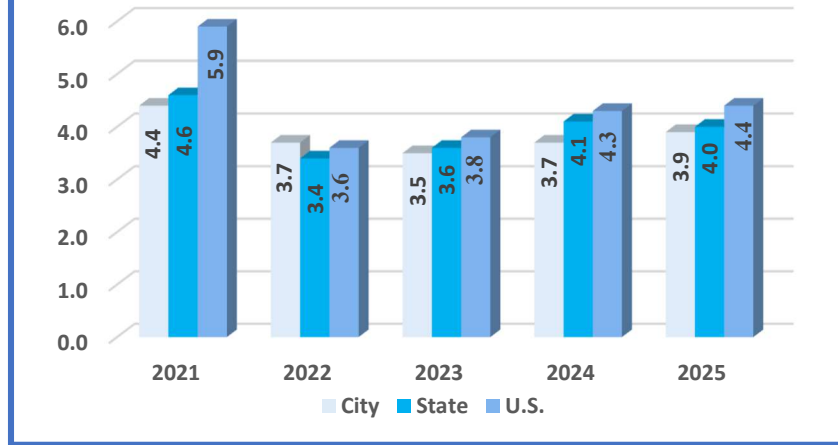
### Five-Year Population Growth



The City’s population has increased 65.34% since 2000. The University of North Carolina at Wilmington hosted its 2025 Economic Outlook Conference which focused on the economic and market forecasts. Based on economic forecasts, the Wilmington area should expect to continue its steady growth over the next few years, though at a decelerated pace than that seen during and immediately after the pandemic.

Wilmington’s Unemployment rate has consistently been near or below state levels and very close to or below the federal levels. This is in part due to the diversity of the local economy with professional services, trade, health care, the hospitality industry, telecommunications equipment, construction and pharmaceuticals.

### Five-Year Unemployment Rates



### Top Ten Taxpayers

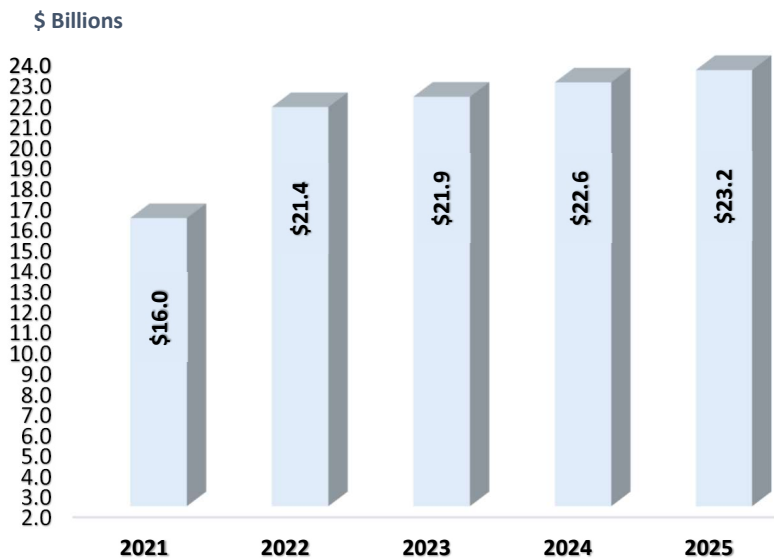
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 266,162,857	1.15 %
Live Oak Banking Company	99,751,693	0.43
Duke Energy Progress	94,748,735	0.41
Mayfaire Town Center LP	91,048,357	0.39
RPP Holdings LLC	73,781,600	0.32
CCS Sawmill Point LLC ETAL	63,303,000	0.27
Arboretum West Mixed Use LLC	62,103,900	0.27
Triangle Avalon Wilmington LLC	60,180,200	0.26
Wilmington Independent Living LLC	58,964,200	0.25
CLPF Mill Creek LLC	54,240,771	0.23
	<u>\$ 924,285,313</u>	<u>3.98 %</u>

Source: New Hanover County Tax Office

No single taxpayer comprises more than 1.15% of the total tax base providing further confirmation of the City's diversity and non-reliance on any one employer or employment sector for economic stability.

The Assessed Value trend shows the City continues to see positive growth in values. Property in New Hanover County is appraised at least every 4 years. Last ppraised in 2021 (effective FY22) and in 2025 (effective FY 26).

### Five-Year Assessed Values



# LOCAL ECONOMY

**No industry or employer dominates the local economy.** The 10 largest employers continue to show the diversity of the City's economy by representing 6 different sectors. Education, Health Care and Government represent the only 3 sectors provided by more than one employer.

## Top Ten Employers

Employer	Sector	Employees	Percentage of Total County Employment (1)
Novant Health*	Health Care	7,500	6.21 %
New Hanover County Schools**	Education	3,385	2.80
New Hanover County**	Government	2,044	1.69
General Electric ***	Uranium Enrichment & Nuclear Fuel	2,021	1.67
University of North Carolina (Wilmington)*	Education	1,965	1.63
Thermo Fisher Scientific (PPD)*	Pharmaceuticals	1,700	1.41
Wilmington Health*	Health Care	1,270	1.05
City of Wilmington*	Government	1,174	0.97
Cape Fear Community College*	Education	1,081	0.90
Corning, Inc*	Optical Fiber	1,000	0.83
<b>Total</b>		<b>23,140</b>	<b>19.16 %</b>

**Sources:**

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

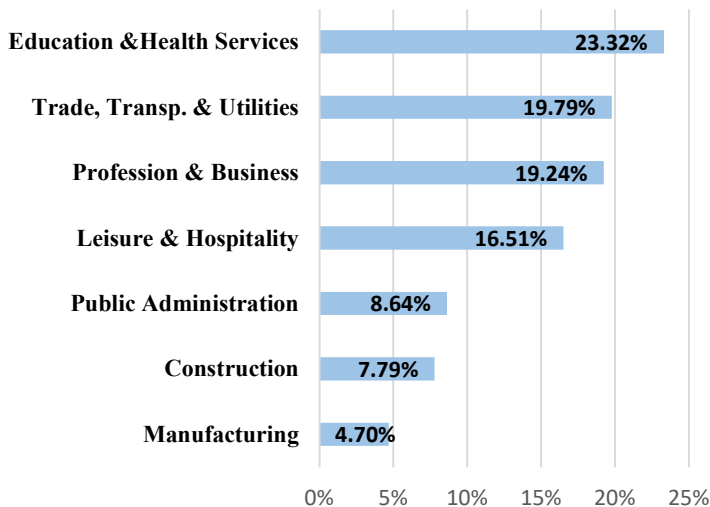
\* Located within the City of Wilmington

\*\* Located partially in the City of Wilmington

\*\*\* Located within New Hanover County

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

## Components of Employment



\*Taken from the Employment Security Commission of North Carolina  
 \*\*Data is the average for 2024

Local industries are involved in a range of operations from simple assembly to manufacturing processes producing synthetic fibers, fiber optics, nuclear fuel and jet engine components. **Wilmington is the corporate home to PPD, a subsidiary of Thermo Fisher Scientific, Live Oak Bank, General Electric Nuclear Fuel, Guilford Mills, and nCino.**

## MANUFACTURING AND BUSINESS SERVICES

**GE Hitachi Nuclear Energy (GEH)** maintains its global headquarters for nuclear fuel in New Hanover County, just outside Wilmington, where the 1,500-acre campus serves as a major center for nuclear-fuel fabrication, uranium-based fuel technology, and advanced boiling water reactor (BWR) systems. GEH, a global alliance formed by General Electric and Hitachi, supports the worldwide nuclear industry with engineering, construction, maintenance, and next-generation reactor technologies. In 2018, GE reorganized its Power division into GE Gas Power and the GE Power Portfolio, with GEH included in the latter. In 2025, GE Vernova announced more than \$50 million in capital investment at the Wilmington manufacturing campus to enhance automation, safety, and productivity for next-generation fuel production. Global Nuclear Fuel also selected Wilmington for fabrication of its new GNF4 fuel line, expected to begin production as early as 2026, offering improved performance and lower operating costs for boiling-water reactors. Additionally, GEH’s BWRX-300 small modular reactor continues to gain international traction, and the Wilmington facility is positioned to support fuel and component needs for these advanced reactors.

**Global Nuclear Fuel Americas (GNF)** Global operates a manufacturing facility in New Hanover County, outside the Wilmington city limits, where it produces light-water nuclear reactor fuel as part of a joint venture powered by GE, Hitachi, and Toshiba. The Wilmington campus remains a critical component in the region’s advanced nuclear-technology sector and supports ongoing development of next-generation boiling-water reactor systems. In 2025, GNF announced that its new GNF4 fuel line—featuring advanced cladding and improved uranium-oxide pellet technology—will be fabricated at the Wilmington facility, with initial lead assemblies planned for deployment in 2026 and full reload quantities expected by 2030. To support this new product line, the Wilmington site is benefiting from more than \$50 million in capital investment to enhance automation, quality systems, and production capacity. GNF also delivered high-burnup fuel rods from Wilmington to the Pacific Northwest National Laboratory for destructive testing, supporting national research tied to advanced reactors such as the BWRX-300 small modular reactor.



**GE Aviation**, a global leader in jet engine and aircraft system production, operates a manufacturing facility in New Hanover County, outside the City of Wilmington. The facility uses precision manufacturing to produce rotating components that feed into the core of many of GE’s jet engines, including the GE9X (with parts made at Wilmington) and the CFM LEAP engine — produced by CFM International, a 50/50 joint venture between GE Aviation and Safran Aircraft Engines. The LEAP engine entered service in 2016 and is the fastest-selling jet engine

in GE’s history. The Wilmington site is part of GE Aviation’s global production chain. In 2024, GE Aerospace announced a \$22 million investment in the Castle Hayne facility to increase capacity with new machines and specialized tooling and building upgrades to support commercial and defense production. In 2025, GE Aerospace announced nearly \$52 million in investments specific to the Wilmington site, as part of a broader US manufacturing investment of nearly \$1 billion. The Wilmington allocation will fund metal-parts production, cycle-time reductions, crane systems and tooling upgrades.

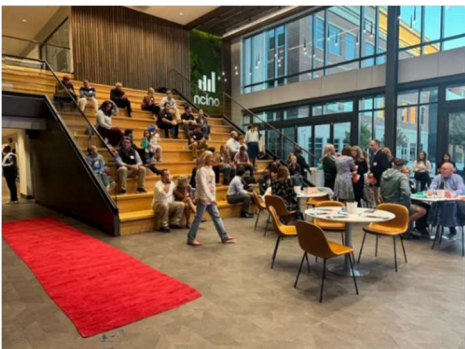
**Live Oak Bank**, headquartered in the City, currently occupies a two-story, 89,000-square-foot facility on a 10.66-acre parcel within the Tiburon Office Park development. The campus also includes two, 4-story, 64,000-square-foot buildings standing 62 feet in height, a single-story, 25,000-square-foot building, and a 3.5-story parking garage accommodating approximately 560 vehicles. Live Oak Bank employs more than 900 people and serves as the title sponsor of the Riverfront Park Amphitheater. In 2023, construction began on a 66,500 square-foot mass timber building on the Wilmington campus and was completed July 2024 . This is the fourth employee



building on site, further expanding job opportunities in the Wilmington area. This project represents a total investment of approximately \$150 million since the bank broke ground on its first building in May 2012. Live Oak Bank has been recognized as the most active SBA 7(a) lender by dollar amount for the U.S. Small Business Administration’s 2025 fiscal year.

**Apiture** is another financial technology firm founded in 2017 as a joint venture between Live Oak Bank and First Data Corporation. The company designs and develops mobile and online banking software for the banking industry. Apiture works with over 300 banks and credit unions and has over 300 employees. Apiture was named Best Digital Banking System 2024 at the Banking Tech Awards USA, presented by FinTech Futures. The awards recognize outstanding achievements and success in banking and fintech throughout the United States. The company was also named one of American Banker’s 2024 Best Places to Work. Computer Services Inc. acquired digital banking platform provider Apiture in 2025

**nCino Bank (nCino)**, founded in 2012, was originally a wholly owned subsidiary of Live Oak



Bancshares, the holding company owner of Live Oak Bank. nCino developed a comprehensive cloud-based bank operating system for the banking industry. nCino was spun off in 2014 and went public in July 2020 raising \$250 million. nCino works with over 1,100 financial institutions including Santander, TD Bank and Truist Financial. They have offices in five countries and employ over 1,600 people worldwide. An expansion at their existing campus, including a new 90,000 square-foot office building and a 642-space 5 level parking deck, is currently under construction. In 2025 nCino appointed Sean Desmond as President and CEO and a member of

the company’s Board. Desmond succeeds Pierre Naude, who will continue to be actively involved with the company as Executive Chairman of the Board to ensure a smooth transition. nCino in 2024 agreed to pay \$75 million to acquire DocFox, based out of Johannesburg, South Africa. With its U.S. headquarters in Miami Florida, the company helps automate onboarding systems for commercial and business banking. By integrating DocFox into nCino’s services, the company will help financial institutions to manage the client process of collecting information, document collection, and due diligence on a single platform. DocFox helps institutions condense complicated onboarding processes from weeks to days or even hours. In 2025 nCino purchased Sandbox to enhance banking integrations for \$52.5 million. Chris Guffor, chief product officer at nCino, states they have partnered with Sandbox Banking for years through many integration projects, so they know firsthand how this technology layer improves transparency, reduces integration friction and accelerates timelines.



**MegaCorp Logistics**, headquartered in Wilmington since 2009, is one of the top 30 freight brokerage firms in the United States, according to Transport Topics' 2023 Top 100 rankings. The company specializes in full and less-than-truckload shipments—including dry van, refrigerated, flatbed, intermodal, and air freight—serving clients across North America. Recognized for both growth and workplace excellence, MegaCorp has been named to the Inc.

5000 list of fastest-growing private companies five times and, in 2024, was honored on Inc.'s annual Best Workplaces list as one of only 543 companies nationwide recognized for putting employees first.

**CastleBranch, Inc.**, based in Wilmington, North Carolina, provides background screening, drug testing, employment verification, vendor credentialing, and compliance services. In early 2024, the company announced the sale of its background screening and compliance division to DISA Global Solutions, while retaining ownership of its clinical experience platform, CB Bridges, which now operates as a separate entity under the name Bridges EXP. Approximately 25 percent of the workforce transitioned to Bridges EXP, with the remainder staying under CastleBranch, and no layoffs occurred as part of the restructuring. During 2025, CastleBranch continues to emphasize innovation and growth in digital credentialing and experiential learning platforms, maintaining its role as a key technology employer within Wilmington's expanding knowledge and healthcare industries.



**Protocase Inc.**, a Nova Scotia-based rapid manufacturing and prototyping firm, selected Wilmington, North Carolina for the first phase of its U.S. expansion, leasing 5,932 square feet in the Skyline Center for up to nine years. The company's subsidiary, 45Drives, has established a 12,000 square-foot production facility on U.S. 421, assembling high-value data storage systems and continuing local hiring into 2025. This year, 45Drives launched its new product division, 45Studio, during the 2025 Creators Summit held in Wilmington, further cementing the company's long-term investment in the region and its goal of developing a manufacturing operation expected to employ up to 400 people in the coming years.



## LIFE SCIENCES

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

**Thermo Fisher Scientific, Inc. formerly Pharmaceutical Product Development, Inc.** was founded in Wilmington, North Carolina, and remains a cornerstone of the City's life sciences sector. The company is a global contract research organization providing comprehensive drug development services spanning discovery, clinical research, and post-approval support for pharmaceutical, biotechnology, medical device, academic, and government clients. With more than 65 locations worldwide, Thermo Fisher delivers end-to-end solutions including API and biologics manufacturing, viral vector and plasmid services, clinical trial logistics, and commercial production. In 2025, Thermo Fisher continued to expand its partnerships in cell and gene therapy development and biomanufacturing innovation, reinforcing its position as a global leader with deep roots in Wilmington's life sciences community.

**Alcami** founded in 1983 in Wilmington, North Carolina, is a fully integrated, end-to-end contract development and manufacturing organization serving the pharmaceutical and biotechnology industries. The company operates five locations nationwide and employs more than 900 people. In 2023, Alcami announced the buildout of a 65,000 square-foot biostorage facility in North Carolina to expand its capacity for cryogenic pharmaceutical storage. In 2025, Alcami reinforced its commitment to Wilmington with new leadership appointments overseeing its oral solid dose manufacturing and packaging operations, underscoring the city's continued importance within the company's national network.



**Quality Chemical Laboratories (QCL)**, founded in 1998 by a retired UNCW professor, is a Current Good Manufacturing Practice compliant scientific testing and pharmaceutical manufacturing company. QCL provides analytical and development services supporting small- and large-molecule drug products, drug substances, in-process materials, and raw materials across all phases of research, development, and commercialization. The company operates five facilities within the City of Wilmington and nearly doubled the size of its main campus in 2023 through a major expansion to enhance sterile manufacturing and testing capacity. QCL continues to grow as a key employer in the region, bringing additional pharmaceutical and biotech jobs to Wilmington's life sciences sector.

**Vantaca**, established in 2016 and headquartered in Wilmington, North Carolina, provides cloud-based software solutions for homeowner associations and community management organizations. Its platform automates workflows, accounting, and communications while enabling real-time financial operations. In 2023, the company launched Vantaca IQ, a business-intelligence solution designed specifically for community association management. Continuing its growth, Vantaca expanded through strategic partnerships and acquisitions in 2024, and in 2025 was recognized on the Inc. 5000 list for the fifth consecutive year as one of the nation's fastest-growing private companies.



**Pharmgate Animal Health** relocated its U.S. headquarters to Wilmington in 2015 and specializes in the development and marketing of medicines that help control disease in livestock and poultry. The company operates four global research and development centers and four manufacturing sites worldwide. In 2025, Pharmgate announced the promotion of Dr. Nicholas Lauterbach to Director of Technical Veterinary Services and highlighted the upcoming launch of PRRSGard, a next-generation vaccine targeting the porcine reproductive and respiratory syndrome virus. The company also continues to expand its global presence through participation in major international events such as VIV Asia 2025.

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

**UNCW Marine Biology Program** (“MARBIONC”) is a research-based economic development initiative offered by the Center for Marine Science at UNCW. It focuses on the discovery, development and marketing of new products and technologies derived from living organisms found in the sea. The program’s mission is to stimulate economic growth in North Carolina by translating marine science research into viable commercial applications.



The MARBIONC Building is located at the Crest Research Park on UNCW’s campus. The facility is approximately 69,000 square-foot and was designed to house interdisciplinary research in marine biotechnology, supporting the timely transfer of technology from laboratory to marketplace. It features modern infrastructure designed for biotech operations. In FY 2025, UNCW announced the award of a \$1.5 million grant to lead the TEAL-SHIPS

Transect Expedition, which advances coastal land-to-sea habitat research under the Center for Marine Science umbrella. Additionally, the program’s broader research portfolio continues to feature high-impact collaborations, community resilience initiatives, and student-faculty engagement in marine innovation.

The **Marine Bio-Technologies Center of Innovation (MBCOI)** provides a central hub for information, collaboration, and commercialization of marine biotechnologies. Its mission is to identify commercial applications for an array of marine-based technologies and connect researchers and developers with companies that can bring those products to market. MBCOI has expanded its role in North Carolina’s growing “blue economy,” supporting new initiatives in marine innovation, aquaculture, and coastal resilience in partnership with UNC Wilmington’s MARBIONC program and regional industry leaders.

## COMMERCIAL AND RETAIL

**Crossroads at Independence** is a large-scale retail project located at the corner of Carolina Beach Road and Independence Boulevard. The project includes a 78,000 square-foot grocery store and 16,000 square-feet of retail space. This development was recently completed. The center offers a mix of retail, dining, and services. Conveniently located near residential developments like RiverLights and Echo Farms.

**The Pointe at Barclay** is a multi-phase commercial development located at the corner of Independence Boulevard and S. 17<sup>th</sup> Street. Six buildings have been constructed to date, and three additional commercial buildings have been released for construction. A 4-story hotel with 104 rooms is currently under construction. Plans for a 4-story apartment building with 299 residential units with a structured parking deck are currently in review. A 2,232 square-foot office building and art museum at the intersection of Gallery Park Drive and Blockbuster Road are currently under construction.

**Kilimanjaro** is a 2,500 square-foot restaurant located at 215 Wright Street. The project has been released for construction.

**Live Oak Bank** is located within the Tiburon Office Park near the intersection of Independence and Shipyard boulevards. The campus includes a 2-story, 89,000 square-foot facility, two, 4-story 64,000 square-foot buildings, one, single story 25,000 square-foot building, and a 3.5-story parking garage accommodating approximately 560 cars. Plans for a 4-story, 66,500 square-foot office building were completed in 2025.

**Cargo West** is a 4-building commercial development featuring food service, retail and a parking facility located at 615 15<sup>th</sup> Street. To date, several restaurants are open including Alcove Beer Garden, Blue Cup Roastery, Birdbox, Cheesesmith, Mike's Vegan Grill, Seoul Sushi, Sinful Cupcakes, and Sunset Slush.

**Center for Christian Thought** is a 2-story community center located at 398 & 400 Pine Hills Drive. The project has recently been released for construction.

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

**Cape Fear Retina** is a 12,610 square-foot eye doctor facility located at 3562 Ansley Drive. The project is located within Fairfield Parking master plan and is currently under construction.

**Coastal Horizons** is a 21,900 square-foot office building located at 945 Medical Center Drive. The facility provides administrative office space for a private non-profit organization offering rehabilitation services. The project has been released for construction.

**Wilmington Parks Maintenance Facility** is a 1-story 30,250 square-foot complex for office space and storage located at 111 Melton Road. This project is currently under review.

**Wawa #6116** is a 1-story 5,900 square-foot retail convenience store with gas pumps located at the corner of Wellington Ave. and S. 17<sup>th</sup> Street. This project is currently under construction.

**Wawa - Fairfield Park** is a 5,900 square-foot retail convenience store with gas pumps located at the corner of George Anderson Drive and Carolina Beach Rd. This project has recently been released for construction.

**Chick-fil-a at Shipyard** is a 5,385 square-foot restaurant located at 604 & 608 Shipyard Blvd. This project is currently under construction.

**MedNorth Expansion** is a 36,500 square-foot medical facility expansion located at 925 N. 4<sup>th</sup> Street. This project is currently under construction.

**HCW Chrysler Dodge Jeep RAM** is a 61,882 square-foot car dealership redevelopment located at 219 College Road. This project is currently being released for construction.

#### **MIXED-USE**

**720 Castle** is a mixed-use project located at 720 Castle Street. The project includes 10 residential units and 1,014 square-feet of commercial space. The project is currently under construction.

**The Avenue** is a large-scale mixed-use development located on the northern end of Military Cutoff Road at Station Road. The project includes 525 apartments, a 241-room hotel, 131,700 square-feet of office space, 115,000 square-feet of retail space, and 16,000 square-feet of restaurant space. The project is currently under construction.

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

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

**Mayfaire Town Center** Located on 400 Acres along Military Cutoff Road, Mayfaire Town Center, is a large-scale mixed-use project that includes a wide range of shopping and entertainment destinations. Mayfaire includes a large number of residential units, including apartments, condos, and single-family homes. Mayfaire also includes a large office space component and is home to nCino Bank. Overall, the town center includes nearly 600,000 square-feet of retail space, 500,000 square-feet of office space, 510 multi-family units, 106 single-family lots, and two hotels. Plans have been approved for a new 139-room hotel (Element by Marriot) on a former restaurant site.

**Autumn Hall** began construction in 2007 on a mixed-use development with an estimated value of \$420 million. The original master plan included more than 200 acres and will have a wide range of residential, retail and office development. Commercial space included 403,000 square-feet of retail space, 355,000 square-feet of office space, and a 135-room hotel. The development also provided 72 acres of common/open space. A total of 220 single-family home sites has been approved and approximately 131,000 square-feet of office and commercial use, along with a 40,000 square-foot medical office facility currently leased by New Hanover Regional Medical Center have been constructed. A multifamily development consisting of a total of 286 residential units, pool, and open space was completed in the spring of 2013. Carolina Bay at Autumn Hall, which consist of 51 condominium units, was completed in 2013. Phase II of Carolina at Autumn Hall, a continuing care retirement community with 122 multi-family units and a 100 bed assisted living facility has

been completed. The next phase of development was released for construction in 2019 and included 19,000 square-feet of office space, 26,000 square-feet of retail and restaurant space, and 106 residential units. Roadway improvements for Eastwood Road, which were required for the future build-out of the project, are now complete. A new bank building located at the entrance to Autumn Hall is currently under construction. Two, 2-story commercial buildings with 34,000 square-feet of office and commercial space are currently under construction. A 34,000 square-foot medical office located at 5505 Currituck Drive is currently under construction.

**Haven at Galleria (formerly The Residences at Galleria)** is a mixed-use development on Wrightsville Avenue east of Military Cutoff Road. The project includes two phases in two structures. Phase 1 of the project includes 256 residential units and 1,500 square-feet of restaurant space. Phase 2 includes over 400 residential units and 4,000 square-feet of commercial space. The preliminary subdivision plan has recently been approved. The project is currently under construction.

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

**Midcastle** is a mixed-use development located at 1110 Castle Street and includes four, 3-story buildings with 98 residential units and 4,294 square-feet of commercial space. The project is currently under construction.

**Project Grace** is a 94,173 square-foot mixed-use project located at 230 Grace Street. This phase of the project includes plans for the construction of the New Hanover County library and museum. The project is currently under construction.

## **RESIDENTIAL**

**RiverLights** is a large-scale, multi-phase residential and mixed-use development located on River Road in south Wilmington. Fifteen single-family subdivisions with a total of 1,961 lots have been approved by the City's Subdivision Review Board and Design Adjustment Committee. Five of these residential subdivisions are developer-identified, *age-qualified developments* targeting residents 55 years of age and older. Phase I of Marina Village at River Lights is a mixed-use community with 112 boat slips, 10 townhomes, and 9,800 square-feet of restaurant space, approximately 16,000 square-feet of office space, 4,000 square-feet of retail space, and a 7,700 square-foot art gallery. Middleburg Apartments, a 250-unit, two-building apartment development, located in the MX-zoned portion of RiverLights, was recently completed. On December 1, 2020, City Council approved a rezoning of a 120-acre tract within Riverlights (MX3) for a new mixed use development to include a mix of residential, office, and commercial uses. A 279-unit residential cottage project (Cottages at Riverlights) and a 286-unit apartment project (Argento) are currently under construction. Plans for a 120-unit independent living facility and a 60-bed assisted living facility are currently under review. Refuel is a 6,507 square-foot convenience food store with fuel pumps located at 505 Arnold Street. The project is currently under construction. A dental office building with 4,219 square-feet is proposed at 5413 Watergrass Drive. This project is currently under review.

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

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

**Woodlands at Echo Farms** is a large-scale, multi-phase, residential development located on the former Echo Farms golf course (4114 Echo Farms Boulevard). The overall project contains approximately 139.7 acres and at build-out will include 176 multi-family units, 108 townhomes, and 146 single-family lots. Plans for the development of a 176-unit apartment complex, 62 townhomes, and 146 single-family lots have been released for construction. A 206-unit apartment development (Riverwood Apartments) is currently under construction. Plans for a 46-unit townhome development are currently under review.

**5500 Wrightsville Avenue** is a 32-unit townhome project located at the corner of Wrightsville Avenue and French Road. The project is currently under construction.

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

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

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

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

**Switchyard** was a 192-unit multi-family development. On September 8, 2020, City Council rezoned the property to MF-MH(CD), Multiple-Family Residential Medium-high Density (Conditional District). On August 19, the City's Subdivision Review Board approved a preliminary plan for the construction of new public streets to serve the new project. The plans have recently been revised with 60 townhome units being proposed. The plans are currently under review.

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

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

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

**The Townhomes at Allens Lane** is a 16-unit townhome development located at 6825 Wrightsville Avenue. The project includes a total of 16 units within seven structures. The project is currently under construction.

**Proximity at Watermark** is a multiple-dwelling residential redevelopment project located at 4126 River Road. The project is located on the site of a former marina along the Cape Fear River and includes 248-units within two, 4-story buildings. The preliminary subdivision plan has been approved for this project. This project is currently under construction.

**Starway Village** is a multiple-dwelling affordable housing project that includes 278 units within eight building located at 2346 Carolina Beach Road. The project is currently under construction.

**Makai Subdivision** is a 14-lot single-dwelling residential subdivision located at 6261 Wrightsville Avenue. Construction plans for this project are currently under review.

**Sterling Reserve** is a 56-unit senior multi-dwelling residential development located at 5029 Carolina Beach Road. The project includes a 64,000 square-foot building. This project has been released for construction.

**Venture at Carolina** is a 225-unit multi-dwelling residential development located at 3903, 3907, and 3913 Carolina Beach Road. The project includes six buildings, totaling 293,683 square-feet. This project is currently under construction.

**Midtown Junction** is a 257-unit multi-dwelling residential development located at 3930 Independence Blvd. Plans consist of multi-dwelling and townhome units. This project is currently under construction.

**Good Shepherd Ministries Supportive Housing** is a 32-unit multi-dwelling affordable residential development located at 3939 Carolina Beach Road. Plans consist of one multi-dwelling building consisting of 33,000 square-feet. This project is currently under construction.

**Bradley Heights** is a 61-unit residential courtyard development located at 239-261 Giles Avenue. This project has been released for construction.

**Twin Lofts** is a 148-unit multi-dwelling residential development located at 4750 Greentree Road. The project consists of two, 4-story buildings totaling 39,326 square-feet. Construction plans for this project are currently under review.

**Cape Landing Apartments** is a 60-unit senior affordable multi-dwelling residential development located at 520 Mosley Street. The project consists of 11 townhome buildings. This project is currently under construction.

**Midtown Flats** is a 34-unit multi-dwelling residential development located at 3803 Peachtree Ave. The project contains five dedicated workforce housing units within one multi-dwelling building. This project is currently under construction.

**Sapphire on 5th** is a 124-unit multi-dwelling residential development located at 418 Wooster Street. Construction plans for this project are currently under review.

**Metropoli Townhomes** is an 8-unit residential townhome development located at 315 Kidder Street. This project is currently being released for construction.

**Midtown & Main** is a 40-unit multi-dwelling residential development located at 1320 Independence Blvd. Plans consist of multi-dwelling and townhome units. This project is currently under construction.

**Ethos 622** is a 49-unit multi-dwelling residential development located at 622 S. Kerr Ave. Plans consist of two, 3-story multi-dwelling buildings. This project is currently under construction.

#### **PUBLIC-PRIVATE PARTNERSHIP**

**Wilmington Transload Facility** is a 151,200 square-foot industrial transload facility located at 100 Raleigh Street. This project is the result of a collaborative effort between the NC Ports Authority, Wilmington Business Development, the City of Wilmington, and the facility operator. Construction plans for this project are currently under review.

#### **FILM**

Film and television production over the decades has been likened to a roller coaster, and 2025 was a down year. The state of North Carolina generated only about \$132 million, with less than half of that spent in Wilmington. After 2024, when film and television productions spent \$302 million in the state, this downturn is being felt not only in Wilmington but across the nation. Recently, American production companies have been finding it cheaper to shoot in Europe and Australia, resulting in less overall production. This has prompted local production companies to lobby for increased incentives in the state. Wilmington saw the shooting of an independent film, the final season of *The Summer I Turned Pretty*, and a television series, *RJ Decker*, which has been picked up by ABC for its 2025-26 season.



Being a top filming destination for production companies is due in large part to **Cinespace, formerly EUE/Screen Gems Studios**. Cinespace Studios purchased EUE/Screen Gems in September of 2023. The new company now operates one of the world’s largest sound stages here in the City. With 10 stages providing 150,000 square-feet of column-free shooting space as well as a 3,600 square-foot special effects water tank, it is the largest film and television lot east of California. The studio offers wardrobe facilities, production offices with modern communications, construction shops, and prop/set decoration warehouses. They are also one of the largest suppliers of lighting, electric and grip rentals in the Southeast. Wilmington has been dubbed “Hollywood East” because of the studio’s presence as well as a local labor force well-trained in film production.

**Dark Horse Stages, Formerly Dark Horse Studios**, which was founded in 2020, has an 11.5-acre property and a 90,000 square-foot warehouse as well as a 5,000 square-foot office here in Wilmington. This year, the studio opened two brand new 20,000 square-foot sound stages, stages 3 and 4, complimenting the studios’ existing 42,500 square-feet of state of the art production space. These new stages feature 55-foot ceilings with 45-foot grid clearance, soundproof concrete walls and roofs, and advanced HVAC systems capable of air recirculation in under 60 seconds. Each stage is equipped with 2,400 amps of dedicated power and a total suspended live load capacity of 500,000 lbs., accommodating heavy equipment and intricate sets. The grand opening hosted 550 attendees on November 20, 2024. The studio filmed YouTube sensation MrBeast’s new game show, “Every Minute One Person is Eliminated” that aired in January 2025.

# HEALTHCARE

**Novant Health New Hanover Regional Medical Center (Novant Health NHRMC)** is the 8th largest hospital in North Carolina with 800 beds at its main campus. It is one of 10 trauma centers in the state certified at Level II or above and is one of only two cardiac centers of excellence east of Interstate 40. The hospital is home to the region's first Level III, Neonatal Intensive Care Unit (NICU), as well as a *da Vinci*® Surgical System, a state-of-the-art robotic platform for surgeons.



Novant Health NHRMC serves as the primary teaching site for four graduate medical education programs in internal medicine, obstetrics and gynecology, general surgery and family medicine. The residency programs are affiliated with the University of North Carolina at Chapel Hill School of Medicine and administered by the Southeast Area Health Education Center. In 2025, Novant Health NHRMC was ranked number four out of 98

participating pediatric hospitals by Vizient, Inc. and they were awarded the Chest Pain MI Registry Platinum Performance Award by the American College of Cardiology.

**Novant Health NHRMC Orthopedic Hospital** performs more orthopedic procedures than any other hospital in the region, successfully completing 8,000 orthopedic procedures annually. They offer board-certified orthopedic and neurosurgeons, as well as nurses, hospitalists, physical therapists, and other clinicians highly trained or certified in orthopedic care. Novant Health NHRMC Orthopedic Hospital Healthgrades for 2025 includes a joint replacement excellence Award, Outpatient Joint Replacement Excellence Award, and Outpatient Orthopedic Surgery Excellence award by Healthgrades.



**Wilmington Health** is the largest private, fully integrated, multi-specialty medical group practice in the area with 18 locations (including Convenient Care and Urgent Care) and several specialty care departments. Wilmington Health has provided premier healthcare to the residents of Southeastern North Carolina for over 50 years. On November 14, 2023, Wilmington Health announced a partnership with UNCW's 19 varsity programs to provide comprehensive medical services, sports medicine and performance enhancing programs to student athletes. This program is still going strong today.



# TRANSPORTATION

## ROAD SYSTEM

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

## MASS TRANSIT



**Cape Fear Public Transportation Authority (Wave Transit)**, is a jointly managed authority between the City of Wilmington (City) and New Hanover County (NHC). The authority is reported as a component unit of the City and is governed by a nine-member board (or a member's designee). The members of the board are designated to be the NHC Manager, the City Manager, an NHC Deputy Attorney, the City Attorney, the NHC Finance Director, the City Finance Director, the Executive Director of the Wilmington Urban Area Metropolitan Planning Organization and 2 members, one appointed by NHC and one by the City.



fixed-route bus fleet to compressed natural gas, completing the conversion to cleaner-burning fuel sources.

A private management firm oversees the daily operations of the Cape Fear Public Transportation Authority, managing a system that includes 12 fixed routes, the UNCW Shuttle service, and the historic downtown trolley. In July 2021, Wave Transit entered into a five-year management contract with Transdev North America to provide operations and maintenance oversight for the authority. Wave Transit serves more than 1/2 million passengers annually. The authority has successfully transitioned 100% of its

## STATE PORT

The **Port of Wilmington** is one of two deep water harbors in the State and is located along the eastern bank of the Cape Fear River. It is designated as a Foreign Trade Zone 214 and ranks as one of the top ports in the country, now annually moving 320,000 TEUs (20-foot equivalent units), moving over 4 million tons of general cargo annually, and 1,000 ship calls per year. North Carolina Ports' container terminal at the Port of Wilmington ranks as the most productive port in North America in 2024 in the latest Container Port Performance Index. The index, which is produced by the World Bank and S&P Global Market Intelligence, also ranks NC Ports as the 44th most productive port in the world out of the 348 included in the study. According to a news release, ratings are based on the time spent in port to complete workloads over the course of last year.

In December 2023, the North Carolina Department of Transportation announced \$3.4 million in funding for upgrades to the Port of Wilmington's rail system, including construction of a new rail-storage track, Phase 1 of a two-phase project estimated at about \$6 million. The port also has plans to update its rail capacity, with construction underway on a new intermodal rail yard estimated at \$22.5 million, adding approximately 5,000 linear feet of working track and expanding annual rail container movement capacity to over 50,000, up from about 14,000. Design and permits for the North Gate relocation, at an approximate cost of \$28.5 million, and complementary roadway improvements are underway, while a major freight-rail realignment project has cleared environmental review but remains unfunded. Together, these projects are part of a broader \$450 million capital improvement program at the port, driving its ambition to enhance intermodal connectivity, relieve truck and city-street congestion, and serve as a logistics hub without direct taxpayer subsidy.



The port is located within 700 miles of more than 70% of America's industrial base. Recent and ongoing improvements to regional and national highway networks make surface transportation supporting the Port of Wilmington superior to neighboring ports. North Carolina's Ports in Wilmington and Morehead City, plus inland terminals in Charlotte and Greensboro, link the State's consumers, businesses, and industry to world markets, and serve as magnets to attract new business and industry while receiving no direct taxpayer subsidy. Port activities contribute statewide to 88,200 jobs and \$660 million each year in state and local tax revenues, it also posted revenues of \$51.2 million.

## GROUND BASED FREIGHT

**CSX Rail Transport Group** provides boxcar, tanker and general rail cargo services to the area.



CSX, in partnership with the Port, also operates the Queen City Express, a direct freight rail service running daily between the Port and intermodal terminal in Charlotte. This service facilitates the efficient, cost-effective movement of goods between the global marketplace and is one of the most significant economic centers in the southeastern United States. In 2023, a new express service was launched that provides daily, overnight rail service between the Port of Wilmington and

CSX's new Carolina Connector intermodal terminal in Rocky Mount, North Carolina.

## AIRPORT

The **Wilmington International Airport (ILM)** is a component unit of New Hanover County and is operated by the New Hanover County Airport Authority. The Airport is the 4<sup>th</sup> largest in the



State. The Airport set a new record in 2024 by serving 1,465,869 passengers, an increase of 11% from the prior year. Currently, Wilmington International Airport is served by three major airlines—American, Delta, and United—as well as four smaller carriers: Avelo, Breeze, Sun Country, and JetBlue. Together, these airlines offer more than 25 nonstop destinations. The Airport is a U.S.

Customs and Border Protection General Aviation International Clearance Facility. The 13,500 square foot facility processes commercial and general aviation public passengers entering and exiting the United States. The NCDOT Division of Aviation report estimated ILM's economic impact at \$3.3 billion and 20,905 jobs.

Wilmington International Airport (ILM) is undergoing a transformative multi-phase expansion designed to accommodate rising passenger demand and enhance operational efficiency. Phase 1B of the project, with a total investment of \$70 million, focused on critical exterior infrastructure upgrades. Completed elements include the construction of a new parking garage, expansion of rental car facilities, realignment of terminal roadways, and the installation of a redesigned terminal entrance canopy. These improvements were implemented while maintaining airport operations, with temporary curbside adjustments supported by passenger assistance services such as golf carts and wheelchairs.

Following the successful completion of Phase 1B, ILM has initiated Phase 2 of the expansion, which carries an estimated cost of \$60 million. This phase will concentrate on interior terminal enhancements, including the addition of new gates, expanded passenger seating areas, upgraded concessions, and further modernization of ticketing and baggage handling systems. The continued investment reflects ILM's commitment to supporting regional growth and delivering a high-quality travel experience as passenger volumes and airline service options continue to increase.

# EDUCATION

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



UNCW is a comprehensive level I university in the 17-campus University of North Carolina system. It is accredited by the Southern Association of Colleges and Schools and offers 57 majors, 37 master's degrees, and 6 Doctoral programs. UNCW is funded with State appropriations and receives federal funds for research and financial aid programs. For the first time in UNCW's history, student enrollment is nearly 20,000, marking a significant milestone for the 78-year-old institution. According to preliminary data from the Office of Institutional Research and Planning, more than 16,131 of the student population are undergraduates; of those, more than 3,109 are first-year students, the largest first-year student class for UNCW. Approximately 87% are first-year, in-state students and 13% are first-year, out-of-state students. Graduate student enrollment stands at more than 3,764.

UNCW is tied at 109<sup>th</sup> among Top Public National Universities and 58th in Teaching Programs Program Nationally in 2025, according to *U.S. News & World Report*. It was one of only four UNC system schools featured yearly in the *Fiske Guide to Colleges* since 2017, which highlights the nation's best and most interesting colleges and universities.



**Cape Fear Community College (CFCC)**, founded in 1958 and accredited by the Southern Association of Colleges and Schools, serves over 20,000 students annually across curriculum, workforce development, and continuing education programs. The main campus is in historic downtown Wilmington, with additional sites in North and Pender Counties. In 2025, CFCC expanded its offerings with a new Artificial Intelligence program, CT and MRI certificate programs, and a Business Basics Certificate at the Surf

City campus. The college also participates in the statewide BOOST workforce initiative, supporting training in high-demand fields such as healthcare, advanced manufacturing, and IT. CFCC continues to offer adult education, GED preparation, and workforce development programs, including Human Services Technology. Its Associate Degree Nursing program remains a highly regarded program with modern simulation labs and strong clinical partnerships.

## ARTS & MUSEUMS

**Cape Fear Museum**, founded in 1898, is the oldest continuously operating history museum in North Carolina. Located at 814 Market Street in downtown Wilmington, it features a striking natural-history display that includes a giant ground sloth skeleton (on cast) greeting visitors. The museum offers engaging galleries for all ages—from the Michael Jordan Discovery Gallery exploring regional ecosystems to immersive historical exhibits covering local events including the Civil War era and the 1898 Wilmington coup. Its collection now comprises more than 57,000 objects spanning the natural science, history, and cultural heritage of the Lower Cape Fear region. The museum’s current site will soon transition to a new, expanded facility as part of the Project Grace development, set to open in late spring 2026, while the existing location continues to offer exhibits and programs at reduced admission through December 2025.

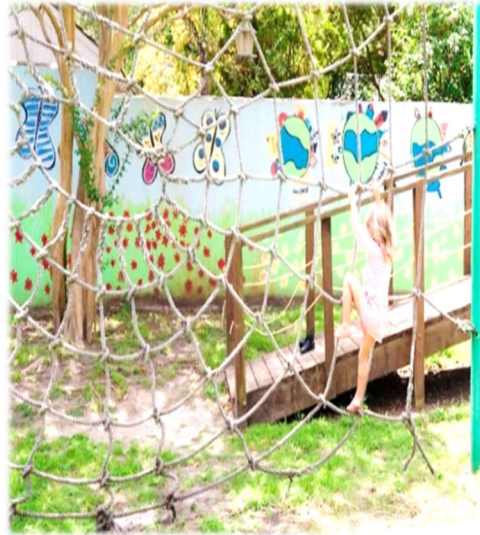


### **The Cameron Art Museum**

occupies a woodland setting in Pyramid Park, Wilmington, with nature trails, longleaf pine woodlands and outdoor sculptures forming part of the experience. The main museum building houses education facilities (including the Pancoe Art Education Center and Clay Studio), multiple exhibition galleries, a lecture/reception hall, a full-service museum café, a catering

kitchen and a gift shop. CAM is dedicated to art education and presents both historical and contemporary exhibitions, typically several rotating shows per year—along with site-specific outdoor works and ongoing public programs. As of 2025, the museum’s collection comprises over 4,400 works by regional, national and international artists. Notable current exhibitions include *We Belong Here: The Gutierrez Collection* and *Space Makers: Art and Disability in North Carolina* with a major reinstatement of the permanent collection scheduled for 2025.

**The Children's Museum (CMoW)** Located in downtown Wilmington at 116 Orange Street, occupies about 17,000 square-feet across three historic properties joined by an atrium and courtyard. Serving more than 50,000 visitors annually, the museum is designed for children up to age 10 with a mission of learning through play. Inside, kids can sail the seas as pirates in Ahoy Wilmington!, climb aboard a school bus, check teeth in Dive into Dentistry, care for patients in the Teddy Bear Hospital, experiment in the Science Lab, create in the Art Studio, and perform on the Star Maker Sound Stage. Newer exhibits such as Animal Alley, the Research Vessel Wing, the Toddler Treehouse, Flight Force, and the Port & Ship Wing add even more opportunities for hands-on discovery. The museum also includes an outdoor courtyard, seasonal garden play area, and gift shop. CMoW hosts daily programs Tuesday–Friday at 10 am and 3:30 pm, included with admission, plus camps, field trips, sensory-friendly Sundays, and annual events like Family Farm Day, the Big Backyard Bash, and the Eek! Week Festival. Programming emphasizes creative, STEAM-based learning through activities such as Full STEAM Ahead!, Nature Navigators, Story Cooks, and Sci Fri.



**The Wilmington Railroad Museum** located at 505 Nutt Street in downtown Wilmington, chronicles the rich history and impact of railroads in the region—from the early Wilmington & Weldon line to the Atlantic Coast Line era. The museum boasts one of the largest and most interactive model-train layouts in the state (over 1,200 ft of HO, G, O & N scale tracks), a full-size steam locomotive, a historic caboose and boxcar that children can board, and a dedicated Children's Hall with custom train tables and interactive play models.



Younger visitors will delight in the hands-on fun—even activating buttons to make trains race and lights flash. For special occasions, the museum offers event-friendly spaces where visitors can host celebrations in a unique rail-themed setting. With its mix of historic artifacts, immersive model trains and family-friendly interactive zones, the museum is a standout destination for rail enthusiasts and kids alike.

**U.S.S. North Carolina (Battleship)**, is the centerpiece of the Wilmington Riverfront. A majestic symbol of this country’s hard-earned naval victories in World War II, the Battleship also stands as



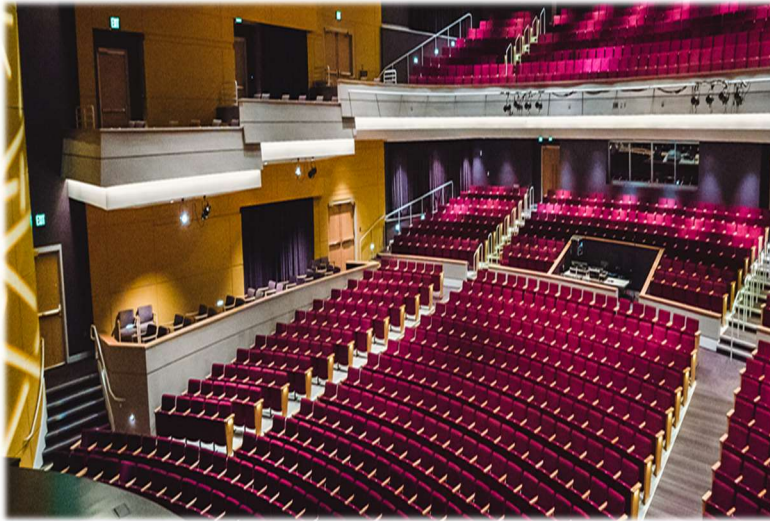
the Memorial to the 10,000 North Carolinians of all the armed services who gave their lives during World War II. Commissioned in 1941, the 45,000-ton warship wields nine 16-inch turreted guns and carries nickel-steel hull armor 16 to 18 inches thick. The Battleship came to its present home in 1961. Visitors have access to more than nine decks, including the crew’s quarters, galley, sick bay, gun turrets, engine room, plotting rooms, radio central, the Admiral’s Cabin, the bridge, and combat central. In 2024, the Battleship unveiled a new evening lighting system engineered by IlluminFX. Funded by the Friends of the Battleship North Carolina and the Kirkpatrick Foundation, the subtle uplighting highlights the ship’s superstructure and adds new visual interest for both

locals and tourists, especially along the riverfront at night. Alongside this, the “Living with Water” project was advanced to protect the site from increasing tidal flooding. The effort includes creation of an intertidal wetland, tidal creek, and living shoreline, providing both environmental benefits and long-term resiliency for the historic landmark. By mid-2025, the redesigned landscape was operational, showcasing how history and modern engineering can work together to preserve this national treasure for future generations.

The **Arts Council of Wilmington and New Hanover County (Arts Council)**, released its Arts on Tour mobile app in 2015. The state-of-the-art technology platform provides location-specific audio interpretation of arts venues in New Hanover County, including sculpture installations. Whether art is displayed on exterior building walls or displayed in window storefronts, art is all around you in Wilmington. People seeking rich cultural venues are drawn to the area to enjoy symphony orchestras, theatre performances and festivals which take place year-round. On the fourth Friday Gallery Nights are free monthly events where downtown galleries, studios and art spaces open their doors to the public in an after-hours celebration of art and culture. Taking place from 6 to 9 p.m. on the fourth Friday of each month, the self-guided tours have made downtown Wilmington a popular destination for art lovers. In 2023, The Arts Council and New Hanover County chose two artists to paint the mural on the side wall of our new Bijou Park on Front Street.



**The Wilson Center**, at Cape Fear Community College in Wilmington, completed in 2015, is a state-of-the-art, 159,000-



square-foot performing arts venue and educational facility. It features a 1,500-plus seat performance hall, numerous instructional spaces for music, art, and drama, and flexible venues that support both professional touring productions and student performances. Designed to be both a cultural hub and a teaching center, the Wilson Center stands as one of the largest performing arts facilities in eastern North Carolina, offering CFCC

students' direct access to world-class performance and production environments while enriching the wider Wilmington community.

**Thalian Hall**, part of Wilmington's City Hall complex, has been a cultural landmark since it first opened in 1858 and is considered one of the most significant theatres in the United States. Designed by noted architect John Montague Trimble, the Hall has been in near-continuous operation for more than 165 years and was recognized by Condé Nast Traveler as one of the best movie theaters in America for its late-Victorian architecture, film festivals, and flair for dramatic programming. Following major renovations completed in 2010, Thalian Hall now welcomes more than 85,000

visitors each year for an extraordinary range of events, from ballet, jazz, theatre, and concerts to lectures, film screenings, and award ceremonies. The Hall is home to numerous performing arts organizations, serves as an education center that brings unique performances to more than 10,000 school children annually, and generates over \$2 million in local economic impact each year. In addition to its regular programming, Thalian Hall offers rental spaces for recitals, fundraisers, corporate gatherings, weddings, and community celebrations, providing a unique setting that blends historic charm with modern production amenities. In October 2023, its 165th anniversary was marked with free tours and a rare demonstration of the "Thunder Roll," one of the oldest operating theatrical sound effect systems in the world.



# PARKS & RECREATION



The city offers its citizens an array of recreational activities by providing 41 parks, athletic facilities, trails, golf courses, a nature & event center, a fitness center, preschool activity center and two premiere performance venues, bringing in featured talent from around the country. Programs offered include youth programs, nature programs, athletic programs, outdoor recreation, senior programs, and special needs programming.

## PARKS



With over 744 acres, city parks provide the community with an abundance of green space to enjoy the great outdoors. The facilities provide a variety of outdoor recreational activities. Many of the parks include playgrounds, nature trails, basketball and tennis courts as well as picnic tables and shelters. One of the City's largest parks is **Greenfield Lake Park**. The 250-acre park is celebrating its centennial anniversary in 2025 and features a 4.8-mile trail around the lake. Canoes and paddleboats can be rented out to view

the lake and bird watch. The park boasts the **Greenfield Grind Skatepark**, as well. This is a 9,000 square-foot concrete skate park consisting of multi-bowls with a banked street course. The skatepark features a variety of hips, rails, and ledges. The park is open seven days a week offering both day and night skating, as well as BMX biking on Sundays. Also located at Greenfield is the Fragrance Garden, a popular location for weddings and other special events, as well as the Rotary Garden and a performance amphitheater. Last fall, Greenfield also debuted six brand new Pickleball Courts, available to the community year-round.

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



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

In July 2025, Olsen Park celebrated the official groundbreaking of Phase II of the joint parks and greenspace project with New Hanover County and the City of Wilmington. The enhancement plans that were unveiled include the addition of a fenced multi-purpose field, 4 dedicated pickleball courts, a ¼ mile loop trail, and additional parking, which will all contribute to the continuation of recreational opportunities made available to the community.



The 60-acre **Halyburton Park**, is 70% undeveloped. Most of the preserve consists of gently rolling sandhills, a habitat which is rarely found in the coastal Carolinas. The park features a Nature & Events Center, a paved 1.3-mile path, which connects to the Gary Shell Cross City Trail, a multitude of nature trails, a playground, and various picnic shelters. Programs offered include nature programs, school programs, fitness classes and special events. The Events

Center and shelters are available for rental for private events. Beginning in 2025, the Nature & Events center began enhancements that include a new animal husbandry room and event center exhibit, with the improvements finishing in 2026.

In 2022, in collaboration with New Hanover County Beekeepers Association, Halyburton became the home of a dedicated apiary, which serves as the focus for bee-centered programming, highlighting the importance of supporting pollinators in the Southeast. Additionally, 45 acres of Halyburton Park are being spotlighted as a recognized NC Natural Heritage site, primarily for work on Long-Leaf Pine Restoration. Beginning in February 2024, the City's Parks and Recreation Department started utilizing the processes of controlled burns, wiregrass planting, and mid-story hardwood reduction to help maintain and preserve these habitats.

## RIVERWALK

Completed in 2015 after nearly three decades of development, Wilmington’s 1.75-mile [Riverwalk](#) has become the city’s signature attraction, consistently ranked by *USA Today* as one of the nation’s Top Ten Riverfronts. Stretching along the Cape Fear River, the boardwalk links to the River to the Sea Bikeway, East Coast Greenway, and Cape Fear Historic Byway, while also being recognized by the National Park Service as part of the National Underground Railroad Network to Freedom at Orange Street Landing. Along its path, visitors enjoy scenic parks, eclectic shopping, waterfront dining, art installations, and weekly markets, with sweeping views



of the Battleship North Carolina serving as a dramatic backdrop. The Riverwalk has become a hub for citywide celebrations and cultural events, and in 2021 was further enhanced with the opening of North Waterfront Park and the Live Oak Bank Pavilion—an award-winning 7,200-seat entertainment venue that has elevated Wilmington’s riverfront into a premier destination for concerts, festivals, and community gatherings.

## ATHLETIC FACILITIES

[Legion Stadium Sports Complex](#), located along Carolina Beach Road in Wilmington, stands as one of the city’s most iconic athletic venues and a true gathering place for sports fans. The 6,000-seat stadium recently received a major upgrade with a synthetic turf surface that features inlaid



markings for football, soccer, and lacrosse, along with bold New Hanover High School branding at midfield and in the end zones. The stadium is home to New Hanover High School football, soccer, and lacrosse, as well as the Wilmington Sharks summer collegiate baseball team at Buck Hardee Field, the Carolina Bengals minor league football team, and Port City United minor league soccer. Beyond its role as a home field, Legion hosts a wide range of community events including the Pop Warner Football Jamboree and Special Olympics. With ample parking, professional lighting, and flexible facilities,

the stadium continues to attract tournaments, regional showcases, and signature community events, solidifying its reputation as a central hub for athletics and entertainment in Wilmington..

**Godwin Stadium** adds to Wilmington’s strong sports infrastructure by serving as a versatile venue



for both softball and baseball. As the home field for New Hanover High School, it is fully equipped with 1,000 spectator seats, lighted fields, and a layout designed for competitive play. The stadium accommodates not only high school games but also a variety of community tournaments, youth leagues, and regional events. Its dual-use design provides flexibility for both practices and tournament play, while rental options make it accessible to outside organizations looking for a well-maintained facility. With its convenient location, spectator-

friendly seating, and consistent use for playoffs and special events, Godwin Stadium continues to be a vital part of Wilmington’s athletic landscape, offering a reliable and welcoming space for players and fans alike.

The **Althea Gibson Tennis Complex**, at Empie Park features 24 lighted hard courts and a 1,500



square-foot clubhouse that includes a lounge, meeting room, and snack counter. The facility regularly hosts the USTA NC Combo State Tennis Championship each November, drawing over 2,500 players from across North Carolina. It also offers year-round programming for youth, adults, seniors, and wheelchair and adaptive tennis, including beginner adult “Try Tennis” clinics, junior after-school clubs, and youth match-play sessions.



The City of Wilmington operates three public **swimming pools**, each managed by partner organizations to provide a wide range of aquatic activities. Legion Pool and Robert Strange Park Pool are managed by the YMCA of Southeastern North Carolina, offering swim lessons, water aerobics, lifeguard and safety certification, and seasonal family programming. The Earl Jackson Pool at Northside Park, along with the Northside Splash Pad, is operated by NSEA Swim, a nonprofit dedicated to expanding access to swimming through public swim hours, competitive swim

teams, and lessons with a focus on racial equity and water safety. Together, these facilities not only provide opportunities for recreation and exercise but also serve as community hubs for youth programs, family activities, and skill development.

## OTHER FACILITIES



The **Fit for Fun Center**, is an interactive facility for parents and children ages five and under. An age-appropriate play environment is offered that encourages education, physical activity, social interaction and self-expression. Art projects of various mediums are rotated weekly and are included with admission, in addition to access to a fully fenced outdoor playground. The center is also available as a facility rental for birthday parties and celebrations. In 2025, the Fit for Fun Center underwent a complete flooring renovation to create a safer, cleaner, and more accessible space for the youngest community members to enjoy.

The **Sherriedale Morgan Fitness Center**, provides the community with affordable and accessible



wellness opportunities. The facility features free weights, cardio equipment, and universal strength machines, along with boxing equipment for individual training. Members can also take part in a variety of group classes such as Fit Camp, Sunrise Yoga, Group Fit, and Saturday Yoga, as well as rotating workshops and six-week fitness programs designed to build strength and promote overall health.

The **Wilmington City Docks**, located on the Cape Fear River just 15 miles from the Intracoastal



Waterway, provide free day-use docking with access to water and power. Set along Wilmington's award-winning Riverwalk, the docks place boaters steps away from downtown attractions, including restaurants, shops, museums, theaters, and nightlife, as well as nearby hotels and essential services. Their central location offers both convenience and a scenic vantage point of the historic riverfront.

The **Hannah Block Historic USO Building**, on South Second Street in downtown Wilmington was built during World War II to serve service members and today operates as both a community arts center and a preserved historic landmark. Owned by the City of Wilmington and managed by the Thalian Association Community Theatre, the facility includes studios, the Second Street Stage auditorium, a kitchen, and flexible space for classes, rehearsals, performances, and private events. Listed on the National Register of Historic Places, its restored 1943 lobby reflects its wartime roots, while its programs continue to engage children and residents of all ages through classes in a variety of artistic disciplines. The building is also home to the Orange Street Potters and the Hannah Block Second Street Stage, which serves as a venue for rehearsals and performances.



The City of Wilmington operates three **Community Centers** that serve as vital hubs for recreation and engagement. The MLK Community Center, recently expanded in May 2025 to include an additional gymnasium and a commercial kitchen, provides space for athletics, meetings, and nutrition and culinary programs designed to support entrepreneurs and community education. The



Derick G.S. Davis Community Center at Maides Park features a gymnasium, meeting rooms, and a variety of youth, adult, and senior programs within a broader park setting. The Hemenway Community Center, managed by the nonprofit Voyage of Wilmington, focuses on youth development and community resources, offering multipurpose space and programs that support families and residents across the city.

## PERFORMANCE VENUES

Perched along downtown Wilmington’s scenic Cape Fear River, the **Live Oak Bank Pavilion at Riverfront Park**, offers a striking blend of live entertainment and waterfront charm. Opened in July 2021 as part of a larger park transformation, this 7,200-capacity outdoor venue features an expansive lawn, covered seating section, and premium amenities. As guests arrive, they are greeted not only by the energy of live music but also by the serenity of riverside landscaping and boardwalk connections, evidencing the project’s roots in urban renewal and public-space vision. Since its inaugural concert run, the pavilion has quickly established itself as a premier stop for nationally recognized acts while maintaining a community-oriented vibe. With its mix of reserved seating and general-admission lawn space, it accommodates a wide range of attendees—whether you’re up front under the lights or lounging with friends on a blanket as the sun sets. The 2025 season has incorporated additional enhancements—more varied food and beverage offerings, improved parking and reservation systems, and refreshed guest-services—underscoring the venue’s commitment to evolving guest experience while retaining its distinctive waterfront identity.



Lying nestled within a basin of the Cape Fear River, the **Hugh Morton Amphitheater at Greenfield Lake**, is one of Wilmington’s most beloved performance spaces, where music and nature meet in a uniquely scenic setting. With towering cypress trees and long-leaf pines, the open-air venue offers 900 fixed seats with capacity for up to 1,400 guests, creating an intimate yet dynamic atmosphere. Over the years it has hosted major artists like Willie Nelson, Peter Frampton, and the Tedeschi Trucks Band, while remaining a favorite gathering spot for locals and visitors alike. Managed by Live Nation since 2021, the amphitheater brings in around 40 concerts and 10 civic events annually, consistently punching above its size in both reputation and experience. Looking ahead, the venue is set for upgrades that will enhance comfort and accessibility without



losing its charm. Plans include expanded seating options, a flexible lawn area, additional food and vendor space, and new gathering spots like an outdoor bar and viewing deck. These improvements will build on what already makes the amphitheater special: a rare combination of high-quality production, community character, and natural beauty that makes every performance feel like something more than just a concert. These upgrades were completed in early July.

## GOLF COURSES

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



In addition to Inland Greens, the City of Wilmington also oversees the **Wilmington Municipal Golf Course (Muni)**. Designed by famed architect Donald Ross in 1926, the Muni Golf Course has provided the citizens of eastern North Carolina with a quality championship 18-hole golf course for close to a hundred years. All players must register in the Pro Shop before play, and USGA rules govern all play. The course hosts an astounding 65,000 rounds annually and still ranks as one of the 50 best golf courses in North Carolina by the Top 100 Golf Courses of the World website and the North Carolina Golf Panel. Muni has continued to play host to a variety of youth programs and amateur tournaments and championships over the years, while undergoing consistent investments in capital projects to restore and improve the original course. In 2022, a \$1 million clubhouse renovation was completed, and in 2023 both a Tee Box Renovation and Greens Drainage project were completed. The latest project, a new irrigation system upgrade, was completed in January 2025.



# PUBLIC SAFETY

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

## POLICE

The **Wilmington Police Department** (WPD) is a 364-member agency organized into the Office of the Chief, the Patrol Services Bureau, and the Investigative Services Bureau, working together to provide high-quality policing services to more than 125,000 residents and thousands of daily visitors. Chief Donny Williams, a 35-year department veteran, led WPD through most of fiscal year 2025 before retiring on June 27, 2025. Shortly before his retirement, he received the Order of the Long Leaf Pine in recognition of his service. The City appointed former Chief Ralph Evangelous as Interim Chief on June 30, 2025, providing continuity while a nationwide search was conducted. That search resulted in the selection of Ryan Zuidema, who officially became Chief of Police on September 22, 2025.

The Wilmington Police Department is committed to being more than a public safety agency — we are a partner in building a stronger community. Programs like Partners in Care, which teams officers with mental-health clinicians, show our focus on compassionate response, while Community Engagement events such as Coffee with a Cop and National Night Out give residents a chance to connect with officers in everyday settings. The WPD Museum & Education Center offers a welcoming space to learn about our history and meet officers outside of emergencies. Together, these efforts reflect our promise to serve Wilmington with transparency, innovation, and care.

The Wilmington Police Department's Cop Camp is a free, week-long summer program designed for students entering grades 3 through 6 in New Hanover County. Its purpose is to create positive interactions between youth and police officers in a safe, fun, and educational setting. During camp, children participate in games, sports, educational workshops, and field trips that emphasize teamwork, respect, and community pride, while also learning about important topics such as safety, decision-making, and leadership. The program is staffed by police officers who serve as role models and mentors, giving campers the opportunity to view law enforcement in a supportive and approachable way. Cop Camp has become one of WPD's cornerstone outreach initiatives, fostering trust and building lasting connections between the department and local families.



## FIRE

The **Wilmington Fire Department**, is led by Fire Chief Steve Mason. The 235 personnel are managed in three divisions: Operations, Operational Support, and the Fire Marshal's Office. The Operations Division consists of fire suppression personnel. Operational Support oversees Logistics, Training, Safety, Health and Wellness, as well as the Administrative Services section, which manages budget, GIS, and the garage. The Fire Marshal's Office oversees fire inspections, investigations, and community risk reduction.



In the calendar year 2024, the fire department responded to 18,472 calls for service. These



responses included 9,555 emergency medical and rescue incidents, 718 fire related incidents, 210 good intents, hazardous condition, alarm incidents. The fire department performed lifesaving actions, evacuations, and rescues that totaled 94. The direct actions of the department allowed 975 residents to return back to their homes and 1,189 employees to return to work after the call. The department is also home to three specialty teams, including a Haz-Mat Regional Response Team, Technical Rescue/Search

and Rescue Team, and a Marine/Dive Team. Total losses due to fires equaled \$7.1 million but the amount saved exceeded \$1.2 billion. The department completed more than 91,808 hours of training and 5,251 fire inspections and 6,242 fire inspections.

The Fire Marshal's Office provides fire safety inspections of businesses, plans reviews of new and existing buildings, and conducts fire investigations. The division also provides community risk reduction (CRR) coordination, which plays an integral part in the department's efforts to reduce fire and unintentional injuries. Individual companies work with CRR to identify and prioritize risks in their areas and develop plans to address those risks. In 2024, 187 smoke alarms were installed in



homes throughout the community, and another 372 caregivers were trained on the proper installation of a child safety seat. CRR also coordinates public education for our citizens to include fire extinguisher training, smoke alarm installations, fire drills, school visits, and station tours. WFD estimates more than 34,272 contacts were made in 2024. WFD conducts the Citizen Fire Academy each year to allow residents to gain knowledge on

how the fire department operates, and a Junior Fire Academy promotes the fire service as a career amongst the city's youth. Both programs include hands-on training to provide them with a better understanding of what the fire department does daily. In addition, the department holds JFA 2.0 and the Future Firefighter Academy to further engage the students who graduate from the Junior Fire Academy.

# LONG-TERM FINANCIAL PLANNING

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

The City adopts a Capital Improvement Program (CIP) that looks ahead to project and plan for capital needs addressing both project needs and financial strategy. Major areas covered by the CIP are transportation, parks, storm water utility, downtown infrastructure improvements and general public improvements. In Fiscal Year 2013, a five-year budget plan was adopted that established a 5 cents property tax set aside which funded already existing debt as well as 80% debt service and 20% pay-go (80/20 Plan) for \$41.1 million of tax-supported projects in the CIP. In FY 2015, the voters approved a \$44 million Streets and Sidewalks Bond Referendum with a 2 cents property tax set aside. In FY 2016, the voters approved a \$30.465 million General Obligation Bond Referendum for parks and recreation projects. In FY 2017, City Council authorized a \$25.8 million installment purchase contract with PNC Bank, National Association for the construction of the parking deck component of the Water Street parking deck redevelopment project. In FY 2018, City Council approved the 2<sup>nd</sup> 80/20 Plan to fund \$57.6 million of projects over a six-year period. In connection with the FY 2018 property tax revaluation, the existing dedicated tax rates for the 1<sup>st</sup> 80/20 Plan and the Streets and Sidewalks Bond were reduced to revenue neutral rates of 4.68 cents and 1.87 cents, respectively. To fund the additional initiatives, City Council included property tax set asides in the FY 2018 adopted budget of 1.8 cents for the Parks and Recreation Bonds, .94 cents for the Water Street parking deck redevelopment and .18 cents for the 2<sup>nd</sup> 80/20 Plan. The FY 2022 property tax revaluation resulted in reducing the original 9.47 cents total property tax set aside for the aforementioned CIP programs to a revenue neutral total rate of 7.13 cents. In FY 2024, 1.12 cents of property tax rate was shifted from the General Fund to the Debt Service Fund to assist with new debt service in connection with the acquisition of the Skyline Center and associated properties, bringing the total property tax set aside for CIP programs to 8.25 cents. In FY25, City Council approved the 3<sup>rd</sup> 80/20 plan to fund \$44.4 million of projects with a .25 cents property tax set aside plus an additional 1 cent for ongoing maintenance of existing capital projects. Together, these initiatives increased the total property tax set aside for CIP programs to 9.5 cents.

A key financial goal of the City for many years has been the maintenance of an unassigned General Fund balance of at least equal to or greater than 20% to 25% of the total annual operating budget of the General Fund. In addition, the City has desired to appropriate a consistent level of fund balance each year resulting from positive budget variances. These goals are met in the fiscal year 2025 results that are built into the 2025-2026 operating budgets. Several financial models are also used in the budget process and provide a means of projecting long-term resource requirements. Other practices followed are designed to avoid the meeting of recurring expense needs with one-time revenue resources and to ensure an ongoing mix of pay-as-you-go funding of capital needs with long-term debt.

# MAJOR INITIATIVES

## PUBLIC FACILITIES

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

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



Convention Center						
Event Types	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2025 vs 2024 % Growth
Convention/TS/Conference	2	19	27	26	26	-3.85%
Public Shows	4	8	8	7	7	0.00%
Meetings/Other	154	49	25	24	28	16.67%
Banquets	6	28	41	43	57	32.56%
<b>TOTALS</b>	<b>166</b>	<b>104</b>	<b>101</b>	<b>100</b>	<b>117</b>	<b>17.00%</b>
Attendance	16,870	56,407	69,311	82,300	80,509	-2.18%
Total Room Nights	1,160	15,037	21,076	23,820	22,508	-5.51%
Repeat Users	10	40	32	70	90	22.22%

Source: Wilmington Convention Center

The Center hosted 117 events representing 80,509 in event attendance and 22,508 in hotel room nights during FY 2025. Total number of events increased by 17 % compared to FY 2024 with the total number of attendees decreasing by 2.2%.

The Wilmington Convention Center also welcomed several major gatherings during the year, further strengthening its role as a premier venue for state and regional events. These included the Coastal Comic Con, drawing fans and exhibitors from across the Southeast, the NC Association for Public Charter Schools Annual Meeting, the NC Government Finance Officers Association Summer Conference, and the Nurse Practitioner Spring Symposium. Each of these conventions brought hundreds of attendees to Wilmington, generating economic impact for local businesses and showcasing the city as an attractive destination for diverse professional and cultural events





**Skyline Center** In July 2023, the City acquired 12.45 acres in Northern Downtown Wilmington for \$68 million, including a 12-story office building, located at 929 N. Front Street, a 1,022-space parking deck adjacent to the facility, and undeveloped parcels to be used for economic development. The acquisition consolidated certain City offices, in multiple facilities throughout the City, into a centralized facility downtown and secured additional parking that serves the public parking needs in this area of the City.

Since the acquisition, certain buildings have been vacated and put on the market to sale including 2451 South College Road, 210, 305, and 315 Chestnut Street, 115 North Third Street, 302 Willard Street, and 1502 Wellington Avenue. To date, we have sold 302 Willard Street and 1502 Wellington Avenue with all proceeds used to prepay debt of the Facility.

At acquisition, the City leased back the 5<sup>th</sup> and 6<sup>th</sup> floors to the seller, Thermo Fisher, under a 3-year agreement. The City has undertaken an initiative to lease additional space in the facility that is not needed for City operations, to help offset operating and capital costs of the facility. To date, the City has active leases for space in the facility to several entities including Protocase USA, Wilmington and Beaches Convention & Visitors Bureau, CIVIC Credit Union, Tova Wealth Management, RPR Ventures LLC (Skyline Café), OOPS Foundation, Black and Veach, Beacon Technologies, Studsvik Scandpower, Anza Mortgage Insurance Company, and LINC. These leases account for 50 percent of the maximum square feet allocated for private use in the facility and 23 percent of the maximum parking spaces allocated for private use in the parking levels under the facility and adjacent parking deck.

## AWARDS AND ACKNOWLEDGEMENTS

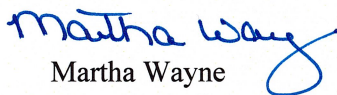
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilmington for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing achievement with the highest standards in government accounting and financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. The City of Wilmington has received a Certificate of Achievement consecutively since 1983. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We especially express our appreciation to Katherine Dimopoulos, Regina Hopkins, Holly Bruhn, Jina Armia, Michael Pirsch, Mike Erickson, Chrissy Roane and Pearl Bandringa for their efforts and contributions to the preparation of this report and to Heather Hosford for the cover design.

Respectfully submitted,



Martha Wayne  
Finance Director



Bryon Dorey  
Asst. Finance Director-Treasurer



Stephanie Jacobs  
Asst. Finance Director-Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Wilmington  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**FINANCIAL SECTION TAB (FRONT)**

**FINANCIAL SECTION TAB (BACK)**



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of City of Wilmington, North Carolina (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of City of Wilmington, North Carolina as of June 30, 2025, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note 8 the financial statements as June 30, 2024 have been restated due to changes within the reporting entity in accordance with GASB Statement No. 100 *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

As discussed in Note 8, the financial statements as of June 30, 2024 have been restated due change within the reporting entity in accordance with GASB Statement No. 101 – *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and information on Other Postemployment Benefits, the Local Governmental Employees' Retirement System and the Law Enforcement Officers' Special Separation Allowance on pages 128 - 141 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*PBMares, LLP*

Morehead City, North Carolina  
December 19, 2025

## **Management's Discussion and Analysis (unaudited)**

As management of the City of Wilmington, North Carolina (the City) we offer readers of the City of Wilmington's financial statements this narrative overview and analysis of the financial activities of the City of Wilmington for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

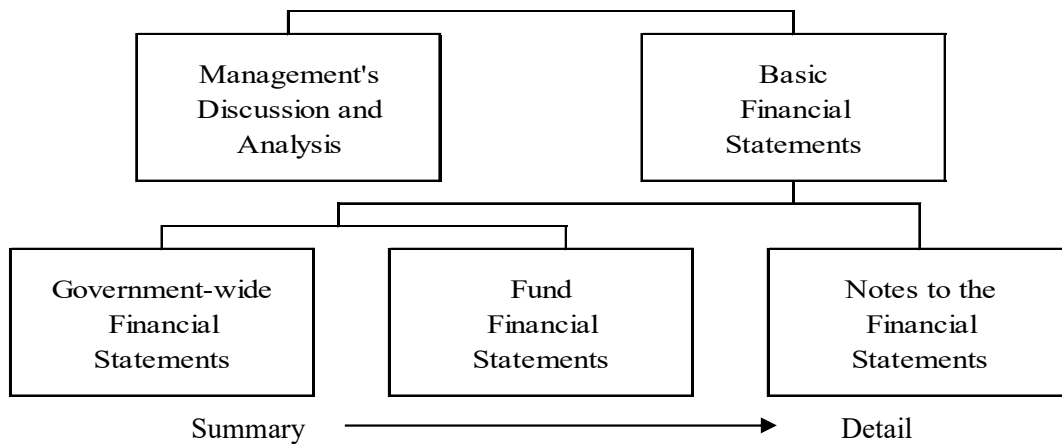
### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Wilmington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$618,166,436 (*net position*).
- The government's total net position increased by \$56,442,133. Included in this amount are increases in the net position of governmental activities and business-type activities of \$50,282,233 and \$5,140,303, respectively. Additionally, due to the implementation of GASB 101, *Compensated Absences* total net position increased by \$1,019,597, of which \$996,758 and \$22,839 related to governmental activities and business activities, respectively.
- As of the close of the current fiscal year, the City of Wilmington's governmental funds combined ending fund balances increased \$3,969,883 from the prior year to a total of \$278,796,483. Approximately 15.3% of this amount, or \$42,568,939, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$42,799,048 or 31.3% of total general fund expenditures and 26.0% of total general fund expenditures, including transfers for the fiscal year.
- The City of Wilmington's total long-term liabilities decreased by \$23,482,815 or 4.8% during the current fiscal year. Total long-term liabilities decreased by \$20,714,635 and \$2,768,180 for governmental activities and business-type activities, respectively. This total includes a decrease related to the implementation of GASB 101, *Compensated Absences*, in the amount of \$996,758 for governmental activities and \$22,839 for business activities.
- The City of Wilmington's bond rating is AAA/Aaa, which has remained steady for Standard & Poor's and Moody's. The City did receive a one-notch downgrade from Fitch on its prior Fitch rated issuances to AA+ due to their change in rating methodology that became effective in April 2024.

### **Overview of the Financial Statements**

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

**Required Components of Annual Comprehensive Financial Report**  
**Figure 1**



**Basic Financial Statements**

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

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

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

**Government-wide Financial Statements**

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

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

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

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

The government-wide financial statements are on pages 19 - 21 of this report.

## **Fund Financial Statements**

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

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

The City of Wilmington adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, City management, and the Board's decisions about which services to provide and how to fund them. It also authorizes the City to obtain funds from identified sources to finance these current-period activities. The budgetary statement for the General Fund demonstrates how well the City complied with the budget ordinance and whether it succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

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

**Notes to the Financial Statements** – The notes provide additional information essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements are on pages 45 - 126 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Wilmington’s progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 127 of this report.

**Interdependence with Other Entities** – The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows in intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

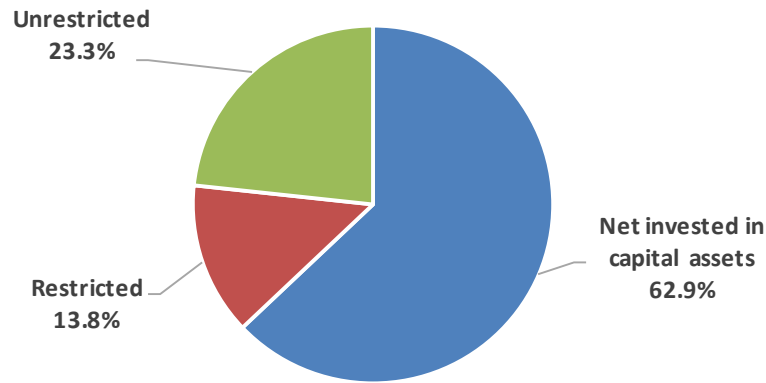
### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of resources of the City of Wilmington exceeded its liabilities and deferred inflows of resources by \$618,166,436 as of June 30, 2025. The City’s net position increased by \$56,442,133 (of which \$1,019,597 was due to a restatement for an accounting change) for the fiscal year ended June 30, 2025. A significant portion of the City’s net position \$388,608,134 (62.9%) reflects the City’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City’s net position, \$85,415,388 (13.8%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$144,142,914 (23.3%) is unrestricted.

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

- **Governmental Activities:** The City received an increase in property tax revenue and charges for services of \$9,190,709 and \$4,098,344, respectively. Revenues related to property tax increased mainly as a result of growth; revenues for the Convention Center increased due to an increase in events, as well as food and beverage sales at those events. Capital grants and contributions increased \$8,229,041 from the prior year; this increase included an increase in easements donated to the City. In addition to revenue increases, the City also had expense increases over the prior year mainly due to the public safety pay increases and overtime hours worked as well as interest expenses related to increase in debt and arbitrage liabilities.
- **Business-type Activities:** Overall revenues increased from the prior year by \$1,670,352 mostly due to charges for services that were higher than the prior year by \$1,114,773. Stormwater rates, golf fees, and parking fees all increased slightly from FY24 to FY25.

### Total Net Position



**Net Position  
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2025	2024 (restated)	2025	2024 (restated)	2025	2024 (restated)
<b>ASSETS:</b>						
Current and other assets	\$352,733,227	\$353,162,346	\$ 69,550,251	\$ 64,669,806	\$ 422,283,478	\$ 417,832,152
Capital assets, net	581,428,578	558,592,924	109,704,990	113,436,397	691,133,568	672,029,321
Total assets	<u>934,161,805</u>	<u>911,755,270</u>	<u>179,255,241</u>	<u>178,106,203</u>	<u>1,113,417,046</u>	<u>1,089,861,473</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>29,921,709</u>	<u>33,441,032</u>	<u>3,781,900</u>	<u>4,383,412</u>	<u>33,703,609</u>	<u>37,824,444</u>
<b>LIABILITIES:</b>						
Long-term liabilities	397,692,971	418,407,606	63,456,294	66,224,474	461,149,265	484,632,080
Other liabilities	23,986,767	29,357,270	2,118,052	3,333,297	26,104,819	32,690,567
Total liabilities	<u>421,679,738</u>	<u>447,764,876</u>	<u>65,574,346</u>	<u>69,557,771</u>	<u>487,254,084</u>	<u>517,322,647</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>31,007,416</u>	<u>37,314,057</u>	<u>10,692,719</u>	<u>11,324,910</u>	<u>41,700,135</u>	<u>48,638,967</u>
<b>NET POSITION:</b>						
Net investment in capital assets	333,442,013	304,853,382	55,166,121	56,406,347	388,608,134	361,259,729
Restricted	84,570,421	76,305,186	844,967	761,722	85,415,388	77,066,908
Unrestricted	93,383,926	78,958,801	50,758,988	44,438,865	144,142,914	123,397,666
Total net position	<u>\$511,396,360</u>	<u>\$460,117,369</u>	<u>\$ 106,770,076</u>	<u>\$101,606,934</u>	<u>\$ 618,166,436</u>	<u>\$ 561,724,303</u>

**Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 15,483,706	\$ 11,385,362	\$ 35,135,579	\$ 34,020,806	\$ 50,619,285	\$ 45,406,168
Operating grants and contributions	23,310,627	12,739,005	1,051,808	718,932	24,362,435	13,457,937
Capital grants and contributions	17,106,033	8,876,992	269,687	435,458	17,375,720	9,312,450
General revenues:						
Property taxes	98,894,694	89,703,985	-	-	98,894,694	89,703,985
Other taxes	64,479,139	60,836,097	-	-	64,479,139	60,836,097
Investment earnings	11,587,449	12,860,837	2,311,145	2,088,129	13,898,594	14,948,966
Other	7,207,868	9,339,768	539,589	374,131	7,747,457	9,713,899
Total revenues	<u>238,069,516</u>	<u>205,742,046</u>	<u>39,307,808</u>	<u>37,637,456</u>	<u>277,377,324</u>	<u>243,379,502</u>
<b>Expenses:</b>						
General government	48,353,916	41,029,845	-	-	48,353,916	41,029,845
Public safety	73,936,817	70,287,947	-	-	73,936,817	70,287,947
Transportation	21,530,794	21,559,107	-	-	21,530,794	21,559,107
Economic and physical development	16,088,190	11,583,039	-	-	16,088,190	11,583,039
Culture and recreation	17,369,624	15,236,760	-	-	17,369,624	15,236,760
Transit system	2,003,447	1,976,979	-	-	2,003,447	1,976,979
Interest and other charges	10,866,088	11,659,541	-	-	10,866,088	11,659,541
Recycling and Trash Svcs	-	-	11,611,301	10,656,173	11,611,301	10,656,173
Storm water management	-	-	10,201,963	9,962,294	10,201,963	9,962,294
Parking facilities	-	-	7,844,621	7,378,819	7,844,621	7,378,819
Golf	-	-	2,148,027	1,988,989	2,148,027	1,988,989
Total expenses	<u>190,148,876</u>	<u>173,333,218</u>	<u>31,805,912</u>	<u>29,986,275</u>	<u>221,954,788</u>	<u>203,319,493</u>
Increase in net position before transfers	47,920,640	32,408,828	7,501,896	7,651,181	55,422,536	40,060,009
Transfers from (to) other funds	<u>2,361,593</u>	<u>(2,701,855)</u>	<u>(2,361,593)</u>	<u>2,701,855</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>50,282,233</u>	<u>29,706,973</u>	<u>5,140,303</u>	<u>10,353,036</u>	<u>55,422,536</u>	<u>40,060,009</u>
Net position at beginning of year as previously stated	460,117,369	430,410,396	101,606,934	91,253,898	561,724,303	521,664,294
Restatement for accounting change (Note 8)	996,758	-	22,839	-	1,019,597	-
Net assets at beginning of year as restated	<u>461,114,127</u>	<u>430,410,396</u>	<u>101,629,773</u>	<u>91,253,898</u>	<u>562,743,900</u>	<u>521,664,294</u>
Net position at end of year	<u>\$511,396,360</u>	<u>\$460,117,369</u>	<u>\$106,770,076</u>	<u>\$101,606,934</u>	<u>\$618,166,436</u>	<u>\$ 561,724,303</u>

**Governmental activities.** Governmental activities increased the City's net position by \$51,278,991 (of which \$996,758 was due to a restatement for an accounting change). Key elements of this net increase are as follows:

- The increase in net position before transfers in the prior year and restatement for accounting change in the prior year was \$32,408,828 compared to this year of \$47,920,640, an increase of \$15,511,812.
  - Revenues increased by \$32,327,470 or 15.7% from the prior year. The increase in the current year over the prior year was predominantly due to a \$9,190,709 increase in property tax revenue, resulting from growth and the sale of City properties, a \$10,571,622 increase in operating grants and contributions substantially for affordable housing, a \$8,229,041 increase in capital grants and contributions mainly from acceptance of streets from completed developments, as well as an increase of \$3,643,042 in other taxes.
  - Expenses increased by \$16,815,658 or 9.7% over the prior year. The largest increases were \$7,324,071 and \$4,505,151 in general government as well as economic and physical development expenses, respectively. Increases were also seen in public safety, totaling \$3,648,870.
- Transfers from (to) the Business-type Activities in the prior year were (\$2,701,855) compared to this year of \$2,361,593.
  - In the current fiscal year, transfers were made from the debt service fund to the parking fund for \$2,134,128 to cover the Riverplace parking deck debt service.
  - In the current fiscal year, a \$2,000,000 transfer was made from the parking fund to the debt service fund to reimburse the debt service fund for prior years' debt service payments made on behalf of the parking fund for the Water Street parking deck.
  - A transfer of capital assets totaling \$3,025,448, which represented a portion of River Place land not directly underneath or providing access to the River Place parking deck, was made to the General Fund for economic development-related activities.

**Business-type activities.** Business activities increased the City's net position by \$5,163,142 (of which \$22,839 was due to a restatement for an accounting change). Key elements of the increase are as follows:

- The increase in net position before transfers in the prior year was \$7,651,181 compared to this year of \$7,501,896, a decrease of \$149,285.
  - The increase in charges for service of \$1,114,773 is mainly from the parking fund whose charges for services increased by \$673,096. This reflects the third year of a three-year fee increase. The next largest increase in revenue is in investment earnings due to market increases.
  - Expenses increased by \$1,819,637 or 6.1% from the prior year mainly due to recycling and trash services.

### **Financial Analysis of the City's Funds**

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

**Governmental Funds.** The focus of City of Wilmington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Wilmington's financing requirements. The General Fund is the chief operating fund of the City of Wilmington. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$42,799,048, a 5.9% decrease from the prior year; while total fund balance was \$71,839,377, a 5.0% decrease from the prior year. The City Council has determined that the City should maintain a minimum unassigned fund balance of 20-25% of the operating budget, in case of unforeseen needs or opportunities, in addition to meeting the City's cash flow needs. This year, the City continued to see extended vacancies and staff turnover. The City maintained the minimum level of unassigned fund balance required by its policy. The City currently has an unassigned fund balance of 25.3% of the operating budget, while total fund balance represents 42.4% of the same amount.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including transfers). Unassigned fund balance represents 31.3% of total General Fund expenditures, while total fund balance represents 52.5% of that same amount.

At June 30, 2025, the governmental funds of the City of Wilmington reported a combined fund balance of \$278,796,483, a 1.4% increase or \$3,969,883 more than the prior year. The General Fund, Convention Center Fund, Streets and Sidewalks Fund, Debt Service Fund, and non-major special revenue and capital project funds are included in this combined amount.

The General Fund realized a \$3,805,674 decrease to fund balance instead of a planned decrease of \$11,873,275 as a result of favorable revenues and expenditures as compared to the budget. Revenues exceeded the budget by \$3,904,176. ABC revenues came in lower than budget by \$997,619; however, other revenues exceeded their budgeted amounts. Interest earnings, sales of assets, utilities franchise tax and ad valorem taxes were higher than budget by \$1,055,577, \$1,235,752, \$1,220,122 and \$666,244, respectively. The General Fund expenditures were \$4,780,842 less than budgeted due to continued position vacancies experienced by several departments throughout the City as well as reduced operating expenses. The Streets and Sidewalks Fund saw a decrease of \$6,810,269 due to capital expenditures for street and sidewalk improvements utilizing existing bonds proceeds and pay-go funding. The Debt Service Fund saw an increase of \$4,049,834 primarily due to a transfer from the Parking Facilities Fund to reimburse for debt service payments made on behalf of the Parking Facilities Fund in prior years and a transfer from the streets and sidewalks capital projects fund to utilize funding from delayed capital projects to make pre-payments on existing debt service. The non-major funds saw an increase of \$9,943,461 primarily due to increased funding from the North Carolina Office of Recovery and Resiliency utilized to provide a loan for an affordable housing development.

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

Revenues (excluding transfers and appropriated fund balance) were above budget estimates in total by \$3,904,176 for the fiscal year. This increase was primarily due to miscellaneous revenue, franchise tax, and interest earnings exceeding the budget by \$1,635,959, \$1,220,122, and \$1,055,577, respectively. The general fund revenues continue to receive positive impacts from growth, albeit at a slower pace than in the previous year, as our sales tax revenue came in \$440,109 above budget. Expenditures (excluding transfers) in the General Fund were \$4,780,842 less than the \$140,972,492 amended budget. The City experienced levels below the authorized budget in salaries and benefits due to continued vacancies, as well as other operational expenditures such as utilities and insurance coverages. The amended budget was balanced using \$11,873,275 of appropriated fund balance for one-time expenses, only \$3,776,730 of which was ultimately needed.

**Proprietary Funds.** The City of Wilmington's proprietary funds provide the same type of information found in the business-type activities of the government-wide statements, but in more detail. The major enterprise funds are the Recycling and Trash Services Fund, Storm Water Management Fund and Parking Facilities Fund. Unrestricted net position of the Recycling and Trash Services Fund, Storm Water Management Fund, and the Parking Facilities Fund at the end of the fiscal year amounted to \$7,260,467, \$33,290,666, and \$9,455,506, respectively. Overall, the Recycling and Trash Services Fund had an increase of \$1,660,575 (of which \$8,211 was due to a restatement for an accounting change), compared to \$2,481,485 in the prior year. Revenue remained relatively flat; however, total operating expenses increased by \$954,085, or 9.0%, with larger increases in personnel costs and service costs. The Storm Water Management Fund experienced an increase in net position of \$6,246,618, (of which \$4,456) was due to a restatement for an accounting change), compared to \$5,561,761 in the prior year. Charges for services increased by \$466,261 from the prior year, in part due to a one percent rate increase per equivalent residential unit. There was also an increase of \$332,085 from the prior year in restricted intergovernmental revenue predominately due to FEMA reimbursements related to hurricane Florence. Expenses remained relatively flat. The Parking fund experienced a total decrease in net position of \$3,643,675 (of which \$981 was due to a restatement for an accounting change), from the prior year. The majority of this decrease is due to the disposal of land related to the River Place Parking deck. The total net position for the Golf fund increased by \$899,624 (of which \$11,153 was due to a restatement for an accounting change) over the prior year. A large part of this increase was a \$400,000 transfer from the Debt Service fund in connection with the irrigation system improvements.

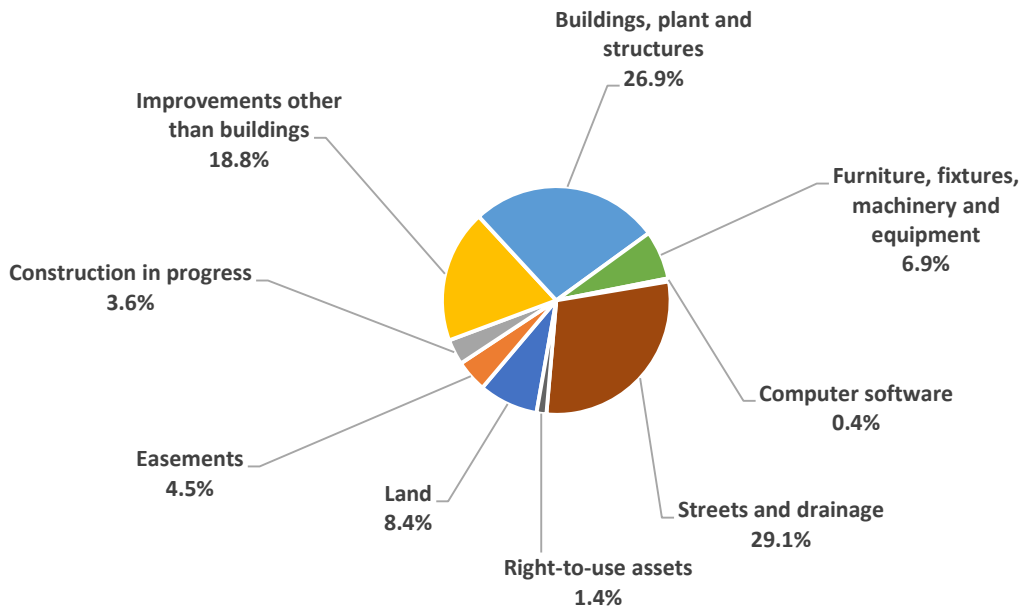
## Capital Assets, Leases, and Debt Administration

**Capital assets.** The City of Wilmington’s investment in capital assets for its governmental and business–type activities as of June 30, 2025, was \$691,133,568 (net of accumulated depreciation/amortization). These assets include buildings, roads and bridges, drainage improvements, land, rights-of-ways and easements, park facilities, machinery and equipment, vehicles, software, and right to use assets for leases and IT subscriptions.

Major capital asset transactions during the year include the following:

- An increase of \$7,978,184 in streets and drainage assets for governmental activity capital assets (see Figure 4) represented the largest increase. This increase included \$6,778,268 of streets accepted by the City from various completed developments. The intangibles/easements assets increased by \$8,270,637, of which \$6,927,187 related to accepted easements.
- An increase of \$1,954,089 in improvements other than buildings for business-type activities represented the largest increase, most of which related to the golf irrigation system. This increase was offset by a decrease in land totaling \$3,025,448 for business-type activities related to the disposal of land related to the River Place Parking deck.

### Capital Assets



## Capital Assets

### Figure 4

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 79,540,788	\$ 78,982,788	\$ 8,900,874	\$ 11,926,322	\$ 88,441,662	\$ 90,909,110
Easements	42,483,755	34,213,118	5,174,830	4,404,994	47,658,585	38,618,112
Construction in progress	35,220,597	47,352,645	2,635,775	2,204,757	37,856,372	49,557,402
Total non-depreciable assets	<u>157,245,140</u>	<u>160,548,551</u>	<u>16,711,479</u>	<u>18,536,073</u>	<u>173,956,619</u>	<u>179,084,624</u>
Improvements other than buildings	109,583,259	89,621,227	88,351,560	86,385,471	197,934,819	176,006,698
Buildings, plant and structures	227,569,087	221,187,978	54,928,655	54,928,655	282,497,742	276,116,633
Furniture, fixtures, machinery and equipment	69,599,947	65,400,431	3,017,362	2,900,903	72,617,309	68,301,334
Computer software	4,456,496	3,111,790	76,596	76,596	4,533,092	3,188,386
Streets and drainage	304,611,868	295,338,876	-	-	304,611,868	295,338,876
Right-to-use leased land	84,270	84,270	1,815,439	1,815,439	1,899,709	1,899,709
Right-to-use leased equipment	1,361,497	1,107,846	-	-	1,361,497	1,107,846
Right-to-use leased buildings	394,156	394,156	-	-	394,156	394,156
Right-to-use subscription asset:	<u>10,728,124</u>	<u>8,454,986</u>	<u>152,772</u>	<u>-</u>	<u>10,880,896</u>	<u>8,454,986</u>
Total assets being depreciated and amortized	728,388,704	684,701,560	148,342,384	146,107,064	876,731,088	830,808,624
Accumulated depreciation/ amortization	<u>(304,205,266)</u>	<u>(286,657,187)</u>	<u>(55,348,873)</u>	<u>(51,206,740)</u>	<u>(359,554,139)</u>	<u>(337,863,927)</u>
Total capital assets being depreciated and amortized, net	<u>424,183,438</u>	<u>398,044,373</u>	<u>92,993,511</u>	<u>94,900,324</u>	<u>517,176,949</u>	<u>492,944,697</u>
Total capital assets, net	<u>\$ 581,428,578</u>	<u>\$ 558,592,924</u>	<u>\$ 109,704,990</u>	<u>\$ 113,436,397</u>	<u>\$ 691,133,568</u>	<u>\$ 672,029,321</u>

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

**Long-term Debt.** As of June 30, 2025, the City does not have general obligation bonds authorized but unissued. The total bonded debt outstanding is \$79,365,000. Of the outstanding amount, \$64,695,000 is general obligation debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) of the storm water system.

The City of Wilmington's total bonded debt decreased by \$5,995,000 during the past fiscal year. At June 30, 2025, the general obligation debt was rated AA+/AAA/Aaa by Fitch, Standard and Poor's, and Moody's, respectively. The revenue bonds of the Storm Water Fund have been rated AA+/Aa2 by Standard and Poor's and Moody's, respectively. North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for the City of Wilmington is \$1,857,701,141.

The City's total debt decreased by \$22,463,218 (4.6%) during the past fiscal year. Principal retirements for the year ended June 30, 2025, totaled \$23,962,977.

**Total Debt Outstanding**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2025	2024 (restated)	2025	2024 (restated)	2025	2024 (restated)
General obligation bonds	\$ 64,695,000	\$ 69,765,000	\$ -	\$ -	\$ 64,695,000	\$ 69,765,000
Revenue bonds	-	-	14,670,000	15,595,000	14,670,000	15,595,000
Installment Obligations	188,206,390	203,483,266	36,446,110	38,269,234	224,652,500	241,752,500
Other Long term obligations	3,871,797	4,739,774	-	-	3,871,797	4,739,774
Plus deferred amounts for						
issuance premiums	28,975,313	30,822,783	1,898,431	1,940,329	30,873,744	32,763,112
Lease liability	906,563	1,083,456	1,181,359	1,343,956	2,087,922	2,427,412
Subscription liability	7,158,922	5,369,597	138,007	-	7,296,929	5,369,597
Compensated absences	7,984,943	7,917,123	614,808	625,366	8,599,751	8,542,489
Net OPEB Liability	35,384,445	32,977,060	3,224,089	3,082,562	38,608,534	36,059,622
Net pension liability (LRS)	45,353,923	45,994,929	5,283,490	5,345,188	50,637,413	51,340,117
Total pension liability (Separation Allowance)	<u>15,155,675</u>	<u>15,257,860</u>	<u>-</u>	<u>-</u>	<u>15,155,675</u>	<u>15,257,860</u>
<b>Total</b>	<b><u>\$ 397,692,971</u></b>	<b><u>\$ 417,410,848</u></b>	<b><u>\$63,456,294</u></b>	<b><u>\$66,201,635</u></b>	<b><u>\$ 461,149,265</u></b>	<b><u>\$ 483,612,483</u></b>

Additional information on the City of Wilmington’s long-term debt can be found in note 3 on pages 96 - 116 of this report. See note 8 for restatement information related to compensated absences.

**Economic Factors and Next Year’s Budgets and Rates**

The following key economic indicators reflect the conservative growth projections:

- The national unemployment rate held steady at 4.2% in March 2025, indicating a resilient labor market despite the challenges posed by rising interest rates and sluggish economic growth. However, workforce participation remains in a state of recovery, influenced by the aging U.S. population. In North Carolina, the unemployment rate was slightly lower at 3.7% during the same month, suggesting a tight labor market within the state. The City of Wilmington reported an unemployment rate of 3.9%, highlighting ongoing demand for workers across various sectors.
- The forecast of sales and use tax, which constitutes 30% of the General Fund revenues, presents significant challenges due to its reliance on the economic climate and consumer confidence. Although this tax experienced substantial growth during the pandemic, that momentum has since diminished. By the end of FY23, the year-over-year growth rate had fallen to below 3%, prompting the City to revise its FY24 estimate to 3.1%, a notable decrease from the initially budgeted 8%. This downturn in sales tax revenue occurred after the FY24 budget was finalized, leading to a flat budget for FY25 totaling \$45,226,363. Given the current economic volatility, particularly with fluctuating global tariff programs, the FY26 budget has adopted a cautious growth factor of approximately 2% across all sales tax categories, resulting in a budget of \$46,000,982.

All of these factors were included in preparing the City of Wilmington’s budget for the 2026 fiscal year.

## **Budget Highlights for the Fiscal Year Ending June 30, 2026**

**Governmental Activities.** The FY26 budget reflects a real property revaluation year. The purpose of the revaluations is to fairly reflect the value of all property and to help ensure property owners pay equitable taxes based on the value of their property. The revenue-neutral tax rate for FY26, which includes a 2.51% growth rate, amounts to 28.15 cents per \$100 of assessed value. The FY26 budget includes a real property tax rate of 28.25 cents per \$100 of assess value, which is an adjustment of 0.10 cents or 0.4% above the calculated revenue-neutral tax rate. The value of one penny of the tax rate is equivalent to approximately \$3,515,464 based on a 99.5% collection rate for Property and a 100% collection rate for Motor Vehicles. Of the 28.25 cents, 5.77 cents is dedicated to the Debt Service Fund to support capital projects related to the multi-year 80/20 Debt Service CIPs, voter-approved bonds, and public collaboration projects. Additionally, 0.67 cents is dedicated to affordable housing, with the remaining property tax of 21.81 cents supporting general government services in the general fund.

The Wilmington City Council established a Municipal Services District (MSD) for the Central Business District in December of 2016 to provide professional services above and beyond what is already provided by the City. The FY26 budget reflects a reevaluation year. The net neutral tax rate changes from 6.47 cents per \$ 100 assessed value to 5 cents. The estimated assessed property tax value is \$1,389,800,000, with one cent totaling \$138,256, once adjusted for the collection rates.

The FY26 General Fund budgeted expenditures, excluding transfers, increased by \$6.7 million or 5.0% to \$139,222,231 from the adopted FY25 budget of \$132,564,563. The city-wide FY26 adopted budget reflects a net decrease of 10.65 positions.

**Business-type Activities.** Stormwater rates increased by 3.34% to \$8.97 per month per residence ERU. Recycling and Trash Services rates remained unchanged from FY25. Municipal golf course users will see a \$2 increase for golf cart rentals, along with a \$3 increase for riding punch cards, aimed at helping build a capital improvements fund. Additionally, there will be a \$1 increase for walking punch cards. Parking fees remained unchanged from FY 25, with the exception of residential parking permits, which increased slightly. The Golf and Parking advisory boards are in support of these changes.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Wilmington, 929 N. Front St, Wilmington, N.C. 28401. You can also call 910-341-7822, visit our website [www.wilmingtonnc.gov](http://www.wilmingtonnc.gov) or send an email to [finance@wilmingtonnc.gov](mailto:finance@wilmingtonnc.gov).

## **BASIC FINANCIAL STATEMENTS**



**W** CITY OF  
**WILMINGTON**  
NORTH CAROLINA

**CITY OF WILMINGTON, NORTH CAROLINA**

**Statement of Net Position**

**June 30, 2025**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 194,396,951	\$ 55,097,311	\$ 249,494,262	\$ 434,738
Taxes receivable, net	609,478	-	609,478	-
Accounts receivable, net	1,330,151	2,610,131	3,940,282	31,807
Other receivables	1,152,461	315,983	1,468,444	-
Due from other governments	24,698,180	850,948	25,549,128	794,104
Due from management company	558,947	-	558,947	-
Leases receivable	25,401,360	10,363,423	35,764,783	-
Inventories	739,749	163,356	903,105	377,835
Assets held for resale	12,235,949	-	12,235,949	-
Notes receivable	40,327,649	-	40,327,649	-
Prepays	2,368,043	141,843	2,509,886	-
Restricted assets for capital outlay:				
Cash and cash equivalents/investments	48,914,309	7,256	48,921,565	-
Capital assets:				
Land, easements and construction in progress	157,245,140	16,711,479	173,956,619	4,371,323
Other capital assets, net of accumulated depreciation/amortization	424,183,438	92,993,511	517,176,949	21,934,726
<b>Total assets</b>	<b>934,161,805</b>	<b>179,255,241</b>	<b>1,113,417,046</b>	<b>27,944,533</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>29,921,709</b>	<b>3,781,900</b>	<b>33,703,609</b>	<b>596,953</b>
<b>LIABILITIES</b>				
Accounts payable	5,313,729	991,774	6,305,503	312,703
Due to other governments	3,215,631	7,969	3,223,600	-
Accrued liabilities	8,744,521	770,356	9,514,877	107,639
Customer and escrow deposits	1,367,832	119,105	1,486,937	-
Unearned revenues	70,321	228,848	299,169	-
Restricted liabilities:				
Accounts payable	2,556,900	-	2,556,900	-
Unearned revenues	2,717,833	-	2,717,833	-
Long-term liabilities:				
Due within one year	30,134,641	3,328,337	33,462,978	445,459
Due in more than one year	367,558,330	60,127,957	427,686,287	1,004,614
<b>Total liabilities</b>	<b>421,679,738</b>	<b>65,574,346</b>	<b>487,254,084</b>	<b>1,870,415</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>31,007,416</b>	<b>10,692,719</b>	<b>41,700,135</b>	<b>2,157</b>
<b>NET POSITION</b>				
Net investment in capital assets	333,442,013	55,166,121	388,608,134	26,306,049
Restricted for:				
Stabilization by State statute	34,890,629	-	34,890,629	-
Leases	874,245	301,475	1,175,720	-
Community development housing loans	29,806,801	-	29,806,801	-
Convention center facility	15,903,871	-	15,903,871	-
Capital projects	1,523,624	543,492	2,067,116	-
Public safety	1,175,469	-	1,175,469	-
Economic and physical development	297,583	-	297,583	-
Cultural and recreational	98,199	-	98,199	-
Unrestricted	93,383,926	50,758,988	144,142,914	362,865
<b>Net position</b>	<b>\$ 511,396,360</b>	<b>\$ 106,770,076</b>	<b>\$ 618,166,436</b>	<b>\$ 26,668,914</b>

See notes to financial statements.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Statement of Activities**

**Year Ended June 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 48,353,916	\$ 2,858,863	\$ 3,332,050	\$ 309,017
Public safety	73,936,817	1,616,052	922,504	540,526
Transportation	21,530,794	1,799,148	5,930,171	15,965,985
Economic and physical development	16,088,190	7,651,805	11,875,265	20,000
Cultural and recreational	17,369,624	1,557,838	1,266,783	270,505
Transit system	2,003,447	-	-	-
Hurricane disaster recovery	-	-	(16,146)	-
Interest	10,866,088	-	-	-
<b>Total governmental activities</b>	<u>190,148,876</u>	<u>15,483,706</u>	<u>23,310,627</u>	<u>17,106,033</u>
<b>Business-type activities:</b>				
Recycling and trash services	11,611,301	12,231,703	95,270	-
Storm water management	10,201,963	13,644,781	956,538	269,687
Parking facilities	7,844,621	6,808,195	-	-
Golf	2,148,027	2,450,900	-	-
<b>Total business-type activities</b>	<u>31,805,912</u>	<u>35,135,579</u>	<u>1,051,808</u>	<u>269,687</u>
<b>Total primary government</b>	<u>\$ 221,954,788</u>	<u>\$ 50,619,285</u>	<u>\$ 24,362,435</u>	<u>\$ 17,375,720</u>
<b>Component unit</b>	<u>\$ 14,143,085</u>	<u>\$ 2,221,319</u>	<u>\$ 5,963,943</u>	<u>\$ 3,995,985</u>

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Primary government:				
Governmental activities:				
General government	\$ (41,853,986)	\$ -	\$ (41,853,986)	\$ -
Public safety	(70,857,735)	-	(70,857,735)	-
Transportation	2,164,510	-	2,164,510	-
Economic and physical development	3,458,880	-	3,458,880	-
Cultural and recreational	(14,274,498)	-	(14,274,498)	-
Transit system	(2,003,447)	-	(2,003,447)	-
Hurricane disaster recovery	(16,146)	-	(16,146)	-
Interest and other charges	(10,866,088)	-	(10,866,088)	-
Total governmental activities	<u>(134,248,510)</u>	<u>-</u>	<u>(134,248,510)</u>	<u>-</u>
Business-type activities:				
Recycling and trash services	-	715,672	715,672	-
Storm water management	-	4,669,043	4,669,043	-
Parking facilities	-	(1,036,426)	(1,036,426)	-
Golf	-	302,873	302,873	-
Total business-type activities	<u>-</u>	<u>4,651,162</u>	<u>4,651,162</u>	<u>-</u>
Total primary government	<u>(134,248,510)</u>	<u>4,651,162</u>	<u>(129,597,348)</u>	<u>-</u>
Component unit	-	-	-	<u>(1,961,838)</u>
General revenues:				
Ad valorem taxes	98,894,694	-	98,894,694	-
Room occupancy tax	7,040,841	-	7,040,841	-
Grants and contributions not restricted to specific programs	2,915,291	-	2,915,291	-
Operating subsidy from primary government	-	-	-	1,827,444
Operating subsidy from other governments	-	-	-	1,172,800
Local option sales tax	45,953,719	-	45,953,719	-
Franchise tax	10,032,163	-	10,032,163	-
Video programming sales tax	935,774	-	935,774	-
Rental vehicle tax	516,642	-	516,642	-
Investment earnings	11,587,449	2,311,145	13,898,594	-
Miscellaneous	4,292,577	539,589	4,832,166	453,970
Total general revenues not including transfers	<u>182,169,150</u>	<u>2,850,734</u>	<u>185,019,884</u>	<u>3,454,214</u>
Transfers from (to) other funds	<u>2,361,593</u>	<u>(2,361,593)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>184,530,743</u>	<u>489,141</u>	<u>185,019,884</u>	<u>3,454,214</u>
Change in net position	<u>50,282,233</u>	<u>5,140,303</u>	<u>55,422,536</u>	<u>1,492,376</u>
Net position at beginning of year as previously stated	460,117,369	101,606,934	561,724,303	25,176,538
Restatement for accounting change (Note 8)	<u>996,758</u>	<u>22,839</u>	<u>1,019,597</u>	<u>-</u>
Net position at beginning of year as restated	<u>461,114,127</u>	<u>101,629,773</u>	<u>562,743,900</u>	<u>25,176,538</u>
Net position at end of year	<u>\$ 511,396,360</u>	<u>\$ 106,770,076</u>	<u>\$ 618,166,436</u>	<u>\$ 26,668,914</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Balance Sheet -  
Governmental Funds**

**June 30, 2025**

	General Fund	Special Purpose Fund	Convention Center Fund	Streets and Sidewalks Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 59,801,064	\$ -	\$ 12,553,534	\$ 32,635,172
Taxes receivable, net	480,789	-	-	-
Accounts receivable, net	1,277,336	-	-	39,751
Other receivables	427,458	-	71,131	92,903
Due from other funds	395,183	-	-	-
Due from management company	-	-	558,947	-
Due from other governments	18,844,456	-	2,610,478	95,262
Assets held for resale	-	-	-	-
Notes receivable, net	217,620	-	-	-
Leases receivable	10,281,683	-	9,803,136	-
Inventories	705,126	-	-	-
Prepays	315,695	-	-	1,082,715
Restricted assets:				
Cash and cash equivalents/investments	<u>-</u>	<u>-</u>	<u>1,856</u>	<u>42,275,922</u>
Total assets	<u>\$ 92,746,410</u>	<u>\$ -</u>	<u>\$ 25,599,082</u>	<u>\$ 76,221,725</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 1,013,870	\$ -	\$ 200,065	\$ 676,041
Due to other funds	-	-	-	-
Due to other governments	1,496	-	-	31
Accrued liabilities	7,223,169	-	-	-
Customer and escrow deposits	742,695	-	-	-
Unearned revenue	3,654	-	66,667	-
Restricted liabilities:				
Accounts payable	-	-	-	1,345,488
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,984,884</u>	<u>-</u>	<u>266,732</u>	<u>2,021,560</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes receivable, net	480,789	-	-	-
Accounts receivable	1,376,882	-	-	-
Notes receivable	217,620	-	-	-
Leases	<u>9,846,858</u>	<u>-</u>	<u>9,428,479</u>	<u>-</u>
Total deferred inflows of resources	<u>11,922,149</u>	<u>-</u>	<u>9,428,479</u>	<u>-</u>

	Building Improvements Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ -	\$ 29,685,152	\$ 35,592,633	\$ 170,267,555
Taxes receivable, net	-	125,385	3,304	609,478
Accounts receivable, net	-	-	13,064	1,330,151
Other receivables	-	92,074	360,357	1,043,923
Due from other funds	-	-	-	395,183
Due from management company	-	-	-	558,947
Due from other governments	-	142,511	2,760,894	24,453,601
Assets held for resale	-	-	12,235,949	12,235,949
Notes receivable, net	-	-	40,110,029	40,327,649
Leases receivable	-	5,316,541	-	25,401,360
Inventories	-	-	-	705,126
Prepays	-	-	139,379	1,537,789
Restricted assets:				
Cash and cash equivalents/investments	-	93,965	6,542,566	48,914,309
Total assets	<u>\$ -</u>	<u>\$ 35,455,628</u>	<u>\$ 97,758,175</u>	<u>\$ 327,781,020</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 23,663	\$ 2,681,540	\$ 4,595,179
Due to other funds	-	-	395,183	395,183
Due to other governments	-	3,106,364	107,740	3,215,631
Accrued liabilities	-	-	89,876	7,313,045
Customer and escrow deposits	-	-	625,137	1,367,832
Unearned revenue	-	-	-	70,321
Restricted liabilities:				
Accounts payable	-	-	1,211,412	2,556,900
Unearned revenue	-	-	2,717,833	2,717,833
Total liabilities	<u>-</u>	<u>3,130,027</u>	<u>7,828,721</u>	<u>22,231,924</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes receivable, net	-	125,385	3,304	609,478
Accounts receivable	-	-	16,126	1,393,008
Notes receivable	-	-	5,392	223,012
Leases	-	5,251,778	-	24,527,115
Total deferred inflows of resources	<u>-</u>	<u>5,377,163</u>	<u>24,822</u>	<u>26,752,613</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	General Fund	Special Purpose Fund	Convention Center Fund	Streets and Sidewalks Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>				
Non Spendable:				
Leases	\$ 434,825	\$ -	\$ -	\$ -
Inventories	705,126	-	-	-
Prepays	315,695	-	-	1,082,715
Restricted:				
Stabilization by State statute	21,757,296	-	-	-
Community development loans	-	-	-	-
Convention center	-	-	15,903,871	-
Capital projects	-	-	-	40,930,434
Debt service	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Cultural and recreational	-	-	-	-
Committed:				
Community development loans	-	-	-	-
Capital projects	-	-	-	32,187,016
Debt service	-	-	-	-
Public safety	826,233	-	-	-
Transportation	-	-	-	-
Economic and physical development	-	-	-	-
Cultural and recreational	617,337	-	-	-
Transit	400,000	-	-	-
General government	220,000	-	-	-
Municipal service district	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Assigned:				
Self-insurance	1,000,000	-	-	-
Subsequent year's expenditures	2,763,817	-	-	-
Unassigned	42,799,048	-	-	-
Unassigned (deficit), reported in:				
Nonmajor special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>71,839,377</u>	<u>-</u>	<u>15,903,871</u>	<u>74,200,165</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 92,746,410</u>	<u>\$ -</u>	<u>\$ 25,599,082</u>	<u>\$ 76,221,725</u>

	Building Improvements Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>FUND BALANCES</b>				
Non Spendable:				
Leases	\$ -	\$ -	\$ -	\$ 434,825
Inventories	-	-	-	705,126
Prepays	-	-	139,379	1,537,789
Restricted:				
Stabilization by State statute	-	325,143	12,808,190	34,890,629
Community development loans	-	-	29,806,801	29,806,801
Convention center	-	-	-	15,903,871
Capital projects	-	-	1,610,505	42,540,939
Debt service	-	93,965	-	93,965
Public safety	-	-	1,175,469	1,175,469
Economic and physical development	-	-	297,583	297,583
Cultural and recreational	-	-	98,199	98,199
Committed:				
Community development loans	-	-	9,330,087	9,330,087
Capital projects	-	-	32,510,253	64,697,269
Debt service	-	26,529,330	-	26,529,330
Public safety	-	-	845,915	1,672,148
Transportation	-	-	590,018	590,018
Economic and physical development	-	-	26,213	26,213
Cultural and recreational	-	-	-	617,337
Transit	-	-	-	400,000
General government	-	-	-	220,000
Municipal service district	-	-	745,485	745,485
Subsequent year's expenditures	-	-	150,644	150,644
Assigned:				
Self-insurance	-	-	-	1,000,000
Subsequent year's expenditures	-	-	-	2,763,817
Unassigned	-	-	-	42,799,048
Unassigned (deficit), reported in:				
Nonmajor special revenue funds	-	-	(230,109)	(230,109)
Total fund balances	<u>-</u>	<u>26,948,438</u>	<u>89,904,632</u>	<u>278,796,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 35,455,628</u>	<u>\$ 97,758,175</u>	<u>\$ 327,781,020</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

Total fund balances - governmental funds	\$ 278,796,483
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	568,885,407
This amount represents the City's proportionate share of the net pension liability of the Local Governmental Employees' Retirement System (LGERS) relevant to governmental activities.	(44,806,056)
This amount represents the City's total pension liability of the Law Enforcement Officers' Special Separation Allowance (Separation Allowance).	(15,155,675)
This amount represents the City's net other postemployment benefits liability relevant to governmental activities.	(34,915,930)
Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	9,369,497
Benefit payments and pension administration costs for the Separation Allowance pension plan after the measurement date are deferred outflows of resources on the Statement of Net Position.	555,412
Internal services funds are used by management to charge the costs of equipment and personal computer replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	35,160,006
Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.	2,225,498
This amount represents pension related deferrals from the City's participation in the LGERS pension plan.	12,668,229
This amount represents pension related deferrals from the City's participation in the Separation Allowance pension plan.	(447,083)
This amount represents other postemployment benefits related deferrals.	34,115
Long-term liabilities including accrued compensated absences, bonds payable, installment obligations, lease liabilities, subscription liabilities and accrued interest thereon are not due and payable in the current period and, therefore, are not reported in the funds.	(300,991,548)
Other adjustment to net assets for investment income receivables not reported in the governmental funds.	<u>18,005</u>
Net position - governmental activities	<u>\$ 511,396,360</u>

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**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	<u>General Fund</u>	<u>Special Purpose Fund</u>	<u>Convention Center Fund</u>	<u>Streets and Sidewalks Fund</u>
Revenues:				
Ad valorem taxes	\$ 75,963,991	\$ -	\$ -	\$ -
Room occupancy tax	-	-	7,040,841	-
Other taxes	57,151,051	-	-	-
Unrestricted intergovernmental	2,915,291	-	-	-
Restricted intergovernmental	4,028,004	-	-	535,833
Licenses and permits	2,180,582	-	-	-
Sales and services	3,600,303	-	7,551,165	-
Fines and forfeits	172,611	-	-	-
Investment earnings	3,237,179	-	575,127	3,462,325
Donations	-	-	-	1,480,628
Miscellaneous	3,151,753	-	254,687	-
Total revenues	<u>152,400,765</u>	<u>-</u>	<u>15,421,820</u>	<u>5,478,786</u>
Expenditures:				
Current:				
General government	38,192,386	-	-	-
Public safety	72,223,092	-	-	-
Transportation	9,695,137	-	-	11,764,355
Economic and physical development	1,457,081	-	9,052,358	-
Cultural and recreational	11,086,915	-	-	1,357,796
Transit system	1,827,444	-	-	95,121
Debt service:				
Principal retirement	1,994,352	-	2,340,000	-
Interest and other charges	253,056	-	1,671,315	-
Total expenditures	<u>136,729,463</u>	<u>-</u>	<u>13,063,673</u>	<u>13,217,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,671,302</u>	<u>-</u>	<u>2,358,147</u>	<u>(7,738,486)</u>
Other financing sources (uses):				
Transfers from other funds	4,099,311	-	-	4,516,937
Transfers to other funds	(27,874,765)	-	(1,765,616)	(3,588,720)
Issuance of lease	105,158	-	-	-
Issuance of subscription	4,222,264	-	-	-
Total other financing sources (uses), net	<u>(19,448,032)</u>	<u>-</u>	<u>(1,765,616)</u>	<u>928,217</u>
Net change in fund balances	<u>(3,776,730)</u>	<u>-</u>	<u>592,531</u>	<u>(6,810,269)</u>
Fund balances at beginning of year as previously stated	75,645,051	2,970,898	15,311,340	81,010,434
Change within reporting entity (Note 8)	<u>-</u>	<u>(2,970,898)</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year as restated	<u>75,645,051</u>	<u>-</u>	<u>15,311,340</u>	<u>81,010,434</u>
Change in reserve for inventories	<u>(28,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 71,839,377</u>	<u>\$ -</u>	<u>\$ 15,903,871</u>	<u>\$ 74,200,165</u>

	Building Improvements Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ 22,114,963	\$ 559,668	\$ 98,638,622
Room occupancy tax	-	-	-	7,040,841
Other taxes	-	-	287,247	57,438,298
Unrestricted intergovernmental	-	-	-	2,915,291
Restricted intergovernmental	-	-	18,976,845	23,540,682
Licenses and permits	-	-	-	2,180,582
Sales and services	-	-	-	11,151,468
Fines and forfeits	-	-	-	172,611
Investment earnings	-	1,469,304	1,890,189	10,634,124
Donations	-	125,000	1,313,733	2,919,361
Miscellaneous	-	1,873,001	1,558,855	6,838,296
Total revenues	<u>-</u>	<u>25,582,268</u>	<u>24,586,537</u>	<u>223,470,176</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	8,423,060	46,615,446
Public safety	-	-	6,648,441	78,871,533
Transportation	-	-	3,814,032	25,273,524
Economic and physical development	-	-	2,474,290	12,983,729
Cultural and recreational	-	-	7,887,674	20,332,385
Transit system	-	-	80,883	2,003,448
<b>Debt service:</b>				
Principal retirement	-	18,874,854	6,439	23,215,645
Interest and other charges	-	11,276,040	484	13,200,895
Total expenditures	<u>-</u>	<u>30,150,894</u>	<u>29,335,303</u>	<u>222,496,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(4,568,626)</u>	<u>(4,748,766)</u>	<u>973,571</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-	16,611,637	28,819,876	54,047,761
Transfers to other funds	-	(7,993,177)	(14,127,649)	(55,349,927)
Issuance of lease	-	-	-	105,158
Issuance of subscription	-	-	-	4,222,264
Total other financing sources (uses), net	<u>-</u>	<u>8,618,460</u>	<u>14,692,227</u>	<u>3,025,256</u>
Net change in fund balances	<u>-</u>	<u>4,049,834</u>	<u>9,943,461</u>	<u>3,998,827</u>
Fund balances at beginning of year as previously stated	27,655,368	22,898,604	49,334,905	274,826,600
Change within reporting entity (Note 8)	<u>(27,655,368)</u>	<u>-</u>	<u>30,626,266</u>	<u>-</u>
Fund balance at beginning of year as restated	<u>-</u>	<u>22,898,604</u>	<u>79,961,171</u>	<u>274,826,600</u>
Change in reserve for inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,944)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 26,948,438</u>	<u>\$ 89,904,632</u>	<u>\$ 278,796,483</u>

CITY OF WILMINGTON, NORTH CAROLINA

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

Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 3,998,827
Amounts reported for governmental activities in the statement of activities are different because:	
Change in fund balance due to change in reserve for inventory.	(28,944)
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period, including amounts for donations and disposals.	23,329,606
Some revenues in the statement of activities, including tax and other receipts do not provide current financial resources and are therefore not reported as revenues in the funds.	735,664
Contributions to the Local Governmental Retirement System (LGERS) pension plan in the current fiscal year are not included on the Statement of Activities.	9,369,497
Benefit payments and pension administration costs for the Law Enforcement Officers' Special Separation Allowance (Separation Allowance) after the measurement date are not included on the Statement of Activities.	555,412
The issuance of long-term debt including leases and subscriptions provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	20,642,263
Some expenses reported in the statement of activities, including pension, other postemployment benefit and other expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(10,709,618)
Internal service funds are used by management to charge the costs of equipment and personal computer replacement to individual funds. The net revenue (expense) of these activities are reported with governmental activities.	<u>2,389,526</u>
Change in net position - governmental activities	<u>\$ 50,282,233</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Budgeted Amounts *		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem tax	\$ 75,152,835	\$ 75,297,747	\$ 75,963,991	\$ 666,244
Local option sales tax	45,226,363	45,226,363	45,666,472	440,109
Franchise tax	8,812,041	8,812,041	10,032,163	1,220,122
Video programming tax	1,090,036	1,090,036	935,774	(154,262)
Rental vehicle tax	475,000	475,000	516,642	41,642
Unrestricted intergovernmental	3,953,700	3,953,700	2,915,291	(1,038,409)
Restricted intergovernmental	3,651,644	4,043,416	4,028,004	(15,412)
Licenses and permits	2,608,660	2,608,660	2,180,582	(428,078)
Sales and services	3,100,163	3,171,830	3,600,303	428,473
Fines and forfeits	120,400	120,400	172,611	52,211
Interest earnings	1,500,000	2,181,602	3,237,179	1,055,577
Miscellaneous	1,142,653	1,515,794	3,151,753	1,635,959
Total revenues	<u>146,833,495</u>	<u>148,496,589</u>	<u>152,400,765</u>	<u>3,904,176</u>
Expenditures:				
General Government			38,055,615	
Public Safety			72,223,092	
Transportation			9,695,137	
Economical and physical development			1,056,039	
Cultural and Recreational			11,086,915	
Transit System			1,827,444	
Debt Service:				
Principal retirement			1,994,352	
Interest and other charges			253,056	
Total expenditures	<u>134,488,586</u>	<u>140,972,492</u>	<u>136,191,650</u>	<u>4,780,842</u>
Excess of revenues over expenditures	<u>12,344,909</u>	<u>7,524,097</u>	<u>16,209,115</u>	<u>8,685,018</u>
Other financing sources (uses):				
Transfers from other funds	750,000	4,687,781	4,099,311	(588,470)
Transfers to other funds	(17,201,329)	(28,412,578)	(28,412,578)	-
Issuance of lease	-	105,159	105,158	(1)
Issuance of subscription	-	4,222,266	4,222,264	(2)
Appropriated fund balance	4,106,420	11,873,275	-	(11,873,275)
Total other financing uses	<u>(12,344,909)</u>	<u>(7,524,097)</u>	<u>(19,985,845)</u>	<u>(12,461,748)</u>
Net change in fund balance	\$ -	\$ -	<u>(3,776,730)</u>	\$ (3,776,730)
Fund balance at beginning of year			75,645,051	
Change in reserve for inventories			(28,944)	
Fund balance at end of year			<u>71,839,377</u>	
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the General Fund for reporting purposes:				
Transfer from General Fund			537,813	
General government expenditures			(136,771)	
Economic and physical development expenditures			(401,042)	
Fund balance at end of year			<u>\$ 71,839,377</u>	

\* Budgetary expenditure amounts are presented at the legal level of control which is at the fund level, not the functional level.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Statement of Net Position -  
Proprietary Funds**

**June 30, 2025**

	<b>Enterprise Funds</b>		
	<u>Recycling and Trash Services Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents/investments	\$ 8,122,668	\$ 34,791,554	\$ 10,117,155
Accounts receivable:			
Customers, net	1,398,447	1,211,684	-
Other receivables	80,154	135,207	87,297
Due from other governments	380,077	378,171	14,498
Lease receivable	-	-	89,131
Inventory of materials and supplies	64,273	58,780	-
Prepays	9,101	103,700	21,952
Restricted assets:			
Cash and cash equivalents/investments	-	724	6,532
Total current assets	<u>10,054,720</u>	<u>36,679,820</u>	<u>10,336,565</u>
Noncurrent assets:			
Lease receivable	-	-	10,274,292
Capital assets:			
Land	-	1,533,071	7,258,410
Easements	-	4,983,078	191,752
Improvements other than buildings	-	83,390,429	231,282
Buildings, plant and structures	-	1,202,630	51,920,754
Intangible software	-	-	76,596
Furniture, fixtures, machinery and equipment	37,305	1,519,069	1,153,847
Construction in progress	-	2,635,775	-
Intangible right-to-use leased assets	-	-	1,815,439
Intangible right-to-use subscription assets	152,772	-	-
Less accumulated depreciation/amortization	<u>(50,577)</u>	<u>(30,691,907)</u>	<u>(22,035,057)</u>
Total capital assets, net of accumulated depreciation/ amortization	<u>139,500</u>	<u>64,572,145</u>	<u>40,613,023</u>
Total noncurrent assets	<u>139,500</u>	<u>64,572,145</u>	<u>50,887,315</u>
Total assets	<u>10,194,220</u>	<u>101,251,965</u>	<u>61,223,880</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other postemployment benefits deferrals	743,908	179,523	1,188
Pension deferrals	853,173	787,401	42,184
Contributions to pension plan in current fiscal year	465,517	322,657	11,248
Charge on refunding	-	82,583	11,682
Total deferred outflows of resources	<u>2,062,598</u>	<u>1,372,164</u>	<u>66,302</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents/investments	\$ 2,065,934	\$ 55,097,311	\$ 24,129,396
Accounts receivable:			
Customers, net	-	2,610,131	-
Other receivables	13,325	315,983	90,533
Due from other governments	78,202	850,948	244,579
Lease receivable	-	89,131	-
Inventory of materials and supplies	40,303	163,356	34,623
Prepays	7,090	141,843	830,254
Restricted assets:			
Cash and cash equivalents/investments	-	7,256	-
Total current assets	<u>2,204,854</u>	<u>59,275,959</u>	<u>25,329,385</u>
Noncurrent assets:			
Lease receivable	-	10,274,292	-
Capital assets:			
Land	109,393	8,900,874	-
Easements	-	5,174,830	-
Improvements other than buildings	4,729,849	88,351,560	-
Buildings, plant and structures	1,805,271	54,928,655	-
Intangible software	-	76,596	130,305
Furniture, fixtures, machinery and equipment	307,141	3,017,362	39,425,221
Construction in progress	-	2,635,775	-
Intangible right-to-use leased assets	-	1,815,439	1,241,443
Intangible right-to-use subscription assets	-	152,772	1,668,427
Less accumulated depreciation/amortization	<u>(2,571,332)</u>	<u>(55,348,873)</u>	<u>(29,922,225)</u>
Total capital assets, net of accumulated depreciation/ amortization	<u>4,380,322</u>	<u>109,704,990</u>	<u>12,543,171</u>
Total noncurrent assets	<u>4,380,322</u>	<u>119,979,282</u>	<u>12,543,171</u>
Total assets	<u>6,585,176</u>	<u>179,255,241</u>	<u>37,872,556</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other postemployment benefits deferrals	55,210	979,829	58,686
Pension deferrals	149,482	1,832,240	177,326
Contributions to pension plan in current fiscal year	76,144	875,566	94,691
Charge on refunding	-	94,265	-
Total deferred outflows of resources	<u>280,836</u>	<u>3,781,900</u>	<u>330,703</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	<b>Enterprise Funds</b>		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable:			
Trade	\$ 225,868	\$ 59,322	\$ 400,082
Contracts and retainage	-	156,483	150,000
Due to other governments	167	2,065	-
Accrued liabilities:			
Personnel costs	250,505	133,776	1,043
Interest	-	49,954	299,712
Current portion of long-term liabilities:			
Bonds payable	-	950,000	-
Installment obligations	-	-	1,742,015
Lease liability	-	-	165,224
Subscription liability	47,094	-	-
Accrued vacation and sick leave	164,528	174,870	-
Customer and escrow deposits	-	119,105	-
Unearned revenues	-	-	-
Total current liabilities	688,162	1,645,575	2,758,076
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	14,528,567	-
Installment obligations	-	-	35,793,959
Lease liability	-	-	1,016,135
Subscription liability	90,913	-	-
Accrued vacation and sick leave	76,513	81,886	-
Net other postemployment benefits liability	1,335,982	1,134,495	14,421
Net pension liability	2,594,576	2,135,445	115,357
Total noncurrent liabilities	4,097,984	17,880,393	36,939,872
Total liabilities	4,786,146	19,525,968	39,697,948
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	-	10,061,948
Other postemployment benefits deferrals	135,401	188,322	5,978
Pension deferrals	73,311	55,279	3,423
Total deferred inflows of resources	208,712	243,601	10,071,349
<b>NET POSITION</b>			
Net investment in capital assets	1,493	49,020,402	1,763,904
Restricted for:			
Leases	-	-	301,475
Capital projects	-	543,492	-
Unrestricted	7,260,467	33,290,666	9,455,506
Net Position	\$ 7,261,960	\$ 82,854,560	\$ 11,520,885

See notes to financial statements.

	Nonmajor Golf Fund	Total	Internal Service Funds
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable:			
Trade	\$ 19	\$ 685,291	\$ 718,550
Contracts and retainage	-	306,483	-
Due to other governments	5,737	7,969	-
Accrued liabilities:			
Personnel costs	35,366	420,690	35,956
Interest	-	349,666	-
Current portion of long-term liabilities:			
Bonds payable	-	950,000	-
Installment obligations	-	1,742,015	-
Lease liability	-	165,224	278,491
Subscription liability	-	47,094	555,991
Accrued vacation and sick leave	84,606	424,004	76,720
Customer and escrow deposits	-	119,105	-
Unearned revenues	228,848	228,848	-
Total current liabilities	<u>354,576</u>	<u>5,446,389</u>	<u>1,665,708</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	14,528,567	-
Installment obligations	-	35,793,959	-
Lease liability	-	1,016,135	227,081
Subscription liability	-	90,913	-
Accrued vacation and sick leave	32,405	190,804	34,249
Net other postemployment benefits liability	739,191	3,224,089	468,515
Net pension liability	438,112	5,283,490	547,867
Total noncurrent liabilities	<u>1,209,708</u>	<u>60,127,957</u>	<u>1,277,712</u>
Total liabilities	<u>1,564,284</u>	<u>65,574,346</u>	<u>2,943,420</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	10,061,948	-
Other postemployment benefits deferrals	156,863	486,564	83,794
Pension deferrals	12,194	144,207	16,039
Total deferred inflows of resources	<u>169,057</u>	<u>10,692,719</u>	<u>99,833</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,380,322	55,166,121	10,959,100
Restricted for:			
Leases	-	301,475	-
Capital projects	-	543,492	-
Unrestricted	752,349	50,758,988	24,200,906
Net Position	<u>\$ 5,132,671</u>	<u>\$ 106,770,076</u>	<u>\$ 35,160,006</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	<b>Enterprise Funds</b>		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
Operating revenues:			
Charges for services	\$ 12,231,703	\$ 13,644,781	\$ 6,808,195
Other operating revenues	63,238	127,611	291,203
Total operating revenues	12,294,941	13,772,392	7,099,398
Operating expenses:			
Salaries, employee benefits and other personnel costs	5,126,112	3,776,776	145,063
Materials and fuels consumed	866,021	465,562	752
Landfill disposal fees	1,621,295	-	-
Services	2,141,923	1,130,360	2,551,227
Utilities	20,763	50,569	140,061
Depreciation	1,337	1,671,806	2,054,042
Amortization	15,277	-	178,567
Other operating expenses	1,817,530	2,508,505	1,421,933
Total operating expenses	11,610,258	9,603,578	6,491,645
Operating income	684,683	4,168,814	607,753
Nonoperating revenues (expenses):			
Investment earnings	335,088	1,354,147	493,849
Restricted intergovernmental	95,270	956,538	-
Interest and other charges	(1,043)	(598,385)	(1,352,976)
Gain (loss) on disposal of capital assets, net	-	-	(3,025,448)
Total nonoperating revenues (expenses), net	429,315	1,712,300	(3,884,575)
Income (loss) before capital contributions and transfers	1,113,998	5,881,114	(3,276,822)
Capital contributions	-	269,687	-
Transfers from other funds	538,366	91,361	2,134,128
Transfers to other funds	-	-	(2,500,000)
Change in net position	1,652,364	6,242,162	(3,642,694)
Net position at beginning of year as previously stated	5,601,385	76,607,942	15,164,560
Restatement for accounting change (Note 8)	8,211	4,456	(981)
Net position at beginning of year as restated	5,609,596	76,612,398	15,163,579
Net position at end of year	\$ 7,261,960	\$ 82,854,560	\$ 11,520,885

	Nonmajor Golf Fund	Total	Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,450,900	\$ 35,135,579	\$ 9,913,115
Other operating revenues	57,537	539,589	19,366
Total operating revenues	<u>2,508,437</u>	<u>35,675,168</u>	<u>9,932,481</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	978,564	10,026,515	1,099,726
Materials and fuels consumed	510,055	1,842,390	18,786
Landfill disposal fees	-	1,621,295	-
Services	50,610	5,874,120	1,765,911
Utilities	56,054	267,447	26,980
Depreciation	221,104	3,948,289	4,045,850
Amortization	-	193,844	848,269
Other operating expenses	331,640	6,079,608	1,437,200
Total operating expenses	<u>2,148,027</u>	<u>29,853,508</u>	<u>9,242,722</u>
Operating income	<u>360,410</u>	<u>5,821,660</u>	<u>689,759</u>
Nonoperating revenues (expenses):			
Investment earnings	128,061	2,311,145	935,320
Restricted intergovernmental	-	1,051,808	-
Interest and other charges	-	(1,952,404)	(49,869)
Gain (loss) on disposal of capital assets, net	-	(3,025,448)	19,163
Total nonoperating revenues (expenses), net	<u>128,061</u>	<u>(1,614,899)</u>	<u>904,614</u>
Income (loss) before capital contributions and transfers	488,471	4,206,761	1,594,373
Capital contributions	-	269,687	156,842
Transfers from other funds	400,000	3,163,855	638,311
Transfers to other funds	-	(2,500,000)	-
Change in net position	<u>888,471</u>	<u>5,140,303</u>	<u>2,389,526</u>
Net position at beginning of year as previously stated	4,233,047	101,606,934	32,758,892
Restatement for accounting change (Note 8)	<u>11,153</u>	<u>22,839</u>	<u>11,588</u>
Net position at beginning of year as restated	<u>4,244,200</u>	<u>101,629,773</u>	<u>32,770,480</u>
Net position at end of year	<u>\$ 5,132,671</u>	<u>\$ 106,770,076</u>	<u>\$ 35,160,006</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Statement of Cash Flows -  
Proprietary Funds**

**Year Ended June 30, 2025**

	<b>Enterprise Funds</b>		
	<u>Recycling and Trash Services Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 12,183,974	\$ 10,097,194	\$ 7,025,449
Receipts from interfund services provided	44,973	3,566,259	-
Payments to suppliers	(4,470,205)	(3,192,389)	(3,960,039)
Payments to or on behalf of employees	(5,306,323)	(3,545,980)	(136,503)
Payments for interfund services used	<u>(1,975,577)</u>	<u>(1,038,506)</u>	<u>(11,857)</u>
Net cash provided by operating activities	<u>476,842</u>	<u>5,886,578</u>	<u>2,917,050</u>
Cash flows from noncapital and related financing activities:			
Transfers from other funds	538,366	-	2,134,128
Transfers to other funds	-	-	(2,500,000)
Restricted intergovernmental	<u>95,270</u>	<u>4,578,357</u>	<u>-</u>
Net cash provided by (used in) noncapital and related financing activities	<u>633,636</u>	<u>4,578,357</u>	<u>(365,872)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(1,942,688)	(420,257)
Principal payments on bonds	-	(925,000)	-
Principal payments on installment obligations	-	(65,105)	(1,758,019)
Principal payments on leases	-	-	(162,597)
Principal payments on subscriptions	(14,765)	-	-
Interest and other charges	(1,043)	(636,415)	(1,348,297)
Capital contributions from governmental funds	-	91,361	-
Capital contributions from other governments	-	157,009	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(15,808)</u>	<u>(3,320,838)</u>	<u>(3,689,170)</u>
Cash flows from investing activities:			
Investment earnings	<u>346,159</u>	<u>1,385,906</u>	<u>511,745</u>
Net increase (decrease) in cash and cash equivalents/ investments	1,440,829	8,530,003	(626,247)
Cash and cash equivalents/investments at beginning of year	<u>6,681,839</u>	<u>26,262,275</u>	<u>10,749,934</u>
Cash and cash equivalents/investments at end of year	<u>\$ 8,122,668</u>	<u>\$ 34,792,278</u>	<u>\$ 10,123,687</u>

	Nonmajor Golf Fund	Total	Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,478,105	\$ 31,784,722	\$ 588,151
Receipts from interfund services provided	-	3,611,232	9,281,707
Payments to suppliers	(915,900)	(12,538,533)	(3,319,743)
Payments to or on behalf of employees	(932,586)	(9,921,392)	(1,038,048)
Payments for interfund services used	(42,358)	(3,068,298)	(5,946)
Net cash provided by operating activities	<u>587,261</u>	<u>9,867,731</u>	<u>5,506,121</u>
Cash flows from noncapital and related financing activities:			
Transfers from other funds	400,000	3,072,494	638,311
Transfers to other funds	-	(2,500,000)	-
Restricted intergovernmental	-	4,673,627	-
Net cash provided by (used in) noncapital and related financing activities	<u>400,000</u>	<u>5,246,121</u>	<u>638,311</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,954,089)	(4,317,034)	(3,616,338)
Principal payments on bonds	-	(925,000)	-
Principal payments on installment obligations	-	(1,823,124)	-
Principal payments on leases	-	(162,597)	(304,200)
Principal payments on subscriptions	-	(14,765)	(540,316)
Interest and other charges	-	(1,985,755)	(49,869)
Capital contributions from governmental funds	-	91,361	-
Capital contributions from other governments	-	157,009	-
Proceeds from sale of capital assets	-	-	74,676
Net cash used in capital and related financing activities	<u>(1,954,089)</u>	<u>(8,979,905)</u>	<u>(4,436,047)</u>
Cash flows from investing activities:			
Investment earnings	<u>134,869</u>	<u>2,378,679</u>	<u>982,923</u>
Net increase (decrease) in cash and cash equivalents/ investments	(831,959)	8,512,626	2,691,308
Cash and cash equivalents/investments at beginning of year	<u>2,897,893</u>	<u>46,591,941</u>	<u>21,438,088</u>
Cash and cash equivalents/investments at end of year	<u>\$ 2,065,934</u>	<u>\$ 55,104,567</u>	<u>\$ 24,129,396</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Statement of Cash Flows -  
Proprietary Funds**

**Year Ended June 30, 2025**

	<b>Enterprise Funds</b>		
	Recycling and Trash Services Fund	Storm Water Management Fund	Parking Facilities Fund
Reconciliation to Statement of Net Position:			
Cash and cash equivalents/investments	\$ 8,122,668	\$ 34,791,554	\$ 10,117,155
Restricted cash and cash equivalents/investments	<u>-</u>	<u>724</u>	<u>6,532</u>
Total cash and cash equivalents	<u><u>\$ 8,122,668</u></u>	<u><u>\$ 34,792,278</u></u>	<u><u>\$ 10,123,687</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 684,683	\$ 4,168,814	\$ 607,753
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	16,614	1,671,806	2,232,609
Changes in assets, liabilities and deferred items:			
Accounts receivable	136,657	12,184	22,600
Other receivables	(45,741)	-	-
Due from other governments	(156,910)	(121,123)	7,993
Lease receivable	-	-	(83,245)
Lease interest receivable	-	-	(21,297)
Inventory of materials and supplies	(21,086)	(4,573)	-
Prepays	5,220	(74,502)	18,676
Deferred outflows of resources for pensions	230,672	157,690	13,482
Deferred outflows of resources for other postemployment benefits	53,775	116,586	(741)
Net pension liability	(32,636)	(22,517)	(1,159)
Net other postemployment benefits liability	(56,839)	87,596	5,500
Deferred inflows of resources for pensions	5,993	4,134	213
Deferred inflows of resources for other postemployment benefits	(259,313)	(142,657)	1,610
Accounts payable and accrued liabilities	(80,497)	(56,400)	118,711
Due to other governments	-	(2,332)	-
Accrued vacation and sick leave	(3,750)	(390)	(5,655)
CIP expensed	-	92,262	-
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$ 476,842</u></u>	<u><u>\$ 5,886,578</u></u>	<u><u>\$ 2,917,050</u></u>
Noncash investing, capital and financing activities:			
Issuance of leases	\$ -	\$ -	\$ -
Issuance of subscriptions	152,772	-	-
Capital assets acquired on account	-	(790,800)	(420,257)
Capital contributions from developers	-	269,687	-
Capital contributions from other governments receivable	-	157,009	-
Capital contributions from governmental funds	-	-	-
Donation of capital assets to governmental funds	<u>-</u>	<u>-</u>	<u>(3,025,448)</u>
Net effect of noncash activities	<u><u>\$ 152,772</u></u>	<u><u>\$ (364,104)</u></u>	<u><u>\$ (3,445,705)</u></u>

See notes to financial statements.

	Nonmajor Golf Fund	Total	Internal Service Funds
Reconciliation to Statement of Net Position:			
Cash and cash equivalents/investments	\$ 2,065,934	\$ 55,097,311	\$ 24,129,396
Restricted cash and cash equivalents/investments	-	7,256	-
Total cash and cash equivalents	<u>\$ 2,065,934</u>	<u>\$ 55,104,567</u>	<u>\$ 24,129,396</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 360,410	\$ 5,821,660	\$ 689,759
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	221,104	4,142,133	4,894,119
Changes in assets, liabilities and deferred items:			
Accounts receivable	-	171,441	-
Other receivables	-	(45,741)	-
Due from other governments	(55,412)	(325,452)	(62,623)
Lease receivable	-	(83,245)	-
Lease interest receivable	-	(21,297)	-
Inventory of materials and supplies	(5,167)	(30,826)	14,540
Prepays	1,354	(49,252)	(38,027)
Deferred outflows of resources for pensions	38,754	440,598	42,511
Deferred outflows of resources for other postemployment benefits	(34,045)	135,575	(8,097)
Net pension liability	(5,386)	(61,698)	(6,432)
Net other postemployment benefits liability	105,270	141,527	54,784
Deferred inflows of resources for pensions	989	11,329	1,181
Deferred inflows of resources for other postemployment benefits	(61,133)	(461,493)	(35,936)
Accounts payable and accrued liabilities	(4,130)	(22,316)	(52,968)
Due to other governments	336	(1,996)	-
Accrued vacation and sick leave	(763)	(10,558)	13,310
CIP expensed	-	92,262	-
Unearned revenues	25,080	25,080	-
Net cash provided by operating activities	<u>\$ 587,261</u>	<u>\$ 9,867,731</u>	<u>\$ 5,506,121</u>
Noncash investing, capital and financing activities:			
Issuance of leases	\$ -	\$ -	\$ 148,494
Issuance of subscriptions	-	152,772	-
Capital assets acquired on account	-	(1,211,057)	534,006
Capital contributions from developers	-	269,687	-
Capital contributions from other governments receivable	-	157,009	-
Capital contributions from governmental funds	-	-	156,842
Donation of capital assets to governmental funds	-	(3,025,448)	(44,890)
Net effect of noncash activities	<u>\$ -</u>	<u>\$ (3,657,037)</u>	<u>\$ 794,452</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	Other Postemployment Benefits Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 531,786
Investments:		
North Carolina Capital Management Trust, Government Portfolio	3,480,103	976
U.S. Treasuries	-	2,114
Commercial Paper	-	2,057
U.S. Government Agencies	-	1,192
Other receivables	<u>12,117</u>	<u>41</u>
Total assets	<u>3,492,220</u>	<u>538,166</u>
 <b>NET POSITION</b>		
Restricted for postemployment benefits other than pensions	3,492,220	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>538,166</u>
Total fiduciary net position	<u>\$ 3,492,220</u>	<u>\$ 538,166</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Other Postemployment Benefits Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
Additions:		
Contributions:		
Employer	\$ 3,534,213	\$ -
Law enforcement seizures	-	32,143
Investment earnings	<u>155,740</u>	<u>706</u>
Total additions	<u>3,689,953</u>	<u>32,849</u>
Deductions:		
Benefit payments	3,334,117	-
Payments by court order	-	2,556
Community housing administration reimbursements	-	14,571
Administrative expense	<u>203,346</u>	<u>-</u>
Total deductions	<u>3,537,463</u>	<u>17,127</u>
Change in fiduciary net position	152,490	15,722
Net position at beginning of year	<u>3,339,730</u>	<u>522,444</u>
Net position at end of year	<u>\$ 3,492,220</u>	<u>\$ 538,166</u>

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# **CITY OF WILMINGTON, NORTH CAROLINA**

## **Notes to Financial Statements June 30, 2025**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. REPORTING ENTITY**

The City of Wilmington is a municipal corporation, incorporated in 1739, located in the southeastern corner of North Carolina with a population of 126,164. The City has a Council-Manager form of government with a seven-member council, which includes an elected mayor. As required by generally accepted accounting principles, these financial statements present the City and its component units, legally separate entities for which the City is financially accountable.

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

#### **BLENDED COMPONENT UNIT**

##### **Wilmington Future, Inc.**

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

#### **DISCRETELY PRESENTED COMPONENT UNIT**

##### **Cape Fear Public Transportation Authority**

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### A. REPORTING ENTITY (continued)

##### DISCRETELY PRESENTED COMPONENT UNIT (continued)

##### Cape Fear Public Transportation Authority (continued)

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### A. REPORTING ENTITY (continued)

##### DISCRETELY PRESENTED COMPONENT UNIT (continued)

##### Cape Fear Public Transportation Authority (continued)

The Authority's complete financial statements for the year ended June 30, 2025 may be obtained at their administrative offices:

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

#### B. BASIS OF PRESENTATION

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

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### B. BASIS OF PRESENTATION (continued)

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major enterprise funds:

**Recycling and Trash Services Fund.** Although the Recycling and Trash Services Fund does not meet criteria to be a major fund, the City has determined that the fund is qualitatively material to the users of the financial statements. The Recycling and Trash Services Fund accounts for the provision of refuse collection and disposal services by the City.

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### B. BASIS OF PRESENTATION (continued)

Additionally, the City reports the following fund types:

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

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

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

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column.

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. BUDGETARY DATA

Budgets for the City are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Debt Service Fund, CDBG/Home Administration Fund, Special Tax District Fund, and enterprise funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for capital projects funds, including the enterprise capital projects funds which are consolidated with the enterprise operating funds for reporting purposes. Additionally, project ordinances are adopted for special revenue funds, excluding the CDBG/Home Administration Fund and the Special Tax District Fund as noted previously.

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

Expenditures may not legally exceed appropriations at the fund level for funds except the Parking Facilities and the Storm Water Management annually appropriated funds, and the Convention Center multi-year fund, which are at the function level; and the Special Purpose multi-year fund, which is at the grant level.

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

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE

##### DEPOSITS AND INVESTMENTS

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

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT), which is currently certified by the Local Government Commission under the provision of G.S. 159-30(c)(8) and the North Carolina Administrative Code.

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### DEPOSITS AND INVESTMENTS (continued)

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income; however, the City maintains separate investments of proceeds of bond issues and other financings. All short-term investments with maturities of three months or less are treated as cash equivalents.

##### RESTRICTED ASSETS

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

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

	Convention Center Fund	Streets and Sidewalks Fund	Debt Service Fund	Nonmajor Governmental Funds	Governmental Activities
Debt proceeds and related interest earnings	\$ 1,856	\$ 40,983,337	\$ 93,965	\$ 2,821,917	\$ 43,901,075
Federal forfeiture	-	-	-	995,556	995,556
ARPA funds	-	-	-	2,249,043	2,249,043
Opioid settlement funds	-	-	-	7,062	7,062
Opioid pilot program	-	-	-	195,386	195,386
Grants received in advance	-	-	-	265,862	265,862
Donations	-	1,292,585	-	-	1,292,585
Other	-	-	-	7,740	7,740
	<u>\$ 1,856</u>	<u>\$ 42,275,922</u>	<u>\$ 93,965</u>	<u>\$ 6,542,566</u>	<u>\$ 48,914,309</u>

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

	Storm Water Management Fund	Parking Facilities Fund	Business-Type Activities
Debt proceeds and related interest earnings	<u>\$ 724</u>	<u>\$ 6,532</u>	<u>\$ 7,256</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### AD VALOREM TAXES RECEIVABLE

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. For collection purposes, taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

##### LEASE RECEIVABLE AND RELATED DEFERRED INFLOW OF RESOURCES

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

Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period payment is received.

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

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

##### ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

##### INVENTORIES AND PREPAID ITEMS

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements and proprietary fund financial statements in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Capital assets are defined by the City as assets with an initial, individual cost of more than a certain cost and an estimated useful life that extends past a single full reporting period. Minimum capitalization costs are as follows: land, rights-of-way and easements \$25,000; furniture, equipment and computer software \$10,000; buildings and improvements, plant structures \$50,000; infrastructure and certain improvements other than buildings \$250,000. Infrastructure includes streets and drainage systems. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets and those acquired by annexation prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or effective date of annexation. Donated capital assets and those acquired by annexation after June 30, 2015 are recorded at acquisition value. General infrastructure assets acquired prior to July 1, 2002 consist of streets and related rights-of-way that were acquired or received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

The City's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the City reports a lease, where the City is the lessee, or agreements where the City reports an information technology (IT) subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The City is a party to noncancellable leases as a lessee for land, a parking lot, buildings, vehicles and equipment and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the noncancellable term of the lease using the City's estimated incremental borrowing rate as the discount rate. Subsequently, the lease liability is reduced by the principal portion of fixed payments made to the lessor and the interest portion is recorded as interest expense. The lease asset is recorded at the initiation of the lease in an amount equal to the initial amount of the related lease liability plus any lease payments made prior to the lease term, less incentives and plus ancillary charges necessary to place the lease into service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the related lease.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### CAPITAL ASSETS (continued)

This City is a party to noncancellable IT subscriptions for software and recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide statements. At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the noncancellable term of the subscription using the City's estimated incremental borrowing rate as the discount rate. Subsequently, the subscription liability is reduced by the principal portion of fixed payments made to the subscription vendor and the interest portion is recorded as interest expense. The subscription asset is recorded at the initiation of the subscription term in an amount equal to the initial amount of the related subscription liability plus any subscription payments made prior to the subscription term, plus capitalizable initial implementation costs at the start of the subscription term, and less any incentives received from the subscription vendor. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

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

Prior to the implementation of GASB 89 in FY 2021, interest costs incurred before the end of a construction period were capitalized and included in the historical cost of capital assets reported in business-type activities. Subsequent to GASB 89, interest is no longer capitalized but recognized as expense in the period in which the cost is incurred.

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

<u>Asset class</u>	<u>Estimated useful lives</u>
Infrastructure (including streets and drainage systems)	50 years
Buildings, plant, structures and improvements	40 years
Improvements other than buildings	20 years
Parking facilities plant and structures	20 years
Heating, ventilation and air conditioning improvements	15 years
Vehicles	5 years
Furniture and equipment	5 years
Computer software	5 years

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of net position and/or balance sheet can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – receivables that do not meet the availability criterion, leases, a gain on refunding, deferrals of pension expense and deferrals of other postemployment benefits expense.

##### LONG-TERM OBLIGATIONS

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

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

##### COMPENSATED ABSENCES

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### COMPENSATED ABSENCES (continued)

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

The City recognizes a liability for compensated absence for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled in payment to the employee during or upon separation of employment. The liability for compensated absences, including earned vacation and sick leave, is reported as the leave is earned in the government-wide and proprietary financial statements. The liability for compensated absences includes salary-related benefits, where applicable. The City determined that the last-in-first-out (LIFO) method of accumulation of compensated absences most closely approximates compensated absence time usage by the City's employees. The portion of the time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

##### OPIOID SETTLEMENT FUNDS

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. New national opioid settlements have been reached with Teva, Allergan, CVS, Mallinckrodt, Endo, Purdue, Publicis, Walgreens and Walmart increasing the total of the settlement to \$56 billion. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

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

The City recognized revenue of \$334,910 as part of this settlement in fiscal year 2025 bringing the total received to date to \$429,140. Additionally, the City recognized \$20,526 of related interest earnings to date. Per the terms of the MOA, the City created a special revenue fund, the Opioid Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. Funds of \$449,666, including interest earned, have been expended as of June 30, 2025. The MOA offered the City two options of expending the funds. The City opted for Option A, which allows the City to fund one or more high-impact opioid abatement strategies.

In September 2024, drug manufacturer McKinsey finalized a \$573 million-dollar nationwide settlement related to the opioid lawsuit. These funds are intended for opioid abatement and the distribution of funds were front loaded. The City received \$7,062 as part of this settlement in fiscal year 2025, in addition to interest in the amount of \$284. These funds are also to be used for opioid abatement and remediation activities. Funds are restricted until expended.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### REIMBURSEMENT FOR PANDEMIC-RELATED EXPENDITURES

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated \$25.93 million of fiscal recovery funds to be paid in two equal installments. The first installment of \$12.97 million was received in June 2021. The second installment was received in June 2022. City staff and the City Council have elected to use \$11.76 million of the ARPA funds for Economic and Community Assistance, \$3.01 million for City/Community Infrastructure and \$11.16 million for City Response and Recovery. Revenue replacement funds are transferred to the appropriate funds once the disbursement has occurred for the intended use.

##### NET POSITION

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

##### FUND BALANCES

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

The governmental fund types classify fund balances as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The following are the City's nonexpendable fund balances as of June 30, 2025:

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### FUND BALANCES (continued)

Restricted fund balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law. The following are the City's restricted fund balances as of June 30, 2025:

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

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

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

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

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### FUND BALANCES (continued)

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

Committed fund balance - This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of the City Council (highest level of decision-making authority). The City Council can, by ordinance prior to the end of the fiscal year, commit fund balance in the form of a transfer out of the general fund to another fund appropriate for the designated purpose or by amending the fee schedule to reserve proceeds of certain fees for specific purposes. Once adopted, any modification or rescission of the specific purpose imposed by the ordinance including transfer of these funds out of their respective funds requires a subsequent ordinance by majority action of the City Council. The following are the City's committed fund balances as of June 30, 2025:

Committed for community development loans - portion of fund balance that is committed by City Council for affordable housing initiatives and providing community development loans or is not an available resource because it represents the year-end balance of notes receivable where related amounts to be collected are committed for affordable housing initiatives and providing community development loans.

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

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

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

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

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### FUND BALANCES (continued)

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

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

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

Assigned fund balance - This classification includes amounts that the City intends to use for specific purposes. Assignments of fund balance are authorized by City Council. The following are the City's assigned fund balances as of June 30, 2025:

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

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

Unassigned fund balance - This classification is the portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds as of June 30, 2025. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount; however, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The City has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that unassigned fund balance is at least equal to or greater than 20 to 25% of the combined annual operating budgets of the General Fund and Debt Service Fund. Any portion of the General Fund balance in excess of 20% of the combined annual operating budgets may be used for non-recurring expenditures and pay-as-you-go capital expenditures. For the General Fund at June 30, 2025, the portion of fund balance that is available for appropriation equates to unassigned fund balance.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE (continued)

##### DEFINED BENEFIT PENSION AND OPEB PLANS

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

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

Investments for all plans are reported at fair value.

#### F. COMPARATIVE DATA

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

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

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

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

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

The details of that item are as follows:

Lease liability	\$ (400,991)
Subscription liability	(6,602,931)
Bonds payable	(64,695,000)
Installment obligations	(188,206,390)
Other long-term obligations	(3,871,797)
Unamortized premiums	(28,975,313)
Unamortized deferred outflows of resources - loss on refunding	1,736,821
Unamortized deferred inflows of resources - gain on refunding	(706,453)
Accrued interest payable	(1,395,520)
Accrued vacation and sick leave	(7,873,974)
	<u>\$ (300,991,548)</u>

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

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

The details of those items are as follows:

Capital outlay	\$ 33,675,635
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	13,705,455
Net transfers of capital assets from proprietary funds increase net position in the statement of activities, but do not appear in governmental funds because they are not financial resources.	2,913,496
The net book value of capital assets disposed decreases net position in the statement of activities, but does not appear in governmental funds because they are not financial resources.	(6,895,301)
Amortization expense	(2,201,026)
Depreciation expense	(17,868,653)
	<u>\$ 23,329,606</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

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

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

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

The details of this item are as follows:

Debt issued:	
Issuance of leases	\$ (105,157)
Issuance of subscriptions	(4,222,264)
Principal payments:	
Leases	126,344
Subscriptions	1,874,446
Bonds payable	5,070,000
Installment obligations	15,276,876
Other long-term obligations	867,977
Subscription termination	18,177
Amortization of premiums and gains/losses on refundings	1,735,864
	\$ 20,642,263

Another item of the reconciliation states that “some revenues in the statement of activities, including tax and other receipts do not provide current financial resources and are therefore not reported as revenues in the governmental funds.” The details of this item are as follows:

Accrued interest receivable	\$ 18,005
Tax and other receipts deferred in funds	717,659
	\$ 735,664

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

Accrued vacation and sick leave	\$ (54,510)
Other postemployment benefits	2,960,569
Pension expense - Local Governmental Employees' Retirement System	(13,018,814)
Pension expense - Law Enforcement Special Separation Allowance	(773,855)
Accrued interest payable	176,992
	\$ (10,709,618)

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS

#### A. ASSETS

##### DEPOSITS AND INVESTMENTS

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

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

At June 30, 2025, the City's deposits had a carrying amount of \$88,414,545 and a bank balance of \$89,528,429. Of the bank balance, \$37,226,283 was covered by federal depository insurance (FDIC) and the remainder was covered by collateral held under the pooling method. Of the amount covered by FDIC, \$36,259,431 represented the balance in an insured cash sweep that was deposited among numerous banks in amounts under the \$250,000 FDIC limit per bank. Cash on hand at June 30, 2025, was \$22,780.

At June 30, 2025, the investments and related maturities of the City were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	More Than 12 Months
North Carolina Capital Management Trust - Government Portfolio	Fair Value-Level 1	\$ 92,553,665	\$ 92,553,665	\$ -	\$ -
U.S. Treasuries	Fair Value-Level 1	47,869,507	-	32,782,207	15,087,300
Commercial paper	Fair Value-Level 2	46,586,142	11,950,635	34,635,507	-
U.S. Government Agencies	Fair Value-Level 2	26,987,416	-	16,943,666	10,043,750
Total investments		<u>\$ 213,996,730</u>	<u>\$ 104,504,300</u>	<u>\$ 84,361,380</u>	<u>\$ 25,131,050</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### DEPOSITS AND INVESTMENTS (continued)

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

##### Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years. Also, the City's investment policy limits the weighted average maturity of the City's investment portfolio (including deposits) to no more than 12 months. The weighted average maturity of the investment portfolio as of June 30, 2025 is 5.3 months.

##### Credit Risk

The City has no formal policy on managing credit risk. As of June 30, 2025, the City's investment in the NCCMT Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAAM-mf by Moody's Investors Service. The City's investments in commercial paper were rated P1 by Standard & Poor's and A1 by Moody's Investors Service. The City's investments in U.S. Government Agencies (Federal Home Loan Bank) are rated AA+ by Standard & Poor's and Aa1 by Moody's Investors Service.

##### Concentration of Credit Risk

The City's investment policy limits the amount that the City may invest in any one issuer to 25% of the City's total investments, with the exception of U.S. Treasuries and the NCCMT Government Portfolio. More than 5% of the City's investments are in Federal Farm Credit Bank, Royal Bank of Canada and Toyota Credit Corporation. These investments are 6.5%, 5.1%, and 7.9% of the City's total investments.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**A. ASSETS (continued)**

**RECEIVABLES**

Current receivables for governmental activities at the government-wide level at June 30, 2025, were as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Other</u>	<u>Other Governments</u>	<u>Notes</u>	<u>Management Company</u>	<u>Leases</u>	<u>Total</u>
General Fund	\$ 2,000,252	\$ 2,010,790	\$ 431,852	\$ 18,844,456	\$ 217,620	\$ -	\$ 10,281,683	\$ 33,786,653
Convention Center Fund	-	-	72,616	2,610,478	-	558,947	9,803,136	13,045,177
Streets and Sidewalks Fund	-	39,751	96,873	95,262	-	-	-	231,886
Debt Service Fund	465,284	-	95,586	142,511	-	-	5,316,541	6,019,922
Nonmajor Governmental Funds	11,568	13,064	365,001	2,760,894	40,798,959	-	-	43,949,486
Internal Service Funds	-	-	90,533	244,579	-	-	-	335,112
Total receivable	2,477,104	2,063,605	1,152,461	24,698,180	41,016,579	558,947	25,401,360	97,368,236
Allowance for doubtful accounts	<u>(1,867,626)</u>	<u>(733,454)</u>	<u>-</u>	<u>-</u>	<u>(688,930)</u>	<u>-</u>	<u>-</u>	<u>(3,290,010)</u>
Total governmental funds	<u>\$ 609,478</u>	<u>\$ 1,330,151</u>	<u>\$ 1,152,461</u>	<u>\$ 24,698,180</u>	<u>\$ 40,327,649</u>	<u>\$ 558,947</u>	<u>\$ 25,401,360</u>	<u>\$ 94,078,226</u>

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

Local government sales and use taxes	\$ 12,648,934
Franchise tax	2,183,796
Video programming sales tax	203,094
PEG channel support	6,250
Room occupancy tax	1,616,477
Refund of sales and use tax paid	1,173,034
Community Development Block Grant entitlement	182,273
Home Investment Partnership entitlement	669,250
ABC revenues	389,748
FEMA/Hurricane disaster assistance	3,302,569
Other grants and reimbursements	<u>2,322,755</u>
	<u>\$ 24,698,180</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### RECEIVABLES (continued)

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

On July 1, 2021, the City entered into a 141 month lease as Lessor for the use of 625 square feet of land at the Legion Stadium Sports Complex by AT&T. An initial lease receivable was recorded in the amount of \$302,145. As of June 30, 2025, the value of the lease receivable is \$216,915 and the value of the short-term lease receivable is \$23,751. The lessee is required to make monthly fixed payments of \$2,281. The lease has an interest rate of 1.76%. The value of the deferred inflow of resources as of June 30, 2025 was \$199,287, and the City recognized lease revenue of \$25,715 and interest revenue of \$4,038 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On July 1, 2021, the City entered into a 119 month lease as Lessor for the use of Greenfield Lake Amphitheater by Live Nation. An initial lease receivable was recorded in the amount of \$404,482. As of June 30, 2025, the value of the lease receivable is \$259,657 and the value of the short-term lease receivable is \$39,368. The lessee is required to make quarterly fixed payments of \$10,612. The lease has an interest rate of 1.60%. The value of the deferred inflow of resources as of June 30, 2025 was \$242,599, and the City recognized lease revenue of \$40,471 and interest revenue of \$4,546 during the fiscal year. In addition, the City recognized \$121,090 in variable lease revenue for concession and ticket sales for the fiscal year.

On July 1, 2021, the City entered into a 120 month lease as Lessor for the use of Live Oak Bank Pavilion by Live Nation. An initial lease receivable was recorded in the amount of \$1,851,832. As of June 30, 2025, the value of the lease receivable is \$1,141,885 and the value of the short-term lease receivable is \$182,780. The lessee is required to make quarterly fixed payments of \$50,000. The lease has an interest rate of 1.60%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,111,099, and the City recognized lease revenue of \$185,183 and interest revenue of \$20,123 during the fiscal year. In addition, the City recognized \$360,588 in variable lease revenue for concession and ticket sales for the fiscal year.

On July 1, 2021, the City entered into a 1146 month lease as Lessor for a River Place Ground Lease with SCP-EW River Place, LLC. An initial lease receivable was recorded in the amount of \$1,723,790; however, during the fiscal year, this lease was terminated. Prior to termination, the lessee was required to make monthly fixed payments of \$4,046. The lease had an interest rate of 2.58%. The City recognized lease revenue of \$18,041 and interest revenue of \$44,045 during the fiscal year. At the time of the termination, the value of the lease receivable (\$1,702,737) and the related deferred inflow of resources (\$1,651,627) were removed leaving no value as of June 30, 2025.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### RECEIVABLES (continued)

On July 1, 2021, the City entered into a 558 month lease as Lessor for the use of the Convention Center Parking Deck by Embassy Suites Hotel. An initial lease receivable was recorded in the amount of \$8,132,995. As of June 30, 2025, the value of the lease receivable is \$7,735,118 and the value of the short-term lease receivable is \$101,397. The lessee is required to make monthly fixed payments of \$25,000. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2025 was \$7,433,383, and the City recognized lease revenue of \$174,903 and interest revenue of \$201,186 during the fiscal year. The lessee has 2 extension options, each for 120 months.

On November 1, 2021, the City entered into a 581 month lease as Lessor for the use of the Convention Center parking deck by Aloft Hotel. An initial lease receivable was recorded in the amount of \$2,158,568. As of June 30, 2025, the value of the lease receivable is \$2,068,018 and the value of the short-term lease receivable is \$24,876. The lessee is required to make monthly fixed payments of \$6,500. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,995,096, and the City recognized lease revenue of \$44,583 and interest revenue of \$53,757 during the fiscal year. The lessee has 2 extension options, each for 120 months.

On May 1, 2022, the City entered into a 176 month lease as Lessor for the use of space in the Harrelson Building by Brooks, Pierce, McLendon, Humphrey & Leonard, LLP. An initial lease receivable was recorded in the amount of \$2,129,488. As of June 30, 2025, the value of the lease receivable is \$1,815,619 and the value of the short-term lease receivable is \$112,090. The lessee is required to make monthly fixed payments of \$13,575. The lease has an interest rate of 2.99%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,674,309, and the City recognized lease revenue of \$145,592 and interest revenue of \$56,082 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On May 1, 2022, the City entered into a 176 month lease as Lessor for the use of space in the Harrelson Building by United Bank. An initial lease receivable was recorded in the amount of \$1,317,207. As of June 30, 2025, the value of the lease receivable is \$1,123,799 and the value of the short-term lease receivable is \$63,827. The lessee is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 2.94%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,039,083, and the City recognized lease revenue of \$90,355 and interest revenue of \$34,020 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On July 13, 2023, the City entered into a 60 month lease as Lessor for the use of space in the Skyline Center by Thermo Fisher. An initial lease receivable was recorded in the amount of \$8,601,561. As of June 30, 2025, the value of the lease receivable is \$5,316,541 and the value of the short-term lease receivable is \$1,675,446. The lessee is required to make monthly fixed payments of \$150,000. The lease has an interest rate of 2.74%. The value of the deferred inflow of resources as of June 30, 2025 was \$5,251,778, and the City recognized lease revenue of \$1,703,279 and interest revenue of \$169,722 during the fiscal year. The lessee has 2 extension options, each for 12 months.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### RECEIVABLES (continued)

On March 1, 2024, the City entered into a 108 month lease as Lessor for the use of space in the Skyline Center by CIVIC, a Local Government Credit Union. An initial lease receivable was recorded in the amount of \$1,206,341. As of June 30, 2025, the value of the lease receivable is \$1,062,190 and the value of the short-term lease receivable is \$113,697. The lessee is required to make monthly fixed payments of \$11,360. The lease has an interest rate of 2.37%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,027,624, and the City recognized lease revenue of \$134,038 and interest revenue of \$26,598 during the fiscal year. The lessee has 1 extension option for 48 months.

On April 1, 2024, the City entered into a 71 month lease as Lessor for the use of space in the Skyline Center by LINC, Inc. An initial lease receivable was recorded in the amount of \$138,954. As of June 30, 2025, the value of the lease receivable is \$114,428 and the value of the short-term lease receivable is \$21,562. The lessee is required to make monthly fixed payments of \$2,008. The lease has an interest rate of 2.60%. The value of the deferred inflow of resources as of June 30, 2025 was \$110,005, and the City recognized lease revenue of \$23,159 and interest revenue of \$3,264 during the fiscal year. The lessee has 1 extension option for 36 months.

On April 15, 2024, the City entered into a 238 month lease as Lessor for the use of space in the Skyline Center by Wilmington and Beaches Convention & Visitors Bureau. An initial lease receivable was recorded in the amount of \$2,119,932. As of June 30, 2025, the value of the lease receivable is \$2,071,105 and the value of the short-term lease receivable is \$45,441. The lessee is required to make monthly fixed payments of \$9,332. The lease has an interest rate of 3.31%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,990,769, and the City recognized lease revenue of \$106,649 and interest revenue of \$69,332 during the fiscal year.

On May 1, 2024, the City entered into a 24 month lease as Lessor for the use of space in the Harrelson Building by the New Hanover Community Endowment. An initial lease receivable was recorded in the amount of \$328,560; however, during the fiscal year, this lease was terminated. Prior to termination, the lessee was required to make monthly fixed payments of \$13,100. The lease had an interest rate of 3.06%. The City recognized lease revenue of \$95,830 and interest revenue of \$4,747. At the time of the termination, the value of the lease receivable (\$216,212) and the related deferred inflow of resources (\$205,350) were removed leaving no value as of June 30, 2025.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### RECEIVABLES (continued)

On September 1, 2024, the City entered into a 108 month lease as Lessor for the use of space in the Skyline Center by Tova Wealth Management. An initial lease receivable was recorded in the amount of \$287,431; however, during the fiscal year, the square footage being leased was expanded which increased the lease receivable and deferred inflow of resources each by \$90,977. As of June 30, 2025, the value of the lease receivable is \$355,381 and the value of the short-term lease receivable is \$34,051. The lessee is required to make monthly fixed payments of \$3,607. The lease has an interest rate of 3.04%. The value of the deferred inflow of resources as of June 30, 2025 was \$349,975, and the City recognized lease revenue of \$28,433 and interest revenue of \$5,841 during the fiscal year. The lessee has 1 extension option for 48 months.

On February 1, 2025, the City entered into a 119 month lease as Lessor for the use of space in the Harrelson Building by the New Hanover Community Endowment. An initial lease receivable was recorded in the amount of \$2,194,306. As of June 30, 2025, the value of the lease receivable is \$2,120,704 and the value of the short-term lease receivable is \$168,767. The lessee is required to make monthly fixed payments of \$19,330. The lease has an interest rate of 3.21%. The value of the deferred inflow of resources as of June 30, 2025 was \$2,102,108, and the City recognized lease revenue of \$92,198 and interest revenue of \$23,048 during the fiscal year. The lessee has 1 extension option for 59 months.

Receivables for business-type activities at the government-wide level at June 30, 2025, were as follows:

	Accounts	Other	Other Governments	Leases	Total
Recycling and Trash Services Fund	\$ 1,705,167	\$ 80,154	\$ 380,077	\$ -	\$ 2,165,398
Storm Water Management Fund	1,660,480	135,207	378,171	-	2,173,858
Parking Facilities Fund	-	87,297	14,498	10,363,423	10,465,218
Nonmajor Golf Fund	-	13,325	78,202	-	91,527
Total receivables	3,365,647	315,983	850,948	10,363,423	14,896,001
Allowance for doubtful accounts	(755,516)	-	-	-	(755,516)
Total business-type activities	<u>\$ 2,610,131</u>	<u>\$ 315,983</u>	<u>\$ 850,948</u>	<u>\$ 10,363,423</u>	<u>\$ 14,140,485</u>

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

Refund of sales and use tax paid	\$ 161,553
Solid waste disposal tax	22,699
Cape Fear Public Utility Authority	616,757
Other grants and reimbursements	49,939
	<u>\$ 850,948</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

#### RECEIVABLES (continued)

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

On July 1, 2021, the City entered into a 1174 month lease as Lessor for the use of River Place Parking Deck by SCP-EW River Place, LLC. An initial lease receivable was recorded in the amount of \$10,064,520. As of June 30, 2025, the value of the lease receivable is \$9,947,810 and the value of the short-term lease receivable is \$25,347. The lessee is required to make monthly fixed payments of \$23,500. The lease has an interest rate of 2.58%. The value of the deferred inflow of resources as of June 30, 2025 was \$9,653,024, and the City recognized lease revenue of \$102,874 and interest revenue of \$257,299 during the fiscal year. The lessee has 2 extension options, the first for 300 months and the second for 288 months.

On July 1, 2021, the City entered into a 30 month lease as Lessor for the use of parking spaces at Market St & Princess St by the General Services Administration. An initial lease receivable was recorded in the amount of \$73,373; however, during fiscal year 2024, the lease term was extended for an additional 60 months which increased the lease receivable and deferred inflow of resources each by \$279,523. As of June 30, 2025, the value of the lease receivable is \$199,028 and the value of the short-term lease receivable is \$55,233. The lessee is required to make monthly fixed payments of \$4,938. The lease has an interest rate of 2.31%. The value of the deferred inflow of resources as of June 30, 2025 was \$195,612, and the City recognized lease revenue of \$55,889 and interest revenue of \$5,280 during the fiscal year.

On April 15, 2024, the City entered into a 238 month lease as Lessor for parking in the Northern Downtown Parking Deck adjacent to the Skyline Center by Wilmington and Beaches Convention & Visitors Bureau. An initial lease receivable was recorded in the amount of \$227,152. As of June 30, 2025, the value of the lease receivable is \$216,585 and the value of the short-term lease receivable is \$8,551. The lessee is required to make monthly fixed payments of \$1,300. The lease has an interest rate of 3.31%. The value of the deferred inflow of resources as of June 30, 2025 was \$213,312, and the City recognized lease revenue of \$11,427 and interest revenue of \$7,327 during the fiscal year.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

#### CAPITAL ASSETS

Capital asset activity for the primary government’s governmental activities for the year ended June 30, 2025, was as follows:

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 78,982,788	\$ 558,000	\$ (3,025,448)	\$ 3,025,448	\$ 79,540,788
Easements	34,213,118	8,282,029	(11,392)	-	42,483,755
Construction in progress	<u>47,352,645</u>	<u>18,210,315</u>	<u>(968,675)</u>	<u>(29,373,688)</u>	<u>35,220,597</u>
Total capital assets not being depreciated	<u>160,548,551</u>	<u>27,050,344</u>	<u>(4,005,515)</u>	<u>(26,348,240)</u>	<u>157,245,140</u>
Capital assets being depreciated and amortized:					
Improvements other than buildings	89,621,227	989,535	(53,050)	19,025,547	109,583,259
Buildings, plant and structures	221,187,978	5,680,900	(6,859,854)	7,560,063	227,569,087
Furniture, fixtures, machinery and equipment	65,400,431	5,498,120	(1,447,168)	148,564	69,599,947
Computer software	3,111,790	-	-	1,344,706	4,456,496
Streets and drainage	295,338,876	7,978,184	-	1,294,808	304,611,868
Right-to-use leased land	84,270	-	-	-	84,270
Right-to-use leased equipment	1,107,846	253,651	-	-	1,361,497
Right-to-use leased buildings	394,156	-	-	-	394,156
Right-to-use subscription assets	<u>8,454,986</u>	<u>4,229,194</u>	<u>(1,956,056)</u>	<u>-</u>	<u>10,728,124</u>
Total capital assets being depreciated and amortized	<u>684,701,560</u>	<u>24,629,584</u>	<u>(10,316,128)</u>	<u>29,373,688</u>	<u>728,388,704</u>
Less accumulated depreciation and amortization for:					
Improvements other than buildings	47,519,741	4,409,588	(53,050)	-	51,876,279
Buildings, plant and structures	69,071,746	5,804,352	(3,999,580)	-	70,876,518
Furniture, fixtures, machinery and equipment	50,827,074	5,582,595	(1,421,762)	-	54,987,907
Computer software	2,800,462	294,009	-	-	3,094,471
Streets and drainage	113,154,720	5,823,959	-	-	118,978,679
Right-to-use leased land	25,281	16,854	-	-	42,135
Right-to-use leased equipment	288,268	329,374	-	-	617,642
Right-to-use leased buildings	45,985	78,831	-	-	124,816
Right-to-use subscription assets	<u>2,923,910</u>	<u>2,624,236</u>	<u>(1,941,327)</u>	<u>-</u>	<u>3,606,819</u>
Total accumulated depreciation and amortization	<u>286,657,187</u>	<u>\$ 24,963,798</u>	<u>\$ (7,415,719)</u>	<u>\$ -</u>	<u>304,205,266</u>
Total capital assets being depreciated and amortized, net	<u>398,044,373</u>				<u>424,183,438</u>
Governmental activities capital assets, net	<u>\$ 558,592,924</u>				<u>\$ 581,428,578</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**A. ASSETS (continued)**

**CAPITAL ASSETS (continued)**

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

General government	\$ 3,366,982
Public safety	4,080,059
Transportation	6,382,813
Economic and physical development	1,330,912
Cultural and recreational	4,908,913
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>4,894,119</u>
	<u>\$ 24,963,798</u>

Capital asset activity for each of the business-type activities for the year ended June 30, 2025, was as follows:

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Recycling and Trash Services:					
Capital assets being depreciated and amortized:					
Furniture, fixtures, machinery and equipment	\$ 37,305	\$ -	\$ -	\$ -	\$ 37,305
Right-to-use subscription assets	<u>-</u>	<u>152,772</u>	<u>-</u>	<u>-</u>	<u>152,772</u>
Total capital assets being depreciated and amortized	<u>37,305</u>	<u>152,772</u>	<u>-</u>	<u>-</u>	<u>190,077</u>
Less accumulated depreciation and amortization for:					
Furniture, fixtures, machinery and equipment	33,963	1,337	-	-	35,300
Right-to-use subscription assets	<u>-</u>	<u>15,277</u>	<u>-</u>	<u>-</u>	<u>15,277</u>
Total accumulated depreciation and amortization	<u>33,963</u>	<u>\$ 16,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,577</u>
Total capital assets being depreciated and amortized, net	<u>3,342</u>				<u>139,500</u>
Recycling and Trash Services capital assets, net	<u>3,342</u>				<u>139,500</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

#### CAPITAL ASSETS (continued)

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Storm water management:					
Capital assets not being depreciated:					
Land	\$ 1,533,071	\$ -	\$ -	\$ -	\$ 1,533,071
Easements	4,213,242	769,836	-	-	4,983,078
Construction in progress	<u>2,192,757</u>	<u>535,280</u>	<u>(92,262)</u>	<u>-</u>	<u>2,635,775</u>
Total capital assets not being depreciated	<u>7,939,070</u>	<u>1,305,116</u>	<u>(92,262)</u>	<u>-</u>	<u>9,151,924</u>
Capital assets being depreciated:					
Improvements other than buildings	83,390,429	-	-	-	83,390,429
Buildings, plant and structures	1,202,630	-	-	-	1,202,630
Furniture, fixtures, machinery and equipment	<u>1,402,610</u>	<u>116,459</u>	<u>-</u>	<u>-</u>	<u>1,519,069</u>
Total capital assets being depreciated	<u>85,995,669</u>	<u>116,459</u>	<u>-</u>	<u>-</u>	<u>86,112,128</u>
Less accumulated depreciation for:					
Improvements other than buildings	27,564,135	1,461,557	-	-	29,025,692
Buildings, plant and structures	465,699	30,065	-	-	495,764
Furniture, fixtures, machinery and equipment	<u>990,267</u>	<u>180,184</u>	<u>-</u>	<u>-</u>	<u>1,170,451</u>
Total accumulated depreciation	<u>29,020,101</u>	<u>\$ 1,671,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>30,691,907</u>
Total capital assets being depreciated, net	<u>56,975,568</u>				<u>55,420,221</u>
Storm water capital assets, net	<u>64,914,638</u>				<u>64,572,145</u>
Parking facilities:					
Capital assets not being depreciated:					
Land	10,283,858	\$ -	\$ -	\$ (3,025,448)	7,258,410
Easements	<u>191,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,752</u>
Total capital assets not being depreciated	<u>10,475,610</u>	<u>-</u>	<u>-</u>	<u>(3,025,448)</u>	<u>7,450,162</u>
Capital assets being depreciated and amortized:					
Improvements other than buildings	231,282	-	-	-	231,282
Buildings, plant and structures	51,920,754	-	-	-	51,920,754
Furniture, fixtures, machinery and equipment	1,153,847	-	-	-	1,153,847
Computer Software	76,596	-	-	-	76,596
Right-to-use leased land	<u>1,815,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,815,439</u>
Total capital assets being depreciated and amortized	<u>55,197,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,197,918</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

#### CAPITAL ASSETS (continued)

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Parking facilities: (continued)					
Less accumulated depreciation and amortization for:					
Improvements other than buildings	\$ 109,764	\$ 11,564	\$ -	\$ -	\$ 121,328
Buildings, plant and structures	18,104,481	1,917,817	-	-	20,022,298
Furniture, fixtures, machinery and equipment	989,285	115,740	-	-	1,105,025
Computer Software	63,214	8,921	-	-	72,135
Right-to-use leased land	535,704	178,567	-	-	714,271
Total accumulated depreciation and amortization	<u>19,802,448</u>	<u>\$ 2,232,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>22,035,057</u>
Total capital assets being depreciated and amortized, net	<u>35,395,470</u>				<u>33,162,861</u>
Parking facilities capital assets, net	<u>45,871,080</u>				<u>40,613,023</u>
Golf:					
Capital assets not being depreciated:					
Land	109,393	\$ -	\$ -	\$ -	109,393
Construction in progress	12,000	-	-	(12,000)	-
Total capital assets not being depreciated	<u>121,393</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>109,393</u>
Capital assets being depreciated:					
Improvements other than buildings	2,763,760	1,954,089	-	12,000	4,729,849
Buildings, plant and structures	1,805,271	-	-	-	1,805,271
Furniture, fixtures, machinery and equipment	307,141	-	-	-	307,141
Total capital assets being depreciated	<u>4,876,172</u>	<u>1,954,089</u>	<u>-</u>	<u>12,000</u>	<u>6,842,261</u>
Less accumulated depreciation for:					
Improvements other than buildings	1,531,459	150,361	-	-	1,681,820
Buildings, plant and structures	579,353	43,132	-	-	622,485
Furniture, fixtures, machinery and equipment	239,416	27,611	-	-	267,027
Total accumulated depreciation	<u>2,350,228</u>	<u>\$ 221,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,571,332</u>
Total capital assets being depreciated, net	<u>2,525,944</u>				<u>4,270,929</u>
Golf capital assets, net	<u>2,647,337</u>				<u>4,380,322</u>
Business-type activities capital assets, net	<u>\$ 113,436,397</u>				<u>\$ 109,704,990</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### A. ASSETS (continued)

##### COMMITMENTS FOR CAPITAL PROJECTS

At June 30, 2025, the City has commitments for active projects as follows:

	<u>Spent to date</u>	<u>Remaining commitment</u>
Governmental funds:		
Capital projects	<u>\$ 83,630,136</u>	<u>\$ 22,164,315</u>
Enterprise funds:		
Storm Water capital projects	\$ 2,871,038	\$ 1,600,742
Parking Facilities capital projects	67,960	40,978
Nonmajor Golf capital projects	<u>43,000</u>	<u>2,000</u>
Total enterprise funds	<u>\$ 2,981,998</u>	<u>\$ 1,643,720</u>

#### B. LIABILITIES

##### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS

###### 1. Local Governmental Employees' Retirement System

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

##### 1. Local Governmental Employees' Retirement System (continued)

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.60% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$10,339,754 for the year ended June 30, 2025.

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

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the City reported a liability of \$50,637,413 for its proportionate share of the LGERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the City's proportion was 0.751%, which was a decrease of 0.024% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$14,416,560. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

##### 1. Local Governmental Employees' Retirement System (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,873,592	\$ 59,662
Net difference between projected and actual earnings on pension plan investments	6,884,126	-
Changes in proportion and differences between City contributions and proportionate share of contributions	244,893	1,425,400
City contributions subsequent to the measurement date	10,339,754	-
Total	\$ 26,342,365	\$ 1,485,062

The \$10,339,754 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2026	\$ 4,432,279
2027	9,448,423
2028	1,415,246
2029	(778,399)
	\$ 14,517,549

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

##### 1. Local Governmental Employees' Retirement System (continued)

*Actuarial Assumptions. (Continued)* The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	<u>100%</u>	

*Actuarial Assumptions.* The information above is based on 30-year expectations developed with an investment consulting firm and is part of the asset liability and investment policy study of the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

##### 1. Local Governmental Employees' Retirement System (continued)

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability	\$ 89,730,979	\$ 50,637,413	\$ 18,477,579

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

##### 2. Law Enforcement Officers' Special Separation Allowance

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

*Plan Description.* All full-time law enforcement officers of the City are covered by the Separation Allowance. At June 30, 2024, the date of the latest actuarial valuation, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	62
Active plan members	245
Total	307

#### *Summary of Significant Accounting Policies.*

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

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

*Actuarial Assumptions.* The entry age normal actuarial cost method was used in the June 30, 2024 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent, including inflation and productivity factor
Discount rate	4.28 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate index as of December 31, 2024.

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

*Contributions.* The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are paid by the City. The City paid \$1,068,805 as benefits came due for the reporting period. Of which \$555,412 was paid subsequent to the measurement date of December 31, 2024.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the City reported a total pension liability of \$15,155,675. The total pension liability was measured as of December 31, 2024 based on a June 30, 2024 actuarial valuation. For the year ended June 30, 2025 the City recognized pension expense of \$1,321,987.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 402,416	\$ 268,354
Changes of assumptions	789,810	1,370,955
City benefit payments and plan administrative expense made subsequent to the measurement date	555,412	-
Total	\$ 1,747,638	\$ 1,639,309

The \$555,412 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)**

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

Year ending June 30:	
2026	\$ 91,065
2027	(538,831)
2028	13,590
2029	<u>(12,907)</u>
	<u>\$ (447,083)</u>

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 4.28 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease <u>(3.28%)</u>	Discount Rate <u>(4.28%)</u>	1% Increase <u>(5.28%)</u>
Total pension liability	\$ 16,223,711	\$ 15,155,675	\$ 14,175,073

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

	<u>2025</u>
Beginning balance	\$ 15,257,860
Service cost	476,278
Interest on total pension liability	554,873
Differences between expected and actual experience in the measurement of the total pension liability	463,229
Changes of assumptions or other inputs	(527,760)
Benefit payments	<u>(1,068,805)</u>
Ending balance of the total pension liability	<u>\$ 15,155,675</u>

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the Local Governmental Employees Retirement System for the five year period ending December 31, 2019.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

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

The net pension liability for LGERS was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability for LEOSSA was measured as of December 31, 2024, with an actuarial valuation date of June 30, 2024. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 50,637,413	\$ -	\$ 50,637,413
Proportion of the Net Pension Liability	0.751%	n/a	
Total Pension Liability	-	15,155,675	15,155,675
Pension Expense	14,416,560	1,321,987	15,738,547

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 8,873,592	\$ 402,416	\$ 9,276,008
Changes of assumptions	-	789,810	789,810
Net difference between projected and actual earnings on pension plan investments	6,884,126	-	6,884,126
Changes in proportion and differences between City contributions and proportionate share of contributions	244,893	-	244,893
City contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	10,339,754	555,412	10,895,166
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 59,662	\$ 268,354	\$ 328,016
Changes of assumptions	-	1,370,955	1,370,955
Changes in proportion and differences between City contributions and proportionate share of contributions	1,425,400	-	1,425,400

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

##### 4. Supplemental Retirement Income Plan

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

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. For the year ended June 30, 2025, the City's required contribution was \$926,339 for the law enforcement officers.

The City has elected to make contributions on behalf of all employees to the Supplemental Retirement Income Plan. The City's contribution is 4.5% of covered payroll and contributions are made to the plan. The City Council established the contribution and can amend or discontinue it at any time. Employees can also make voluntary contributions to the plan.

Employer contributions to the Supplemental Retirement Income Plan, excluding required contributions for law enforcement officers, totaled \$2,662,806 for the year ended June 30, 2025. Employee contributions to this plan, including law enforcement officers, included in salary expense for the year ended June 30, 2025, were \$1,879,773.

##### 5. Other Postemployment Benefits

*Plan Description.*

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

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)**

**5. Other Postemployment Benefits (continued)**

*Plan Description. (continued)*

*Plan Membership.* Membership of the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

	General Employees	Firefighters	Law Enforcement Officers
Inactive plan members and dependents receiving benefits	33	69	84
Inactive plan members entitled to but not yet receiving benefits	-	-	-
Active plan members*	150	76	89
Total	183	145	173

\* Excludes 723 active members who will not receive benefits due to the January 1, 2011 closure of the plan and 7 elected officials who are not eligible for future benefits.

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

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

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### 5. Other Postemployment Benefits (continued)

##### *Benefits Provided. (continued)*

Effective June 30, 2009, 39 employees accepted an early retirement incentive offer to continue to receive benefits under the City’s healthcare plan until they become 65 years of age or Medicare eligible, whichever comes first, and can no longer participate in the plan. Of these employees, 26 opted to receive benefits under the City’s healthcare plan on a noncontributory basis. The remaining 13 employees opted to continue to make the required retiree contributions until no longer eligible to participate in the plan and then additionally receive \$10,500 over each of the succeeding five years funded by the City into a Health Reimbursement Account on behalf of the employee. As of June 30, 2005, two plan members have not reached age 65 and are still receiving benefits on a noncontributory basis. All required contributions by the City to a Health Reimbursement Account on behalf of the employees have been made. The effects of these termination benefits were included in the actuarial valuation as of June 30, 2024.

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

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

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

*Contributions.* The City Council established the contribution requirements of plan members under the City’s medical self-insurance program and those contribution requirements may be amended by the City Council. Annually, the cost of each type of coverage is determined and a set amount of those costs are required of active employees. For the year ended June 30, 2025 active employee contribution requirements range from \$145 to \$730 per month depending on their choice of coverage. The retiree contribution to the cost of a selected type of coverage is equivalent at a minimum to the active employee premium but may also include a percentage of the City’s portion of the premium depending on the date the retiree was last hired by the City and the years of creditable service the retiree achieved with the LGERS.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### 5. Other Postemployment Benefits (continued)

##### *Contributions. (continued)*

The City initially elected to fund the healthcare benefits on a pay as you go basis; however, during the fiscal year-ended June 30, 2009, the City established an irrevocable trust for these benefits at First Citizens Bank and prefunded an additional amount to partially pay the future cost of coverage for benefits. For the current year, the City contributed \$3,534,213 or 13.8% of annual covered payroll for current premiums. The City is self-insured.

##### *Investments.*

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

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

*Rate of return.* For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 4.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liability.* The components of the net OPEB liability at June 30, 2025 were as follows:

Total OPEB liability	\$ 42,100,754
Plan fiduciary net position	3,492,220
City's net OPEB liability	\$ 38,608,534
 Plan fiduciary net position as a percentage of the total OPEB liability	 8.29%

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### 5. Other Postemployment Benefits (continued)

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.3 to 8.3 percent (7.80 percent for law enforcement and 8.00 percent for firefighters), including wage inflation
Investment rate of return	4.57 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	8.00 percent for 2024 decreasing to an ultimate rate of 4.50 percent by 2033

The total OPEB liabilities were rolled forward to June 30, 2025 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on Pub-2010 mortality rates, with adjustments for LGERS experience and generational mortality improvements using scale MP-2019. For general employees, Pub-2010 General-Retirees base rates are projected from 2010 using generational improvement with Scale MP-2019. Rates for males are set forward 2 years and use 96% of rates under age 81 then blended to 100% at age 85 and beyond. Rates for females are 100% of rates under age 92 then blended to 110% at age 95 and beyond. The General Mortality Table for Employees was used for ages less than 50 because the retiree tables have no rates prior to age 50. For law enforcement officers and firefighters, Pub-2010 Safety Mortality Table for Retirees base rates are projected from 2010 using generational improvement with Scale MP-2019. Rates for males and females are set forward 1 year and use 97% of rates for all ages. Because the retiree tables have no rates prior to age 45, the Safety Mortality Table for Employees was used for ages less than 45.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2019, adopted by the LGERS Board.

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.81 percent. The projection of cash flows used to determine the discount rate was based upon the Single Equivalent Interest Rate. However, because the OPEB's plan fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which is 4.81 percent per the Municipal Bond Index Rate at the measurement date.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current discount rate:

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)**

**5. Other Postemployment Benefits (continued)**

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net OPEB liability	\$ 41,695,024	\$ 38,608,534	\$ 35,782,773

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current healthcare cost trend rate:

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net OPEB liability	\$ 35,472,828	\$ 38,608,534	\$ 42,094,013

*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2025, the City reported a net OPEB liability of \$38,608,534. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total OPEB liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### 5. Other Postemployment Benefits (continued)

At June 30, 2025 the components of the net OPEB liability of the City, measured as of June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2024	\$ 39,399,352	\$ 3,339,730	\$ 36,059,622
Changes for the year:			
Service cost	823,597	-	823,597
Interest	1,516,800	-	1,516,800
Differences between expected and actual experience	3,428,788	-	3,428,788
Changes of assumptions	466,430	-	466,430
Contributions	-	3,534,213	(3,534,213)
Net investment income	-	155,740	(155,740)
Benefit payments	(3,534,213)	(3,534,213)	-
Administrative expenses	-	(3,250)	3,250
Net changes	2,701,402	152,490	2,548,912
Balances at June 30, 2025	\$ 42,100,754	\$ 3,492,220	\$ 38,608,534

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.97 percent in 2024 to 4.81 percent in 2025 on the measurement date and the projected measurement asset depletion date.

For the year ended June 30, 2025, the City recognized OPEB expense of \$400,004. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,487,038	\$ 1,082,688
Changes of assumptions	396,643	1,249,416
Net difference between projected and actual earnings on plan investments	-	49,305
Total	\$ 2,883,681	\$ 2,381,409

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)**

**5. Other Postemployment Benefits (continued)**

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

Year ending June 30:	
2026	\$ (700,238)
2027	612,821
2028	597,471
2029	(7,782)
	\$ 502,272

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

	Per Actuary	Change in Fund Allocation	Total Deferred Outflows
<b>Deferred Outflows Reconciliation - OPEB</b>			
Governmental activities	\$ 2,642,873	\$ 159,818	\$ 2,802,691
Recycling and Trash Services Fund	99,785	644,123	743,908
Storm Water Management Fund	84,736	94,787	179,523
Parking Facilities Fund	1,077	111	1,188
Nonmajor Golf Fund	55,210	-	55,210
Total deferred outflows	\$ 2,883,681	\$ 898,839	\$ 3,782,520

	Per Actuary	Change in Fund Allocation	Total Deferred Inflows
<b>Deferred Inflows Reconciliation - OPEB</b>			
Governmental activities	\$ 2,182,544	\$ 611,140	\$ 2,793,684
Recycling and Trash Services Fund	82,405	52,996	135,401
Storm Water Management Fund	69,977	118,345	188,322
Parking Facilities Fund	889	5,089	5,978
Nonmajor Golf Fund	45,594	111,269	156,863
Total deferred inflows	\$ 2,381,409	\$ 898,839	\$ 3,280,248

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### 5. Other Postemployment Benefits (continued)

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

	<u>Governmental Activities</u>	<u>Recycling and Trash Services Fund</u>	<u>Storm Water Management Fund</u>	<u>Parking Facilities Fund</u>	<u>Nonmajor Golf Fund</u>	<u>Total</u>
Year ending June 30:						
2026	\$ (212,007)	\$ 207,331	\$ 54,101	\$ (1,662)	\$ (47,763)	\$ -
2027	(188,594)	260,326	(40,687)	(1,431)	(29,614)	-
2028	(35,645)	92,816	(34,290)	(924)	(21,957)	-
2029	<u>(15,076)</u>	<u>30,654</u>	<u>(2,682)</u>	<u>(961)</u>	<u>(11,935)</u>	<u>-</u>
Total	<u>\$ (451,322)</u>	<u>\$ 591,127</u>	<u>\$ (23,558)</u>	<u>\$ (4,978)</u>	<u>\$ (111,269)</u>	<u>\$ -</u>

#### DEFERRED COMPENSATION PLAN

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

The City provides a contribution of 3% of covered payroll to the 457 Deferred Compensation Plan for fire fighters. The City also matches the contributions made by the fire fighters to the 457 Deferred Compensation Plan up to 3% of covered payroll. The City Council established both the 3% contribution and the matching contribution and may amend or discontinue them at any time. Contributions by fire fighters to the plan, included in salary expense for the year ended June 30, 2025, were \$406,113 that was matched by the City.

Employer contributions to the 457 Deferred Compensation Plan totaled \$1,442,652 for the year ended June 30, 2025. This amount included the 3% contribution and matching contributions for fire fighters. Employee contributions to the plan, excluding the fire fighter's matched deferral, included in salary expense for the year ended June 30, 2025, were \$1,069,699.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (continued)

#### OTHER EMPLOYMENT BENEFITS

The City has elected to provide death benefits to employees engaged in law enforcement through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City is not required to contribute for employees not engaged in law enforcement. For the fiscal year ended June 30, 2025, the City made contributions to the State for death benefits of \$25,937.

The City has elected to provide additional group-term life insurance benefits to employees for benefit eligible positions. The City provides Basic Life Insurance which includes an Accidental Death and Dismemberment provision. All full-time active employees are eligible for this benefit after the eligibility waiting period. The coverage is effective the first of the month following 60 days of employment. Lump sum death benefit payments to beneficiaries are equal to the employee's annual salary rounded to the next higher \$1,000, if not already a multiple of \$1,000, subject to a maximum benefit of \$150,000. However, in no event will the basic amount of life insurance be less than \$10,000. All death benefits are made by the insurance provider. The City has no liability beyond the payment of monthly premiums. For the fiscal year ended June 30, 2025, the City paid \$94,008 to the insurance provider for death benefit premiums for all eligible employees. Life insurance benefits in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The balance in deferred outflows of resources at the government-wide level of the City at June 30, 2025 is summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Deferred amount for loss on refunded debt	\$ 1,736,821	\$ 94,265
Contributions to pension plan in current year for the Local Governmental Employees' Retirement System (LGERS)	9,464,188	875,566
Benefit payments/administration costs paid subsequent to the measurement date for the Law Enforcement Officers' Special Separation Allowance (Separation Allowance)	555,412	-
Pension deferrals - LGERS	14,170,371	1,832,240
Pension deferrals - Separation Allowance	1,192,226	-
Pension deferrals for other postemployment benefits	<u>2,802,691</u>	<u>979,829</u>
	<u>\$ 29,921,709</u>	<u>\$ 3,781,900</u>

The balance in deferred inflows of resources at the government-wide level of the City at June 30, 2025 is summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Deferred amount for gain on refunded debt	\$ 706,453	\$ -
Leases	24,527,115	10,061,948
Pension deferrals - LGERS	1,340,855	144,207
Pension deferrals - Separation Allowance	1,639,309	-
Pension deferrals for other postemployment benefits	<u>2,793,684</u>	<u>486,564</u>
	<u>\$ 31,007,416</u>	<u>\$ 10,692,719</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### UNEARNED REVENUES

The balance in unearned revenues at June 30, 2025 is summarized as follows:

	General Fund	Convention Center Fund	Nonmajor Governmental Funds	Nonmajor Golf Fund	Governmental Activities	Business- type Activities
Unrestricted:						
Prepaid parks and recreation pass cards	\$ 3,654	\$ -	\$ -	\$ -	\$ 3,654	\$ -
Prepaid capital contribution - management company	-	66,667	-	-	66,667	-
Prepaid golf course green fees	-	-	-	228,848	-	228,848
Restricted:						
ARPA funds unspent	-	-	2,249,043	-	2,249,043	-
Opioid pilot program	-	-	195,386	-	195,386	-
Opioid settlement	-	-	7,062	-	7,062	-
Grants received in advance	-	-	265,862	-	265,862	-
Other	-	-	480	-	480	-
	<u>\$ 3,654</u>	<u>\$ 66,667</u>	<u>\$ 2,717,833</u>	<u>\$ 228,848</u>	<u>\$ 2,788,154</u>	<u>\$ 228,848</u>

#### LONG-TERM LIABILITIES

##### Leases

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

Governmental activities lease agreements as of June 30, 2025 were as follows:

On dates ranging from December 1, 2021 to December 1, 2024, the City entered into sixteen 48 month leases as Lessee for deployment of computers under a PC as a service agreement. In total, initial lease liabilities were recorded in the amount of \$1,274,633; however, in fiscal year 2023, a return of certain computers to the vendor resulted in a lease modification to reduce both the lease liability and right to use lease asset by \$33,190. As of June 30, 2025, the total value of the lease liabilities is \$505,572, and the value of the short-term lease liability is \$278,491. The City is required to make annual fixed payments of \$332,861. The leases have interest rates ranging from 1.03% to of 3.53%. The value of the right to use asset as of June 30, 2025 is \$1,241,443 with accumulated amortization of \$573,944.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

##### Leases (continued)

On May 1, 2022, the City entered into a 60 month lease as lessee for the use of a Systel plotter. An initial lease liability was recorded in the amount of \$14,896. As of June 30, 2025, the value of the lease liability is \$5,692, and the value of the short-term lease liability is \$3,071. The City is required to make monthly fixed payments of \$265. The lease has an interest rate of 2.65%. The value of the right to use asset as of June 30, 2025 is \$14,896 with accumulated amortization of \$9,434.

On January 1, 2023, the City entered into a 60 month lease as lessee for the use of horse stables at Jerry Maurice Meyers Estate. An initial lease liability was recorded in the amount of \$84,270. As of June 30, 2025, the value of the lease liability is \$43,449, and the value of the short-term lease liability is \$17,031. The City is required to make monthly fixed payments of \$1,499. The lease has an interest rate of 2.68%. The value of the right to use asset as of June 30, 2025 is \$84,270 with accumulated amortization of \$42,135.

On December 1, 2023, the City entered into a 60 month lease as lessee for the use of warehouse space. An initial lease liability was recorded in the amount of \$394,156. As of June 30, 2025, the value of the lease liability is \$282,345, and the value of the short-term lease liability is \$76,171. The City is required to make monthly fixed payments of \$6,749. The lease has an interest rate of 3.51%. The value of the right to use asset as of June 30, 2025 is \$394,156 with accumulated amortization of \$124,816.

On July 1, 2024, the City entered into a 24 month lease as Lessee for the use of iNet gas detection equipment. An initial lease liability was recorded in the amount of \$22,739. As of June 30, 2025, the value of the lease liability is \$12,080 and is reported as short-term. The City is required to make monthly fixed payments of \$936. The lease has an interest rate of 3.22%. The value of the right to use asset as of June 30, 2025 of \$22,739 with accumulated amortization of \$11,370.

On September 1, 2024, the City entered into four 36 month leases as Lessee for the use of 2024 vehicles. In total, initial lease liabilities were recorded in the amount of \$82,419. As of June 30, 2025, the total value of the lease liabilities is \$57,425, and the value of the short-term lease liability is \$26,025. The City is required to make monthly fixed payments of \$2,287. The leases carry an interest rates of 3.11%. The value of the right to use assets as of June 30, 2025 is \$82,419 with accumulated amortization of \$22,894.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**Leases (continued)**

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 412,869	\$ 25,070	\$ 437,939
2027	317,969	13,078	331,047
2028	138,076	3,975	142,051
2029	37,649	331	37,980
	<u>\$ 906,563</u>	<u>\$ 42,454</u>	<u>\$ 949,017</u>

Business-type activities lease agreement as of June 30, 2025, was as follows:

On July 1, 2021, the City entered into a 122 month lease as lessee for the use of 2nd Street lot for parking. An initial lease liability was recorded in the amount of \$1,815,439. As of June 30, 2025, the value of the lease liability is \$1,181,359, and the value of the short-term lease liability is \$165,224. The City is required to make monthly fixed payments of \$15,247. The lease has an interest rate of 1.60%. The value of the right to use asset as of June 30, 2025 is \$1,815,439 with accumulated amortization of \$714,271.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year(s) Ending June 30	Principal	Interest	Total
2026	\$ 165,224	\$ 17,738	\$ 182,962
2027	187,068	14,953	202,021
2028	193,956	11,876	205,832
2029	197,090	8,742	205,832
2030	200,274	5,558	205,832
2031-2032	237,747	2,390	240,137
	<u>\$ 1,181,359</u>	<u>\$ 61,257</u>	<u>\$ 1,242,616</u>

**Subscriptions**

The City has entered into subscription agreements for software. The subscription agreements qualify as other than short-term leases under GASB 96 and, therefore, have been recorded at the present value of the future subscription payments as of the date of their inception.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

##### Subscriptions (continued)

Governmental activities subscription agreements as of June 30, 2025 were as follows:

On July 1, 2022, the City entered into four 30 month subscriptions for the use of Tyler MUNIS accounting software applications. In total, initial subscription liabilities were recorded in the amount of \$1,710,626. During the fiscal year, the subscriptions terms ended; therefore, there are no subscriptions liabilities or right-to-use subscription assets as of June 30, 2025. The City was required to make quarterly fixed payments of \$170,735. The subscriptions had an interest rate of 2.18%.

On July 1, 2022, the City entered into a 36 month subscription for the use of DebtBook accounting software. An initial subscription liability was recorded in the amount of \$22,023. During the fiscal year, the subscription term ended; therefore, there is no subscription liability or right-to-use subscription asset as of June 30, 2025. The City was required to make monthly fixed payments of \$7,500. The subscription had an interest rate of 2.18%.

On July 1, 2022, the City entered into a 24 month subscription for the use of ESRI Geographic Information Software. An initial subscription liability was recorded in the amount of \$163,235. During the fiscal year, the subscription term ended; therefore, there is no subscription liability or right-to-use subscription asset as of June 30, 2025. The City was required to make monthly fixed payments of \$82,500. The subscription had an interest rate of 2.02%.

On July 1, 2022, the City entered into a 24 month subscription for the use of SpartanTec for UnitTrends Enterprise Plus Recovery software. An initial subscription liability was recorded in the amount of \$40,313. During the fiscal year, the subscription term ended; therefore, there is no subscription liability or right-to-use subscription asset as of June 30, 2025. The City was required to make annual fixed payments of \$21,000. The subscription had an interest rate of 2.02%.

On July 1, 2022, the City entered into a 29 month subscription for the use of TeleMessage Incorporated for Mobile Archiver Messaging. An initial subscription liability was recorded in the amount of \$18,851. During the fiscal year, the subscription term ended; therefore, there is no subscription liability or right-to-use subscription asset as of June 30, 2025. The City was required to make annual fixed payments of \$9,600. The subscription had an interest rate of 2.02%.

On July 1, 2022, the City entered into a 42 month subscription with Balancing Act for a budget engagement platform. An initial subscription liability was recorded in the amount of \$13,460. As of June 30, 2025, the subscription liability had no value. The City is required to make annual fixed payments of \$4,640. The subscription has an interest rate of 2.28%. The value of the right-to-use asset as of June 30, 2025 is \$13,460 with accumulated amortization of \$11,537.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

##### Subscriptions (continued)

On July 1, 2022, the City entered into a 48 month subscription for the use of iNet Gas Monitoring software. An initial subscription liability was recorded in the amount of \$15,965. As of June 30, 2025, the value of the subscription liability is \$4,121 and is reported as short-term. The City is required to make monthly fixed payments of \$348. The subscription has an interest rate of 2.28%. The value of the right-to-use asset as of June 30, 2025 is \$15,965 with accumulated amortization of \$11,974.

On August 1st, 2022, the City entered into a 60 month subscription for the use of Gordian VFA Facility for a capital planning and management software. An initial subscription liability was recorded in the amount of \$33,032. As of June 30, 2025, the value of the subscription liability is \$13,974, and the value of the short-term subscription liability is \$6,799. The City is required to make annual fixed payments of \$6,922. The subscription has an interest rate of 2.37%. The value of the right-to-use asset as of June 30, 2025 is \$33,032 with accumulated amortization of \$19,268.

On February 11, 2023, the City entered into a 36 month subscription for the use of SpartanTec for Checkpoint CloudGuard software. An initial subscription liability was recorded in the amount of \$42,069. As of June 30, 2025, the subscription liability had no value. The City was required to make annual fixed payments of \$14,392. The subscription has an interest rate of 2.66%. The value of the right-to-use asset as of June 30, 2025 is \$42,069 with accumulated amortization of \$33,499.

On July 1, 2023, the City entered into a 36 month subscription with Microsoft Enterprise for the use of office professional software. An initial subscription liability was recorded in the amount of \$1,668,427. As of June 30, 2025, the value of the subscription liability is \$555,991 and is reported as short-term. The City is required to make annual fixed payments of \$572,120. The subscription has an interest rate of 2.90%. The value of the right-to-use asset as of June 30, 2024 is \$1,668,427 with accumulated amortization of \$1,112,285.

On July 1, 2023, the City entered into a 60 month subscription for the use of Granicus Software. An initial subscription liability was recorded in the amount of \$480,036. As of June 30, 2025, the value of the subscription liability is \$328,158, and the value of the short-term subscription liability is \$100,918. The City is required to make annual fixed payments of \$104,625. The subscription has an interest rate of 2.74%. The value of the right-to-use asset as of June 30, 2025 is \$480,036 with accumulated amortization of \$192,015.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

##### Subscriptions (continued)

On July 27, 2023, the City entered into a 24 month subscription with NeoGov for the use of an onboarding software services. An initial subscription liability was recorded in the amount of \$27,540; however, during the fiscal year, this subscription was terminated. Prior to termination, the City was required to make annual fixed payments of \$9,363. The subscription had an interest rate of 3.02%. The City recognized no subscription principal payments or interest expense during the fiscal year. At the time of termination, the value of the subscription liability (\$18,177) and the right to use lease asset, net of accumulated amortization (\$14,727) were removed leaving no value as of June 30, 2025.

On September 1, 2023, the City entered into a 36 month subscription for the use of Alert Media. An initial subscription liability was recorded in the amount of \$39,283. As of June 30, 2025, the value of the subscription liability is \$13,863 and is reported as short-term. The City is required to make annual fixed payments of \$13,470. The subscription has an interest rate of 2.90%. The value of the right-to-use asset as of June 30, 2025 is \$39,283 with accumulated amortization of \$24,006.

On September 1, 2023, the City entered into a 60 month subscription with Axon Enterprise that supports police operations. An initial subscription liability was recorded in the amount of \$3,650,840. As of June 30, 2025, the value of the subscription liability is \$2,262,120, and the value of the short-term subscription liability is \$700,275. The City is required to make annual fixed payments of \$742,935. The subscription has an interest rate of 2.734%. The value of the right-to-use asset as of June 30, 2025 is \$3,650,840 with accumulated amortization of \$1,338,641.

On February 1, 2024, the City entered into a 60 month subscription with Pitney Bowes for the use of shipping software. An initial subscription liability was recorded in the amount of \$30,469. As of June 30, 2025, the value of the subscription liability is \$21,611, and the value of the short-term subscription liability is \$5,967. The City is required to make quarterly fixed payments of \$1,624. The subscription has an interest rate of 2.72%. The value of the right-to-use asset as of June 30, 2025 is \$30,469 with accumulated amortization of \$8,633.

On June 1, 2024, the City entered into a 60 month subscription with Ultimate Kronos Group for the use of time tracking software. An initial subscription liability was recorded in the amount of \$470,049. As of June 30, 2025, the value of the subscription liability is \$372,572, and the value of the short-term subscription liability is \$91,503. The City is required to make monthly fixed payments of \$8,352. The subscription has an interest rate of 2.64%. The value of the right-to-use asset as of June 30, 2025 is \$525,349 with accumulated amortization of \$113,826.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

##### Subscriptions (continued)

On July 1, 2024, the City entered into a 36 month subscription for the use of Evidence IQ software. An initial subscription liability was recorded in the amount of \$43,653. As of June 30, 2025, the value of the subscription liability is \$28,654, and the value of the short-term subscription liability is \$14,108. The City is required to make annual fixed payments of \$14,999. The subscription has an interest rate of 3.11%. The value of the right to use asset as of June 30, 2025 is \$43,653 with accumulated amortization of \$14,551.

On July 1, 2024, the City entered into a 36 month subscription for the use of Lexis Nexis - Relx software. An initial subscription liability was recorded in the amount of \$32,570. As of June 30, 2025, the value of the subscription liability is \$22,386, and the value of the short-term subscription liability is \$10,846. The City is required to make monthly fixed payments of \$921. The subscription has an interest rate of 3.11%. The value of the right to use asset as of June 30, 2025 is \$32,570 with accumulated amortization of \$10,857.

On July 1, 2024, the City entered into a 36 month subscription for the use of NEOGOV-eForms software. An initial subscription liability was recorded in the amount of \$79,398. As of June 30, 2025, the value of the subscription liability is \$54,919, and the value of the short-term subscription liability is \$26,381. The City is required to make annual fixed payments of \$24,479. The subscription has an interest rate of 3.11%. The value of the right to use asset as of June 30, 2025 is \$86,328 with accumulated amortization of \$28,776.

On July 1, 2024, the City entered into a 48 month subscription for the use of software in connection with a NeoGov multiple services agreement. An initial subscription liability was recorded in the amount of \$335,182. As of June 30, 2025, the value of the subscription liability is \$254,340, and the value of the short-term subscription liability is \$76,024. The City is required to make annual fixed payments of \$80,842. The subscription has an interest rate of 3.07%. The value of the right to use asset as of June 30, 2025 is \$335,182 with accumulated amortization of \$83,796.

On July 15, 2024, the City entered into a 36 month subscription for the use of ESRI Geographic Information Software software. An initial subscription liability was recorded in the amount of \$254,953. As of June 30, 2025, the value of the subscription liability is \$167,353, and the value of the short-term subscription liability is \$82,395. The City is required to make annual fixed payments of \$87,600. The subscription has an interest rate of 3.11%. The value of the right to use asset as of June 30, 2025 is \$254,953 with accumulated amortization of \$81,679.

On October 1, 2024, the City entered into a 60 month subscription with Axon Enterprise in connection with an in car camera bundle. An initial subscription liability was recorded in the amount of \$3,476,508. As of June 30, 2025, the value of the subscription liability is \$3,058,860, and the value of the short-term subscription liability is \$726,887. The City is required to make annual fixed payments of \$417,648. The subscription has an interest rate of 2.38%. The value of the right to use asset as of June 30, 2025 is \$3,476,508 with accumulated amortization of \$521,476.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**Subscriptions (continued)**

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 2,416,078	\$ 186,027	\$ 2,602,105
2027	1,931,216	120,945	2,052,161
2028	1,891,877	70,193	1,962,070
2029	919,751	20,896	940,647
	<u>\$ 7,158,922</u>	<u>\$ 398,061</u>	<u>\$ 7,556,983</u>

Business-type activities lease agreement as of June 30, 2025, was as follows:

On March 1, 2025, the City entered into a 40 month subscription for the use of Routeware software. An initial subscription liability was recorded in the amount of \$152,772. As of June 30, 2025, the value of the subscription liability is \$138,007, and the value of the short-term subscription liability is \$47,094. The City is required to make monthly fixed payments of \$3,952. The subscription has an interest rate of 2.87%. The value of the right to use asset as of June 30, 2025 is \$152,772 with accumulated amortization of \$15,277.

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 47,094	\$ 330	\$ 47,424
2027	44,813	2,611	47,424
2028	46,100	1,324	47,424
	<u>\$ 138,007</u>	<u>\$ 4,265</u>	<u>\$ 142,272</u>

**General Obligation Bonds**

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### General Obligation Bonds (continued)

General obligation bonds outstanding at June 30, 2025 are comprised of the following issues:

	<u>Governmental activities</u>
<p>\$3,050,000 Taxable Public Improvements Bonds, Series 2014 issued for extension of the North Riverwalk; principal payments due June 1 in installments of \$150,000 through June 1, 2034; semiannual interest payments due June 1 and December 1 with rates from 3.55 to 4.20 percent.</p>	\$ 1,350,000
<p>\$2,925,000 Taxable Public Improvement Bonds, Series 2016A issued for extension of North Riverwalk and related projects; principal payments due June 1 in installments of \$145,000 through June 1, 2036; semiannual interest payments due June 1 and December 1 with rates from 2.63 to 3.00 percent.</p>	1,595,000
<p>\$6,650,000 Refunding Public Improvement Bonds, Series 2016B issued to refund \$2,800,000, a portion of outstanding General Obligation Bonds, Series 2008A and \$4,500,000, a portion of outstanding General Obligation Bonds, Series 2008B; principal payments due annually on September 1, in installments ranging from \$650,000 to \$670,000, through September 1, 2028; semiannual interest payments due on September 1 and March 1 at rates from 3.00 to 4.00 percent.</p>	2,645,000
<p>\$15,300,000 Street and Sidewalk Bonds, Series 2018 issued to pay the capital costs of the acquisition, construction, installation and equipping of street and sidewalk improvements; principal payments due annually on June 1, in installments of \$765,000, through June 1, 2038; semiannual interest payments due on June 1 and December 1 at rates from 2.70 to 5.00 percent.</p>	9,945,000
<p>\$16,165,000 Taxable Parks and Recreation Bonds, Series 2020 issued to pay a portion of the capital costs of the construction and equipping of Riverfront Park; principal payments due annually on June 1, in installments ranging from \$805,000 to \$810,000, through June 1, 2040; semiannual interest payments due on June 1 and December 1 at rates from 1.49 to 2.40 percent.</p>	12,115,000
<p>\$32,950,000, Parks and Recreation (\$4,250,000) and Streets and Sidewalks (\$28,700,000) Bonds, Series 2021A issued for the capital costs of street, sidewalk and parks and recreation improvements; principal payments due annually on May 1, in installments ranging from \$700,000 to \$2,150,000 beginning May 1, 2026 through May 1, 2041; semiannual interest payments due on May 1 and November 1 at rates from 2.0 to 5.0 percent.</p>	32,950,000

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**General Obligation Bonds (continued)**

	<u>Governmental activities</u>
 \$10,050,000 Taxable Parks and Recreation Bonds, Series 2021B issued to pay a portion of the capital costs of the construction and equipping of a sports complex; principal payment due in an installment of \$1,450,000 on May 1, 2026; semiannual interest payments due on May 1 and November 1 at a rate 0.93 percent.	 \$ 1,450,000
 \$3,770,000 Refunding Bonds, Series 2021C issued to refund \$1,950,000, a portion of the Public Improvement Bonds, Series 2011A and \$2,650,000, a portion of the Public Improvement Bonds, Series 2011C; principal payments due annually on July 1, in installments ranging from \$375,000 to \$380,000 through July 1, 2031; semiannual interest payments due on July 1 and January 1 at a rate of 5.0 percent.	 <u>2,645,000</u>
 Serviced by Debt Service Fund	 <u>\$ 64,695,000</u>

Annual debt service requirements to maturity for general obligation bonds at June 30, 2025 are as follows:

<u>Year(s) Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 5,065,000	\$ 1,978,257
2027	5,060,000	1,824,328
2028	5,055,000	1,613,849
2029	5,050,000	1,405,893
2030	4,400,000	1,223,722
2031-2035	20,700,000	3,829,009
2036-2040	17,215,000	1,296,040
2041	2,150,000	43,000
	<u>\$ 64,695,000</u>	<u>\$ 13,214,098</u>

**Revenue Bonds**

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### Revenue Bonds (continued)

The City has pledged storm water fee customer revenues, net of specified operating expenses, to pay the storm water fee revenue bonds. The bonds are payable solely from storm water fee customer net revenues. Related principal and interest paid for the current year are \$1,552,200 or 19% of available net revenues of \$8,151,305. In the event of default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

Revenue bonds outstanding at June 30, 2025 are comprised of the following individual issues:

	Business-type activities
\$19,425,000 Storm Water Fee Revenue Bonds, Series 2015A issued for storm water system improvements and to refund \$6,960,000 of outstanding Series 2007 Storm Water Fee Revenue Bonds; principal installments due annually on June 1, in installments ranging from \$740,000 to \$1,250,000, through June 1, 2040; semiannual interest payments due June 1 and December 1, with rates from 3.5 to 5.0 percent.	\$ 14,670,000
Serviced by Storm Water Management Fund	\$ 14,670,000

Annual debt service requirements to maturity for revenue bonds at June 30, 2025 are as follows:

Year(s) Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 950,000	\$ 599,450
2027	985,000	566,200
2028	1,020,000	531,725
2029	1,050,000	501,125
2030	1,100,000	448,625
2031-2035	5,135,000	1,500,925
2036-2040	4,430,000	538,900
	\$ 14,670,000	\$ 4,686,950

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### Revenue Bonds (continued)

Certain covenants are contained in the revenue bond order. The City was in compliance with the covenants during the fiscal year ended June 30, 2025. The revenue coverage calculation as of June 30, 2025 is as follows:

Revenues (1)		
Operating revenues	\$ 13,644,781	
Other operating revenue	1,084,149	
Investment earnings	<u>1,354,147</u>	<u>\$ 16,083,077</u>
Current Expenses (2)		
Operating expenses	9,603,578	
Less depreciation	<u>(1,671,806)</u>	<u>7,931,772</u>
Revenues available for debt service		<u>8,151,305</u>
Principal and interest requirements (3)		
Revenue bonds (at 120%)		<u>1,859,340</u>
Revenues in excess of principal and interest requirements		<u>\$ 6,291,965</u>

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

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

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

#### Installment Obligations

Limited Obligation Bonds have been issued for the purchase of real property, construction of public facilities, construction of parking facilities and improvements to streets, sidewalks, Riverwalk and riverfront. All issues are tax-exempt with the exception of Limited Obligation Bonds, Series 2020C, issued as permanent financing for the Water Street Parking Deck redevelopment and a portion of the financing to construct and equip the North Riverfront Park, Limited Obligation Bonds, Series 2021B, issued to finance a portion of construction and equipping of a sports complex and to refinance a portion of Limited Obligation Bonds, Series 2012, Limited Obligation Bonds, Series 2023B, issued to finance a portion of the acquisition of the Skyline Center and associated development tract B, and to finance the acquisition of associated development tract A, and Limited Obligation Bonds, Series 2023C, issued to finance a portion of the acquisition of the Skyline Center.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### Installment Obligations (continued)

The 2016, 2017, 2020A and 2020C Limited Obligation Bonds are secured by assets being financed including the Convention Center and adjacent Parking Deck, Police Headquarters, Fire Headquarters and the Empie Park Fire Station. The 2015A, 2020B, 2021A, 2021B, 2023A, 2023B, 2023C, 2023D and 2024 Limited Obligation Bonds are secured by assets being financed including the Operations Center, the Police/Fire Training Facility and Firing Range, and the Eastwood, Military Cutoff, Seagate, Masonboro Loop, Cinema Drive, Shipyard and River Lights Fire Stations, the Skyline Center and the Skyline Parking Deck. Principal and interest requirements are provided by appropriation in the year in which they become due. In the event of default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

Installment obligations outstanding at June 30, 2025 are comprised of the following individual issues:

	Governmental activities	Business-type activities
<p>\$16,130,000 Limited Obligation Bonds, Series 2015A issued for constructing and equipping the Cinema Drive Fire Station and the Shipyard Fire Station, constructing various street and sidewalk improvements and improving certain existing sections of the City’s riverwalk and riverfront; principal payments due annually on June 1, in installments ranging from \$950,000 to \$1,100,000 through June 1, 2035; semiannual interest payments due June 1 and December 1 at rates from 3.25 to 5.00 percent.</p> <p style="padding-left: 40px;">Serviced by Debt Service Fund</p>	<p>\$ 9,740,000</p>	<p>\$ -</p>
<p>\$48,940,000 Limited Obligation Refunding Bonds, Series 2016 to refund \$44,500,000, a portion of the Certificates of Participation, Series 2008A and \$5,855,000, a portion of the Certificates of Participation, Series 2008B; principal payments due annually on June 1, in installments ranging from \$2,435,000 to \$3,895,000 through June 1, 2038; semiannual interest payments due on June 1 and December 1 at rates from 3.00 to 5.00 percent.</p> <p style="padding-left: 40px;">Serviced by Convention Center Fund</p>	<p>40,905,000</p>	<p>-</p>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Installment Obligations (continued)**

	<u>Governmental activities</u>	<u>Business-type activities</u>
<p>\$11,835,000 Limited Obligation Bonds, Series 2017, for improvements to streets, sidewalks, streetscapes, Riverwalk, riverfront, Thalian Hall, Greenfield Lake dock and walkway, and acquisition of land for a firing range and public safety training facility; principal payments due annually on June 1 in installments of \$590,000 through June 1, 2037; semiannual interest payments due June 1 and December 1 at rates from 3.00 to 4.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>\$ 7,080,000</p>	<p>\$ -</p>
<p>\$25,605,000 Limited Obligation Bonds, Series 2020A for improvements to streets, sidewalks, streetscapes, the 6th Street bridge, Riverwalk and certain parks and recreation facilities and to refund \$14,000,000 of outstanding, taxable Limited Obligation Bonds, Series 2010B maturing on and after June 1, 2021; principal payments due annually on June 1, in installments ranging from \$690,000 to \$1,875,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 4.00 to 5.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>16,265,000</p>	<p>-</p>
<p>\$9,470,000 Limited Obligation Bonds, Series 2020B issued to construct and equip the police and fire training facility and firing range; principal payments due annually on June 1, in installments ranging from \$470,000 to \$475,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 1.75 to 5.00 percent.</p> <p>Serviced by Debt Service Fund</p>	<p>7,105,000</p>	<p>-</p>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Installment Obligations (continued)**

	<u>Governmental activities</u>	<u>Business-type activities</u>
<p>\$34,745,000 Taxable Limited Obligation Bonds, Series 2020C to finance a portion of the capital cost of the North Waterfront Park Project and the Water Street Parking Deck Redevelopment Project and to refund the \$25,800,000 direct borrowing, taxable interim drawdown installment agreement executed with PNC Bank which was issued for the construction of the Water Street Parking Deck Redevelopment Project; principal payments due annually on June 1, in installments ranging from \$1,735,000 to \$1,740,000 through June 1, 2040; semiannual interest payments due June 1 and December 1 at rates from 1.85 to 3.09 percent.</p>		
Serviced by Debt Service Fund	\$ 6,110,000	\$ -
Serviced by the Parking Facilities Fund	-	19,935,000
<p>\$6,430,000 Limited Obligation Bonds, Series 2021A issued for improvements to street, streetscape, Riverwalk, parks and recreation and City Hall improvements; principal payments due annually on June 1, in installments ranging from \$370,000 to \$375,000 through June 1, 2041; semiannual interest payments due June 1 and December 1 at rates from 3.0 to 4.0 percent.</p>		
Serviced by Debt Service Fund	5,955,000	-
<p>\$12,760,000 Taxable Limited Obligation Bonds, Series 2021B to pay the capital costs of construction and equipping of a sports complex and to refund \$11,010,000, a portion of the Limited Obligation Bonds, Series 2012; principal payments due annually on June 1, in installments ranging from \$415,000 to \$1,695,000 through June 1, 2030; semiannual interest payments due June 1 and December 1 at rates from 1.13 to 2.03 percent.</p>		
Serviced by Debt Service Fund	4,586,400	-
Serviced by the Parking Facilities Fund	-	1,193,600

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Installment Obligations (continued)**

	Governmental activities	Business-type activities
<p>\$23,980,000 Limited Obligation Bonds, Series 2023A to finance street, sidewalk, streetscape, Riverwalk, and parks and recreation improvements, including Water Street Park and Riverfront Park, the construction and equipping of a new fire station in the Riverlights community, and a portion of constructing and equipping of a sports complex; principal payments due annually on June 1, in installments ranging from \$1,195,000 to \$1,200,000 through June 1, 2043; semiannually interest payments due June 1 and December 1 at a rate of 5.0 percent.</p> <p style="padding-left: 20px;">Serviced by Debt Service Fund</p>	\$ 21,580,000	\$ -
<p>\$23,800,000 direct borrowing, taxable variable rate Limited Obligation Bond, Series 2023B executed with Truist Bank to partially finance the acquisition of the Skyline Center and associated development tract B, and to finance the acquisition of associated development tract A; principal payments due annually on September 1, in installments ranging from \$277,500 to \$3,400,000 through September 1, 2030; monthly interest payments due on the first at 1-month term SOFR plus 0.64 percent.</p> <p style="padding-left: 20px;">Serviced by Debt Service Fund</p>	17,277,500	-
<p>\$10,200,000 Taxable Limited Obligation Bonds, Series 2023C to partially finance the acquisition of the Skyline Center for the purpose of consolidating administrative offices; principal payments due annually on September 1, in installments of \$3,400,000 beginning September 1, 2031 through September 1, 2033; semiannual interest payments due September 1 and March 1 at rates from 4.74 to 4.84 percent.</p> <p style="padding-left: 20px;">Serviced by Debt Service Fund</p>	10,200,000	-

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Installment Obligations (continued)**

	Governmental activities	Business-type activities
<p>\$30,090,000 Limited Obligation Bonds, Series 2023D to partially finance the acquisition of the Skyline Center and associated development tract B, and to finance the acquisition of the Skyline parking deck; principal payments due annually on September 1, in installments ranging from \$3,005,000 to \$3,010,000 beginning September 1, 2034 through September 1, 2043; semiannual interest payments due September 1 and March 1 at 5 percent.</p>		
Serviced by Debt Service Fund	\$ 14,772,490	\$ -
Serviced by the Parking Facilities Fund	-	15,317,510
<p>\$28,890,000 Limited Obligation Bonds, Series 2024 for improvements to streets, sidewalks, streetscapes, Riverwalk, and riverfront bulkhead, construction and equipping a portion of the sports complex, acquisition of two blocks of riverfront property and to refund \$11,065,000 of outstanding Refunding Limited Obligation Bonds, Series 2014A maturing on and after June 1, 2025; principal payments due annually on June 1, in installments ranging from \$930,000 to \$2,215,000 through June 1, 2044; semiannually interest payments due June 1 and December 1 at a rate of 5.0 percent.</p>		
Serviced by Debt Service Fund	<u>26,630,000</u>	<u>-</u>
	<u>\$ 188,206,390</u>	<u>\$ 36,446,110</u>
<p>Installment Obligations Serviced By:</p>		
Debt Service Fund	\$ 147,301,390	\$ -
Convention Center Fund	40,905,000	-
Parking Facilities Fund	<u>-</u>	<u>36,446,110</u>
	<u>\$ 188,206,390</u>	<u>\$ 36,446,110</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Installment Obligations (continued)**

Annual debt service requirements to maturity for installment obligations at June 30, 2025 are as follows:

Year(s) Ending June 30	Governmental Activities				Business-type Activities	
	Installment Agreements		Direct Borrowings		Installment Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 11,952,985	\$ 7,349,504	\$ 3,400,000	\$ 870,924	\$ 1,742,015	\$ 1,298,921
2027	11,927,577	6,852,171	3,400,000	687,566	1,727,423	1,269,660
2028	11,910,838	6,375,627	3,400,000	482,493	1,714,162	1,236,513
2029	11,265,000	5,862,119	3,400,000	275,068	1,330,000	1,201,584
2030	11,385,000	5,350,320	3,400,000	68,819	1,325,000	1,172,444
2031-2035	58,662,740	18,824,152	277,500	4,243	8,172,260	5,342,347
2036-2040	40,243,700	7,673,643	-	-	14,311,300	3,105,105
2041-2045	13,581,050	1,424,960	-	-	6,123,950	612,140
	<u>\$170,928,890</u>	<u>\$59,712,496</u>	<u>\$17,277,500</u>	<u>\$ 2,389,113</u>	<u>\$36,446,110</u>	<u>\$15,238,714</u>

**Other Long-Term Obligations**

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

Other long-term obligations outstanding at June 30, 2025 are comprised of the following individual issues:

Governmental  
activities

\$6,265,838 installment agreement payable to New Hanover County. In July 2006, the City and County executed an interlocal agreement pursuant to which the parties agreed to cooperate in the financing of certain parks and recreation projects through a County general obligation bond referendum, a portion of which would be used to finance City projects and the City agreed to pay the County a portion of the County's debt service on related bonds issued. The County issued related general obligation bonds in June 2008 and later refunded a portion of these bonds in May 2016. This installment agreement represents the portion of the County's refunding debt service payable by the City to the County for City projects. Principal payments due to the County annually on August 1, in installments ranging from \$521,881 to \$622,996 through August 1, 2028; semiannual interest payments due August 1 and February 1 at rates from 4.00 to 5.00 percent.

\$ 2,387,607

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### Other Long-Term Obligations (continued)

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

\$ 1,484,190

Debt Service Fund

\$ 3,871,797

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

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Installment Agreements</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 871,239	\$ 145,720
2027	874,501	102,077
2028	872,948	62,755
2029	770,281	29,890
2030	243,743	10,829
2031	<u>239,085</u>	<u>3,586</u>
	<u>\$ 3,871,797</u>	<u>\$ 354,857</u>

#### Other long-term liabilities disclosures

State statutes provide for a legal debt limit of 8% of the City's assessed value of taxable property. The City's legal debt limit as of June 30, 2025 amounts to \$1,857,701,141 resulting in an available legal debt margin of \$1,564,481,844.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**B. LIABILITIES (continued)**

**LONG-TERM LIABILITIES (continued)**

**Other long-term liabilities disclosures (continued)**

Changes in long-term liabilities for governmental activities during fiscal year 2025 were as follows:

	Balance July 1, 2024 (Restated) <sup>1</sup>	Additions	Reductions	Balance June 30, 2025	Due Within One Year
General obligation bonds	\$ 69,765,000	\$ -	\$ (5,070,000)	\$ 64,695,000	\$ 5,065,000
Installment obligations	182,805,766	-	(11,876,876)	170,928,890	11,952,985
Installment obligations- direct borrowings	20,677,500	-	(3,400,000)	17,277,500	3,400,000
Other long-term obligations	4,739,774	-	(867,977)	3,871,797	871,239
Plus deferred amounts for issuance premiums	30,822,783	-	(1,847,470)	28,975,313	-
Lease liability	1,083,456	253,651	(430,544)	906,563	412,869
Subscription liability	5,369,597	4,222,264	(2,432,939)	7,158,922	2,416,078
Compensated absences	7,917,123	67,820 <sup>2</sup>	-	7,984,943	4,856,920
Net OPEB Liability	32,977,060	2,407,385	-	35,384,445	-
Net pension liability (LGERS)	45,994,929	-	(641,006)	45,353,923	-
Total pension liability (Separation Allowance)	<u>15,257,860</u>	<u>-</u>	<u>(102,185)</u>	<u>15,155,675</u>	<u>1,159,550</u>
Governmental activity long-term liabilities	<u>\$ 417,410,848</u>	<u>\$ 6,951,120</u>	<u>\$ (26,668,997)</u>	<u>\$ 397,692,971</u>	<u>\$ 30,134,641</u>

<sup>1</sup> See Note 8

<sup>2</sup> Amount presented is a net change.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year-end, \$110,969 of compensated absences, \$468,515 of other postemployment benefits and \$547,867 of net pension liability are included in the above amounts. Also, for the governmental activities, compensated absences, net pension liabilities, other postemployment benefits obligation and claims and judgements are generally liquidated by the general fund.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### LONG-TERM LIABILITIES (continued)

#### Other long-term liabilities disclosures (continued)

Changes in long-term liabilities for business-type activities during fiscal year 2025 were as follows:

	Balance July 1, 2024 (Restated) <sup>1</sup>	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Revenue bonds	\$ 15,595,000	\$ -	\$ (925,000)	\$ 14,670,000	\$ 950,000
Installment obligations	38,269,234	-	(1,823,124)	36,446,110	1,742,015
Plus deferred amounts for					
issuance premiums	1,940,329	-	(41,898)	1,898,431	-
Lease liability	1,343,956	-	(162,597)	1,181,359	165,224
Subscription liability	-	152,772	(14,765)	138,007	47,094
Compensated absences	625,366	-	(10,558) <sup>2</sup>	614,808	424,004
Net OPEB Liability	3,082,562	141,527	-	3,224,089	-
Net pension liability (LGERS)	<u>5,345,188</u>	<u>-</u>	<u>(61,698)</u>	<u>5,283,490</u>	<u>-</u>
Business-type activity					
long-term liabilities	<u>\$ 66,201,635</u>	<u>\$ 294,299</u>	<u>\$ (3,039,640)</u>	<u>\$ 63,456,294</u>	<u>\$ 3,328,337</u>

<sup>1</sup> See Note 8

<sup>2</sup> Amount presented is a net change.

#### COMMITMENTS AND CONTINGENCIES

The City entered into a three-year contractual agreement beginning November 1, 2010 with SMG, LLP (SMG) for the operation of the City’s Convention Center Facility (Center) for a management fee of \$100,000 per year; which was amended to extend the agreement until October 31, 2018. On October 16, 2018, City Council voted to approve continuing the agreement for another five years, through October 31, 2023. During the term of this agreement, SMG merged with AEG Facilities to form a new, combined company known as ASM Global (ASM). This agreement included terms with the option that allowed the City to extend the agreement for an additional five years through November 1, 2028, which the City has opted to extend. Under the agreement, the operations of the Center are maintained in a separate non-incorporated organization. Pursuant to the agreement, the revenue of the Center is to be placed in a separate account for the operation of the Center and all receipts are to be treated by ASM as if they are held in trust for the City. Additionally, the contract specifies that the cash and related assets held by ASM on behalf of the City are to be used for the operation, promotion, and maintenance of the Center. The City records the net equity of the venture as a receivable on the City’s books. The Center’s primary operations are the rental of facility space for events and meetings and providing catering and other ancillary services as part of the scheduled events. The Center’s principal source of revenue is rental charges and food and beverage sales. For the year ended June 30, 2025, the City paid \$143,998 for this service. The City’s obligation for the year ending June 30, 2026, is \$147,024 as the fee is adjusted based on the CPI-U-South Region index.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### COMMITMENTS AND CONTINGENCIES (continued)

The City's Second Street, Market Street, Convention Center, Riverplace and Skyline parking decks, and the Second Street and Hannah Block parking lots as well as special event parking at the Skyline Center south lot are managed under a contract through June 2026 by an independent contractor. The contract also provides for the enforcement, maintenance, and administration of on street parking as well as special hourly event rates. For the year ended June 30, 2025, the City paid \$2,922,204 for these services. The contract costs are expected to be \$3,652,091 for the year ending June 30, 2026.

The City entered into an incentive agreement in March 2023 with Megacorp Logistics, LLC to provide incentive payments to the company in exchange for the company's commitment to provide jobs at their facility in the City. Megacorp Logistics, LLC is required to provide 300 new full-time equivalent employees with an average annual compensation of \$62,000 per year. The City's obligation under the agreement is \$40,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired on or before July 2023. Three payments of \$40,000 each have been paid for fiscal years 2023, 2024 and 2025.

The City entered into an incentive agreement in October 2022 with Port City Logistics, Inc to provide incentive payments to the company in exchange for the company's commitment to make a direct investment of at least \$16 million in real and personal property in the City and provide hiring of 75 new full-time equivalent employees with an average annual compensation of \$64,000 per year. The City's obligation under the agreement is \$9,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired and direct investment has been made. No incentive payments have been made as of fiscal year 2025.

The City entered into an incentive agreement in September 2022 with Live Oak Banking Company to provide incentive payments to the company in exchange for the company's commitment to make a direct investment of at least \$25 million in real and personal property in the City and provide hiring of 204 new full-time equivalent employees with an average annual compensation of \$113,000. The City's obligation under the agreement is \$40,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired and direct investment has been made. The \$40,000 annual incentive is divided into two separate payments of: \$25,000 Direct Investment and \$15,000 New Full Time Equivalent Employees. Three of the five annual payments have been made: Fiscal year 2023 \$38,800, fiscal year 2024 \$35,385 and fiscal year 2025 \$34,000.

The City entered into an incentive agreement in September 2022 with GE Hitachi Nuclear Energy Americas LLC and Global Nuclear Fuel – Americas, LLC to provide incentive payments to the company in exchange for the company's commitment to provide 485 new full-time equivalent employees with an average annual compensation of \$131,000. The City's obligation under the agreement is \$50,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired on or before July 2023. Three of the five annual payments have been made: Fiscal year 2023 \$50,000, fiscal year 2024 \$38,103 and fiscal year 2025 \$32,184.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### COMMITMENTS AND CONTINGENCIES (continued)

The City entered into an incentive agreement in March 2022 with Vantaca LLC to provide incentive payments to the company in exchange for the company's commitment to provide jobs at their facility in the City. Vantaca LLC is required to provide 104 new full-time equivalent employees with an average annual compensation of \$80,000 per year. The City's obligation under the agreement is \$16,000 per year for five years commencing when the company demonstrates that the minimum required levels of new full-time employees have been hired on or before July 2023. Three of the five annual payments have been made: Fiscal year 2023 \$16,000, fiscal year 2024 \$10,449 and fiscal year 2025 \$14,806.

On June 14, 2014, the City and the Town of Wrightsville Beach entered into an inter-local agreement under with an approximately 12 acre tract, the site of the defunct Galleria Shopping Center previously annexed into Wrightsville Beach was de-annexed and subsequently annexed into the City for the purposes of promoting redevelopment. In consideration for the loss in property taxes to the Town of Wrightsville Beach, the City agreed to make annual payments over 29 years. Beginning July 15, 2015, the City will make payments of \$7,224 annually through July 2018; and \$30,000 annually from July 2019 through July 2043. A payment of \$7,224 was made in July of each year from 2015 through 2018. A payment of \$30,000 was made in July of each year from 2019 through 2025.

Encumbrances are amounts needed to pay any commitment related to purchase orders and contracts that remain unperformed at year-end. The City's outstanding encumbrances at June 30, 2025 are as follows:

General Fund	\$ 2,189,153
Debt Service Fund	25,795
Convention Center Fund	511,434
Streets and Sidewalks Fund	14,724,753
Recycling and Trash Services Fund	2,364
Storm Water Management Fund	1,692,646
Parking Facilities Fund	102,866
Nonmajor Governmental Funds	10,909,225
Nonmajor Golf Fund	2,000
Internal Service Funds	<u>5,171,282</u>
Total encumbrances	<u>\$ 35,331,518</u>

#### Jointly Governed Organizations

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

The City, in conjunction with New Hanover, Brunswick, Columbus and Pender Counties and the municipalities therein established the Cape Fear Council of Governments (Council). The Council was established for various purposes, but mainly to coordinate funding for federal and state assistance. Each participating government appoints a minimum of one member to the Council's board. The City paid fees of \$22,136 to the Council during the fiscal year ended June 30, 2025.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued)

June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### B. LIABILITIES (continued)

#### COMMITMENTS AND CONTINGENCIES (continued)

##### Related Organization

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

The Authority discovered extensive mold throughout many of their properties in 2021 which required the displacement of approximately 150 families. Due to the costs of remediating these properties and providing housing and per diem for the displaced families, the Authority faced a significant funding gap in its remediation efforts. The Wilmington City Council authorized assistance to the Authority for its capital improvement housing remediation project up to an amount of \$1,650,000. Of this amount, \$100,000 was provided as a grant to the Authority that was paid in June 2022 with the remaining amount of \$1,550,000 to be a five-year 0% loan. The loan agreement was executed in September 2022 and \$1,033,334 was disbursed during fiscal year 2023. During fiscal year 2024, a disbursement of \$200,000 was made. In July 2024, \$186,997 was returned to the City with notification that the remediation has been completed and no further disbursements would be needed. An outstanding loan amount due to the City on or before September 9, 2027 remains at \$1,046,337.

The Authority acquired Robert S. Jervay Place – Phase II, an 82-unit affordable housing property from Telesis. The property was severely distressed due to damage from Hurricane Florence, with a number of units continuing to remain uninhabitable and vacant. During the sale process, the Authority was made aware that they failed to provide the correct operating subsidy to the group, in the amount of \$660,000. The Authority has been addressing numerous critical issues, including extensive mold remediation, which required the Authority to deplete its cash flow and therefore ask the City for support. In May 2025, the Wilmington City Council authorized a funding agreement in the amount of \$660,000 as a one-year 0% loan. In June 2025, the loan agreement was executed and \$660,000 was disbursed to the Authority. The loan is due in full June 2026.

#### C. INTERFUND BALANCES AND ACTIVITY

The compositions of interfund and intra-entity balances as of June 30, 2025, are as follows:

	General Fund
Receivable Fund	\$ 395,183
Payable Fund:	
Nonmajor Governmental Funds	\$ 395,183

**CITY OF WILMINGTON, NORTH CAROLINA**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)**

**C. INTERFUND BALANCES AND ACTIVITY (continued)**

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

Interfund transfers for the year ended June 30, 2025 were as follows:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Streets &amp; Sidewalk Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Parking Facilities Fund</u>	<u>Total</u>
Transfers out	<u>\$ 27,874,765</u>	<u>\$ 1,765,616</u>	<u>\$ 3,588,720</u>	<u>\$ 7,993,177</u>	<u>\$ 14,127,649</u>	<u>\$ 2,500,000</u>	<u>\$ 57,849,927</u>
Transfers in:							
General Fund	\$ -	\$ 1,765,616	\$ 251,915	\$ -	\$ 1,831,780	\$ 250,000	\$ 4,099,311
Streets and Sidewalks Fund	1,672,936	-	-	2,844,001	-	-	4,516,937
Debt Service Fund	11,334,832	-	3,276,805	-	-	2,000,000	16,611,637
Nonmajor Governmental Funds	13,940,320	-	60,000	2,615,048	12,204,508	-	28,819,876
Recycling and Trash Service Fund	288,366	-	-	-	-	250,000	538,366
Storm Water Capital Projects Fund	-	-	-	-	91,361	-	91,361
Parking Facilities Fund	-	-	-	2,134,128	-	-	2,134,128
Nonmajor Golf Fund	-	-	-	400,000	-	-	400,000
Internal Service Funds	<u>638,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,311</u>
Total	<u>\$ 27,874,765</u>	<u>\$ 1,765,616</u>	<u>\$ 3,588,720</u>	<u>\$ 7,993,177</u>	<u>\$ 14,127,649</u>	<u>\$ 2,500,000</u>	<u>\$ 57,849,927</u>

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

#### C. INTERFUND BALANCES AND ACTIVITY (continued)

The City uses transfers to 1) move revenues from the fund in which state statute or budget requires the revenues to be collected to the fund from which state statute or budget requires the funds to be expended, 2) move receipts committed to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) move receipts committed to fund the pay-go portion of capital improvement plans from the General Fund and Debt Service Fund to the capital funds making the improvements, 4) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations such as grant matches and capital improvements, 5) move previous transfers to capital project funds back to the General Fund and Debt Service Fund as capital projects are cancelled in accordance with budgetary authorizations, 6) move \$471,211 from the American Rescue Plan Act Fund to the Parks and Recreation Fund for infrastructure investments, 7) move \$1,765,616 from the Convention Center Fund to the General Fund to reimburse the General Fund for the acquisition cost of the land for the convention center site, and 8) move \$2,000,000 from the Parking Facilities Fund to the Debt Service Fund to reimburse for prior years' parking debt service paid by the Debt Service Fund.

### NOTE 4 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; and injuries to employees. The City has chosen to establish a risk financing fund for risks associated with the employees' health and dental insurance plans. The risk financing fund is accounted for in the general fund where assets are set aside for claim settlements. In addition to premiums withheld from employees, premiums are paid into the general fund by other funds that incur claims and are available to pay claims, claim reserves and administrative costs of the programs. These interfund premiums are used to reduce the amount of claims expenditures reported in the general fund. As of June 30, 2025, such interfund premiums did not exceed reimbursable expenditures.

#### MEDICAL SELF-INSURANCE PROGRAM

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

As of June 30, 2025, the City has recorded a liability of \$1,084,692 for estimated unpaid claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 4 – RISK MANAGEMENT (continued)

#### MEDICAL SELF-INSURANCE PROGRAM (continued)

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

	<u>2025</u>	<u>2024</u>
Medical Self-Insurance Program:		
Unpaid claims, beginning	\$ 946,070	\$ 1,165,317
Incurred claims (including IBNRs)	15,768,497	12,094,968
Claim payments	<u>(15,629,875)</u>	<u>(12,314,215)</u>
Unpaid claims, ending, due within one year	<u>\$ 1,084,692</u>	<u>\$ 946,070</u>

#### DENTAL SELF-INSURANCE PROGRAM

As of June 30, 2025, the City is a self-insurer for group dental insurance. The City has contracted with Delta Dental of North Carolina to administer the dental program. As of June 30, 2025, the City has recorded a liability of \$12,475 for estimated unpaid claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

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

	<u>2025</u>	<u>2024</u>
Dental Self-Insurance Program:		
Unpaid claims, beginning	\$ 14,851	\$ 17,536
Incurred claims (including IBNRs)	511,409	504,948
Claim payments	<u>(513,785)</u>	<u>(507,633)</u>
Unpaid claims, ending, due within one year	<u>\$ 12,475</u>	<u>\$ 14,851</u>

#### WORKERS' COMPENSATION SELF-INSURANCE PROGRAM

The City has contracted with Sedgewick Claims Management Services, Inc., a provider of claims administrative services, to administer its workers' compensation and employers' liability self-insurance program. The program provides that the City would be responsible for the first \$550,000 of cost and/or benefits payable to employees (other than public safety) resulting from any one accident or event, regardless of the number of persons injured. For public safety employees (police and fire), the City is responsible for the first \$750,000 of cost and/or benefits. Specific excess insurance would provide coverage above these dual self-insured retentions (\$550,000/\$750,000) up to maximum limits provided under the North Carolina Workers' Compensation Act and up to \$1,000,000 each accident or disease for employers' liability. As of June 30, 2025, the City has recorded a liability of \$938,702 for estimated claims in accordance with the guidelines of GASB Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNR) and are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 4 – RISK MANAGEMENT (continued)

#### WORKERS' COMPENSATION SELF-INSURANCE PROGRAM (continued)

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

Workers' Compensation Self-Insurance Program:	<u>2025</u>	<u>2024</u>
Unpaid claims, beginning	\$ 807,966	\$ 720,733
Incurred claims (including IBNRs)	1,486,741	1,445,130
Claim payments	<u>(1,356,005)</u>	<u>(1,357,897)</u>
Unpaid claims, ending, due within one year	<u>\$ 938,702</u>	<u>\$ 807,966</u>

#### COMMERCIAL COVERAGES

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

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

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

### NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

#### A. LITIGATION

The City is a party to a number of civil lawsuits and other legal actions, including a number of actions where the City's defense is being handled by the City's insurance carrier and any potential losses should be limited to the insurance policies' deductibles. There are also several claims for damages that have not yet resulted in either litigation or some other form of settlement or resolution. The City has been served with a personal injury lawsuit in which the City has been in negotiations with the plaintiff's regarding a settlement and will proceed with mediation. Should the City be unable to reach a settlement agreement during mediation, the lawsuit may go to trial. In the opinion of the City attorney and management, the ultimate outcome of these claims is either (a) not expected to have a significant impact on the City's financial position or (b) a reserve for estimated liabilities has been accrued on the financial statements.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

#### B. FEDERAL AND STATE ASSISTANCE PROGRAMS

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

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

#### C. ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX

New Hanover County and the City of Wilmington each levy a 3% room occupancy tax pursuant to state enabling legislation. Session Law 2006-167 modified earlier legislation and created the Wilmington Convention Center District. That legislation also amended the method of distribution of the tax beginning July 1, 2008. Effective July 1, 2008, taxes levied by New Hanover County derived from accommodations in the district and 100% of the tax levied by the City of Wilmington must be used for construction, financing, operation, promotion, and maintenance of the convention center. For the year ended June 30, 2025, the City recognized \$7,040,841 in tax revenue as a result of the tax levy with a total of \$76,537,584 collected since the levy was enacted.

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

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

### NOTE 6 – ANNEXATIONS

Under North Carolina General Statutes, cities may annex areas upon a receipt of a valid petition signed by the owners of all the real property located within such area. Since May of 2009 the Wilmington City Council has adopted nine voluntary annexation ordinances: 1) 5000 River Road [1,358.717 acres], 2) 7910 Market Street [26.57 acres], 3) 6469, 6501 and 6505 Gordon Road [9.99 acres], 4) 4625 Carolina Beach Road [.23 acres], 5) 7758, 7764, 7770, 7766, 7800, 7802, 7804, 7806 and 7810 Market Street [16.259 acres], 6) 7152 Market Street [0.11 acres], and 7) 205, 209, 213, and 217 Middle Sound Loop Road [4.82 acres], 8) 5029 Carolina Beach Road [1.87 acres] and 9) 904, 912 and 1000 North Kerr Avenue [8.265 acres].

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

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 6 – ANNEXATIONS (continued)

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

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

### NOTE 7 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

On September 2, 2025, the City prepaid \$5,200,000, a portion of outstanding taxable Limited Obligation Bonds Series 2023B.

On December 4, 2025, the City sold 1702 Burnett Boulevard, the existing parks maintenance facility, to the Department of Transportation for \$4,259,950. The City will lease back the property for up to 22 months while construction is underway on a new parks maintenance facility.

### NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The City implemented Governmental Accounting Standards Board (GASB) Statement Number 101, “Compensated Absences”, in the fiscal year ended June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Accounting changes adopted to conform to the provisions of the Statement are to be applied retroactively and reported as a restatement of beginning net position. During the fiscal year 2025, the implementation of GASB 101 and changes within the reporting entity resulted in restatement of beginning fund balance/net position as follows:

	Reporting Units Affected by Restatements of Beginning Balances				
	Special Purpose Fund	Building Improvements Fund	Nonmajor Governmental Funds	Governmental Activities	Business-Type Activities
6/30/24, as previously reported	\$2,970,898	\$ 27,655,368	\$ 49,334,905	\$460,117,369	\$101,606,934
Change from major to nonmajor fund	(2,970,898)	(27,655,368)	30,626,266	-	-
Change in accounting principle (GASB 101)	-	-	-	996,758	22,839
6/30/24, as restated	\$ -	\$ -	\$ 79,961,171	\$461,114,127	\$101,629,773

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Financial Statements (Continued) June 30, 2025

### NOTE 9 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The GASB has issued pronouncements prior to June 30, 2025 that have effective dates that may impact future financial presentations.

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

- GASB Statement Number 103, “Financial Reporting Model Improvements”, was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of the Statement will be effective for the City beginning with its year ending June 30, 2026.
- GASB Statement Number 104 “Disclosure of Certain Capital Assets”, was issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement will be effective for the City beginning with its year ending June 30, 2026.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(unaudited)**

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of Changes in Total Pension Liability**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 15,257,860	\$ 15,021,562	\$ 17,159,226	\$ 17,513,179
Service costs	476,278	437,269	778,203	753,707
Interest on the total pension liability	554,873	586,595	375,573	329,738
Difference between expected and actual experience	463,229	(155,441)	(320,660)	(150,305)
Changes of assumptions and other inputs	(527,760)	287,921	(2,036,598)	(430,481)
Benefit payments	<u>(1,068,805)</u>	<u>(920,046)</u>	<u>(934,182)</u>	<u>(856,612)</u>
Ending balance of the total pension liability	<u>\$ 15,155,675</u>	<u>\$ 15,257,860</u>	<u>\$ 15,021,562</u>	<u>\$ 17,159,226</u>

**Notes to the Required Schedules:**

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of Changes in Total Pension Liability**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 12,877,207	\$ 12,157,366	\$ 12,120,460	\$ 11,041,905	\$ 10,964,122
Service costs	474,620	444,374	471,491	389,212	426,020
Interest on the total pension liability	406,705	429,245	373,210	415,527	382,911
Difference between expected and actual experience	223,583	209,000	261,415	168,953	-
Changes of assumptions and other inputs	4,334,262	367,075	(449,152)	658,802	(254,516)
Benefit payments	<u>(803,198)</u>	<u>(729,853)</u>	<u>(620,058)</u>	<u>(553,939)</u>	<u>(476,632)</u>
Ending balance of the total pension liability	<u>\$ 17,513,179</u>	<u>\$ 12,877,207</u>	<u>\$ 12,157,366</u>	<u>\$ 12,120,460</u>	<u>\$ 11,041,905</u>

**Notes to the Required Schedules:**

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 15,155,675	\$ 15,257,860	\$ 15,021,562	\$ 17,159,226
Covered employee payroll	\$ 15,326,627	\$ 14,920,644	\$ 14,920,644	\$ 16,038,277
Total pension liability as a percentage of its covered employee payroll	98.88%	102.26%	100.68%	106.99%

**Notes to the Required Schedules:**

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

December 31, 2024 Measurement Date: There was an experience outflow due to less turnover than expected and several retirements earlier than expected. The discount rate changed from 3.77% to 4.28% resulting in an inflow due to an assumption change.

December 31, 2023 Measurement Date: There was an experience inflow due to fewer benefit payments than expected. The discount rate changed from 4.05% to 3.77% resulting in an outflow due to an assumption change.

December 31, 2022 Measurement Date: There was an experience gain due to general plan experience. The discount rate changed from 2.25% to 4.05% resulting in an inflow due to an assumption change.

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**

	2021	2020	2019	2018	2017
Total pension liability	\$ 17,513,179	\$ 12,877,207	\$ 12,157,366	\$ 12,120,460	\$ 11,041,905
Covered employee payroll	\$ 16,238,727	\$ 16,413,865	\$ 15,816,969	\$ 14,924,613	\$ 15,426,775
Total pension liability as a percentage of its covered employee payroll	107.85%	78.45%	76.86%	81.21%	71.58%

**Notes to the Required Schedules:**

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

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

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

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

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

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability				
Service costs	\$ 823,597	\$ 815,140	\$ 1,098,759	\$ 1,361,229
Interest on the total OPEB liability	1,516,800	1,486,746	1,431,847	975,939
Difference between expected and actual experience	3,428,788	19,243	(2,062,697)	(16,715)
Changes of assumptions and other inputs	466,430	(308,269)	(82,449)	(4,673,672)
Benefit payments**	<u>(3,534,213)</u>	<u>(2,241,254)</u>	<u>(2,410,715)</u>	<u>(1,925,541)</u>
Net change in total OPEB liability	2,701,402	(228,394)	(2,025,255)	(4,278,760)
Total OPEB liability - beginning	<u>39,399,352</u>	<u>39,627,746</u>	<u>41,653,001</u>	<u>45,931,761</u>
Total OPEB liability - ending (a)	<u>\$42,100,754</u>	<u>\$39,399,352</u>	<u>\$39,627,746</u>	<u>\$41,653,001</u>
Plan fiduciary net position				
Contributions - employer***	\$ 3,534,213	\$ 2,241,254	\$ 2,410,715	\$ 1,925,541
Net investment income	155,740	170,169	114,826	4,906
Benefit payments**	<u>(3,534,213)</u>	<u>(2,241,254)</u>	<u>(2,410,715)</u>	<u>(1,925,541)</u>
Administrative expense	<u>(3,250)</u>	<u>(3,250)</u>	<u>(3,250)</u>	<u>(3,250)</u>
Net change in plan fiduciary net position	152,490	166,919	111,576	1,656
Plan fiduciary net position - beginning	<u>3,339,730</u>	<u>3,172,811</u>	<u>3,061,235</u>	<u>3,059,579</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,492,220</u>	<u>\$ 3,339,730</u>	<u>\$ 3,172,811</u>	<u>\$ 3,061,235</u>
City's net OPEB liability - ending (a) - (b)	<u>\$38,608,534</u>	<u>\$36,059,622</u>	<u>\$36,454,935</u>	<u>\$38,591,766</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.29%	8.48%	8.01%	7.35%
Covered-employee payroll ****	\$25,569,000	\$26,512,023	\$26,512,023	\$28,097,222
City's net OPEB liability as a percentage of covered-employee payroll	151.00%	136.01%	137.50%	137.35%

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

\*\* Benefit payments are net of participant contributions.

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

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

	2021	2020	2019	2018	2017
Total OPEB liability					
Service costs	\$ 1,899,113	\$ 1,442,050	\$ 1,573,456	\$ 1,619,641	\$ 1,735,746
Interest on the total OPEB liability	1,219,349	1,697,747	1,876,455	1,720,460	1,480,650
Difference between expected and actual experience	(12,621,498)	(1,093,804)	(5,698,585)	(378,659)	-
Changes of assumptions and other inputs	1,927,752	5,347,232	3,911,453	(1,377,963)	(2,419,235)
Benefit payments**	<u>(1,846,174)</u>	<u>(1,084,789)</u>	<u>(1,695,649)</u>	<u>(1,652,234)</u>	<u>(1,683,538)</u>
Net change in total OPEB liability	(9,421,458)	6,308,436	(32,870)	(68,755)	(886,377)
Total OPEB liability - beginning	<u>55,353,219</u>	<u>49,044,783</u>	<u>49,077,653</u>	<u>49,146,408</u>	<u>50,032,785</u>
Total OPEB liability - ending (a)	<u>\$45,931,761</u>	<u>\$55,353,219</u>	<u>\$49,044,783</u>	<u>\$49,077,653</u>	<u>\$49,146,408</u>
Plan fiduciary net position					
Contributions - employer***	\$ 1,846,174	\$ 1,084,789	\$ 1,695,649	\$ 1,652,234	\$ 2,558,413
Net investment income	694	46,287	61,751	31,906	7,628
Benefit payments**	(1,846,174)	(1,084,789)	(1,695,649)	(1,652,234)	(1,683,538)
Administrative expense	<u>(3,250)</u>	<u>(2,934)</u>	<u>(2,700)</u>	<u>(2,700)</u>	<u>(2,700)</u>
Net change in plan fiduciary net position	(2,556)	43,353	59,051	29,206	879,803
Plan fiduciary net position - beginning	<u>3,062,135</u>	<u>3,018,782</u>	<u>2,959,731</u>	<u>2,930,525</u>	<u>2,050,722</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,059,579</u>	<u>\$ 3,062,135</u>	<u>\$ 3,018,782</u>	<u>\$ 2,959,731</u>	<u>\$ 2,930,525</u>
City's net OPEB liability - ending (a) - (b)	<u>\$42,872,182</u>	<u>\$52,291,084</u>	<u>\$46,026,001</u>	<u>\$46,117,922</u>	<u>\$46,215,883</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.66%	5.53%	6.16%	6.03%	5.96%
Covered-employee payroll ****	\$28,097,222	\$29,959,407	\$29,959,407	\$34,820,821	\$34,820,821
City's net OPEB liability as a percentage of covered-employee payroll	152.59%	174.54%	153.63%	132.44%	132.72%

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

\*\* Benefit payments are net of participant contributions.

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 2,916,147	\$ 2,991,144	\$ 3,078,676	\$ 3,140,752	\$ 3,810,631
Contributions in relation to the actuarially determined contribution	3,534,213	2,241,254	2,410,715	1,925,541	1,846,174
Contribution deficiency (excess)	<u>\$ (618,066)</u>	<u>\$ 749,890</u>	<u>\$ 667,961</u>	<u>\$ 1,215,211</u>	<u>\$ 1,964,457</u>
Covered-employee payroll*	\$ 25,569,000	\$ 26,512,023	\$ 26,512,023	\$ 28,097,222	\$ 28,097,222
Contributions as a percentage of covered-employee payroll	13.82%	8.45%	9.09%	6.85%	6.57%

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

Notes to Schedule

Valuation date June 30, 2024

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar amount closed
Amortization period	23 Years
Asset valuation method	Fair value
Inflation	2.5 percent. In the 2024 actuarial valuation, expected wage growth is based on the LGERS actual experience study for the five year period January 1, 2015 to December 31, 2019.
Healthcare cost trend rates	8.00 percent for 2024 decreasing to an ultimate rate of 4.50 percent by 2033
Salary increases	3.25 percent, including wage inflation. In the 2024 actuarial valuation, expected wage growth is based on the LGERS actual experience study for the five year period January 1, 2015 to December 31, 2019.
Investment rate of return	4.57 percent, net of OPEB plan investment expense, including price inflation
Retirement age	In the 2024 actuarial valuation, expected retirement ages of employees were based on the results of an actual experience study for the period January 1, 2015 to December 31, 2019, adopted by the LGERS
Mortality	In the 2024 actuarial valuation, life expectancies were based on Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 3,810,631	\$ 3,934,874	\$ 3,934,874	\$ 4,216,794	\$ 4,713,266
Contributions in relation to the actuarially determined contribution	1,084,789	1,695,649	1,652,234	2,558,413	3,089,486
Contribution deficiency (excess)	<u>\$ 2,725,842</u>	<u>\$ 2,239,225</u>	<u>\$ 2,282,640</u>	<u>\$ 1,658,381</u>	<u>\$ 1,623,780</u>
Covered-employee payroll*	\$29,959,407	\$29,959,407	\$34,820,821	\$34,820,821	\$34,820,821
Contributions as a percentage of covered-employee payroll	3.62%	5.66%	4.74%	7.35%	8.87%

**CITY OF WILMINGTON, NORTH CAROLINA**

**Other Postemployment Benefits  
Required Supplementary Information  
Last Nine Fiscal Years \***

**Schedule of Investment Returns**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	4.57%	5.26%	3.75%	0.08%

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

**CITY OF WILMINGTON, NORTH CAROLINA**

**Other Postemployment Benefits  
Required Supplementary Information  
Last Nine Fiscal Years \***

**Schedule of Investment Returns**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	0.03%	1.53%	2.09%	1.09%	0.37%

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City's Proportionate Share of Net Pension Liability**

	2025	2024	2023	2022	2021
Wilmington's proportion of the net pension liability (%)	0.75113%	0.77517%	0.82185%	0.79558%	0.82659%
Wilmington's proportion of the net pension liability (\$)	\$ 50,637,413	\$ 51,340,117	\$ 46,364,076	\$ 12,200,983	\$ 29,537,582
Wilmington's covered payroll *	\$ 68,743,010	\$ 67,590,458	\$ 60,225,442	\$ 57,098,725	\$ 56,303,103
Wilmington's proportionate share of the net pension liability as a percentage of its covered payroll	73.66%	75.96%	76.98%	21.37%	52.46%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City's Proportionate Share of Net Pension Liability**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Wilmington's proportion of the net pension liability (%)	0.86106%	0.87174%	0.85845%	0.86089%	0.91912%
Wilmington's proportion of the net pension liability (\$)	\$23,514,877	\$20,683,026	\$13,114,738	\$18,270,970	\$4,124,955
Wilmington's covered payroll *	\$55,802,965	\$52,630,129	\$52,150,017	\$51,780,213	\$48,520,316
Wilmington's proportionate share of the net pension liability as a percentage of its covered payroll	42.14%	39.30%	25.15%	35.29%	8.50%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 10,339,754	\$ 9,050,927	\$ 8,346,281	\$ 6,949,241	\$ 5,905,226
Contributions in relation to the contractually required contribution	10,339,754	9,050,927	8,346,281	6,949,241	5,905,226
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilmington's covered payroll	\$ 72,220,664	\$ 68,743,010	\$ 67,590,458	\$ 60,225,442	\$ 57,098,725
Contributions as a percentage of covered payroll	14.32%	13.17%	12.35%	11.54%	10.34%

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Schedule of City Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 5,114,837	\$ 4,446,150	\$ 4,062,901	\$ 3,805,576	\$ 3,531,195
Contributions in relation to the contractually required contribution	5,114,837	4,446,150	4,062,901	3,805,576	3,531,195
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilmington's covered payroll	\$ 56,303,103	\$ 55,802,965	\$ 52,630,129	\$ 52,150,017	\$ 51,780,213
Contributions as a percentage of covered payroll	9.08%	7.97%	7.72%	7.30%	6.82%

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

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

**CITY OF WILMINGTON, NORTH CAROLINA**

**Combining Balance Sheet -  
Nonmajor Governmental Funds**

**June 30, 2025**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents/investments	\$ 14,273,047	\$ 21,319,586	\$ 35,592,633
Taxes receivable, net	3,304	-	3,304
Accounts receivable	-	13,064	13,064
Other receivables	70,115	290,242	360,357
Due from other governments	1,875,380	885,514	2,760,894
Assets held for resale	-	12,235,949	12,235,949
Notes receivable, net	40,110,029	-	40,110,029
Prepays	19,390	119,989	139,379
Restricted assets:			
Cash and cash equivalents/investments	<u>3,489,610</u>	<u>3,052,956</u>	<u>6,542,566</u>
Total assets	<u>\$ 59,840,875</u>	<u>\$ 37,917,300</u>	<u>\$ 97,758,175</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 460,583	\$ 2,220,957	\$ 2,681,540
Due to other funds	395,183	-	395,183
Due to other governments	107,659	81	107,740
Accrued liabilities	89,876	-	89,876
Customer and escrow deposits	625,137	-	625,137
Restricted liabilities:			
Accounts payable	-	1,211,412	1,211,412
Unearned revenue	<u>2,486,794</u>	<u>231,039</u>	<u>2,717,833</u>
Total liabilities	<u>4,165,232</u>	<u>3,663,489</u>	<u>7,828,721</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes receivable, net	3,304	-	3,304
Accounts receivable	3,062	13,064	16,126
Notes receivable	<u>5,392</u>	<u>-</u>	<u>5,392</u>
Total deferred inflows of resources	<u>11,758</u>	<u>13,064</u>	<u>24,822</u>
<b>FUND BALANCES</b>			
Non Spendable:			
Prepays	19,390	119,989	139,379
Restricted:			
Stabilization by State statute	12,808,190	-	12,808,190
Community development loans	29,806,801	-	29,806,801
Capital projects	-	1,610,505	1,610,505
Public safety	1,175,469	-	1,175,469
Economic and physical development	297,583	-	297,583
Cultural and recreational	98,199	-	98,199
Committed:			
Community development loans	9,330,087	-	9,330,087
Capital projects	-	32,510,253	32,510,253
Public safety	845,915	-	845,915
Transportation	590,018	-	590,018
Economic and physical development	26,213	-	26,213
Municipal service district	745,485	-	745,485
Subsequent year's expenditures	150,644	-	150,644
Unassigned (deficit)	<u>(230,109)</u>	<u>-</u>	<u>(230,109)</u>
Total fund balances	<u>55,663,885</u>	<u>34,240,747</u>	<u>89,904,632</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,840,875</u>	<u>\$ 37,917,300</u>	<u>\$ 97,758,175</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	Special Purpose Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund	Commercial Loan Fund
<b>ASSETS</b>					
Cash and cash equivalents/investments	\$ 1,496,277	\$ 9,806	\$ 204,978	\$ 926,511	\$ -
Taxes receivable, net	-	-	-	-	-
Other receivables	18,103	-	1,850	4,039	-
Due from other governments	946,140	183,696	669,357	-	-
Notes receivable, net	70,947	-	10,034,829	754,343	10,227,291
Prepays	19,085	-	-	-	-
Restricted assets:					
Cash and cash equivalents/investments	<u>3,482,548</u>	-	-	-	-
Total assets	<u>\$ 6,033,100</u>	<u>\$ 193,502</u>	<u>\$ 10,911,014</u>	<u>\$ 1,684,893</u>	<u>\$ 10,227,291</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 356,176	\$ 3,919	\$ -	\$ -	\$ -
Due to other funds	-	179,292	215,891	-	-
Due to other governments	3,487	-	-	104,172	-
Accrued liabilities	67,498	10,291	2,264	-	-
Customer and escrow deposits	-	-	21	4,497	-
Restricted liabilities:					
Unearned revenue	<u>2,479,732</u>	-	-	-	-
Total liabilities	<u>2,906,893</u>	<u>193,502</u>	<u>218,176</u>	<u>108,669</u>	<u>-</u>
<b>DEFERRED INLOWS OF RESOURCES</b>					
Taxes receivable, net	-	-	-	-	-
Accounts receivable	3,062	-	-	-	-
Notes receivable	-	-	-	-	-
Total deferred inflows of resources	<u>3,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Non Spendable:					
Prepays	19,085	-	-	-	-
Restricted:					
Stabilization by State statute	-	-	-	-	-
Community development loans	70,947	-	10,692,838	1,576,224	10,457,400
Public safety	1,175,469	-	-	-	-
Economic and physical development	297,583	-	-	-	-
Cultural and recreational	98,199	-	-	-	-
Committed:					
Community development loans	-	-	-	-	-
Public safety	845,631	-	-	-	-
Transportation	590,018	-	-	-	-
Economic and physical development	26,213	-	-	-	-
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,109)</u>
Total fund balances	<u>3,123,145</u>	<u>-</u>	<u>10,692,838</u>	<u>1,576,224</u>	<u>10,227,291</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,033,100</u>	<u>\$ 193,502</u>	<u>\$ 10,911,014</u>	<u>\$ 1,684,893</u>	<u>\$ 10,227,291</u>

	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund	GF Housing Loan Fund
<b>ASSETS</b>					
Cash and cash equivalents/investments	\$ 598,943	\$ 128,136	\$ 8,884,658	\$ 34	\$ 72,015
Taxes receivable, net	-	-	-	-	-
Other receivables	2,488	611	38,411	-	-
Due from other governments	-	-	-	-	-
Notes receivable, net	1,893,017	4,510,003	5,365,628	-	5,206,337
Prepays	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents/investments	-	-	-	-	-
Total assets	<u>\$ 2,494,448</u>	<u>\$ 4,638,750</u>	<u>\$ 14,288,697</u>	<u>\$ 34</u>	<u>\$ 5,278,352</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,265	\$ -	\$ 500	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Customer and escrow deposits	75,037	37,231	12,646	-	-
Restricted liabilities:					
Unearned revenue	-	-	-	-	-
Total liabilities	<u>81,302</u>	<u>37,231</u>	<u>13,146</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INLOWS OF RESOURCES</b>					
Taxes receivable, net	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Notes receivable	<u>5,307</u>	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>5,307</u>	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Non Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Stabilization by State statute	-	-	5,403,954	-	5,206,337
Community development loans	2,407,839	4,601,519	-	34	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Committed:					
Community development loans	-	-	8,871,512	-	72,015
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Municipal service district	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>2,407,839</u>	<u>4,601,519</u>	<u>14,275,466</u>	<u>34</u>	<u>5,278,352</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,494,448</u>	<u>\$ 4,638,750</u>	<u>\$ 14,288,697</u>	<u>\$ 34</u>	<u>\$ 5,278,352</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	Forgivable Loans & Legal Fees Fund	Special Tax District	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 882,383	\$ 1,069,094	\$ 212	\$ 14,273,047
Taxes receivable, net	-	3,304	-	3,304
Other receivables	-	4,541	72	70,115
Due from other governments	-	76,187	-	1,875,380
Notes receivable, net	2,047,634	-	-	40,110,029
Prepays	-	305	-	19,390
Restricted assets:				
Cash and cash equivalents/investments	-	-	7,062	3,489,610
Total assets	<u>\$ 2,930,017</u>	<u>\$ 1,153,431</u>	<u>\$ 7,346</u>	<u>\$ 59,840,875</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 118	\$ 93,605	\$ -	\$ 460,583
Due to other funds	-	-	-	395,183
Due to other governments	-	-	-	107,659
Accrued liabilities	-	9,823	-	89,876
Customer and escrow deposits	495,705	-	-	625,137
Restricted liabilities:				
Unearned revenue	-	-	7,062	2,486,794
Total liabilities	<u>495,823</u>	<u>103,428</u>	<u>7,062</u>	<u>4,165,232</u>
<b>DEFERRED INLOWS OF RESOURCES</b>				
Taxes receivable, net	-	3,304	-	3,304
Accounts receivable	-	-	-	3,062
Notes receivable	-	-	-	5,392
Total deferred inflows of resources	<u>-</u>	<u>3,304</u>	<u>-</u>	<u>11,758</u>
<b>FUND BALANCES</b>				
Non Spendable:				
Prepays	-	305	-	19,390
Restricted:				
Stabilization by State statute	2,047,634	150,265	-	12,808,190
Community development loans	-	-	-	29,806,801
Public safety	-	-	-	1,175,469
Economic and physical development	-	-	-	297,583
Cultural and recreational	-	-	-	98,199
Committed:				
Community development loans	386,560	-	-	9,330,087
Public safety	-	-	284	845,915
Transportation	-	-	-	590,018
Economic and physical development	-	-	-	26,213
Municipal service district	-	745,485	-	745,485
Subsequent year's expenditures	-	150,644	-	150,644
Unassigned (deficit)	-	-	-	(230,109)
Total fund balances	<u>2,434,194</u>	<u>1,046,699</u>	<u>284</u>	<u>55,663,885</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,930,017</u>	<u>\$ 1,153,431</u>	<u>\$ 7,346</u>	<u>\$ 59,840,875</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	Parks and Recreation Fund	Building Improvements Fund	Public Improvements Fund	Total Nonmajor Capital Projects Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 5,960,004	\$ 13,390,884	\$ 1,968,698	\$ 21,319,586
Accounts receivable	9,114	3,950	-	13,064
Other receivables	235,733	51,972	2,537	290,242
Due from other governments	137,320	684,022	64,172	885,514
Assets held for resale	-	12,235,949	-	12,235,949
Prepays	-	-	119,989	119,989
Restricted assets:				
Cash and cash equivalents/investments	<u>1,531,970</u>	<u>1,310,098</u>	<u>210,888</u>	<u>3,052,956</u>
Total assets	<u>\$ 7,874,141</u>	<u>\$ 27,676,875</u>	<u>\$ 2,366,284</u>	<u>\$ 37,917,300</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 780,362	\$ 1,193,882	\$ 246,713	\$ 2,220,957
Due to other governments	-	-	81	81
Restricted liabilities:				
Accounts payable	31,790	1,179,622	-	1,211,412
Unearned revenue	<u>-</u>	<u>20,151</u>	<u>210,888</u>	<u>231,039</u>
Total liabilities	<u>812,152</u>	<u>2,393,655</u>	<u>457,682</u>	<u>3,663,489</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accounts receivable	<u>9,114</u>	<u>3,950</u>	<u>-</u>	<u>13,064</u>
<b>FUND BALANCES</b>				
Non Spendable:				
Prepays	-	-	119,989	119,989
Restricted:				
Capital projects	1,500,180	110,325	-	1,610,505
Committed:				
Capital projects	<u>5,552,695</u>	<u>25,168,945</u>	<u>1,788,613</u>	<u>32,510,253</u>
Total fund balances	<u>7,052,875</u>	<u>25,279,270</u>	<u>1,908,602</u>	<u>34,240,747</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,874,141</u>	<u>\$ 27,676,875</u>	<u>\$ 2,366,284</u>	<u>\$ 37,917,300</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Ad valorem taxes	\$ 559,668	\$ -	\$ 559,668
Other taxes	287,247	-	287,247
Restricted intergovernmental	17,983,603	993,242	18,976,845
Investment earnings	657,897	1,232,292	1,890,189
Donations	15,925	1,297,808	1,313,733
Miscellaneous	<u>1,213,448</u>	<u>345,407</u>	<u>1,558,855</u>
Total revenues	<u>20,717,788</u>	<u>3,868,749</u>	<u>24,586,537</u>
Expenditures:			
Current:			
General government	3,157,780	5,265,280	8,423,060
Public safety	990,268	5,658,173	6,648,441
Transportation	3,177,537	636,495	3,814,032
Economic and physical development	2,474,290	-	2,474,290
Cultural and recreational	7,699	7,879,975	7,887,674
Transit system	80,883	-	80,883
Debt service:			
Principal retirement	-	6,439	6,439
Interest and other charges	<u>-</u>	<u>484</u>	<u>484</u>
Total expenditures	<u>9,888,457</u>	<u>19,446,846</u>	<u>29,335,303</u>
Excess (deficiency) of revenues over (under) expenses	<u>10,829,331</u>	<u>(15,578,097)</u>	<u>(4,748,766)</u>
Other financing sources (uses):			
Transfers from other funds	17,202,187	11,617,689	28,819,876
Transfers to other funds	<u>(12,803,932)</u>	<u>(1,323,717)</u>	<u>(14,127,649)</u>
Total other financing sources, net	<u>4,398,255</u>	<u>10,293,972</u>	<u>14,692,227</u>
Net change in fund balances	<u>15,227,586</u>	<u>(5,284,125)</u>	<u>9,943,461</u>
Fund balances at beginning of year as previously stated	37,465,401	11,869,504	49,334,905
Change within reporting entity (Note 8)	<u>2,970,898</u>	<u>27,655,368</u>	<u>30,626,266</u>
Fund balances at beginning of year as restated	<u>40,436,299</u>	<u>39,524,872</u>	<u>79,961,171</u>
Fund balances at end of year	<u>\$ 55,663,885</u>	<u>\$ 34,240,747</u>	<u>\$ 89,904,632</u>

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**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Special Purpose Fund	Community Development Fund	Home Investment Partnership Fund	Rental Rehabilitation Loan Fund	Commercial Loan Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Restricted intergovernmental	6,411,055	9,621,071	1,609,505	-	-
Investment earnings	231,198	-	26,264	-	-
Donations	15,925	-	-	-	-
Miscellaneous	1,166,161	-	2,569	-	-
Total revenues	<u>7,824,339</u>	<u>9,621,071</u>	<u>1,638,338</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
General government	3,046,759	91,000	20,021	-	-
Public safety	627,770	-	-	-	-
Transportation	3,177,537	-	-	-	-
Economic and physical development	727,334	513,349	163,203	-	-
Cultural and recreational	7,699	-	-	-	-
Transit system	80,883	-	-	-	-
Total expenditures	<u>7,667,982</u>	<u>604,349</u>	<u>183,224</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>156,357</u>	<u>9,016,722</u>	<u>1,455,114</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers from other funds	558,462	600	-	-	8,919,891
Transfers to other funds	<u>(562,572)</u>	<u>(9,017,322)</u>	<u>-</u>	<u>(75,862)</u>	<u>(600)</u>
Total other financing sources (uses), net	<u>(4,110)</u>	<u>(9,016,722)</u>	<u>-</u>	<u>(75,862)</u>	<u>8,919,291</u>
Net change in fund balances	152,247	-	1,455,114	(75,862)	8,919,291
Fund balances at beginning of year as previously stated	<u>-</u>	<u>-</u>	<u>9,237,724</u>	<u>1,652,086</u>	<u>1,308,000</u>
Change within reporting entity (Note 8)	<u>2,970,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year as restated	<u>2,970,898</u>	<u>-</u>	<u>9,237,724</u>	<u>1,652,086</u>	<u>1,308,000</u>
Fund balances at end of year	<u>\$ 3,123,145</u>	<u>\$ -</u>	<u>\$ 10,692,838</u>	<u>\$ 1,576,224</u>	<u>\$ 10,227,291</u>

	Rehabilitation Loan Fund	CDBG HOP Loan Fund	GF HOP Loan Fund	Economic Development Loan Fund	GF Housing Loan Fund
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Investment earnings	37,453	2,261	292,990	2	9,945
Donations	-	-	-	-	-
Miscellaneous	43,582	-	1,136	-	-
<b>Total revenues</b>	<b>81,035</b>	<b>2,261</b>	<b>294,126</b>	<b>2</b>	<b>9,945</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic and physical development	13,417	45,801	8,899	-	-
Cultural and recreational	-	-	-	-	-
Transit system	-	-	-	-	-
<b>Total expenditures</b>	<b>13,417</b>	<b>45,801</b>	<b>8,899</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	67,618	(43,540)	285,227	2	9,945
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	774,806	4,910,428	-	660,000
Transfers to other funds	(601,513)	-	(2,038,000)	-	(508,063)
<b>Total other financing sources (uses), net</b>	<b>(601,513)</b>	<b>774,806</b>	<b>2,872,428</b>	<b>-</b>	<b>151,937</b>
Net change in fund balances	(533,895)	731,266	3,157,655	2	161,882
Fund balances at beginning of year as previously stated	2,941,734	3,870,253	11,117,811	32	5,116,470
Change within reporting entity (Note 8)	-	-	-	-	-
Fund balances at beginning of year as restated	2,941,734	3,870,253	11,117,811	32	5,116,470
Fund balances at end of year	\$ 2,407,839	\$ 4,601,519	\$ 14,275,466	\$ 34	\$ 5,278,352

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Forgivable Loans & Legal Fees Fund	Special Tax District	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ 559,668	\$ -	\$ 559,668
Other taxes	-	287,247	-	287,247
Restricted intergovernmental	-	-	341,972	17,983,603
Investment earnings	3,979	45,788	8,017	657,897
Donations	-	-	-	15,925
Miscellaneous	-	-	-	1,213,448
Total revenues	<u>3,979</u>	<u>892,703</u>	<u>349,989</u>	<u>20,717,788</u>
Expenditures:				
Current:				
General government	-	-	-	3,157,780
Public safety	-	-	362,498	990,268
Transportation	-	-	-	3,177,537
Economic and physical development	205,226	797,061	-	2,474,290
Cultural and recreational	-	-	-	7,699
Transit system	-	-	-	80,883
Total expenditures	<u>205,226</u>	<u>797,061</u>	<u>362,498</u>	<u>9,888,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201,247)</u>	<u>95,642</u>	<u>(12,509)</u>	<u>10,829,331</u>
Other financing sources (uses):				
Transfers from other funds	1,378,000	-	-	17,202,187
Transfers to other funds	-	-	-	(12,803,932)
Total other financing sources (uses), net	<u>1,378,000</u>	<u>-</u>	<u>-</u>	<u>4,398,255</u>
Net change in fund balances	1,176,753	95,642	(12,509)	15,227,586
Fund balances at beginning of year as previously stated	<u>1,257,441</u>	<u>951,057</u>	<u>12,793</u>	<u>37,465,401</u>
Change within reporting entity (Note 8)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,970,898</u>
Fund balances at beginning of year as restated	<u>1,257,441</u>	<u>951,057</u>	<u>12,793</u>	<u>40,436,299</u>
Fund balances at end of year	<u>\$ 2,434,194</u>	<u>\$ 1,046,699</u>	<u>\$ 284</u>	<u>\$ 55,663,885</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	Parks and Recreation Fund	Building Improvements Fund	Public Improvements Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Restricted intergovernmental	\$ 27,674	\$ 301,724	\$ 663,844	\$ 993,242
Investment earnings	472,378	740,409	19,505	1,232,292
Donations	1,297,767	-	41	1,297,808
Miscellaneous	210,931	134,476	-	345,407
Total revenues	<u>2,008,750</u>	<u>1,176,609</u>	<u>683,390</u>	<u>3,868,749</u>
Expenditures:				
Current:				
General government	-	5,001,831	263,449	5,265,280
Public safety	-	4,891,456	766,717	5,658,173
Transportation	-	569,140	67,355	636,495
Cultural and recreational	7,369,849	55,789	454,337	7,879,975
Debt service:				
Principal payments on subscriptions	-	6,439	-	6,439
Interest and other charges	-	484	-	484
Total expenditures	<u>7,369,849</u>	<u>10,525,139</u>	<u>1,551,858</u>	<u>19,446,846</u>
Excess of expenditures over revenues	<u>(5,361,099)</u>	<u>(9,348,530)</u>	<u>(868,468)</u>	<u>(15,578,097)</u>
Other financing sources:				
Transfers from other funds	906,897	8,296,149	2,414,643	11,617,689
Transfers to other funds	-	(1,323,717)	-	(1,323,717)
Total other financing sources	<u>906,897</u>	<u>6,972,432</u>	<u>2,414,643</u>	<u>10,293,972</u>
Net change in fund balances	<u>(4,454,202)</u>	<u>(2,376,098)</u>	<u>1,546,175</u>	<u>(5,284,125)</u>
Fund balances at beginning of year as previously stated	<u>11,507,077</u>	<u>-</u>	<u>362,427</u>	<u>11,869,504</u>
Change within reporting entity (Note 8)	<u>-</u>	<u>27,655,368</u>	<u>-</u>	<u>27,655,368</u>
Fund balances at beginning of year as restated	<u>11,507,077</u>	<u>27,655,368</u>	<u>362,427</u>	<u>39,524,872</u>
Fund balances at end of year	<u>\$ 7,052,875</u>	<u>\$ 25,279,270</u>	<u>\$ 1,908,602</u>	<u>\$ 34,240,747</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**June 30, 2025**

	CHDO Proceeds Fund	Law Enforcement Seizure Fund	Total Custodial Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,881	\$ 527,905	\$ 531,786
Investments:			
North Carolina Capital Management Trust, Government Portfolio	976	-	976
U.S. Treasuries	2,114	-	2,114
Commercial Paper	2,057	-	2,057
U.S. Government Agencies	1,192	-	1,192
Other receivables	<u>41</u>	<u>-</u>	<u>41</u>
Total assets	<u>10,261</u>	<u>527,905</u>	<u>538,166</u>
<b>NET POSITION</b>			
Restricted for individuals, organizations, and other governments	<u>\$ 10,261</u>	<u>\$ 527,905</u>	<u>\$ 538,166</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	CHDO Proceeds Fund	Law Enforcement Seizure Fund	Total Custodial Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Additions:			
Law enforcement seizures	\$ -	\$ 32,143	\$ 32,143
Investment earnings	706	-	706
Total additions	<u>706</u>	<u>32,143</u>	<u>32,849</u>
Deductions:			
Payments by court order	-	2,556	2,556
Community housing administration reimbursements	14,571	-	14,571
Change in fiduciary net position	<u>(13,865)</u>	<u>29,587</u>	<u>15,722</u>
Net position at beginning of year	<u>24,126</u>	<u>498,318</u>	<u>522,444</u>
Net position at end of year	<u>\$ 10,261</u>	<u>\$ 527,905</u>	<u>\$ 538,166</u>

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**GENERAL FUND TAB (FRONT)**

**GENERAL FUND TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year	\$ 74,815,009	\$ 75,426,688	\$ 611,679	\$ 70,612,467
Prior years	232,738	272,249	39,511	189,370
Penalties and interest	250,000	265,054	15,054	232,047
<b>Total</b>	<b>75,297,747</b>	<b>75,963,991</b>	<b>666,244</b>	<b>71,033,884</b>
<b>Other taxes:</b>				
Local option sales tax	45,226,363	45,666,472	440,109	42,756,037
Franchise tax	8,812,041	10,032,163	1,220,122	9,436,148
Video programming sales tax	1,090,036	935,774	(154,262)	1,017,762
Rental vehicle tax	475,000	516,642	41,642	530,988
<b>Total</b>	<b>55,603,440</b>	<b>57,151,051</b>	<b>1,547,611</b>	<b>53,740,935</b>
<b>Unrestricted intergovernmental:</b>				
Beer and wine	535,000	493,581	(41,419)	589,889
ABC revenue	3,403,700	2,406,081	(997,619)	2,396,556
Court fees	15,000	15,629	629	18,126
<b>Total</b>	<b>3,953,700</b>	<b>2,915,291</b>	<b>(1,038,409)</b>	<b>3,004,571</b>
<b>Restricted intergovernmental:</b>				
Powell bill	4,018,416	4,018,416	-	3,626,644
PEG channel support	25,000	25,734	734	25,806
<b>Categorical grants:</b>				
Hurricane disaster assistance	-	(16,146)	(16,146)	-
Other	-	-	-	4,561
<b>Total</b>	<b>4,043,416</b>	<b>4,028,004</b>	<b>(15,412)</b>	<b>3,657,011</b>
<b>Licenses and permits:</b>				
Privilege licenses	12,000	14,949	2,949	13,925
Motor vehicle licenses	2,250,660	1,876,930	(373,730)	448,656
Other permits and fees	346,000	288,703	(57,297)	310,200
<b>Total</b>	<b>2,608,660</b>	<b>2,180,582</b>	<b>(428,078)</b>	<b>772,781</b>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance	2024
	Budget	Actual	Positive (Negative)	Actual
Revenues: (continued)				
Sales and services:				
Recreation department sales and service	\$ 1,263,663	\$ 1,353,208	\$ 89,545	\$ 1,411,225
Other departmental charges	1,908,167	2,247,095	338,928	2,094,682
Total	<u>3,171,830</u>	<u>3,600,303</u>	<u>428,473</u>	<u>3,505,907</u>
Fines and forfeits:				
Fire code violations	400	3,200	2,800	1,300
False alarm citations	65,000	69,105	4,105	67,792
Civil citations	55,000	100,306	45,306	34,992
Total	<u>120,400</u>	<u>172,611</u>	<u>52,211</u>	<u>104,084</u>
Interest earnings:				
Investment earnings	2,181,602	3,218,223	1,036,621	4,345,452
Interest on liens	-	18,956	18,956	18,825
Total	<u>2,181,602</u>	<u>3,237,179</u>	<u>1,055,577</u>	<u>4,364,277</u>
Miscellaneous:				
Sale of real estate, equipment and material	-	1,235,752	1,235,752	4,009,275
Rents	1,066,297	1,090,713	24,416	527,032
Lease interest	-	295,683	295,683	189,077
Other	449,497	529,605	80,108	486,404
Total	<u>1,515,794</u>	<u>3,151,753</u>	<u>1,635,959</u>	<u>5,211,788</u>
Total revenues	<u>148,496,589</u>	<u>152,400,765</u>	<u>3,904,176</u>	<u>145,395,238</u>
Expenditures:				
General government:				
City Council and Clerk		621,932		589,840
City Manager		5,227,615		2,683,869
Budget and Research		836,678		691,001
Corporate Affairs		1,064,213		934,547
City Attorney		1,642,407		1,486,434
Human Resource Management		1,486,589		1,287,967
Finance		3,355,908		3,006,051
Information Technology Services		6,062,288		6,188,907
Planning and Development		2,720,015		2,420,483
Public Services		7,189,031		7,019,239
Contributions to other agencies		2,365,866		2,081,859
Nondepartmental		5,483,073		4,076,083
Total		<u>38,055,615</u>		<u>32,466,280</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Expenditures: (continued)				
Public safety:				
Police		\$ 45,167,808		\$ 44,133,234
Fire		27,055,284		24,752,443
Total		<u>72,223,092</u>		<u>68,885,677</u>
Transportation:				
Traffic engineering		3,885,985		3,748,131
Streets		2,433,162		2,560,865
Storm water management fee		3,375,990		3,261,038
Total		<u>9,695,137</u>		<u>9,570,034</u>
Economical and physical development				
Housing and neighborhoods		1,056,039		907,409
Cultural and recreational:				
Parks and recreation		11,086,915		9,674,884
Transit system:				
Cape Fear Public Transportation Authority		1,827,444		1,724,004
Debt service:				
Principal payments on leases		-		80,150
Principal payments on subscriptions		1,994,352		1,760,410
Interest and other charges		253,056		31,759
Total		<u>2,247,408</u>		<u>1,872,319</u>
Total expenditures	\$ 140,972,492	<u>136,191,650</u>	\$ 4,780,842	<u>125,100,607</u>
Excess of revenues over expenditures	<u>7,524,097</u>	<u>16,209,115</u>	<u>8,685,018</u>	<u>20,294,631</u>
Other financing sources (uses):				
Transfers in:				
Convention Center Fund	1,765,616	1,765,616	-	400,000
GF Housing Fund	508,063	508,063	-	-
Streets and Sidewalks Fund	251,915	251,915	-	-
Building Improvements Fund	1,912,187	1,323,717	(588,470)	-
Parking Facilities Fund	<u>250,000</u>	<u>250,000</u>	-	-
Total transfers in	<u>4,687,781</u>	<u>4,099,311</u>	<u>(588,470)</u>	<u>400,000</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

**With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance	2024
	Budget	Actual	Positive (Negative)	Actual
Other financing sources (uses): (continued)				
Transfers out:				
Debt Service Fund		\$ (11,334,832)		\$ (20,957,332)
Special Purpose Fund		(558,462)		(737,767)
CDBG/Home Administration Fund		(537,813)		(333,221)
GF-HOP Loan Fund		(4,910,428)		(1,903,651)
Streets and Sidewalks Fund		(1,672,936)		(125,000)
Parks and Recreation Fund		(225,000)		(554,913)
Building Improvements Fund		(8,205,882)		(225,200)
Public Improvements Fund		(40,548)		-
Recycling and Trash Services Fund		(288,366)		(288,366)
Technology Replacement Fund		(638,311)		(563,724)
Total transfers out	<u>\$ (28,412,578)</u>	<u>(28,412,578)</u>	<u>\$ -</u>	<u>(25,689,174)</u>
Issuance of lease	105,159	105,158	(1)	394,156
Issuance of subscription	4,222,266	4,222,264	(2)	4,698,217
Appropriated fund balance	<u>11,873,275</u>	<u>-</u>	<u>(11,873,275)</u>	<u>-</u>
Total other financing (uses):	<u>(7,524,097)</u>	<u>(19,985,845)</u>	<u>(12,461,748)</u>	<u>(20,196,801)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,776,730)</u>	<u>\$ (3,776,730)</u>	<u>97,830</u>
Fund balance at beginning of year		75,645,051		75,559,622
Change in reserve for inventories		<u>(28,944)</u>		<u>(12,401)</u>
Fund balance at end of year		71,839,377		75,645,051
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the General Fund for reporting purposes:				
Transfer from General Fund		537,813		333,221
General government expenditures		(136,771)		(82,325)
Economic and physical development expenditures		(401,042)		(250,896)
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year		<u>\$ 71,839,377</u>		<u>\$ 75,645,051</u>

**SPECIAL REVENUE FUNDS TAB (FRONT)**

**SPECIAL REVENUE FUNDS TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Room occupancy tax	\$ 30,224,267	\$ 32,634,517	\$ 7,040,841	\$ 39,675,358	\$ 9,451,091
<b>Restricted Intergovernmental:</b>					
Hurricane disaster assistance	977,611	977,610	-	977,610	(1)
<b>Sales and services:</b>					
Convention center	46,446,828	41,881,888	6,922,995	48,804,883	2,358,055
Parking deck	6,562,798	5,655,239	628,170	6,283,409	(279,389)
Total sales and services	53,009,626	47,537,127	7,551,165	55,088,292	2,078,666
Investment earnings	2,220,617	2,910,902	575,127	3,486,029	1,265,412
<b>Miscellaneous:</b>					
Insurance reimbursement	26,234	26,233	-	26,233	(1)
Lease interest	761,017	763,284	254,687	1,017,971	256,954
Total Miscellaneous	787,251	789,517	254,687	1,044,204	256,953
Total revenues	87,219,372	84,849,673	15,421,820	100,271,493	13,052,121
<b>Expenditures:</b>					
<b>Economic and physical development project:</b>					
Convention Center operations	72,077,588	62,147,059	8,262,553	70,409,612	1,667,976
Parking deck operations	6,038,300	4,653,818	789,805	5,443,623	594,677
Total economic and physical development	78,115,888	66,800,877	9,052,358	75,853,235	2,262,653
<b>Debt service:</b>					
Principal retirement	20,340,000	18,000,000	2,340,000	20,340,000	-
Interest and other charges	40,280,152	38,605,150	1,671,315	40,276,465	3,687
Reserved for debt service	585,410	-	-	-	585,410
Total debt service	61,205,562	56,605,150	4,011,315	60,616,465	589,097
Total expenditures	139,321,450	123,406,027	13,063,673	136,469,700	2,851,750
Excess (deficiency) of revenues over (under) expenditures	(52,102,078)	(38,556,354)	2,358,147	(36,198,207)	15,903,871
<b>Other financing sources (uses):</b>					
<b>Transfers in:</b>					
Special Purpose Fund	41,662,226	41,662,226	-	41,662,226	-
Building Improvements Fund	6,030,337	6,030,337	-	6,030,337	-
Total transfers in	47,692,563	47,692,563	-	47,692,563	-
<b>Transfers out:</b>					
General Fund	(2,165,616)	(400,000)	(1,765,616)	(2,165,616)	-

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses) (continued):					
Issuance of installment obligations	\$ 5,995,949	\$ 5,995,949	\$ -	\$ 5,995,949	\$ -
Issuance of refunding installment obligations	57,850,000	57,850,000	-	57,850,000	-
Premium on refunding installment obligations	5,942,921	5,942,920	-	5,942,920	(1)
Payment to refunded installment obligation escrow agent	<u>(63,213,739)</u>	<u>(63,213,738)</u>	<u>-</u>	<u>(63,213,738)</u>	<u>1</u>
Total other financing sources (uses), net	<u>52,102,078</u>	<u>53,867,694</u>	<u>(1,765,616)</u>	<u>52,102,078</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,311,340</u>	592,531	<u>\$ 15,903,871</u>	<u>\$ 15,903,871</u>
Fund balance at beginning of year			<u>15,311,340</u>		
Fund balance at end of year			<u>\$ 15,903,871</u>		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Actual Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
<b>Restricted intergovernmental:</b>					
Federal grants	\$ 34,792,269	\$ 26,252,812	\$ 4,395,715	\$ 30,648,527	\$ (4,143,742)
State grants	8,819,584	6,322,810	1,603,292	7,926,102	(893,482)
Other governments	4,955,005	4,146,133	412,048	4,558,181	(396,824)
<b>Total restricted intergovernmental</b>	<b>48,566,858</b>	<b>36,721,755</b>	<b>6,411,055</b>	<b>43,132,810</b>	<b>(5,434,048)</b>
Investment earnings	804,869	1,189,077	231,198	1,420,275	615,406
Donations	352,395	299,009	15,925	314,934	(37,461)
<b>Miscellaneous:</b>					
Red light traffic cameras	18,727,246	17,042,213	1,158,127	18,200,340	(526,906)
Other program income	344,488	345,789	8,034	353,823	9,335
Sale of property	6,615	30,084	-	30,084	23,469
Other	44,335	91,206	-	91,206	46,871
<b>Total miscellaneous</b>	<b>19,122,684</b>	<b>17,509,292</b>	<b>1,166,161</b>	<b>18,675,453</b>	<b>(447,231)</b>
<b>Total revenues</b>	<b>68,846,806</b>	<b>55,719,133</b>	<b>7,824,339</b>	<b>63,543,472</b>	<b>(5,303,334)</b>
<b>Expenditures:</b>					
<b>General government projects:</b>					
Coronavirus fiscal recovery - ARPA	14,300,374	9,338,592	3,046,759	12,385,351	1,915,023
<b>Public safety projects:</b>					
Regional response hazmat 2022	69,000	48,503	-	48,503	20,497
Opioid pilot project - NCDPS 2021	750,000	750,000	-	750,000	-
Regional response hazmat 2023	69,000	62,304	-	62,304	6,696
Firehouse Subs safety equipment	15,755	15,755	-	15,755	-
Regional response hazmat 2024	69,000	56,783	-	56,783	12,217
Opioid pilot project - NCDPS 2024	600,000	94,125	310,489	404,614	195,386
Future firefighter academy	4,200	-	2,277	2,277	1,923
Regional response hazmat 2025	69,000	-	61,645	61,645	7,355
Santa cop program	1,125	750	-	750	375
SABLE-helicopter / drone program	3,662,006	2,497,005	197,013	2,694,018	967,988
Federal forfeiture - SABLE	2,315,598	2,042,848	13,336	2,056,184	259,414
Regional crime lab	113,445	74,187	-	74,187	39,258
Internet crimes against children	60,111	45,032	-	45,032	15,079
GHSP - Traffic enforcement overtime	26,200	12,414	9,242	21,656	4,544
Federal forfeiture	2,381,006	2,322,639	-	2,322,639	58,367
North Carolina drug tax	1,324,349	1,169,613	33,768	1,203,381	120,968
Leases	16,817	-	-	-	16,817
<b>Total public safety</b>	<b>11,546,612</b>	<b>9,191,958</b>	<b>627,770</b>	<b>9,819,728</b>	<b>1,726,884</b>
<b>Transportation projects:</b>					
Red light traffic cameras	25,322,824	22,730,157	1,480,906	24,211,063	1,111,761
Metropolitan planning	7,713,317	5,261,372	1,530,829	6,792,201	921,116
TDM coordinator	120,000	83,655	-	83,655	36,345

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Actual Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation projects: (continued)					
WMPO - Safe streets & roads for all	\$ 500,000	\$ -	\$ 65,842	\$ 65,842	\$ 434,158
MPO - Intelligent transportation plan	100,000	-	99,960	99,960	40
Total transportation	<u>33,756,141</u>	<u>28,075,184</u>	<u>3,177,537</u>	<u>31,252,721</u>	<u>2,503,420</u>
Economic and physical development projects:					
Community waste reduction/recycling	19,550	15,607	-	15,607	3,943
Energy efficiency conservation BG	172,690	-	-	-	172,690
Flood gauge installation	25,000	-	-	-	25,000
Affordable housing program	1,183,720	1,177,939	-	1,177,939	5,781
Homeownership services	266,960	210,198	13,528	223,726	43,234
Annual housing summit	48,697	32,970	-	32,970	15,727
Lead hazard reduction	1,800,577	839,541	-	839,541	961,036
Permanent supportive housing	187,688	61,110	101,578	162,688	25,000
Housing counseling program	15,000	6,643	-	6,643	8,357
Housing counseling NCHC 2021	23,834	4,300	-	4,300	19,534
Healthy homes production program	1,500,000	399,111	612,228	1,011,339	488,661
Housing counseling NCHC 2022	15,706	-	-	-	15,706
UDAG income projects	1,280,639	1,227,890	-	1,227,890	52,749
Historic preservation education	43,617	31,074	-	31,074	12,543
Trolley station	3,716	2,123	-	2,123	1,593
Total economic and physical development	<u>6,587,394</u>	<u>4,008,506</u>	<u>727,334</u>	<u>4,735,840</u>	<u>1,851,554</u>
Cultural and recreational projects:					
Living legends award	12,355	11,712	-	11,712	643
Dog park development	35,490	26,853	-	26,853	8,637
Bicycle advisory	15,539	12,679	2,446	15,125	414
July Fourth celebration	5,000	3,566	-	3,566	1,434
Nautical festival	51,375	48,466	-	48,466	2,909
Downtown business alliance	55,609	53,277	-	53,277	2,332
Rehder Garden	6,770	1,089	-	1,089	5,681
Community enrichment initiative	1,325	92	-	92	1,233
NCRPA - omitted history	1,000	1,000	-	1,000	-
Cape Fear garden club beautification	3,500	283	3,217	3,500	-
Azalea garden tour grant 2022	3,418	3,418	-	3,418	-
Cape Fear garden club sculpture	8,150	8,150	-	8,150	-
Nature Conservancy - controlled burn	9,945	-	2,036	2,036	7,909
Cape Fear garden club lighting	2,000	-	-	-	2,000
Gender equity in youth sports	20,000	-	-	-	20,000
Trees forever	130,205	97,751	-	97,751	32,454
Total cultural and recreational	<u>361,681</u>	<u>268,336</u>	<u>7,699</u>	<u>276,035</u>	<u>85,646</u>
Transit system:					
Metropolitan Planning	388,395	307,511	80,883	388,394	1

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Actual Prior Years	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Debt service:					
Principal payments on leases	\$ 44,383	\$ 44,382	\$ -	\$ 44,382	\$ 1
Interest and other charges	418	418	-	418	-
Total debt service	44,801	44,800	-	44,800	1
Total expenditures	66,985,398	51,234,887	7,667,982	58,902,869	8,082,529
Excess of revenues over expenditures	1,861,408	4,484,246	156,357	4,640,603	2,779,195
Other financing sources (uses):					
Transfers in:					
UDAG Loan Fund	759,754	759,754	-	759,754	-
Community Development Fund	296,780	297,120	-	297,120	340
General Fund-HOP Loan Fund	1,086,000	1,086,000	-	1,086,000	-
Economic Development Loan Fund	291,453	292,304	-	292,304	851
Rental Rehabilitation Fund	438,000	438,000	-	438,000	-
Recycling and Trash Services Fund	2,633	3,383	-	3,383	750
Storm Water Management Fund	-	63	-	63	63
General Fund	7,588,211	6,980,429	558,462	7,538,891	(49,320)
Total transfers in	10,462,831	9,857,053	558,462	10,415,515	(47,316)
Transfers out:					
General Fund	(16,000)	(16,000)	-	(16,000)	-
Convention Center Fund	(4,800,000)	(4,800,000)	-	(4,800,000)	-
Building Improvements Fund	(1,733,240)	(1,733,240)	-	(1,733,240)	-
Community Development Fund	(3,100)	-	-	-	3,100
General Fund HOP Loan Fund	(1,680)	(1,679)	-	(1,679)	1
UDAG Loan Fund	(117,077)	(117,077)	-	(117,077)	-
Home Investment Partnership Fund	(544,059)	(544,045)	-	(544,045)	14
Rehabilitation Loan Fund	(20,022)	(20,021)	-	(20,021)	1
Public Improvements Fund	(9,540)	(9,539)	-	(9,539)	1
Parks and Recreation Fund	(1,170,958)	(699,747)	(471,211)	(1,170,958)	-
Storm Water Capital Projects Fund	(425,380)	-	(91,361)	(91,361)	334,019
General Housing Loan Fund	(3,500,000)	(3,500,000)	-	(3,500,000)	-
Total transfers out	(12,341,056)	(11,441,348)	(562,572)	(12,003,920)	337,136
Issuance of lease	16,817	-	-	-	(16,817)
Total other financing uses, net	(1,861,408)	(1,584,295)	(4,110)	(1,588,405)	273,003
Net change in fund balance	\$ -	\$ 2,899,951	152,247	\$ 3,052,198	\$ 3,052,198
Fund balance at beginning of year			2,899,951		
Fund balance at end of year			3,052,198		
An unbudgeted UDAG Loan Fund is consolidated into the Special Purpose Fund for reporting purposes:					
Fund balance at beginning of year			70,947		
Fund balance at end of year			\$ 3,123,145		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
<b>Restricted intergovernmental:</b>					
Federal grants	\$ 30,051,746	\$ 19,258,065	\$ 9,621,071	\$ 28,879,136	\$ (1,172,610)
<b>Miscellaneous:</b>					
Sale of property	23,000	23,000	-	23,000	-
Insurance reimbursement	1,607	1,607	-	1,607	-
Refunds	545,197	545,196	-	545,196	(1)
Total miscellaneous	569,804	569,803	-	569,803	(1)
Total revenues	30,621,550	19,827,868	9,621,071	29,448,939	(1,172,611)
<b>Expenditures:</b>					
<b>Economic and physical development:</b>					
HUD Reimbursement		100,895	-	100,895	
Acquisition		331,000	-	331,000	
Public facilities		1,907,465	-	1,907,465	
Disposition		26,320	-	26,320	
Demolition		59,126	-	59,126	
Domestic Violence		557,612	20,000	577,612	
Shelter for homeless		837,991	-	837,991	
Community Boys Club		30,000	-	30,000	
Community Land Trust		70,997	-	70,997	
CDC Kingdom		4,800	-	4,800	
Community in Schools		25,000	-	25,000	
Volunteers of America		78,000	-	78,000	
Coastal Horizon Center		30,117	-	30,117	
Equipment/Software		6,643	13,124	19,767	
Family Services		58,825	-	58,825	
Driftwood		672,687	25,906	698,593	
Dreams of Wilmington		65,000	-	65,000	
Food Bank of Coastal Carolina		10,000	-	10,000	
Bottom Neighborhood Association		19,639	-	19,639	
Brigade Boys and Girls Club		64,260	-	64,260	
Leading Into New Communities		343,635	-	343,635	
Family Promise		40,000	20,000	60,000	
First Fruit Ministries		237,098	20,000	257,098	
Housing counseling		14,910	-	14,910	
Council of Governments		31,131	-	31,131	
Wilmington interfaith network		10,000	-	10,000	
Joint Project		1,539,364	84,000	1,623,364	
WRAAP		35,737	-	35,737	
YWCA - Kids Making It		25,000	-	25,000	
Salvation Army		30,000	-	30,000	
Shiloh		4,996	-	4,996	
StepUp		28,431	-	28,431	
Relocation		237,908	59,731	297,639	

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Economic and physical development: (continued)					
Energy repairs/housing		\$ 416,350	\$ 3,754	\$ 420,104	
Capacity Building		34,926	-	34,926	
Small Business Development		25,000	-	25,000	
Economic development		15,300	-	15,300	
Charges for services		2,059,000	-	2,059,000	
Planning		619	-	619	
Total expenditures	\$ 11,165,621	10,085,782	246,515	10,332,297	\$ 833,324
Excess of revenues over expenditures	19,455,929	9,742,086	9,374,556	19,116,642	(339,287)
Other financing sources (uses):					
Transfers in:					
General Fund	9,321	9,321	-	9,321	-
CDBG/HOME Admin Fund	100,896	100,895	-	100,895	(1)
Special Purpose	3,100	-	-	-	(3,100)
Rental Rehabilitation Loan Fund	197,397	193,135	-	193,135	(4,262)
Commercial Loan Fund	34,219	34,151	600	34,751	532
Rehabilitation Loan Fund	586,262	586,261	-	586,261	(1)
General Fund HOP Loan Fund	27,300	27,300	-	27,300	-
Total transfers in	958,495	951,063	600	951,663	(6,832)
Transfers out:					
CDBG/HOME Administration Fund		(6,290,668)	(357,834)	(6,648,502)	
Rental Rehabilitation Loan Fund		(149,550)	-	(149,550)	
Commercial Loan Fund		(630,244)	(8,769,891)	(9,400,135)	
Rehabilitation Loan Fund		(248,871)	-	(248,871)	
CDBG HOP Loan Fund		(3,373,816)	(247,431)	(3,621,247)	
Total transfers out	(20,414,424)	(10,693,149)	(9,375,156)	(20,068,305)	346,119
Total other financing uses, net	(19,455,929)	(9,742,086)	(9,374,556)	(19,116,642)	339,287
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance at beginning of year			-		
Fund balance at end of year			-		
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the Community Development Fund for reporting purposes:					
Transfer from Community Development Fund			357,834		
General government expenditures			(91,000)		
Economic and physical development expenditures			(266,834)		
Fund balance at beginning of year			-		
Fund balance at end of year			\$ -		

**CITY OF WILMINGTON, NORTH CAROLINA**

**CDBG/Home Administration Fund  
(A Subfund of the Community Development Fund)  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual**

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Expenditures:				
General government:				
Finance		\$ 247,792		\$ 228,849
Economic and physical development:				
Community development and housing		726,584		633,708
Total expenditures	<u>\$ 1,021,690</u>	<u>974,376</u>	<u>\$ 47,314</u>	<u>862,557</u>
Other financing sources:				
Transfers in:				
General Fund	606,978	537,813	(69,165)	333,221
Community Development Fund	357,834	357,834	-	427,454
Home Investment Partnership Fund	56,878	78,729	21,851	101,882
Total transfers in	<u>1,021,690</u>	<u>974,376</u>	<u>(47,314)</u>	<u>862,557</u>
Total other financing sources	<u>1,021,690</u>	<u>974,376</u>	<u>(47,314)</u>	<u>862,557</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance at beginning of year		-		-
Fund balance at end of year		<u>\$ -</u>		<u>\$ -</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Home Investment Partnership Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual**

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Federal grants	\$ 11,496,882	\$ 5,252,923	\$ 1,609,505	\$ 6,862,428	\$ (4,634,454)
Interest Earnings	-	19,454	3,898	23,352	23,352
Total revenues	<u>11,496,882</u>	<u>5,272,377</u>	<u>1,613,403</u>	<u>6,885,780</u>	<u>(4,611,102)</u>
Expenditures:					
Economic and physical development projects:					
HUD reimbursement		181,034	-	181,034	
Tenant Based Assistance		100,648	-	100,648	
Affordable Housing Infrastructure		13,910	-	13,910	
Land trust administration		10,000	-	10,000	
Relocation assistance		10,118	-	10,118	
Total expenditures	<u>319,473</u>	<u>315,710</u>	<u>-</u>	<u>315,710</u>	<u>3,763</u>
Excess of revenues over expenditures	<u>11,177,409</u>	<u>4,956,667</u>	<u>1,613,403</u>	<u>6,570,070</u>	<u>(4,607,339)</u>
Other financing sources (uses):					
Transfers in:					
General Fund	8,358	8,358	-	8,358	-
Special Purpose Fund	231,630	231,630	-	231,630	-
General Fund HOP Loan Fund	86,650	86,650	-	86,650	-
Home Loan Fund	4,738,239	4,564,213	359,899	4,924,112	185,873
Total transfers in	<u>5,064,877</u>	<u>4,890,851</u>	<u>359,899</u>	<u>5,250,750</u>	<u>185,873</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Grant Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses): (continued)					
Transfers out:					
CDBG/HOME Administration Fund		\$ (1,146,754)	\$ (78,729)	\$ (1,225,483)	
Rehabilitation Loan Fund		(177,033)	-	(177,033)	
Home Loan Fund		(7,939,402)	(2,025,543)	(9,964,945)	
Total transfers out	\$ (16,242,286)	(9,263,189)	(2,104,272)	(11,367,461)	\$ 4,874,825
Total other financing uses, net	(11,177,409)	(4,372,338)	(1,744,373)	(6,116,711)	5,060,698
Net change in fund balance	\$ -	\$ 584,329	(130,970)	\$ 453,359	\$ 453,359
Fund balance at beginning of year			584,329		
Fund balance at end of year			453,359		
A portion of a legally budgeted CDBG/HOME Grant and Administration Fund is consolidated into the Home Investment Partnership Fund for reporting purposes:					
Transfer from Home Investment Partnership Fund			78,729		
General government expenditures			(20,021)		
Economic and physical development expenditures			(58,708)		
An unbudgeted Home Loan Fund is consolidated into the Home Investment Partnership Fund for reporting purposes:					
Investment earnings			22,366		
Miscellaneous income			2,569		
Transfer from Home Investment Partnership Fund			2,025,543		
Economic and physical development expenditures			(104,495)		
Transfer to Home Investment Partnership Fund			(359,899)		
Fund balance at beginning of year			8,653,395		
Fund balance at end of year			\$ 10,692,838		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Revenues:				
Ad valorem taxes:				
Current year	\$ 616,888	\$ 557,452	\$ (59,436)	\$ 585,742
Prior years	1,500	1,168	(332)	1,572
Penalties and interest	700	1,048	348	997
Total ad valorem taxes	619,088	559,668	(59,420)	588,311
Local option sales tax	254,867	287,247	32,380	271,480
Investment earnings	15,000	45,788	30,788	50,958
Total revenues	888,955	892,703	3,748	910,749
Expenditures:				
Economic and physical development:				
Downtown municipal service district	1,110,718	797,061	313,657	739,375
Excess (deficiency) of revenues over (under) expenditures	(221,763)	95,642	317,405	171,374
Other financing sources:				
Appropriated fund balance	221,763	-	(221,763)	-
Net change in fund balance	\$ -	95,642	\$ 95,642	171,374
Fund balance at beginning of year		951,057		779,683
Fund balance at end of year		\$ 1,046,699		\$ 951,057

**CITY OF WILMINGTON, NORTH CAROLINA**

**National Opioid Settlement  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual**

**From Inception and Year Ended June 30, 2025**

	<u>Grant Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental:					
National opioid settlement	\$ 441,593	\$ 87,168	\$ 341,972	\$ 429,140	\$ (12,453)
Investment earnings	<u>39,517</u>	<u>12,793</u>	<u>8,017</u>	<u>20,810</u>	<u>(18,707)</u>
Total revenues	<u>481,110</u>	<u>99,961</u>	<u>349,989</u>	<u>449,950</u>	<u>(31,160)</u>
Expenditures:					
Public safety:					
National opioid settlement	<u>481,110</u>	<u>87,168</u>	<u>362,498</u>	<u>449,666</u>	<u>31,444</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,793</u>	(12,509)	<u>\$ 284</u>	<u>\$ 284</u>
Fund balance at beginning of year			<u>12,793</u>		
Fund balance at end of year			<u>\$ 284</u>		

**CAPITAL PROJECT FUNDS TAB (FRONT)**

**CAPITAL PROJECT FUNDS TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
<b>Restricted intergovernmental:</b>					
Grants and contributions	\$ 21,200,138	\$ 9,043,985	\$ 535,833	\$ 9,579,818	\$ (11,620,320)
Hurricane disaster assistance	207,792	207,792	-	207,792	-
Total restricted intergovernmental	<u>21,407,930</u>	<u>9,251,777</u>	<u>535,833</u>	<u>9,787,610</u>	<u>(11,620,320)</u>
Investment earnings	5,736,666	7,402,356	3,462,325	10,864,681	5,128,015
Donations	<u>5,024,931</u>	<u>3,775,087</u>	<u>1,480,628</u>	<u>5,255,715</u>	<u>230,784</u>
Total revenues	<u>32,169,527</u>	<u>20,429,220</u>	<u>5,478,786</u>	<u>25,908,006</u>	<u>(6,261,521)</u>
<b>Expenditures:</b>					
<b>Transportation:</b>					
Riverfront assessment update	53,500	49,286	-	49,286	4,214
Bridge repairs	2,413,210	1,959,791	3,866	1,963,657	449,553
Front Street bridge repair	3,160,377	86,628	100,620	187,248	2,973,129
4th Street bridge replacement	4,527,946	50,388	58,468	108,856	4,419,090
Pine Grove bridge replacement	2,504,046	17,765	104,501	122,266	2,381,780
Water Street/Riverfront improvements	3,343,905	3,173,685	-	3,173,685	170,220
Water Street/Riverfront stabilization	472,782	436,462	-	436,462	36,320
Water Street improvements phase 2	6,498,242	4,881,942	-	4,881,942	1,616,300
Florence recovery - streets	155,877	155,877	-	155,877	-
Rail Realignment	3,500,000	-	-	-	3,500,000
Street rehabilitation	8,639,176	5,634,577	505,776	6,140,353	2,498,823
Brick street rehabilitation	2,400,000	1,602,029	341,593	1,943,622	456,378
Hawksbill causeway	1,075,000	706,912	-	706,912	368,088
McRae/Nixon/ 10th Street rehabilitation	1,302,331	1,296,426	-	1,296,426	5,905
Castle/Greenfield Street rehabilitation	1,840,800	1,768,256	-	1,768,256	72,544
Pine Valley East Street paving	1,227,496	1,075,051	-	1,075,051	152,445
Red Cross brick street rehabilitation	524,358	524,357	-	524,357	1
17th/Andrews/Harbor/Bragg rehabilitation	1,500,000	1,384,358	-	1,384,358	115,642
Harnett Street ADA ramps	100,000	51,742	-	51,742	48,258
Dawning Creek resurfacing	232,864	232,864	-	232,864	-
Pine Grove and Lincoln repair	575,000	464,165	-	464,165	110,835
Savannah Court resurfacing	50,000	46,850	-	46,850	3,150
South Oleander-Forest Hills-Echo Farms	589,509	589,508	-	589,508	1
Old East Wilmington-North College	1,242,248	1,236,821	-	1,236,821	5,427
College Acres Drive rehabilitation	275,285	275,284	-	275,284	1
5th Avenue rehabilitation	3,185,663	84,943	309,481	394,424	2,791,239
Downtown/Northside rehabilitation	2,925,728	1,200,782	521,071	1,721,853	1,203,875
Sunset/Longleaf/Echo/Pine rehabilitation	5,893,689	2,448,651	2,107,846	4,556,497	1,337,192
College/Seagate/Rogersville rehabilitation	1,909,947	633,166	588,421	1,221,587	688,360
Forest Hills/Devon Park rehabilitation	2,417,840	935,138	1,176,899	2,112,037	305,803
Dry Pond/Bottom/Lake Forest rehabilitation	2,570,307	1,891,049	670,525	2,561,574	8,733
Concrete street rehab 2023	705,208	507,225	181,691	688,916	16,292
Street rehabilitation 2024 collector	1,500,000	524,355	547,307	1,071,662	428,338
10th and Grace - street rehabilitation	105,025	-	-	-	105,025

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
Neighborhood traffic management	\$ 3,325,436	\$ 1,653,870	\$ -	\$ 1,653,870	\$ 1,671,566
Visitor Center bulkhead	1,509,237	1,380,736	-	1,380,736	128,501
Coordinated improvements-CFPUA	2,157,040	-	-	-	2,157,040
Pocket Park shoreline stabilization	564,200	553,036	-	553,036	11,164
Market Street H-piles stabilization	1,050,338	799,548	-	799,548	250,790
Way finding signage	89,683	39,141	-	39,141	50,542
Wrightsville/Greenville improvements	1,836,686	359,843	173,848	533,691	1,302,995
Park Avenue multi-use path	1,315,615	1,217,624	-	1,217,624	97,991
Hinton Avenue multi-use path	1,640,995	440,593	(16,322)	424,271	1,216,724
Hooker Road multi-use path	3,201,058	416,865	161,389	578,254	2,622,804
5th and Wooster pedestrian crossing	394,979	370,604	-	370,604	24,375
Kerr Avenue bike lane/sidewalks	704,383	704,382	-	704,382	1
Gregory/Williston Streets	961,920	742,959	-	742,959	218,961
Love Grove emergency access	150,000	-	-	-	150,000
Coastline Inn riverfront stabilization	992,550	787,595	-	787,595	204,955
Sidewalk gap improvements	44,516	44,516	-	44,516	-
Shipyards Boulevard bus pullout	458,409	458,407	-	458,407	2
Eastwood Road access management	6,436,500	2,567,378	119	2,567,497	3,869,003
Carolina Beach Road streetscape	1,023,195	15,315	7,879	23,194	1,000,001
North Front Street streetscape	3,477,742	3,394,450	-	3,394,450	83,292
Dawson/Wooster Streets improvements	3,011,000	427,800	161,365	589,165	2,421,835
Pine Grove intersection improvements	2,500,000	1,250,176	25,722	1,275,898	1,224,102
Oleander/Pine Grove realignment	2,100,000	1,576,894	20,364	1,597,258	502,742
Racine/New Center Drive turn lane	656,063	653,279	-	653,279	2,784
Wrightsville/Wallace Avenue roundabout	8,487,769	1,101,166	137,200	1,238,366	7,249,403
Pine Grove/Greenville Loop roundabout	1,500,000	372,868	761,727	1,134,595	365,405
Pine Grove/Holly Tree roundabout	1,500,000	301,852	129,476	431,328	1,068,672
Contingency - roadway projects	8,291,534	-	-	-	8,291,534
Oleander/Hawthorn to 42nd Street	826,984	826,984	-	826,984	-
Wrightsville/Castle/Independence	131,560	131,560	-	131,560	-
Oleander/Wooster/Mimosa	710,072	710,071	-	710,071	1
Dawson/Wrightsville/Oleander	2,078	2,078	-	2,078	-
Wrightsville/College/Hawthorn	584,831	257,059	177,658	434,717	150,114
Wrightsville/44th/Independence	296,570	231,577	13,917	245,494	51,076
17th Street sidewalk/Wooster	457,212	457,212	-	457,212	-
Oleander/Pine Grove/College	159,855	159,855	-	159,855	-
Delaney sidewalk improvements	79,746	79,745	-	79,745	1
McClelland sidewalk improvements	444,316	444,316	-	444,316	-
Fairlawn sidewalk improvements	292,982	292,982	-	292,982	-
Kerr/Wilshire crosswalk	30,120	30,120	-	30,120	-
16th Street/Dawson crosswalk	75,000	25,623	-	25,623	49,377
College/Wilshire crosswalk	40,973	40,973	-	40,973	-
8th Street/Dawson crosswalk	50,000	-	-	-	50,000
8th Street/Wooster crosswalk	50,000	-	-	-	50,000
17th Street/Dawson crosswalk	75,000	25,623	-	25,623	49,377

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
Holly Tree/College crosswalk	\$ 923,643	\$ 493,821	\$ 215,542	\$ 709,363	\$ 214,280
Greenville Loop trail - Old Mill/Park	1,875,173	1,105,403	8,450	1,113,853	761,320
Kerr Avenue trail	1,915,261	198,019	39,927	237,946	1,677,315
Central College trail	1,599,131	1,599,131	-	1,599,131	-
Masonboro Loop multi-use path	3,900,835	1,518,140	213,358	1,731,498	2,169,337
Contingency - bike/pedestrian	60,731	-	-	-	60,731
Chestnut/Grace reconstruction	2,540,143	2,079,337	-	2,079,337	460,806
23rd Street connection/Scientific	2,660,528	822,886	37,798	860,684	1,799,844
Market Street LED upgrade	183,447	64,446	-	64,446	119,001
Sidewalk gap improvements	25,000	22,053	-	22,053	2,947
Kerr / MLK interchange	560,000	-	-	-	560,000
Dock Street pedestrian access	175,000	33,842	100	33,942	141,058
Eastwood/Military Cutoff interchange	560,000	-	7,955	7,955	552,045
Market Street hawk signal	365,763	77,242	204,040	281,282	84,481
Red Cross Riverwalk access	259,772	216,646	-	216,646	43,126
Independence Blvd screen wall repair	488,000	28,930	-	28,930	459,070
Dock Street shoreline stabilization	33,500	16,870	-	16,870	16,630
Downtown alley improvements	477,000	14,920	29	14,949	462,051
Northside bicycle improvements	30,000	12,877	-	12,877	17,123
Greenville Loop trail - College/Pine Grove	1,244,292	1,244,292	-	1,244,292	-
Greenville Loop trail - Pine Grove	548,645	-	-	-	548,645
Greenville Loop trail - Old Mill	3,291,867	912,357	1,055,782	1,968,139	1,323,728
Market Street access management	1,550,400	-	-	-	1,550,400
Downtown rail trail - phase 1	1,249,000	254,909	42,376	297,285	951,715
Annual pavement markings	490,750	212,202	142,759	354,961	135,789
Dirt street paving	100,000	-	45,003	45,003	54,997
Towles Road emergency access	584,634	66,115	35,000	101,115	483,519
Trail repair and preservation	60,000	59,995	-	59,995	5
Greenville Loop guard rail	40,000	12,895	-	12,895	27,105
Third and Ann Street traffic signal	242,960	48,080	-	48,080	194,880
Independence /River Road roundabout	3,302,900	-	193,467	193,467	3,109,433
Sidewalk rehabilitation and repairs	2,966,983	1,468,625	196	1,468,821	1,498,162
Cross walk improvements 2017	150,000	136,651	-	136,651	13,349
Pedestrian/Bike improvements	774,665	9,392	-	9,392	765,273
Military Cutoff pedestrian improvements	60,471	50,525	9,727	60,252	219
Bridge #29 at Smith Creek walkway	8,750	5,892	-	5,892	2,858
Downtown tree wells	8,977	7,848	-	7,848	1,129
South 17th Street multi-use path	3,917,500	164,553	14,787	179,340	3,738,160
Medical Center Drive sidewalks	3,300	900	-	900	2,400
Greenville/Shinwood/Old Mill improvements	960,569	88,096	1,367	89,463	871,106
Sidewalk gaps Randall/Kent	92,000	-	52	52	91,948
Randall MUP lighting	5,500	5,500	-	5,500	-
The Range on Oleander pedestrian	19,500	5,416	14,055	19,471	29
Barclay West pedestrian improvements	124,605	-	105,450	105,450	19,155
Fifth Avenue sidewalk rehabilitation	516,800	-	212,878	212,878	303,922

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Transportation: (continued)					
College/University/Hoggard sidewalks	\$ 74,000	\$ -	\$ 73,519	\$ 73,519	\$ 481
Railroad realignment	2,525,000	2,395,346	118,331	2,513,677	11,323
Rail study	250,000	250,000	-	250,000	-
Total transportation	<u>176,902,501</u>	<u>76,977,160</u>	<u>11,764,355</u>	<u>88,741,515</u>	<u>88,160,986</u>
Cultural and recreational:					
Riverwalk North marina	16,307,384	8,923,210	199,741	9,122,951	7,184,433
Riverwalk South handrails	741,400	30,400	430,281	460,681	280,719
Riverwalk Best Western pier demo	310,684	40,725	117,580	158,305	152,379
Water Street Park bulkhead repair	2,104,000	1,230,036	288,681	1,518,717	585,283
CFCC connection - Riverwalk structural	431,053	-	-	-	431,053
Riverwalk Lighting	235,860	-	235,333	235,333	527
Riverwalk-Conlon Pier repair	658,150	509,604	(11,000)	498,604	159,546
Convention Center Bulkhead	233,643	209,952	-	209,952	23,691
Riverwalk North feasibility study	78,175	78,175	-	78,175	-
Riverfront structural	2,094,743	405,082	97,180	502,262	1,592,481
Total cultural and recreational	<u>23,195,092</u>	<u>11,427,184</u>	<u>1,357,796</u>	<u>12,784,980</u>	<u>10,410,112</u>
Transit system:					
Public transportation	2,000,000	818,008	95,121	913,129	1,086,871
Transit capital grant match	535,872	327,284	-	327,284	208,588
Total transit system	<u>2,535,872</u>	<u>1,145,292</u>	<u>95,121</u>	<u>1,240,413</u>	<u>1,295,459</u>
Total expenditures	<u>202,633,465</u>	<u>89,549,636</u>	<u>13,217,272</u>	<u>102,766,908</u>	<u>99,866,557</u>
Excess of expenditures over revenues	<u>(170,463,938)</u>	<u>(69,120,416)</u>	<u>(7,738,486)</u>	<u>(76,858,902)</u>	<u>93,605,036</u>
Other financing sources (uses):					
Transfers in:					
General Fund	15,795,118	14,238,041	1,672,936	15,910,977	115,859
Debt Service fund	26,590,039	23,746,039	2,844,001	26,590,040	1
Parks and Recreation Fund	151,961	151,961	-	151,961	-
Building Improvements Fund	1,218,645	1,218,645	-	1,218,645	-
Total transfers in	<u>43,755,763</u>	<u>39,354,686</u>	<u>4,516,937</u>	<u>43,871,623</u>	<u>115,860</u>
Transfers out:					
General Fund	(251,915)	-	(251,915)	(251,915)	-
Debt Service Fund	(3,276,805)	-	(3,276,805)	(3,276,805)	-
Parks and Recreation Fund	(60,000)	-	(60,000)	(60,000)	-
Total transfers out	<u>(3,588,720)</u>	<u>-</u>	<u>(3,588,720)</u>	<u>(3,588,720)</u>	<u>-</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses): (continued)					
Issuance of bonds	\$ 44,565,105	\$ 44,565,105	\$ -	\$ 44,565,105	\$ -
Issuance of installment obligations	71,609,994	52,089,264	-	52,089,264	(19,520,730)
Premium on bonds	5,253,607	5,253,607	-	5,253,607	-
Premium on installment obligations	<u>8,868,189</u>	<u>8,868,188</u>	-	<u>8,868,188</u>	<u>(1)</u>
Total other financing sources	<u>170,463,938</u>	<u>150,130,850</u>	<u>928,217</u>	<u>151,059,067</u>	<u>(19,404,871)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 81,010,434</u>	<u>(6,810,269)</u>	<u>\$ 74,200,165</u>	<u>\$ 74,200,165</u>
Fund balance at beginning of year			<u>81,010,434</u>		
Fund balance at end of year			<u>\$ 74,200,165</u>		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Actual		Totals to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental	\$ 4,037,935	\$ 2,603,615	\$ 27,674	\$ 2,631,289	\$ (1,406,646)
Investment earnings	1,747,281	1,933,354	472,378	2,405,732	658,451
Donations	3,890,214	4,310,718	1,297,767	5,608,485	1,718,271
Other	8,672	8,672	210,931	219,603	210,931
<b>Total revenues</b>	<b>9,684,102</b>	<b>8,856,359</b>	<b>2,008,750</b>	<b>10,865,109</b>	<b>1,181,007</b>
<b>Expenditures:</b>					
<b>Cultural and recreational:</b>					
Water Street/Riverfront parks	317,285	297,339	-	297,339	19,946
Land acquisition and economic development	18,039	18,038	-	18,038	1
Riverfront Park improvements	67,741	67,741	-	67,741	-
Recreation master plan	162,963	162,914	-	162,914	49
Tennis complex	3,240,091	3,235,430	-	3,235,430	4,661
Portia Mills Hines Park	790,426	788,718	-	788,718	1,708
Park facility maintenance	2,394,701	1,732,702	483,583	2,216,285	178,416
Bijou Park renovation	793,037	777,395	-	777,395	15,642
Riverfront Park development	33,458,966	33,254,241	(9,708)	33,244,533	214,433
Soccer complex	20,486,666	18,299,467	2,082,584	20,382,051	104,615
Wade Park building improvements	35,129	35,128	-	35,128	1
Tennis complex resurfacing	61,000	54,650	-	54,650	6,350
Skate park office replacement	58,353	58,352	-	58,352	1
MLK Center expansion	5,588,550	2,365,619	2,993,475	5,359,094	229,456
Greenfield Park improvements	603,494	103,338	500,139	603,477	17
Olsen Park	2,816,934	212,310	269,451	481,761	2,335,173
Bradley Creek canoe/kayak	375,625	126,360	8,318	134,678	240,947
Halyburton maintenance building	305,000	22,500	152,860	175,360	129,640
Riverfront park phase 1-A	1,731,158	77,575	31,790	109,365	1,621,793
Tennis reconstruction - Empie Park	783,146	767,222	11,237	778,459	4,687
Riverwalk maintenance	717,756	151,681	242,882	394,563	323,193
1898 Park Improvements	15,542	14,525	-	14,525	1,017
Riverwalk visitor center renovation	617,154	592,857	-	592,857	24,297
Olsen Park administration building	217,116	9,485	27,573	37,058	180,058
Riverfront Park promenade and alleys	510,300	459,255	(3,282)	455,973	54,327
Maides Park inclusive playground	657,153	473,030	34,592	507,622	149,531
Legion Stadium turf replacement	649,674	489,546	5,086	494,632	155,042
Greenfield Lake structures	653,432	-	152,000	152,000	501,432
Athletic Facilities - pool fencing	100,000	-	-	-	100,000
Tree mitigation plantings	860,668	594,083	387,269	981,352	(120,684)
<b>Total expenditures</b>	<b>79,087,099</b>	<b>65,241,501</b>	<b>7,369,849</b>	<b>72,611,350</b>	<b>6,475,749</b>
<b>Excess of expenditures over revenues</b>	<b>(69,402,997)</b>	<b>(56,385,142)</b>	<b>(5,361,099)</b>	<b>(61,746,241)</b>	<b>7,656,756</b>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses):					
Transfers in:					
General Fund	\$ 2,508,592	\$ 2,282,459	\$ 225,000	\$ 2,507,459	\$ (1,133)
Debt Service Fund	14,142,811	13,992,125	150,686	14,142,811	-
Street and Sidewalks Fund	60,000	-	60,000	60,000	-
Special Purpose Fund	<u>1,170,958</u>	<u>699,747</u>	<u>471,211</u>	<u>1,170,958</u>	<u>-</u>
Total transfers in	<u>17,882,361</u>	<u>16,974,331</u>	<u>906,897</u>	<u>17,881,228</u>	<u>(1,133)</u>
Transfers out:					
General Fund	(330,000)	(330,000)	-	(330,000)	-
Debt Service Fund	(125,000)	(125,000)	-	(125,000)	-
Streets and Sidewalks Fund	<u>(151,961)</u>	<u>(151,961)</u>	<u>-</u>	<u>(151,961)</u>	<u>-</u>
Total transfers out	<u>(606,961)</u>	<u>(606,961)</u>	<u>-</u>	<u>(606,961)</u>	<u>-</u>
Issuance of bonds	29,371,382	29,371,381	-	29,371,381	(1)
Issuance of installment obligations	21,001,776	20,399,030	-	20,399,030	(602,746)
Issuance of other long-term obligations	1,025,193	1,025,193	-	1,025,193	-
Premium on bonds	614,701	614,701	-	614,701	-
Premium on installment obligations	<u>114,545</u>	<u>114,544</u>	<u>-</u>	<u>114,544</u>	<u>(1)</u>
Total other financing sources, net	<u>69,402,997</u>	<u>67,892,219</u>	<u>906,897</u>	<u>68,799,116</u>	<u>(603,881)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,507,077</u>	<u>(4,454,202)</u>	<u>\$ 7,052,875</u>	<u>\$ 7,052,875</u>
Fund balance at beginning of year			<u>11,507,077</u>		
Fund balance at end of year			<u>\$ 7,052,875</u>		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
<b>Restricted intergovernmental</b>					
Hurricane assistance	\$ 2,527,369	\$ 2,637,120	\$ (214,657)	\$ 2,422,463	\$ (104,906)
Other	4,612,415	4,050,285	516,381	4,566,666	(45,749)
Total restricted intergovernmental	<u>7,139,784</u>	<u>6,687,405</u>	<u>301,724</u>	<u>6,989,129</u>	<u>(150,655)</u>
Investment earnings	<u>1,008,054</u>	<u>1,150,320</u>	<u>740,409</u>	<u>1,890,729</u>	<u>882,675</u>
<b>Miscellaneous:</b>					
Insurance reimbursement	61,864	61,864	98,570	160,434	98,570
Rents	304,184	518,717	35,750	554,467	250,283
Lease interest	-	12,996	-	12,996	12,996
Other	35,521	35,521	156	35,677	156
Donations	67,945	67,945	-	67,945	-
Total miscellaneous	<u>469,514</u>	<u>697,043</u>	<u>134,476</u>	<u>831,519</u>	<u>362,005</u>
Total revenues	<u>8,617,352</u>	<u>8,534,768</u>	<u>1,176,609</u>	<u>9,711,377</u>	<u>1,094,025</u>
<b>Expenditures:</b>					
<b>General government:</b>					
Water Street/Riverfront ADA	136,899	128,685	-	128,685	8,214
Northern riverfront project	4,100,000	4,088,941	-	4,088,941	11,059
Florence recovery - buildings	2,260,939	2,260,938	-	2,260,938	1
Window repair & replacements	263,576	263,575	-	263,575	1
Building security	270,708	261,811	-	261,811	8,897
Northern warehouse purchase	2,040,184	1,950,956	724	1,951,680	88,504
Administration building	1,000,000	-	-	-	1,000,000
Enterprise backup system	150,000	149,052	-	149,052	948
Building improvements	4,203,258	3,559,399	611,018	4,170,417	32,841
HVAC replacement	4,021,043	4,016,483	-	4,016,483	4,560
IT core system replacement	4,967,320	3,547,326	3,940	3,551,266	1,416,054
Elevator modernization	402,500	379,390	-	379,390	23,110
Kenan fountain	192,086	17,125	28,475	45,600	146,486
Wellington station renovations	107,599	84,503	-	84,503	23,096
City Hall / Thalian Hall	647,249	440,762	-	440,762	206,487
Facility condition assessments	81,390	63,025	-	63,025	18,365
115 N Front Street renovations	1,900,000	-	-	-	1,900,000
Leases	33,032	33,032	-	33,032	-
City Hall office space improvements	187,400	26,873	2,175	29,048	158,352
Generator replacement study	975,596	82,600	17,696	100,296	875,300
929 N Front Street renovation	63,371,629	43,217,334	4,302,387	47,519,721	15,851,908
Roof Replacement	410,084	-	-	-	410,084
ADA compliance	<u>3,276,387</u>	<u>3,050,731</u>	<u>35,416</u>	<u>3,086,147</u>	<u>190,240</u>
Total general government	<u>94,998,879</u>	<u>67,622,541</u>	<u>5,001,831</u>	<u>72,624,372</u>	<u>22,374,507</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Public safety:					
Building improvements	\$ 191,126	\$ 190,668	\$ -	\$ 190,668	\$ 458
Firing range & training facility	12,499,160	12,469,276	23,300	12,492,576	6,584
Shipyards fire station #5	5,057,037	5,037,980	-	5,037,980	19,057
River Lights fire station	9,053,109	3,693,102	4,868,156	8,561,258	491,851
Police headquarters chiller replacement	880,000	834,771	-	834,771	45,229
Fire Station concrete repairs	300,785	123,740	-	123,740	177,045
Total public safety	<u>27,981,217</u>	<u>22,349,537</u>	<u>4,891,456</u>	<u>27,240,993</u>	<u>740,224</u>
Transportation:					
Multi-modal facility study	<u>6,489,783</u>	<u>5,862,155</u>	<u>569,140</u>	<u>6,431,295</u>	<u>58,488</u>
Economic and physical development:					
Land acquisition and economic development	<u>1,031,256</u>	<u>1,031,255</u>	<u>-</u>	<u>1,031,255</u>	<u>1</u>
Cultural and recreational:					
Parks Maintenance Facility	10,543,516	1,214,993	55,789	1,270,782	9,272,734
Greenfield Amphitheater repairs	117,229	95,087	-	95,087	22,142
City pool improvements	80,000	29,215	-	29,215	50,785
Building improvements	<u>402,028</u>	<u>402,028</u>	<u>-</u>	<u>402,028</u>	<u>-</u>
Total cultural and recreational	<u>11,142,773</u>	<u>1,741,323</u>	<u>55,789</u>	<u>1,797,112</u>	<u>9,345,661</u>
Debt Service:					
Principal payments on subscriptions	19,059	12,618	6,439	19,057	2
Interest and other charges	<u>1,111</u>	<u>627</u>	<u>484</u>	<u>1,111</u>	<u>-</u>
Total debt service	<u>20,170</u>	<u>13,245</u>	<u>6,923</u>	<u>20,168</u>	<u>2</u>
Total expenditures	<u>141,664,078</u>	<u>98,620,056</u>	<u>10,525,139</u>	<u>109,145,195</u>	<u>32,518,883</u>
Excess of expenditures over revenues	<u>(133,046,726)</u>	<u>(90,085,288)</u>	<u>(9,348,530)</u>	<u>(99,433,818)</u>	<u>33,612,908</u>
Other financing sources (uses):					
Transfers in:					
General Fund	27,899,347	19,688,976	8,205,882	27,894,858	(4,489)
Debt Service Fund	11,948,753	11,858,486	90,267	11,948,753	-
Special Purpose Fund	1,828,298	1,828,298	-	1,828,298	-
Streets and Sidewalks Fund	2,121,762	2,121,761	-	2,121,761	(1)
Parks & Recreation Fund	421,260	421,260	-	421,260	-
Public Improvements Fund	467,320	467,320	-	467,320	-
Storm Water Capital Project Fund	<u>80,609</u>	<u>80,609</u>	<u>-</u>	<u>80,609</u>	<u>-</u>
Total transfers in	<u>44,767,349</u>	<u>36,466,710</u>	<u>8,296,149</u>	<u>44,762,859</u>	<u>(4,490)</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Other financing sources (uses): (continued)					
Transfers out:					
General Fund	\$ (1,912,187)	\$ -	\$ (1,323,717)	\$ (1,323,717)	\$ 588,470
Streets and Sidewalks Fund	(401,245)	(401,245)	-	(401,245)	-
Parks and Recreation Fund	(26,666)	(26,666)	-	(26,666)	-
Total transfers out	<u>(2,340,098)</u>	<u>(427,911)</u>	<u>(1,323,717)</u>	<u>(1,751,628)</u>	<u>588,470</u>
Issuance of installment obligations	83,244,751	74,294,106	-	74,294,106	(8,950,645)
Issuance of other long-term obligations	1,535,488	1,535,488	-	1,535,488	-
Premium on installment obligations	5,806,204	5,839,231	-	5,839,231	33,027
Issuance of subscription	<u>33,032</u>	<u>33,032</u>	<u>-</u>	<u>33,032</u>	<u>-</u>
Total other financing sources, net	<u>133,046,726</u>	<u>117,740,656</u>	<u>6,972,432</u>	<u>124,713,088</u>	<u>(8,333,638)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 27,655,368</u>	<u>(2,376,098)</u>	<u>\$ 25,279,270</u>	<u>\$ 25,279,270</u>
Fund balance at beginning of year			<u>27,655,368</u>		
Fund balance at end of year			<u>\$ 25,279,270</u>		

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental	\$ 3,850,808	\$ 1,673,055	\$ 663,844	\$ 2,336,899	\$ (1,513,909)
Investment earnings	7,035	39,261	19,505	58,766	51,731
Donations	274,500	274,459	41	274,500	-
<b>Total revenues</b>	<b>4,132,343</b>	<b>1,986,775</b>	<b>683,390</b>	<b>2,670,165</b>	<b>(1,462,178)</b>
<b>Expenditures:</b>					
<b>General government:</b>					
Dedicated 1 cent - Contingency	65,000	-	-	-	65,000
GTV UPGRADE Total	164,804	164,112	-	164,112	692
Main firewall replacement	80,000	67,824	-	67,824	12,176
Building Maintenance	650,000	-	263,449	263,449	386,551
<b>Total general government</b>	<b>959,804</b>	<b>231,936</b>	<b>263,449</b>	<b>495,385</b>	<b>464,419</b>
<b>Public safety:</b>					
New Hanover community endowment	219,500	99,470	41	99,511	119,989
Assistance to Firefighters grant	48,375	48,290	-	48,290	85
Port security grant 2019	655,686	651,486	-	651,486	4,200
Jag equipment / NHC 2021	43,402	37,858	-	37,858	5,544
Traffic intersection post storm recovery	482,000	439,669	-	439,669	42,331
Jag equipment / NHC 2022	41,479	41,479	-	41,479	-
Downtown Riverwalk E-Bike program	40,000	39,364	-	39,364	636
Port security grant 2022	864,164	189,299	631,546	820,845	43,319
NHC ABC Board e-Bike kiosk	49,900	45,189	4,711	49,900	-
Jag equipment / NHC 2023	80,419	-	80,419	80,419	-
NHC ABC Berla decibel meter	50,000	-	50,000	50,000	-
Port security drones	162,191	-	-	-	162,191
Jag equipment NHC 2024	62,545	-	-	-	62,545
<b>Total public safety</b>	<b>2,799,661</b>	<b>1,592,104</b>	<b>766,717</b>	<b>2,358,821</b>	<b>440,840</b>
<b>Transportation:</b>					
Emergency vehicle signal preemption II	1,517,402	232,585	12,155	244,740	1,272,662
Dirt Street Paving	50,000	-	-	-	50,000
Annual Pavement Markings	216,450	-	-	-	216,450
Trail repair and preservation	60,000	-	55,200	55,200	4,800
<b>Total transportation</b>	<b>1,843,852</b>	<b>232,585</b>	<b>67,355</b>	<b>299,940</b>	<b>1,543,912</b>
<b>Economic and physical development:</b>					
DC fast charging station	163,430	144,548	-	144,548	18,882
Level 2 EV charger	20,000	20,000	-	20,000	-
<b>Total economic and physical development</b>	<b>183,430</b>	<b>164,548</b>	<b>-</b>	<b>164,548</b>	<b>18,882</b>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Cultural and recreational:					
New Hanover community endowment	\$ 55,000	\$ 55,000	\$ -	\$ 55,000	\$ -
Park facilities maintenance	810,000	-	265,036	265,036	544,964
Riverwalk structural maintenance	522,645	-	189,301	189,301	333,344
Total Cultural and recreational	<u>1,387,645</u>	<u>55,000</u>	<u>454,337</u>	<u>509,337</u>	<u>878,308</u>
Total expenditures	<u>7,174,392</u>	<u>2,276,173</u>	<u>1,551,858</u>	<u>3,828,031</u>	<u>3,346,361</u>
Excess of expenditures over revenues	<u>(3,042,049)</u>	<u>(289,398)</u>	<u>(868,468)</u>	<u>(1,157,866)</u>	<u>1,884,183</u>
Other financing sources:					
Transfers in:					
General Fund	667,954	651,825	40,548	692,373	24,419
Debt Service Fund	2,374,095	-	2,374,095	2,374,095	-
Total transfers in	<u>3,042,049</u>	<u>651,825</u>	<u>2,414,643</u>	<u>3,066,468</u>	<u>24,419</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 362,427</u>	1,546,175	<u>\$ 1,908,602</u>	<u>\$ 1,908,602</u>
Fund balance at beginning of year			<u>362,427</u>		
Fund balance at end of year			<u>\$ 1,908,602</u>		

**DEBT SERVICE FUND TAB (FRONT)**

**DEBT SERVICE FUND TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
<b>Revenues:</b>				
Ad valorem taxes				
Current year	\$ 21,833,290	\$ 22,049,001	\$ 215,711	\$ 18,646,118
Prior years	-	65,962	65,962	41,492
Total ad valorem taxes	<u>21,833,290</u>	<u>22,114,963</u>	<u>281,673</u>	<u>18,687,610</u>
Investment earnings	760,861	1,469,304	708,443	1,238,901
Donations	125,000	125,000	-	125,000
<b>Miscellaneous:</b>				
Rents	1,800,000	1,703,279	(96,721)	1,646,503
Lease Interest	-	169,722	169,722	186,913
Total miscellaneous	<u>1,800,000</u>	<u>1,873,001</u>	<u>73,001</u>	<u>1,833,416</u>
Total revenues	<u>24,519,151</u>	<u>25,582,268</u>	<u>1,063,117</u>	<u>21,884,927</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal retirement		18,874,854		14,699,421
Interest and other charges		11,276,040		10,890,914
Total expenditures	<u>33,146,032</u>	<u>30,150,894</u>	<u>2,995,138</u>	<u>25,590,335</u>
Excess expenditures over revenues	<u>(8,626,881)</u>	<u>(4,568,626)</u>	<u>4,058,255</u>	<u>(3,705,408)</u>
<b>Other financing sources (uses):</b>				
<b>Transfers in:</b>				
General Fund	11,334,832	11,334,832	-	20,957,332
Streets and Sidewalks Fund	3,276,805	3,276,805	-	-
Parking Facilities Fund	2,000,000	2,000,000	-	-
Total transfers in	<u>16,611,637</u>	<u>16,611,637</u>	<u>-</u>	<u>20,957,332</u>
<b>Transfers out:</b>				
Streets and Sidewalks Fund		(2,844,001)		(1,535,671)
Parks and Recreation Fund		(150,686)		(629,220)
Building Improvements Fund		(90,267)		(4,638,785)
Public Improvements Fund		(2,374,095)		-
Parking Facilities Fund		(2,134,128)		(2,387,966)
Golf Fund		(400,000)		-
Total transfers out	<u>(7,993,177)</u>	<u>(7,993,177)</u>	<u>-</u>	<u>(9,191,642)</u>
Issuance of refunding installment obligations	-	-	-	10,224,895
Premium on refunding installment obligations	-	-	-	879,658
Payment to redeem outstanding installment obligations	-	-	-	(14,323,546)
Appropriated fund balance	8,421	-	(8,421)	-
Total other financing sources, net	<u>8,626,881</u>	<u>8,618,460</u>	<u>(8,421)</u>	<u>8,546,697</u>
Net change in fund balance	<u>\$ -</u>	<u>4,049,834</u>	<u>\$ 4,049,834</u>	<u>4,841,289</u>
Fund balance at beginning of year		22,898,604		18,057,315
Fund balance at end of year		<u>\$ 26,948,438</u>		<u>\$ 22,898,604</u>

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**ENTERPRISE FUNDS TAB (FRONT)**

**ENTERPRISE FUNDS TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Recycling and Trash Services Fund  
Schedule of Revenues and Expenditures -  
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services:				
Refuse collection	\$ 11,739,965	\$ 12,135,771	\$ 395,806	\$ 12,107,424
Recycling	86,618	95,532	8,914	91,328
Fines and forfeitures	-	400	400	-
Other operating revenues	12,116	61,538	49,422	17,406
Total operating revenues	11,838,699	12,293,241	454,542	12,216,158
Nonoperating revenues:				
Restricted intergovernmental	89,000	95,270	6,270	94,479
Investment earnings	113,000	334,127	221,127	312,647
Total nonoperating revenues	202,000	429,397	227,397	407,126
Total revenues	12,040,699	12,722,638	681,939	12,623,284
Expenditures:				
Operating expenditures:				
Administration		669,603		635,197
Customer refuse		4,824,126		4,236,803
Recycling		748,747		867,079
Yard waste		2,404,652		2,253,885
Downtown collection		1,209,290		1,377,867
Bulk/metal collections		797,575		724,889
Other operating expenditures		1,175,607		943,070
Total operating expenditures	12,755,069	11,829,600	925,469	11,038,790
Nonoperating expenditures:				
Interest and other charges		1,043		-
Principal payments on subscriptions		14,765		-
Total nonoperating expenditures	15,808	15,808	-	-
Total expenditures	12,770,877	11,845,408	925,469	11,038,790
Excess (deficiency) of revenues over (under) expenditures	(730,178)	877,230	1,607,408	1,584,494

**CITY OF WILMINGTON, NORTH CAROLINA**

**Recycling and Trash Services Fund  
Schedule of Revenues and Expenditures -  
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance	2024
	Budget	Actual	Positive (Negative)	Actual
Other financing sources:				
Transfers in:				
General Fund	\$ 288,366	\$ 288,366	\$ -	\$ 288,366
Parking Facilities Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total transfers in	538,366	538,366	-	538,366
Issuance of subscription	152,772	152,772	-	-
Appropriated fund balance	<u>39,040</u>	<u>-</u>	<u>(39,040)</u>	<u>-</u>
Total other financing sources	<u>730,178</u>	<u>691,138</u>	<u>(39,040)</u>	<u>538,366</u>
Net change in fund balance	<u>\$ -</u>	1,568,368	<u>\$ 1,568,368</u>	2,122,860
Reconciliation from budgetary basis to full accrual basis:				
Deferred inflows of resources for accounts receivable		1,700		800
Vacation and sick leave accrual		3,750		2,180
Other postemployment benefits (expense) gain		262,377		647,466
Deferred outflows of resources for contributions made to pension plan in current fiscal year		465,517		420,351
Pension expense		(669,546)		(682,331)
Right-to-use subscription assets capital outlay		152,772		-
Issuance of SBITA assets		(152,772)		-
Principal payments on subscription assets		14,765		-
Depreciation and amortization		(16,614)		(2,313)
Change in inventory		21,086		(2,736)
Investment earnings accrual		<u>961</u>		<u>(24,792)</u>
Change in net position		<u>\$ 1,652,364</u>		<u>\$ 2,481,485</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance	2024
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Utility fees	\$ 9,990,180	\$ 10,268,791	\$ 278,611	\$ 9,917,482
City streets	3,375,990	3,375,990	-	3,261,038
Other operating revenues	<u>115,000</u>	<u>82,511</u>	<u>(32,489)</u>	<u>68,255</u>
Total operating revenues	<u>13,481,170</u>	<u>13,727,292</u>	<u>246,122</u>	<u>13,246,775</u>
Nonoperating revenues:				
Investment earnings	300,000	676,728	376,728	774,150
Restricted intergovernmental	<u>-</u>	<u>1,477</u>	<u>1,477</u>	<u>-</u>
Total nonoperating revenue	<u>300,000</u>	<u>678,205</u>	<u>378,205</u>	<u>774,150</u>
Total revenues	<u>13,781,170</u>	<u>14,405,497</u>	<u>624,327</u>	<u>14,020,925</u>
Expenditures:				
Operating expenditures:				
Services		1,159,224		1,140,336
Maintenance		4,621,916		4,179,413
Engineering		349,304		393,998
Other operating expenditures		<u>1,607,085</u>		<u>1,530,129</u>
Total operating expenditures	<u>8,975,818</u>	<u>7,737,529</u>	<u>1,238,289</u>	<u>7,243,876</u>
Nonoperating expenditures:				
Interest and fiscal charges		636,415		680,372
Principal payments on bonds		925,000		880,000
Principal payments on installment obligations		65,105		70,000
Payment to redeem outstanding installment obligations		<u>-</u>		<u>71,320</u>
Total nonoperating expenditures	<u>1,631,415</u>	<u>1,626,520</u>	<u>4,895</u>	<u>1,701,692</u>
Total expenditures	<u>10,607,233</u>	<u>9,364,049</u>	<u>1,243,184</u>	<u>8,945,568</u>
Excess of revenues over expenditures	<u>3,173,937</u>	<u>5,041,448</u>	<u>1,867,511</u>	<u>5,075,357</u>
Other financing sources (uses):				
Transfers out:				
Storm Water Capital Projects Fund	(4,076,387)	(4,076,387)	-	(3,700,000)
Issuance of refunding installment obligation	-	-	-	65,105
Premium on refunding installment obligation	-	-	-	5,601
Appropriated fund balance	<u>902,450</u>	<u>-</u>	<u>(902,450)</u>	<u>-</u>
Total other financing uses, net	<u>(3,173,937)</u>	<u>(4,076,387)</u>	<u>(902,450)</u>	<u>(3,629,294)</u>
Net change in fund balance	<u>\$ -</u>	<u>965,061</u>	<u>\$ 965,061</u>	<u>1,446,063</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		\$ 390		\$ (17,120)
Other postemployment benefits (expense) gain		(61,525)		(366,757)
Deferred outflow of resources for contributions made to pension plan in current fiscal year		322,657		290,028
Pension expense		(461,964)		(523,507)
Change in inventory		4,573		7,825
Capital asset expenditures		24,197		22,958
Depreciation		(1,671,806)		(1,558,924)
Other noncapital expenses - Storm Water Capital Projects Fund		(22,571)		(68,783)
Operating transfer - Storm Water Capital Projects Fund		4,076,387		3,700,000
Investment earnings accrual		4,116		(106,689)
Investment earnings - Storm Water Capital Projects Fund		673,302		558,240
Principal payments on revenue bonds		925,000		880,000
Principal payments on installment obligations		65,105		70,000
Payment to refund outstanding installment obligations		-		71,320
Issuance of refunding installment obligations		-		(70,706)
Interest expense adjustments		38,030		178,710
Capital contributions - others		269,687		435,458
Capital contribution from other funds				
Capital transfer - Special Purpose Fund		91,361		-
Disposal of capital assets		-		(3,308)
Restricted intergovernmental		955,061		624,453
Other		45,101		(7,500)
Change in net position		<u>\$ 6,242,162</u>		<u>\$ 5,561,761</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Totals to Date	
<b>Revenues:</b>					
Investment earnings	\$ 956,745	\$ 2,417,054	\$ 673,302	\$ 3,090,356	\$ 2,133,611
<b>Restricted intergovernmental:</b>					
Grants and contributions	4,830,004	2,923,923	-	2,923,923	(1,906,081)
Hurricane disaster assistance	4,629,875	4,816,281	955,061	5,771,342	1,141,467
Total restricted intergovernmental	9,459,879	7,740,204	955,061	8,695,265	(764,614)
Total revenues	10,416,624	10,157,258	1,628,363	11,785,621	1,368,997
<b>Expenditures:</b>					
Wisteria/Clearbrook area	9,591,274	3,886,964	561,081	4,448,045	5,143,229
Greenville Avenue/White Avenue	1,213,500	973,985	-	973,985	239,515
Brookshire/Beasley drainage	8,805,494	1,873,110	307,273	2,180,383	6,625,111
Clear Run branch improvements	12,196,409	10,111,763	47,467	10,159,230	2,037,179
Red Berry drainage improvements	523,607	198,672	-	198,672	324,935
Eagles Nest drainage improvements	6,000	5,450	-	5,450	550
Storm drainage rehabilitation	6,285,864	1,572,214	21,600	1,593,814	4,692,050
River Road culvert replacement	1,883,848	1,712,737	-	1,712,737	171,111
Pirates Cove drainage improvements	640,917	188,023	17,602	205,625	435,292
Red Cross brick street rehabilitation	205,634	205,633	-	205,633	1
Whispering Pines/Masonboro drainage	3,314,850	170,252	-	170,252	3,144,598
Mineral Springs/Burnt Mill bank stabilization	498,571	498,571	-	498,571	-
Downey branch bank stabilization	368,908	356,128	-	356,128	12,780
New Orleans Place drainage improvements	10,000	5,056	-	5,056	4,944
Storm rehabilitation annual needs 2021	1,447,335	1,446,692	-	1,446,692	643
Adams Street storm rehabilitation	805,343	805,343	-	805,343	-
Legion Stadium storm rehabilitation	154,890	154,890	-	154,890	-
Metts Avenue storm rehabilitation	256,845	256,845	-	256,845	-
Columbia Avenue storm rehabilitation	10,678	10,678	-	10,678	-
University Commons storm rehabilitation	767,806	767,806	-	767,806	-
Carriage Hills wet pond rehabilitation	100,000	39,558	-	39,558	60,442
Greenfield spillway storm rehabilitation	1,168,153	1,168,153	-	1,168,153	-
Arden Street storm rehabilitation	195,575	195,575	-	195,575	-
Bragg Street storm rehabilitation	100,333	100,332	-	100,332	1
Fifth Avenue storm rehabilitation	690,000	688,625	-	688,625	1,375
Holly Tree Road storm rehabilitation	299,937	299,937	-	299,937	-
Lennon Drive storm rehabilitation	290,393	290,393	-	290,393	-
Saint Andrews Drive storm rehabilitation	361,953	361,952	-	361,952	1
Buffaloes outfall storm rehabilitation	325,000	401	11,538	11,939	313,061
Chestnut Street storm rehabilitation	750,000	748,445	-	748,445	1,555
Grace Street storm rehabilitation	1,000,000	998,705	-	998,705	1,295
Gillette Drive storm rehabilitation	680,000	679,149	-	679,149	851
Independence AECOM storm rehabilitation	400,000	398,481	-	398,481	1,519
Culvert replacement - Kelly Road	499,186	-	-	-	499,186
Storm rehab - Robert E Lee Drive	700,000	-	-	-	700,000
Storm rehab - Aecom W Lake Shore	250,000	-	-	-	250,000

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Expenditures: (continued)					
Storm rehab - Kirby Smith/Cassidy	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000
Water Street drainage improvements	644,000	548,411	-	548,411	95,589
Water Street drainage improvements phase II	375,204	342,643	-	342,643	32,561
Chestnut/grace storm water reconstruction	194,857	194,857	-	194,857	-
Florence recovery - storm water	5,521,583	5,285,897	-	5,285,897	235,686
10th and Grace Street storm drainage-ARPA	495,995	-	91,439	91,439	404,556
Total expenditures	<u>64,199,942</u>	<u>37,542,326</u>	<u>1,058,000</u>	<u>38,600,326</u>	<u>25,599,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,783,318)</u>	<u>(27,385,068)</u>	<u>570,363</u>	<u>(26,814,705)</u>	<u>26,968,613</u>
Other financing sources:					
Transfers in:					
Special Purpose Fund	425,380	-	91,361	91,361	(334,019)
Storm Water Management Fund	<u>39,185,613</u>	<u>35,202,501</u>	<u>4,076,387</u>	<u>39,278,888</u>	<u>93,275</u>
Total transfers in	39,610,993	35,202,501	4,167,748	39,370,249	(240,744)
Issuance of bonds	<u>14,172,325</u>	<u>6,716,187</u>	<u>-</u>	<u>6,716,187</u>	<u>(7,456,138)</u>
Total other financing sources	<u>53,783,318</u>	<u>41,918,688</u>	<u>4,167,748</u>	<u>46,086,436</u>	<u>(7,696,882)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,533,620</u>	<u>\$ 4,738,111</u>	<u>\$ 19,271,731</u>	<u>\$ 19,271,731</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025			
	Budget	Actual	Variance Positive (Negative)	2024 Actual
Revenues:				
Operating revenues:				
Charges for services:				
Parking fees	\$ 6,044,151	\$ 6,044,789	\$ 638	\$ 5,478,355
Parking violations	609,900	763,406	153,506	656,744
Other operating revenues	-	291,203	291,203	240,679
Total operating revenues	6,654,051	7,099,398	445,347	6,375,778
Nonoperating revenues:				
Investment earnings	120,000	365,004	245,004	372,657
Total revenues	6,774,051	7,464,402	690,351	6,748,435
Expenditures:				
Operating expenditures:				
Street parking		1,604,038		1,345,957
Second Street deck		363,730		375,990
Market Street deck		625,501		735,254
Second Street lot		88,309		65,471
Hannah Block lot		24,150		23,557
River Place deck		562,083		456,231
Northern Downtown Deck		498,966		498,785
Total operating expenditures	5,665,520	3,766,777	1,898,743	3,501,245
Nonoperating expenditures:				
Interest and fiscal charges		1,348,297		1,095,729
Principal payments on installment obligations		1,758,019		1,775,295
Principal payments on leases		162,597		160,011
Total nonoperating expenditures	3,317,196	3,268,913	48,283	3,031,035
Total expenditures	8,982,716	7,035,690	1,947,026	6,532,280
Excess (deficiency) of revenues over (under) expenditures	(2,208,665)	428,712	2,637,377	216,155

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Other financing sources (uses):				
Transfers in:				
Debt Service Fund	\$ 2,134,128	\$ 2,134,128	\$ -	\$ 2,387,966
Transfers out:				
General Fund		(250,000)		-
Debt Service Fund		(2,000,000)		-
Parking Facilities Capital Projects Fund		(150,000)		(650,000)
Recycling and Trash Services Fund		(250,000)		(250,000)
Total transfers out	(2,650,000)	(2,650,000)	-	(900,000)
Appropriated fund balance	2,724,537	-	(2,724,537)	-
Total other financing sources (uses), net	2,208,665	(515,872)	(2,724,537)	1,487,966
Net change in fund balance	\$ -	(87,160)	\$ (87,160)	1,704,121
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		5,655		1,000
Other postemployment benefits expense		(6,369)		(8,936)
Pension expense		(23,784)		(39,223)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		11,248		14,933
Sale of Land		(3,025,448)		-
Depreciation		(2,054,042)		(2,206,766)
Amortization		(178,567)		(178,568)
Other noncapital expenses - Parking Facilities Capital Projects Fund		(479,009)		(103,127)
Customer receivables				
Investment earnings accrual		1,197		(41,455)
Deferred loss on refunding bonds		(6,917)		(7,789)
Investment earnings - Parking Facilities Capital Projects Fund		127,648		120,229
Operating transfer - Parking Facilities Capital Projects Fund		150,000		650,000
Principal payments on installment obligations		1,758,019		1,775,295
Principal payments on leases		162,597		160,011
Interest expense accrual		2,238		(253,369)
Change in net position		\$ (3,642,694)		\$ 1,586,356

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Actual		Totals to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 327,377	\$ 127,648	\$ 455,025	\$ 455,025
Sale of air rights	1,015,338	1,015,338	-	1,015,338	-
<b>Total revenues</b>	<b>1,015,338</b>	<b>1,342,715</b>	<b>127,648</b>	<b>1,470,363</b>	<b>455,025</b>
<b>Expenditures:</b>					
Water Street parking deck	31,335,177	30,687,384	2,150	30,689,534	645,643
Second Street parking deck repair	3,279,486	2,593,457	-	2,593,457	686,029
Market Street parking deck lights	85,000	84,631	-	84,631	369
Camera Replacement Decks	716,156	501,077	-	501,077	215,079
PARCS equipment replacement	486,327	458,502	-	458,502	27,825
Smart meters - phase II	300,000	153,426	-	153,426	146,574
Market Street parking deck access improvements	139,050	124,378	-	124,378	14,672
Market Street parking deck major repair	623,600	34,919	476,603	511,522	112,078
Second Street parking deck elevator modernization	206,000	-	-	-	206,000
929 N Front Street parking deck	16,555,673	16,539,100	256	16,539,356	16,317
<b>Total expenditures</b>	<b>53,726,469</b>	<b>51,176,874</b>	<b>479,009</b>	<b>51,655,883</b>	<b>2,070,586</b>
Excess of expenditures over revenues	(52,711,131)	(49,834,159)	(351,361)	(50,185,520)	2,525,611
<b>Other financing sources (uses):</b>					
Transfers in:					
Debt Service Fund	1,369,371	1,369,371	-	1,369,371	-
Parking Facilities Fund	6,950,749	6,801,042	150,000	6,951,042	293
<b>Total transfers in</b>	<b>8,320,120</b>	<b>8,170,413</b>	<b>150,000</b>	<b>8,320,413</b>	<b>293</b>
Transfers out:					
Parking Facilities Fund	(892,472)	(892,472)	-	(892,472)	-
Issuance of installment obligations	19,632,510	19,632,510	-	19,632,510	-
Issuance of installment obligations premium	1,079,492	1,089,864	-	1,089,864	10,372
Issuance of other long-term obligations	24,571,481	24,571,481	-	24,571,481	-
<b>Total other financing sources, net</b>	<b>52,711,131</b>	<b>52,571,796</b>	<b>150,000</b>	<b>52,721,796</b>	<b>10,665</b>
Net change in fund balance	\$ -	\$ 2,737,637	\$ (201,361)	\$ 2,536,276	\$ 2,536,276

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025  
With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Fees and coupons	\$ 1,622,000	\$ 1,721,123	\$ 99,123	\$ 1,776,411
Cart rentals	364,000	355,528	(8,472)	379,019
Concessions	325,000	366,565	41,565	346,216
Other operating revenues	<u>60,753</u>	<u>57,537</u>	<u>(3,216)</u>	<u>55,324</u>
Total operating revenues	2,371,753	2,500,753	129,000	2,556,970
Nonoperating revenues:				
Investment earnings	<u>15,000</u>	<u>120,140</u>	<u>105,140</u>	<u>120,280</u>
Total revenues	<u>2,386,753</u>	<u>2,620,893</u>	<u>234,140</u>	<u>2,677,250</u>
Expenditures:				
Operating expenditures:				
Golf course	<u>2,068,770</u>	<u>1,888,404</u>	<u>180,366</u>	<u>1,765,591</u>
Excess of revenues over expenditures	<u>317,983</u>	<u>732,489</u>	<u>414,506</u>	<u>911,659</u>
Other financing sources (uses):				
Transfers in:				
Debt Service Fund	400,000	400,000	-	-
Transfers out:				
Golf Capital Projects Fund	(1,540,199)	(1,540,199)	-	(271,818)
Appropriated fund balance	<u>822,216</u>	<u>-</u>	<u>(822,216)</u>	<u>-</u>
Total other financing uses, net	<u>(317,983)</u>	<u>(1,140,199)</u>	<u>(822,216)</u>	<u>(271,818)</u>
Net change in fund balance	<u>\$ -</u>	<u>(407,710)</u>	<u>\$ (407,710)</u>	639,841
Reconciliation from budgetary basis to full accrual basis:				
Deferred inflows of resources for gift certificates		7,684		6,788
Investment earnings accrual		244		(9,476)
Vacation and sick leave accrual		763		(4,627)
Other postemployment benefits (expense) gain		(10,092)		2,857
Deferred outflows of resources for contributions made to pension plan in current fiscal year		76,144		69,374
Pension Expense		(110,501)		(112,994)
Change in inventory		5,167		(6,057)
Depreciation		(221,104)		(171,951)
Investment earnings - Golf Capital Projects Fund		7,677		12,338
Operating transfer - Golf Capital Projects Fund		1,540,199		271,818
Capital contributions from governmental funds		<u>-</u>		<u>25,523</u>
Change in net position		<u>\$ 888,471</u>		<u>\$ 723,434</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Totals to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 17,858	\$ 7,677	\$ 25,535	\$ 25,535
Expenditures:					
Municipal Golf course improvements	1,365,000	1,335,055	-	1,335,055	29,945
Golf course improvements	100,873	59,431	31,000	90,431	10,442
Golf course Irrigation	1,923,158	-	1,923,089	1,923,089	69
Total expenditures	3,389,031	1,394,486	1,954,089	3,348,575	40,456
Excess of expenditures over revenues	(3,389,031)	(1,376,628)	(1,946,412)	(3,323,040)	65,991
Other financing sources:					
Transfers in:					
Debt Service Fund	200,000	200,000	-	200,000	-
Parks and Recreation Fund	1,165,000	1,165,000	-	1,165,000	-
Golf Fund	2,024,031	483,832	1,540,199	2,024,031	-
Total transfers in	3,389,031	1,848,832	1,540,199	3,389,031	-
Total other financing sources	3,389,031	1,848,832	1,540,199	3,389,031	-
Net change in fund balance	\$ -	\$ 472,204	\$ (406,213)	\$ 65,991	\$ 65,991

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**INTERNAL SERVICE FUNDS TAB (FRONT)**

**INTERNAL SERVICE FUNDS TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Combining Statement of Net Position -  
Internal Service Funds**

**June 30, 2025**

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents/investments	\$ 22,384,608	\$ 1,744,788	\$ 24,129,396
Other receivables	88,456	2,077	90,533
Due from other governments	167,188	77,391	244,579
Inventory of materials and supplies	34,623	-	34,623
Prepays	<u>789,587</u>	<u>40,667</u>	<u>830,254</u>
Total current assets	<u>23,464,462</u>	<u>1,864,923</u>	<u>25,329,385</u>
Noncurrent assets:			
Capital assets:			
Intangible software	130,305	-	130,305
Furniture, fixtures, machinery and equipment	39,425,221	-	39,425,221
Intangible right-to-use leased equipment	-	1,241,443	1,241,443
Intangible right-to-use subscription asset	-	1,668,427	1,668,427
Less accumulated depreciation/amortization	<u>(28,235,996)</u>	<u>(1,686,229)</u>	<u>(29,922,225)</u>
Total capital assets, net of accumulated depreciation/ amortization	<u>11,319,530</u>	<u>1,223,641</u>	<u>12,543,171</u>
Total assets	<u>34,783,992</u>	<u>3,088,564</u>	<u>37,872,556</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other postemployment benefits deferrals	58,686	-	58,686
Pension deferrals	177,326	-	177,326
Contributions to pension plan in current fiscal year	<u>94,691</u>	<u>-</u>	<u>94,691</u>
Total deferred outflows of resources	<u>330,703</u>	<u>-</u>	<u>330,703</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	668,776	49,774	718,550
Accrued liabilities	35,956	-	35,956
Current portion of long-term liabilities:			
Lease liability	-	278,491	278,491
Subscription liability	-	555,991	555,991
Accrued vacation and sick leave	<u>76,720</u>	<u>-</u>	<u>76,720</u>
Total current liabilities	<u>781,452</u>	<u>884,256</u>	<u>1,665,708</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities:			
Lease liability	-	227,081	227,081
Accrued vacation and sick leave	34,249	-	34,249
Net other postemployment benefits liability	468,515	-	468,515
Net pension liability	<u>547,867</u>	<u>-</u>	<u>547,867</u>
Total noncurrent liabilities	<u>1,050,631</u>	<u>227,081</u>	<u>1,277,712</u>
Total liabilities	<u>1,832,083</u>	<u>1,111,337</u>	<u>2,943,420</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Combining Statement of Net Position -  
Internal Service Funds (Continued)**

**June 30, 2025**

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other postemployment benefits deferrals	\$ 83,794	\$ -	\$ 83,794
Pension deferrals	<u>16,039</u>	<u>-</u>	<u>16,039</u>
Total deferred inflows of resources	<u>99,833</u>	<u>-</u>	<u>99,833</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,797,022	162,078	10,959,100
Unrestricted	<u>22,385,757</u>	<u>1,815,149</u>	<u>24,200,906</u>
Total net position	<u>\$ 33,182,779</u>	<u>\$ 1,977,227</u>	<u>\$ 35,160,006</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 3,003,036	\$ -	\$ 3,003,036
Charges for equipment replacement	6,081,687	828,392	6,910,079
Other operating revenues	<u>19,366</u>	<u>-</u>	<u>19,366</u>
Total operating revenues	<u>9,104,089</u>	<u>828,392</u>	<u>9,932,481</u>
Operating expenses:			
Salaries, employee benefits and other personnel costs	1,099,726	-	1,099,726
Materials and fuels consumed	18,786	-	18,786
Services	1,765,911	-	1,765,911
Utilities	26,980	-	26,980
Depreciation	4,045,850	-	4,045,850
Amortization	-	848,269	848,269
Other operating expenses	<u>918,873</u>	<u>518,327</u>	<u>1,437,200</u>
Total operating expenses	<u>7,876,126</u>	<u>1,366,596</u>	<u>9,242,722</u>
Operating income (loss)	<u>1,227,963</u>	<u>(538,204)</u>	<u>689,759</u>
Nonoperating revenues (expenses):			
Investment earnings	892,693	42,627	935,320
Interest and other charges	-	(49,869)	(49,869)
Gain (loss) on disposal of capital assets	<u>64,053</u>	<u>(44,890)</u>	<u>19,163</u>
Total nonoperating revenues (expenses), net	<u>956,746</u>	<u>(52,132)</u>	<u>904,614</u>
Income (loss) before transfers and capital contributions	2,184,709	(590,336)	1,594,373
Capital contributions	156,842	-	156,842
Transfers from other funds	<u>-</u>	<u>638,311</u>	<u>638,311</u>
Change in net position	<u>2,341,551</u>	<u>47,975</u>	<u>2,389,526</u>
Net position at beginning of year as previously stated	30,829,640	1,929,252	32,758,892
Restatement for accounting change (Note 8)	<u>11,588</u>	<u>-</u>	<u>11,588</u>
Net position at beginning of year as restated	<u>30,841,228</u>	<u>1,929,252</u>	<u>32,770,480</u>
Net position at end of year	<u>\$ 33,182,779</u>	<u>\$ 1,977,227</u>	<u>\$ 35,160,006</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 588,151	\$ -	\$ 588,151
Receipts from interfund services provided	8,463,026	818,681	9,281,707
Payments to suppliers	(2,748,450)	(571,293)	(3,319,743)
Payments to or on behalf of employees	(1,038,048)	-	(1,038,048)
Payments for interfund services used	<u>(5,946)</u>	<u>-</u>	<u>(5,946)</u>
Net cash provided by operating activities	<u>5,258,733</u>	<u>247,388</u>	<u>5,506,121</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	<u>-</u>	<u>638,311</u>	<u>638,311</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(3,616,338)	-	(3,616,338)
Principal payments on leases	-	(304,200)	(304,200)
Principal payments on subscriptions	-	(540,316)	(540,316)
Interest and other charges	-	(49,869)	(49,869)
Proceeds from sale of capital assets	<u>74,676</u>	<u>-</u>	<u>74,676</u>
Net cash used in capital and related financing activities	<u>(3,541,662)</u>	<u>(894,385)</u>	<u>(4,436,047)</u>
Cash flows from investing activities:			
Investment earnings	<u>939,147</u>	<u>43,776</u>	<u>982,923</u>
Net increases in cash and cash equivalents/ investments	2,656,218	35,090	2,691,308
Cash and cash equivalents/investments at beginning of year	<u>19,728,390</u>	<u>1,709,698</u>	<u>21,438,088</u>
Cash and cash equivalents/investments at end of year	<u>\$ 22,384,608</u>	<u>\$ 1,744,788</u>	<u>\$ 24,129,396</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

	<u>Equipment, Maintenance and Replacement Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 1,227,963	\$ (538,204)	\$ 689,759
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	4,045,850	848,269	4,894,119
Changes in assets and liabilities:			
Due from other governments	(52,912)	(9,711)	(62,623)
Inventory of materials and supplies	14,540	-	14,540
Prepays	-	(38,027)	(38,027)
Deferred outflows of resources for pensions	42,511	-	42,511
Deferred outflows of resources for other postemployment benefits	(8,097)	-	(8,097)
Net pension liability	(6,432)	-	(6,432)
Net other postemployment benefits liability	54,784	-	54,784
Deferred inflows of resources for pensions	1,181	-	1,181
Deferred inflows of resources for other postemployment benefits	(35,936)	-	(35,936)
Accounts payable and accrued liabilities	(38,029)	(14,939)	(52,968)
Accrued vacation and sick leave	13,310	-	13,310
Net cash provided by operating activities	<u>\$ 5,258,733</u>	<u>\$ 247,388</u>	<u>\$ 5,506,121</u>
Noncash investing, capital and financing activities:			
Issuance of leases	\$ -	\$ 148,493	\$ 148,493
Capital assets acquired on account	489,116	44,890	534,006
Capital contributions from governmental funds	156,842	-	156,842
Donation of capital assets to governmental funds	-	(44,890)	(44,890)
Net effect of noncash activities	<u>\$ 645,958</u>	<u>\$ 148,493</u>	<u>\$ 794,451</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Equipment, Maintenance and Replacement Fund  
Schedule of Revenues and Expenditures -  
Budget and Actual (Non - GAAP)**

**Year Ended June 30, 2025**

**With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Revenues:				
Operating revenues:				
Charges for services	\$ 2,600,063	\$ 3,003,036	\$ 402,973	\$ 2,566,736
Charges for equipment replacement	5,715,950	6,081,687	365,737	5,653,262
Other operating revenues	5,000	18,575	13,575	7,117
Total operating revenues	<u>8,321,013</u>	<u>9,103,298</u>	<u>782,285</u>	<u>8,227,115</u>
Nonoperating revenues:				
Investment earnings	-	890,045	890,045	947,439
Sale of capital assets	-	75,467	75,467	519,821
Total nonoperating revenues	<u>-</u>	<u>965,512</u>	<u>965,512</u>	<u>1,467,260</u>
Total revenues	<u>8,321,013</u>	<u>10,068,810</u>	<u>1,747,797</u>	<u>9,694,375</u>
Expenditures:				
Operating expenditures:				
Garage operations		3,341,016		3,223,863
Capital and noncapital equipment		4,518,853		5,742,212
Total operating expenditures	<u>17,165,256</u>	<u>7,859,869</u>	<u>9,305,387</u>	<u>8,966,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,844,243)</u>	<u>2,208,941</u>	<u>11,053,184</u>	<u>728,300</u>
Other financing sources:				
Appropriated fund balance	<u>8,844,243</u>	<u>-</u>	<u>(8,844,243)</u>	<u>-</u>
Total other financing sources	<u>8,844,243</u>	<u>-</u>	<u>(8,844,243)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,208,941</u>	<u>\$ 2,208,941</u>	<u>728,300</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Equipment, Maintenance and Replacement Fund  
Schedule of Revenues and Expenditures -  
Budget and Actual (Non - GAAP) (Continued)**

**Year Ended June 30, 2025**

**With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance Positive (Negative)	2024 Actual
	Budget	Actual		
Reconciliation from budgetary basis to full accrual basis:				
Vacation and sick leave accrual		\$ (13,310)		\$ 3,315
Other postemployment benefits gain		(10,751)		(55,796)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		94,691		82,840
Pension Expense		(131,951)		(145,370)
Change in inventory		(14,540)		448
Capital asset expenditures		4,105,454		5,590,802
Depreciation		(4,045,850)		(3,795,468)
Investment earnings accrual		2,648		(91,495)
Disposal of capital assets		(10,623)		-
Capital contributions from governmental funds		<u>156,842</u>		<u>163,933</u>
Change in net position		<u>\$ 2,341,551</u>		<u>\$ 2,481,509</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**Year Ended June 30, 2025**

**With Comparative Actual Amounts for Year Ended June 30, 2024**

	2025		Variance	2024
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for equipment replacement	\$ 811,668	\$ 828,392	\$ 16,724	\$ 817,876
Nonoperating revenues:				
Investment earnings	-	42,421	42,421	42,616
Total revenues	<u>811,668</u>	<u>870,813</u>	<u>59,145</u>	<u>860,492</u>
Expenditures:				
Operating expenditures:				
Information technology operations		331,535		396,896
Capital and noncapital equipment		380,176		2,391,097
Total operating expenditures	<u>1,327,331</u>	<u>711,711</u>	<u>615,620</u>	<u>2,787,993</u>
Nonoperating expenditures:				
Interest and other charges	49,901	49,869	32	8,801
Principal payments on leases	344,867	304,200	40,667	275,140
Principal payments on subscriptions	540,317	540,316	1	572,120
Total nonoperating expenditures	<u>935,085</u>	<u>894,385</u>	<u>40,700</u>	<u>856,061</u>
Total expenditures	<u>2,262,416</u>	<u>1,606,096</u>	<u>656,320</u>	<u>3,644,054</u>
Excess of expenditures over revenues	<u>(1,450,748)</u>	<u>(735,283)</u>	<u>715,465</u>	<u>(2,783,562)</u>
Other financing sources:				
Transfers in:				
General Fund	638,311	638,311	-	563,724
Issuance of lease	304,587	148,494	(156,093)	603,385
Issuance of subscription	-	-	-	1,668,427
Appropriated fund balance	<u>507,850</u>	<u>-</u>	<u>(507,850)</u>	<u>-</u>
Total other financing sources	<u>1,450,748</u>	<u>786,805</u>	<u>(663,943)</u>	<u>2,835,536</u>
Net change in fund balance	<u>\$ -</u>	<u>51,522</u>	<u>\$ 51,522</u>	<u>51,974</u>
Reconciliation from budgetary basis to full accrual basis:				
Capital asset expenditures		44,890		43,980
Investment earnings accrual		206		(1,714)
Right-to-use leased assets capital outlay		148,494		603,385
Right-to-use subscription assets capital outlay		-		1,668,427
Issuance of leases		(148,494)		(603,385)
Issuance of SBITA assets		-		(1,668,427)
Principal payments on leases		304,200		275,140
Principal payments on subscription assets		540,316		572,120
Amortization expense for intangible assets		(848,269)		(737,633)
Donations of capital assets to governmental funds		<u>(44,890)</u>		<u>(43,980)</u>
Change in net position		<u>\$ 47,975</u>		<u>\$ 159,887</u>

**SUPPLEMENTAL**  
**FINANCIAL DATA TAB (FRONT)**

**SUPPLEMENTAL**  
**FINANCIAL DATA TAB (BACK)**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>  
Schedule By Type and Source**

**June, 30 2025**

Governmental funds capital assets:	
Land	\$ 79,540,788
Easements	42,483,755
Improvements other than buildings	109,583,259
Buildings, plant and structures	227,569,087
Furniture, fixtures, machinery and equipment	30,174,726
Computer software	4,326,191
Streets and drainage	304,611,868
Construction in progress	35,220,597
Right-to-use leased assets	598,480
Right-to-use subscription assets	<u>9,059,697</u>
Total governmental funds capital assets	<u>\$ 843,168,448</u>
Investment in governmental funds capital assets by source:	
Prior years for which detail is not available	\$ 16,339,035
General Fund	46,376,742
Special Purpose Fund	5,968,736
Capital Project Funds	567,130,647
Accepted dedications	<u>207,353,288</u>
Total governmental funds capital assets	<u>\$ 843,168,448</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>  
Schedule By Function and Activity**

**June, 30 2025**

Function and Activity	Land	Easements	Improvements other than Buildings	Buildings, Plant and Structures	Furniture, Fixtures, Machinery and Equipment	Computer Software
<b>General government:</b>						
City Manager	\$ -	\$ -	\$ -	\$ -	\$ 85,705	\$ -
City Attorney	-	-	-	-	-	-
Finance	-	-	-	-	30,354	-
Information technology services	-	-	-	-	1,179,794	3,805,534
Development services	-	-	-	-	279,859	13,120
General government	<u>22,295,620</u>	<u>10,026</u>	<u>4,101,363</u>	<u>72,066,270</u>	<u>554,264</u>	<u>-</u>
Total general government	<u>22,295,620</u>	<u>10,026</u>	<u>4,101,363</u>	<u>72,066,270</u>	<u>2,129,976</u>	<u>3,818,654</u>
<b>Public safety:</b>						
Police	2,016,744	-	36,250	32,783,800	6,783,640	233,054
Fire	<u>4,915,114</u>	-	<u>479,279</u>	<u>28,136,725</u>	<u>17,932,040</u>	<u>-</u>
Total public safety	<u>6,931,858</u>	<u>-</u>	<u>515,529</u>	<u>60,920,525</u>	<u>24,715,680</u>	<u>233,054</u>
<b>Transportation:</b>						
Traffic engineering	-	-	-	45,758	698,575	-
Transportation planning	294,882	-	-	6,077,064	25,921	-
Streets and drainage	<u>32,998,517</u>	<u>42,429,479</u>	<u>7,853,695</u>	<u>104,500</u>	<u>513,503</u>	<u>218,773</u>
Total transportation	<u>33,293,399</u>	<u>42,429,479</u>	<u>7,853,695</u>	<u>6,227,322</u>	<u>1,237,999</u>	<u>218,773</u>
<b>Cultural and recreational:</b>						
Parks and recreation	<u>10,776,717</u>	<u>44,250</u>	<u>97,087,672</u>	<u>39,663,058</u>	<u>1,168,189</u>	<u>33,404</u>
<b>Economic and physical development</b>						
	<u>6,243,194</u>	<u>-</u>	<u>25,000</u>	<u>48,691,912</u>	<u>922,882</u>	<u>22,306</u>
<b>Total governmental funds capital assets</b>	<u>\$ 79,540,788</u>	<u>\$ 42,483,755</u>	<u>\$ 109,583,259</u>	<u>\$ 227,569,087</u>	<u>\$ 30,174,726</u>	<u>\$ 4,326,191</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Function and Activity	Streets and Drainage	Construction in Progress	Right-to-use Leased Assets	Right-to-use Subscription Assets	Total
General government:					
City Manager	\$ -	\$ -	\$ -	\$ 13,460	\$ 99,165
City Attorney	-	-	-	32,570	32,570
Finance	-	-	-	30,469	60,823
Information Technology Services	-	-	-	1,763,200	6,748,528
Development Services	-	-	14,897	-	307,876
General government	<u>-</u>	<u>4,246,335</u>	<u>-</u>	<u>33,032</u>	<u>103,306,910</u>
Total general government	<u>-</u>	<u>4,246,335</u>	<u>14,897</u>	<u>1,872,731</u>	<u>110,555,872</u>
Public safety:					
Police	-	602,898	560,845	7,171,001	50,188,232
Fire	-	8,424,282	22,738	15,965	59,926,143
Total public safety	<u>-</u>	<u>9,027,180</u>	<u>583,583</u>	<u>7,186,966</u>	<u>110,114,375</u>
Transportation:					
Traffic engineering	-	244,740	-	-	989,073
Transportation Planning	-	-	-	-	6,397,867
Streets and drainage	<u>303,317,782</u>	<u>19,328,272</u>	<u>-</u>	<u>-</u>	<u>406,764,521</u>
Total transportation	<u>303,317,782</u>	<u>19,573,012</u>	<u>-</u>	<u>-</u>	<u>414,151,461</u>
Cultural and recreational:					
Parks and recreation	<u>1,294,086</u>	<u>2,374,070</u>	<u>-</u>	<u>-</u>	<u>152,441,446</u>
Economic and physical development					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,905,294</u>
Total governmental funds capital assets					
	<u>\$ 304,611,868</u>	<u>\$ 35,220,597</u>	<u>\$ 598,480</u>	<u>\$ 9,059,697</u>	<u>\$ 843,168,448</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>  
Schedule of Changes By Function and Activity**

**Year Ended June, 30 2025**

Function and Activity	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>
General government:			
City Manager	\$ 99,165	\$ -	\$ -
City Attorney	-	32,570	-
Finance	82,846	-	(22,023)
Information Technology Services	8,217,269	676,463	(2,190,094)
Development Services and Planning	281,900	25,975	-
General government buildings	<u>101,351,021</u>	<u>4,705,186</u>	<u>(7,093,422)</u>
Total general government	<u>110,032,201</u>	<u>5,440,194</u>	<u>(9,305,539)</u>
Public safety:			
Police	46,272,876	4,385,154	(726,052)
Fire	<u>54,651,347</u>	<u>5,047,736</u>	<u>-</u>
Total public safety	<u>100,924,223</u>	<u>9,432,890</u>	<u>(726,052)</u>
Transportation:			
Traffic engineering	1,073,819	12,154	(96,900)
Transportation planning	5,828,727	569,140	-
Streets and drainage	<u>383,676,541</u>	<u>24,006,505</u>	<u>(863,325)</u>
Total transportation	<u>390,579,087</u>	<u>24,587,799</u>	<u>(960,225)</u>
Cultural and recreational:			
Parks and recreation	<u>144,615,384</u>	<u>7,869,453</u>	<u>(98,591)</u>
Economic and physical development	<u>60,770,006</u>	<u>50,754</u>	<u>(3,035,560)</u>
Total governmental funds capital assets	<u>\$ 806,920,901</u>	<u>\$ 47,381,090</u>	<u>\$ (14,125,967)</u>

<sup>(1)</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Function and Activity	Transfers	June 30, 2025
General government:		
City Manager	\$ -	\$ 99,165
City Attorney	-	32,570
Finance	-	60,823
Information Technology Services	44,890	6,748,528
Development Services and Planning	1	307,876
General government buildings	4,344,125	103,306,910
Total general government	<u>4,389,016</u>	<u>110,555,872</u>
Public safety:		
Police	256,254	50,188,232
Fire	227,060	59,926,143
Total public safety	<u>483,314</u>	<u>110,114,375</u>
Transportation:		
Traffic engineering	-	989,073
Transportation planning	-	6,397,867
Streets and drainage	(55,200)	406,764,521
Total transportation	<u>(55,200)</u>	<u>414,151,461</u>
Cultural and recreational:		
Parks and recreation	55,200	152,441,446
Economic and physical development	(1,879,906)	55,905,294
Total governmental funds capital assets	<u>\$ 2,992,424</u>	<u>\$ 843,168,448</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Schedule of Change in Ad Valorem Taxes Receivable**

**June 30, 2025**

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 97,847,366	\$ 97,475,689	\$ 371,677
2023-2024	372,350	-	174,488	197,862
2022-2023	245,904	-	73,687	172,217
prior years	<u>2,058,942</u>	<u>-</u>	<u>335,163</u>	<u>1,723,779</u>
	2,677,196	97,847,366	98,059,027	2,465,535
Less allowance for uncollectible taxes	<u>(2,324,577)</u>	<u>465,215</u>	<u>-</u>	<u>(1,859,362)</u>
Totals <sup>(1)</sup>	<u>\$ 352,619</u>	<u>\$ 98,312,581</u>	<u>\$ 98,059,027</u>	<u>\$ 606,173</u>

Reconciliation of collections and credits:

New Hanover County tax office

remittances:

Taxes - ad valorem - current year - General Fund & Debt Service Fund \$ 97,813,900

Taxes - ad valorem - penalties and interest - General Fund 265,054

Total remittances 98,078,954

Other adjustments 245,127

Less penalties and interest (265,054)

Total collections and credits \$ 98,059,027

(1) Total ad valorem tax receivable includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Service District.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Analysis of Current Tax Levy**

**For the Fiscal Year Ended June 30, 2025**

	City - Wide		Total Levy		
	Property	Total	Property	Registered	Registered
	Valuation	Levy	excluding	Motor	Motor
	Rate		Registered	Motor	Motor
			Vehicles	Vehicles	Vehicles
Original levy: <sup>(1)</sup>					
Property taxed at current year's rate	\$22,888,062,203	\$ 0.4200	\$96,129,861	\$90,720,221	\$5,409,640
Motor vehicles taxed at prior and second year's rate	366,891,780	0.3950	1,449,223	-	1,449,223
third year's rate	944,929	0.3808	3,598	-	3,598
fourth, fifth, sixth year's rate	547,380	0.4984	2,728	-	2,728
seventh year's rate	87,727	0.4834	424	-	424
eighth year's rate	5,490	0.4600	25	-	25
Penalties	-		161,986	161,986	-
<b>Total</b>	<b>23,256,539,509</b>		<b>97,747,845</b>	<b>90,882,207</b>	<b>6,865,638</b>
Discoveries:					
Current year taxes	-		279,371	279,371	-
<b>Total</b>	<b>-</b>		<b>98,027,216</b>	<b>91,161,578</b>	<b>6,865,638</b>
Abatements:	(35,275,250)		(147,376)	(147,376)	-
Other adjustments	-		(32,474)	(32,474)	-
<b>Total property valuation</b>	<b><u>\$23,221,264,259</u></b>				
Net levy			97,847,366	90,981,728	6,865,638
Uncollected taxes at June 30, 2025			371,677	371,677	-
Current year's taxes collected			<u>\$97,475,689</u>	<u>\$90,610,051</u>	<u>\$ 6,865,638</u>
Current levy collection percentage			<u>99.62%</u>	<u>99.59%</u>	<u>100.00%</u>

(1) Total levy includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Service District.

**CITY OF WILMINGTON, NORTH CAROLINA**

**Schedule of Receipts and Expenditures -  
Room Occupancy Tax**

**From Inception and Year Ended June 30, 2025**

Receipts prior years	<u>\$ 69,496,743</u>
Receipts:	
July, 2024	775,178
August, 2024	678,788
September, 2024	554,042
October, 2024	620,251
November, 2024	426,581
December, 2024	320,953
January, 2025	338,631
February, 2025	429,749
March, 2025	608,306
April, 2025	888,785
May, 2025	727,691
June, 2025	<u>671,886</u>
Receipts current year	<u>7,040,841</u>
Receipts to date	<u>\$ 76,537,584</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

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

**From Inception and Year Ended June 30, 2025**

Disbursements prior years	\$ 56,724,343
Disbursements:	
Operating costs - Convention Center	314,833
Facility repairs and maintenance	358,148
Marketing	594,154
Debt service	4,005,245
Fiscal agent fees	<u>2,640</u>
Disbursements current year	<u>5,275,020</u>
Disbursements to date	<u>\$ 61,999,363</u>

The information presented is required by Session Law 2002-139 Section 1.(e) as rewritten by session law 2006-167 Reports – each entity responsible for administering and spending the proceeds of a tax levied under this section must each annually publish a detailed, audited report on its receipts and expenditures of the room occupancy tax proceeds during the preceding year. The text of the report must be included in the minutes of the entity’s governing body and placed on a public web site, and must be made available in hard copy upon request.

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**STATISTICAL SECTION TAB (FRONT)**

**STATISTICAL SECTION TAB (BACK)**

**STATISTICAL SECTION  
(unaudited)**

This part of the City of Wilmington’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	218 - 231
These schedules contain trend information to help the readers understand how the city’s financial performance and well-being have changed over time.	
Revenue Capacity	232 - 235
These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.	
Debt Capacity	236 - 242
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
Demographic and Economic Information	243
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	
Operating Information	244 - 249
These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	

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

**CITY OF WILMINGTON, NORTH CAROLINA**

**Net Position by Component**

**Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 220,482,002	\$ 222,453,072	\$ 222,365,472	\$ 240,380,429
Restricted	40,527,283	41,349,356	42,500,030	52,687,351
Unrestricted (1), (2), (3)	<u>53,837,868</u>	<u>49,108,721</u>	<u>36,410,461</u>	<u>19,982,339</u>
Total governmental activities net position	<u>\$ 314,847,153</u>	<u>\$ 312,911,149</u>	<u>\$ 301,275,963</u>	<u>\$ 313,050,119</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 30,970,797	\$ 33,518,870	\$ 32,935,755	\$ 33,297,271
Restricted	1,549,898	1,455,998	1,055,998	1,055,998
Unrestricted (2), (3)	<u>23,497,622</u>	<u>27,162,767</u>	<u>31,660,796</u>	<u>38,490,587</u>
Total business-type activities net position	<u>\$ 56,018,317</u>	<u>\$ 62,137,635</u>	<u>\$ 65,652,549</u>	<u>\$ 72,843,856</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 251,452,799	\$ 255,971,942	\$ 255,301,227	\$ 273,677,700
Restricted	42,077,181	42,805,354	43,556,028	53,743,349
Unrestricted	<u>77,335,490</u>	<u>76,271,488</u>	<u>68,071,257</u>	<u>58,472,926</u>
Total primary government net position	<u>\$ 370,865,470</u>	<u>\$ 375,048,784</u>	<u>\$ 366,928,512</u>	<u>\$ 385,893,975</u>

**Notes:**

- (1) Unrestricted governmental net position is restated in fiscal year 2016 to record the City's total pension liability of the Law Enforcement Officer's Special Separation Allowance and the effects on net position of benefit payments and administrative expenses paid by the City during the measurement period (calendar year ending December 31,
- (2) Unrestricted governmental and business-type activities net position is restated in fiscal year 2017 to record the City's net other postemployment benefits liability, pursuant to GASB Statement No. 75.
- (3) Unrestricted governmental and business-type activities net position is restated in fiscal year 2024 to align the recognition and measurement guidance for compensated absences under a unified model, pursuant to GASB Statement No. 101.

**TABLE 1**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 244,648,339	\$ 260,026,675	\$ 280,909,012	\$ 298,127,945	\$ 304,853,382	\$ 333,442,013
55,579,604	53,089,657	64,217,735	72,080,664	76,305,186	84,570,421
<u>52,073,409</u>	<u>54,048,205</u>	<u>55,353,740</u>	<u>60,201,787</u>	<u>78,958,801</u>	<u>93,383,926</u>
<u>\$ 352,301,352</u>	<u>\$ 367,164,537</u>	<u>\$ 400,480,487</u>	<u>\$ 430,410,396</u>	<u>\$ 460,117,369</u>	<u>\$ 511,396,360</u>
\$ 32,725,013	\$ 39,343,595	\$ 42,597,241	\$ 52,925,790	\$ 56,406,347	\$ 55,166,121
485,936	543,492	602,047	681,410	761,722	844,967
<u>42,964,463</u>	<u>41,244,317</u>	<u>41,124,566</u>	<u>37,646,698</u>	<u>44,438,865</u>	<u>50,758,988</u>
<u>\$ 76,175,412</u>	<u>\$ 81,131,404</u>	<u>\$ 84,323,854</u>	<u>\$ 91,253,898</u>	<u>\$ 101,606,934</u>	<u>\$ 106,770,076</u>
\$ 277,373,352	\$ 299,370,270	\$ 323,506,253	\$ 351,053,735	\$ 361,259,729	\$ 388,608,134
56,065,540	53,633,149	64,819,782	72,762,074	77,066,908	85,415,388
<u>95,037,872</u>	<u>95,292,522</u>	<u>96,478,306</u>	<u>97,848,485</u>	<u>123,397,666</u>	<u>144,142,914</u>
<u>\$ 428,476,764</u>	<u>\$ 448,295,941</u>	<u>\$ 484,804,341</u>	<u>\$ 521,664,294</u>	<u>\$ 561,724,303</u>	<u>\$ 618,166,436</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Changes in Net Position**

**Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Expenses</b>				
Governmental activities:				
General government	\$ 21,981,320	\$ 24,897,698	\$ 26,388,276	\$ 47,767,484
Public safety	48,796,835	51,805,339	52,304,423	62,138,353
Transportation	15,483,263	17,757,240	16,938,651	18,469,985
Economic and physical development	6,890,269	6,918,462	7,249,221	7,910,229
Environmental protection	17,854	-	-	-
Cultural and recreational	10,187,498	11,290,134	11,401,557	11,362,869
Transit system	1,523,022	2,799,556	1,437,257	1,460,155
Interest and other charges	8,773,139	7,169,163	7,569,643	7,366,318
Total governmental activities expenses	<u>113,653,200</u>	<u>122,637,592</u>	<u>123,289,028</u>	<u>156,475,393</u>
Business-type activities:				
Recycling and trash services	8,800,178	8,260,576	8,500,496	8,832,873
Storm water management	6,909,622	7,152,715	7,989,010	7,759,203
Parking facilities	2,925,836	2,927,402	4,477,517	3,216,815
Golf	1,365,365	1,458,687	1,444,079	1,650,273
Total business-type activities expenses	<u>20,001,001</u>	<u>19,799,380</u>	<u>22,411,102</u>	<u>21,459,164</u>
Total primary government expenses	<u>\$ 133,654,201</u>	<u>\$ 142,436,972</u>	<u>\$ 145,700,130</u>	<u>\$ 177,934,557</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,614,695	\$ 1,424,614	\$ 1,341,845	\$ 1,066,542
Public safety	936,090	1,028,767	1,011,421	1,117,151
Transportation	1,645,916	1,770,500	1,733,382	1,644,353
Economic and physical development	3,886,639	3,865,824	4,301,935	4,678,390
Cultural and recreational	883,347	846,872	857,897	1,073,155
Operating grants and contributions	7,553,003	8,803,433	6,479,533	24,933,225
Capital grants and contributions	15,403,679	3,779,344	1,253,284	6,463,891
Total governmental activities program revenues	<u>31,923,369</u>	<u>21,519,354</u>	<u>16,979,297</u>	<u>40,976,707</u>
Business-type activities:				
Charges for services:				
Recycling and trash services	8,996,252	9,168,326	9,245,211	9,329,350
Storm water management	9,928,041	10,678,945	11,517,793	11,837,173
Parking facilities	3,399,380	3,367,787	3,408,219	3,551,650
Golf	1,247,303	1,204,706	1,240,596	1,460,888

**TABLE 2**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 25,863,172	\$ 32,303,341	\$ 34,635,188	\$ 40,088,557	\$ 41,029,845	\$ 48,353,916
58,668,628	58,555,020	57,680,970	67,596,845	70,287,947	73,936,817
18,192,731	21,380,068	20,691,751	24,843,344	21,559,107	21,530,794
8,249,770	7,237,706	8,718,652	8,050,333	11,583,039	16,088,190
-	-	-	-	-	-
13,762,924	12,782,133	13,097,808	15,156,155	15,236,760	17,369,624
1,696,925	1,555,018	1,599,708	1,712,255	1,976,979	2,003,447
6,970,781	7,852,939	7,737,500	7,439,442	11,659,541	10,866,088
<u>133,404,931</u>	<u>141,666,225</u>	<u>144,161,577</u>	<u>164,886,931</u>	<u>173,333,218</u>	<u>190,148,876</u>
10,232,326	9,347,492	9,777,524	9,026,763	10,656,173	11,611,301
13,973,357	9,141,384	8,327,457	10,064,788	9,962,294	10,201,963
4,162,438	5,364,931	6,770,339	7,139,881	7,378,819	7,844,621
1,652,780	1,673,651	1,856,464	1,828,238	1,988,989	2,148,027
<u>30,020,901</u>	<u>25,527,458</u>	<u>26,731,784</u>	<u>28,059,670</u>	<u>29,986,275</u>	<u>31,805,912</u>
<u>\$ 163,425,832</u>	<u>\$ 167,193,683</u>	<u>\$ 170,893,361</u>	<u>\$ 192,946,601</u>	<u>\$ 203,319,493</u>	<u>\$ 221,954,788</u>
\$ 1,822,490	\$ 1,642,496	\$ 1,941,753	\$ 1,924,761	\$ 1,218,158	\$ 2,858,863
928,093	1,021,619	1,089,470	1,068,204	1,279,233	1,616,052
1,587,388	1,653,218	2,140,123	2,128,902	2,051,865	1,799,148
4,216,149	841,187	3,577,317	5,289,810	5,429,413	7,651,805
880,433	559,857	1,222,856	1,434,776	1,406,693	1,557,838
17,634,226	16,898,636	17,424,837	15,136,420	12,739,005	23,310,627
17,674,759	2,439,909	6,148,569	8,840,402	8,876,992	17,106,033
<u>44,743,538</u>	<u>25,056,922</u>	<u>33,544,925</u>	<u>35,823,275</u>	<u>33,001,359</u>	<u>55,900,366</u>
9,611,671	9,531,483	9,982,147	10,914,525	12,198,753	12,231,703
12,383,673	12,387,107	12,811,857	12,932,139	13,178,520	13,644,781
3,096,076	3,343,870	4,334,845	5,525,902	6,135,099	6,808,195
1,682,236	1,795,361	1,956,814	2,243,542	2,508,434	2,450,900

**CITY OF WILMINGTON, NORTH CAROLINA**

**Changes in Net Position (Continued)**

**Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Program Revenues (continued)</b>				
Business-type activities (continued):				
Operating grants and contributions	\$ 73,830	\$ 449,020	\$ 77,899	\$ 93,833
Capital grants and contributions	405,208	-	1,015,338	121,175
Total business-type activities program revenues	<u>24,050,014</u>	<u>24,868,784</u>	<u>26,505,056</u>	<u>26,394,069</u>
Total primary government program revenues	<u>\$ 55,973,383</u>	<u>\$ 46,388,138</u>	<u>\$ 43,484,353</u>	<u>\$ 67,370,776</u>
Net (expense)/revenue				
Governmental activities	\$ (81,729,831)	\$(101,118,238)	\$(106,309,731)	\$(115,498,686)
Business-type activities	<u>4,049,013</u>	<u>5,069,404</u>	<u>4,093,954</u>	<u>4,934,905</u>
Total primary government net expense	<u>\$ (77,680,818)</u>	<u>\$ (96,048,834)</u>	<u>\$ (102,215,777)</u>	<u>\$ (110,563,781)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Ad valorem taxes	\$ 65,339,216	\$ 66,670,221	\$ 72,729,763	\$ 76,858,987
Room occupancy tax	3,337,377	3,824,615	3,780,078	5,061,597
Local option sales tax	22,990,436	24,371,379	24,689,205	28,923,348
Franchise tax	8,392,055	8,251,577	8,280,297	8,730,544
Video programming sales tax	1,390,363	1,408,749	1,374,281	1,323,879
Rental vehicle tax	298,745	313,471	296,213	382,984
Unrestricted grants and contributions	2,078,287	2,314,364	2,179,507	2,900,175
Investment earnings	336,799	506,832	1,459,258	2,889,157
Miscellaneous	970,198	791,188	783,117	1,353,525
Transfers from (to) other funds	<u>(535,736)</u>	<u>(771,186)</u>	<u>(955,300)</u>	<u>(1,151,354)</u>
Total governmental activities	<u>104,597,740</u>	<u>107,681,210</u>	<u>114,616,419</u>	<u>127,272,842</u>
Business-type activities:				
Investment earnings	93,856	135,225	334,606	920,501
Miscellaneous	200,150	143,503	209,978	184,547
Transfers from (to) other funds	<u>535,736</u>	<u>771,186</u>	<u>955,300</u>	<u>1,151,354</u>
Total business-type activities	<u>829,742</u>	<u>1,049,914</u>	<u>1,499,884</u>	<u>2,256,402</u>
Total primary government	<u>\$ 105,427,482</u>	<u>\$ 108,731,124</u>	<u>\$ 116,116,303</u>	<u>\$ 129,529,244</u>

**TABLE 2**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 5,528,043	\$ 149,607	\$ 31,366	\$ 1,718,016	\$ 718,932	\$ 1,051,808
-	563,624	141,566	363,983	435,458	269,687
32,301,699	27,771,052	29,258,595	33,698,107	35,175,196	36,457,074
\$ 77,045,237	\$ 52,827,974	\$ 62,803,520	\$ 69,521,382	\$ 68,176,555	\$ 92,357,440
\$ (88,661,393)	\$ (116,609,303)	\$ (110,616,652)	\$ (129,063,656)	\$ (140,331,859)	\$ (134,248,510)
2,280,798	2,243,594	2,526,811	5,638,437	5,188,921	4,651,162
\$ (86,380,595)	\$ (114,365,709)	\$ (108,089,841)	\$ (123,425,219)	\$ (135,142,938)	\$ (129,597,348)
\$ 78,232,370	\$ 80,518,378	\$ 82,558,376	\$ 86,821,341	\$ 89,703,985	\$ 98,894,694
3,811,622	4,077,235	5,859,370	6,370,476	6,823,682	7,040,841
30,274,790	34,416,611	38,986,074	40,085,234	43,027,517	45,953,719
8,392,030	8,247,813	8,251,765	8,676,707	9,436,148	10,032,163
1,278,838	1,261,462	1,172,474	1,097,987	1,017,762	935,774
384,757	400,361	455,318	499,404	530,988	516,642
2,475,238	3,506,998	3,774,465	4,276,513	3,004,571	2,915,291
1,827,459	177,171	316,027	8,159,701	12,860,837	11,587,449
1,582,621	1,278,964	2,724,032	2,530,953	6,335,197	4,292,577
(347,099)	(2,412,505)	(165,299)	475,249	(2,701,855)	2,361,593
127,912,626	131,472,488	143,932,602	158,993,565	170,038,832	184,530,743
570,681	62,751	42,968	1,290,399	2,088,129	2,311,145
132,978	237,142	457,372	476,457	374,131	539,589
347,099	2,412,505	165,299	(475,249)	2,701,855	(2,361,593)
1,050,758	2,712,398	665,639	1,291,607	5,164,115	489,141
\$ 128,963,384	\$ 134,184,886	\$ 144,598,241	\$ 160,285,172	\$ 175,202,947	\$ 185,019,884

**CITY OF WILMINGTON, NORTH CAROLINA**

**Changes in Net Position (Continued)**

**Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Change in Net Position</b>				
Governmental activities (1), (2), (3), (4)	\$ 22,867,909	\$ 6,562,972	\$ 8,306,688	\$ 11,774,156
Business-type activities (3), (4)	<u>4,878,755</u>	<u>6,119,318</u>	<u>5,593,838</u>	<u>7,191,307</u>
Total primary government	<u>\$ 27,746,664</u>	<u>\$ 12,682,290</u>	<u>\$ 13,900,526</u>	<u>\$ 18,965,463</u>

**Notes:**

- (1) In fiscal year 2016, pursuant to the implementation of GASB Statement No. 73, the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, were recognized in governmental activities as an adjustment to beginning net position in the amount of \$1,100,606.
- (2) In fiscal year 2017, pursuant to the implementation of GASB Statement No. 73, the City's total pension liability of the Law Enforcement Officer's Special Separation Allowance and the effects on net position of benefit payments and administrative expenses paid by the City during the measurement period (calendar year ending December 31, 2016) totaling \$8,498,976 were recognized as an adjustment to beginning net position in the current year.
- (3) In fiscal year 2018, pursuant to the implementation of GASB Statement No. 75, the City's beginning net other postemployment benefits liability totaling \$22,020,798 was recognized as an adjustment to beginning net position in the current year. Of this amount, \$19,941,874 related to governmental activities and \$2,078,924 related to business-type activities.
- (4) In fiscal year 2025, pursuant to the implementation of GASB Statement No. 101, the City's alignment of recognition and measurement of compensated absences under a unified reporting model totaling \$1,019,597 were recognized as an adjustment to beginning net position in the current year. Of this amount, \$996,758 related to governmental activities and \$22,839 related to business-type activities.

**TABLE 2**

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 39,251,233	\$ 14,863,185	\$ 33,315,950	\$ 29,929,909	\$ 29,706,973	\$ 50,282,233
<u>3,331,556</u>	<u>4,955,992</u>	<u>3,192,450</u>	<u>6,930,044</u>	<u>10,353,036</u>	<u>5,140,303</u>
<u>\$ 42,582,789</u>	<u>\$ 19,819,177</u>	<u>\$ 36,508,400</u>	<u>\$ 36,859,953</u>	<u>\$ 40,060,009</u>	<u>\$ 55,422,536</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Fund Balances of Governmental Funds**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable	\$ 1,507,848	\$ 1,491,417	\$ 1,335,687	\$ 1,236,657
Restricted	12,717,909	12,895,809	13,637,741	19,729,125
Committed	1,066,118	1,332,296	1,430,717	1,510,695
Assigned	6,744,343	8,960,200	3,215,840	4,020,000
Unassigned	<u>39,322,702</u>	<u>34,473,018</u>	<u>36,831,068</u>	<u>31,052,237</u>
Total general fund	<u>\$ 61,358,920</u>	<u>\$ 59,152,740</u>	<u>\$ 56,451,053</u>	<u>\$ 57,548,714</u>
All other governmental funds				
Nonspendable	\$ 11,344	\$ 63,349	\$ 77,325	\$ 5,156
Restricted	41,923,582	51,622,940	63,116,382	43,135,094
Committed	17,542,590	20,318,880	26,972,671	42,179,716
Assigned	-	-	-	-
Unassigned deficit	<u>(686,906)</u>	<u>(721,702)</u>	<u>(2,403,053)</u>	<u>(343,687)</u>
Total all other governmental funds	<u>\$ 58,790,610</u>	<u>\$ 71,283,467</u>	<u>\$ 87,763,325</u>	<u>\$ 84,976,279</u>

**Notes:** Includes General, Debt Service, Special Revenue and Capital Project Funds.

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,280,350	\$ 1,179,009	\$ 1,175,225	\$ 1,312,737	\$ 1,424,490	\$ 1,455,646
19,926,185	17,039,944	18,862,743	20,293,691	20,305,189	21,757,296
1,350,283	4,919,605	4,641,398	4,988,262	5,228,745	2,063,570
4,376,519	10,171,500	2,347,246	9,520,000	3,182,397	3,763,817
<u>44,267,810</u>	<u>47,910,034</u>	<u>46,118,757</u>	<u>39,444,932</u>	<u>45,504,230</u>	<u>42,799,048</u>
<u>\$ 71,201,147</u>	<u>\$ 81,220,092</u>	<u>\$ 73,145,369</u>	<u>\$ 75,559,622</u>	<u>\$ 75,645,051</u>	<u>\$ 71,839,377</u>
\$ 4,797	\$ 6,585	\$ 111,350	\$ 502,539	\$ 1,226,677	\$ 1,222,094
66,937,129	93,325,717	97,206,126	114,089,437	110,651,628	103,050,160
62,116,259	60,656,797	61,816,570	65,163,621	87,530,041	102,914,961
100,000	3,187,787	3,153,118	-	-	-
<u>(86,422)</u>	<u>(21,393)</u>	<u>(1,480)</u>	<u>(100,851)</u>	<u>(226,797)</u>	<u>(230,109)</u>
<u>\$ 129,071,763</u>	<u>\$ 157,155,493</u>	<u>\$ 162,285,684</u>	<u>\$ 179,654,746</u>	<u>\$ 199,181,549</u>	<u>\$ 206,957,106</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Changes in Fund Balances of Governmental Funds**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Revenues</b>				
Taxes:				
Ad valorem taxes (1)	\$ 65,195,129	\$ 66,565,824	\$ 72,719,264	\$ 76,893,451
Room occupancy tax	3,337,377	3,824,615	3,780,078	5,061,597
Local option sales tax	22,990,436	24,371,379	24,689,205	28,923,348
Franchise tax	8,392,055	8,251,577	8,280,297	8,730,544
Video programming sales tax	1,390,363	1,408,749	1,374,281	1,323,879
Rental vehicle tax	298,745	313,471	296,213	382,984
Unrestricted intergovernmental	1,917,812	2,036,486	2,030,182	2,745,750
Restricted intergovernmental	9,294,002	9,599,088	6,873,658	25,634,324
Licenses and permits	739,925	691,594	666,089	778,125
Sales and services	6,310,273	6,311,529	7,317,144	7,588,543
Fines and forfeits	208,172	170,291	183,557	134,763
Investment earnings	306,476	462,236	1,325,685	2,723,319
Donations	2,850,402	321,736	57,285	173,792
Miscellaneous	1,897,323	1,931,162	1,829,057	2,167,679
Total revenues	<u>125,128,490</u>	<u>126,259,737</u>	<u>131,421,995</u>	<u>163,262,098</u>
<b>Expenditures</b>				
General government	21,022,781	23,550,837	25,031,197	47,976,747
Public safety	48,728,194	50,644,028	51,920,607	61,347,469
Transportation	16,259,346	18,541,367	19,894,256	17,063,854
Economic and physical development	5,821,479	7,640,212	6,058,398	7,436,076
Cultural and recreational	9,387,653	9,958,608	10,567,078	12,257,425
Transit system	1,523,022	1,379,556	1,437,257	1,460,155
Debt service				
Principal retirement	9,865,621	8,710,370	10,248,620	8,623,090
Interest and other charges	9,142,250	7,079,902	7,354,834	7,549,609
Total expenditures	<u>121,750,346</u>	<u>127,504,880</u>	<u>132,512,247</u>	<u>163,714,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,378,144</u>	<u>(1,245,143)</u>	<u>(1,090,252)</u>	<u>(452,327)</u>

TABLE 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 77,906,517	\$ 80,082,446	\$ 82,974,384	\$ 87,366,704	\$ 90,309,805	\$ 98,638,622
3,811,622	4,077,235	5,859,370	6,370,476	6,823,682	7,040,841
30,274,789	34,416,611	38,986,074	40,085,234	43,027,517	45,953,719
8,392,030	8,247,813	8,251,765	8,676,707	9,436,148	10,032,163
1,278,838	1,261,462	1,172,474	1,097,987	1,017,762	935,774
384,757	400,361	455,318	499,404	530,988	516,642
2,326,113	3,361,998	3,706,215	4,276,513	3,004,571	2,915,291
19,199,391	17,706,619	18,211,703	16,782,015	16,242,643	23,540,682
840,146	869,878	927,312	829,141	772,781	2,180,582
6,769,508	3,056,345	6,623,088	8,384,877	8,886,262	11,151,468
109,275	136,909	118,682	142,603	104,084	172,611
1,699,918	161,159	303,281	6,962,409	12,570,747	10,634,124
425,215	499,231	2,529,620	780,878	575,698	2,919,361
2,327,793	1,938,103	3,978,644	3,422,501	8,944,965	6,838,295
<u>155,745,912</u>	<u>156,216,170</u>	<u>174,097,930</u>	<u>185,677,449</u>	<u>202,247,653</u>	<u>223,470,175</u>
25,108,826	31,006,461	48,691,687	40,128,522	77,867,991	46,615,446
59,838,805	55,978,248	58,304,928	64,510,887	73,610,984	78,871,533
21,368,980	22,533,186	20,897,014	31,399,239	29,555,166	25,273,524
7,074,814	6,543,447	7,910,468	11,010,953	10,667,798	12,983,729
17,908,795	33,509,358	14,835,394	16,951,387	29,131,585	20,332,385
1,696,925	1,555,018	1,599,708	1,712,255	1,976,979	2,003,448
9,419,671	11,931,280	14,884,639	16,710,814	18,792,243	23,215,645
7,329,924	8,391,180	8,645,813	8,430,165	12,706,396	13,200,895
<u>149,746,740</u>	<u>171,448,178</u>	<u>175,769,651</u>	<u>190,854,222</u>	<u>254,309,142</u>	<u>222,496,605</u>
<u>5,999,172</u>	<u>(15,232,008)</u>	<u>(1,671,721)</u>	<u>(5,176,773)</u>	<u>(52,061,489)</u>	<u>973,570</u>

**CITY OF WILMINGTON, NORTH CAROLINA**

**Changes in Fund Balances of Governmental Funds(Continued)**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Other financing sources (uses)</b>				
Transfers from other funds	\$ 16,159,158	\$ 23,004,926	\$ 26,812,830	\$ 46,630,514
Transfers to other funds	(17,178,498)	(24,141,773)	(28,102,056)	(47,844,139)
Issuance of bonds	2,925,000	-	15,300,000	-
Issuance of refunding bonds	6,650,000	-	-	-
Issuance of installment obligations	-	11,835,000	-	-
Issuance of refunding installment obligations	48,940,000	-	-	-
Premium on bonds	50,259	-	956,434	-
Premium on refunding bonds	1,286,956	-	-	-
Premium on refunding installment obligations	5,942,920	-	-	-
Premium on installment obligations	-	735,310	-	-
Payment to refunded bond escrow agent	(7,831,032)	-	-	-
Payment to refunded installment obligation escrow agent	(54,381,288)	-	-	-
Payment to redeem outstanding installment obligations	-	-	-	-
Payment to defeased other long-term obligation escrow agent	(605,613)	-	-	-
Issuance of lease	-	-	-	-
Issuance of subscription	-	-	-	-
Total other financing sources (uses), net	<u>1,957,862</u>	<u>11,433,463</u>	<u>14,967,208</u>	<u>(1,213,625)</u>
Net change in fund balances (2)	<u>\$ 5,336,006</u>	<u>\$ 10,188,320</u>	<u>\$ 13,876,956</u>	<u>\$ (1,665,952)</u>
Debt service as a percentage of noncapital expenditures	16.9%	13.7%	14.9%	11.1%

**Notes:** Includes General, Debt Service, Special Revenue and Capital Project Funds.

(1) Includes related penalties and interest.

(2) In fiscal year 2016, pursuant to the implementation of GASB Statement No. 73, the assets of the Law Enforcement Officers' Special Separation Allowance, formerly presented as a pension trust fund, were recognized in the General Fund as an adjustment to beginning fund balance in the amount of \$1,100,606.

**TABLE 4**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 16,551,039	\$ 20,414,882	\$ 32,402,474	\$ 27,790,561	\$ 34,083,772	\$ 54,047,761
(17,291,548)	(23,656,965)	(35,183,576)	(30,522,333)	(37,323,828)	(55,349,927)
16,165,000	43,000,000	-	-	-	-
-	3,770,000	-	-	-	-
31,450,000	7,450,000	-	23,980,001	67,372,489	-
11,785,000	9,157,200	-	-	10,224,895	-
27,038	4,994,294	-	-	-	-
-	887,030	-	-	-	-
2,312,362	-	-	-	879,658	-
4,676,071	1,057,788	-	3,407,796	5,680,309	-
-	(4,629,133)	-	-	-	-
(14,000,000)	(9,000,601)	-	-	(11,201,046)	-
-	-	-	-	(3,122,500)	-
-	-	-	-	-	-
-	-	1,486,493	116,051	394,156	105,158
-	-	-	97,123	4,698,217	4,222,265
<u>51,674,962</u>	<u>53,444,495</u>	<u>(1,294,609)</u>	<u>24,869,199</u>	<u>71,686,122</u>	<u>3,025,257</u>
<u>\$ 57,674,134</u>	<u>\$ 38,212,487</u>	<u>\$ (2,966,330)</u>	<u>\$ 19,692,426</u>	<u>\$ 19,624,633</u>	<u>\$ 3,998,827</u>
13.2%	14.8%	15.8%	15.5%	18.2%	19.3%

**TABLE 5**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Assessed and Estimated Actual Value of Taxable Property**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Companies</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Taxable Value as a Percentage of Actual Value</u>
2016	\$ 11,586,636,726	\$ 1,690,135,456	\$ 162,132,117	\$ 13,438,904,299	\$ 0.4850	100 %
2017	11,740,731,169	1,789,601,995	157,903,065	13,688,236,229	0.4850	100
2018	12,863,094,528	1,913,844,363	163,430,006	14,940,368,897	(1) 0.4834	100
2019	13,115,266,637	1,999,764,065	164,418,917	15,279,449,619	0.4984	100
2020	13,294,244,266	2,100,147,355	173,212,406	15,567,604,027	0.4984	100
2021	13,582,179,209	2,235,024,676	163,895,489	15,981,099,374	0.4984	100
2022	18,981,187,663	2,281,086,055	172,037,551	21,434,311,269	(1) 0.3808	100
2023	19,223,790,658	2,492,248,957	179,080,149	21,895,119,764	0.3950	100
2024	19,713,328,526	2,715,011,552	210,352,868	22,638,692,946	0.3950	100
2025	20,076,857,450	2,944,308,089	200,098,720	23,221,264,259	0.4200	100

**Source:** New Hanover County Tax Office

**Notes:** (1) Property in New Hanover County is appraised at least once every eight years on average as required by state law. Property is assessed at 100 percent of value. Tax rates are per \$100 of assessed value.

**TABLE 6**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)**

**Last Ten Fiscal Years**

Fiscal Year Ended	City of Wilmington			Total Direct Rate	New Hanover County Overlapping Rates	Total Direct & Overlapping Rates
	General	Debt Service	Capital Projects			
2016	\$ 0.4150	\$ 0.0613	\$ 0.0087	\$ 0.4850	\$ 0.5740	\$ 1.0590
2017	0.4150	0.0613	0.0087	0.4850	0.6230	1.1080
2018	0.3887	0.0826	0.0121	0.4834	0.5700	1.0534
2019	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2020	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2021	0.4037	0.0826	0.0121	0.4984	0.5550	1.0534
2022	0.3095	0.0622	0.0091	0.3808	0.4750	0.8558
2023	0.3237	0.0622	0.0091	0.3950	0.4550	0.8500
2024	0.3125	0.0734	0.0091	0.3950	0.4500	0.8450
2025	0.3250	0.0754	0.0196	0.4200	0.4500	0.8700

**Source:** New Hanover County Tax Office

**Notes:** Overlapping rates are those of the county government that apply to property owners within the City of Wilmington. This is in addition to the City tax rate that is levied on residents within the corporate limits. The City tax rate may not exceed \$1.50 per \$100 of assessed value under state law.

**TABLE 7**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Top Ten Taxpayers**

**Current Year and Nine Years Ago**

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 266,162,857	1	1.15 %	\$ 234,024,396	1	1.74 %
Live Oak Banking Company	99,751,693	2	0.43	-		-
Duke Energy Progress	94,748,735	3	0.41	56,635,254	4	0.42
Mayfaire Town Center LP	91,048,357	4	0.39	33,522,100	9	0.25
RPP Holdings LLC	73,781,600	5	0.32	-		-
CCS Sawmill Point LLC ETAL	63,303,000	6	0.27	-		-
Arboretum West Mixed Use LLC	62,103,900	7	0.27	-		-
Triangle Avalon Wilmington LLC	60,180,200	8	0.26	-		-
Wilmington Independent Living LLC	58,964,200	9	0.25	-		-
CLPF Mill Creek LLC	54,240,771	10	0.23	-		-
River Ventures LLC	-		-	77,920,600	2	0.58
Lsref3 Bravo	-		-	73,368,000	3	0.55
Centro Independence LLC (mall)	-		-	54,078,800	5	0.40
Mayfaire Spe B LLC	-		-	37,149,600	6	0.28
GS II University Centre LLC	-		-	36,542,800	7	0.27
BellSouth Tel Co.	-		-	35,149,445	8	0.26
Wal Mart	-		-	32,966,259	10	0.25
	<u>\$ 924,285,313</u>		<u>3.98 %</u>	<u>\$ 671,357,254</u>		<u>5.00 %</u>

Source: New Hanover County Tax Office

**TABLE 8**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 65,268,084	\$ 64,538,131	98.88 %	\$ 498,994	\$ 65,037,125	99.65 %
2017	66,617,502	65,992,717	99.06	429,739	66,422,456	99.71
2018	72,487,354	71,879,009	99.16	423,525	72,302,534	99.75
2019	76,556,885	75,989,085	99.26	344,799	76,333,884	99.71
2020	77,774,831	77,013,812	99.02	417,509	77,431,321	99.56
2021	79,936,469	79,169,607	99.04	350,504	79,520,111	99.48
2022	82,286,366	81,874,939	99.50	281,342	82,156,281	99.84
2023	86,628,169	86,240,148	99.55	215,804	86,455,952	99.80
2024	89,630,935	89,258,585	99.58	174,487	89,433,072	99.78
2025	97,847,366	97,475,689	99.62	-	97,475,689	99.62

**Source:** New Hanover County Tax Office

**TABLE 9**

**CITY OF WILMINGTON, NORTH CAROLINA**

**Ratio of Outstanding Debt by Type**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Installment Obligations	Other Long-term Obligations	Leases	Subscriptions	Revenue Bonds	Installment Obligations	Other Long-term Obligations	Leases	Subscriptions			
2016	\$24,828,722	\$141,258,327	(2) \$15,271,432	\$ -	\$ -	\$25,243,186	\$ 7,517,779	\$ 380,000	\$ -	\$ -	\$214,499,446	4.39 %	\$ 1,857
2017	22,591,838	147,708,866	14,127,200	-	-	24,477,513	6,518,375	190,000	-	-	215,613,792	4.16	1,839
2018	36,733,135	139,866,424	12,974,755	-	-	23,678,759	5,515,476	2,710,000	-	-	221,478,549	3.92	1,828
2019	34,315,874	133,730,197	11,844,881	-	-	22,814,417	4,450,005	16,932,954	-	-	224,088,328	3.83	1,838
2020	48,126,128	162,739,963	10,684,658	-	-	21,913,312	30,389,771	-	-	-	273,853,832	4.39	2,228
2021	92,863,406	162,449,048	9,351,554	-	-	19,354,145	28,556,621	-	-	-	312,574,774	4.79	2,689
2022	87,457,649	153,104,275	7,819,445	202,431	-	18,510,138	26,692,598	-	1,661,434	-	295,447,970	4.30	2,498
2023	82,063,472	169,844,120	6,802,416	459,092	1,368,109	17,501,206	24,828,763	-	1,503,967	-	304,371,145	4.06	2,509
2024	76,667,040	226,392,773	5,751,010	1,083,456	5,369,597	16,439,864	39,364,699	-	1,343,956	-	372,412,395	N/A	3,009
2025	71,249,019	209,818,870	4,680,611	906,563	7,158,922	15,478,567	37,535,974	-	1,181,359	138,007	348,147,892	N/A	2,759

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Amounts presented are net of original issuance discounts and premiums.

(1) See Table 14, Demographic and Economic Statistics for personal income and population data.

(2) The operations of the water, sewer and groundwater systems, business-type activities, were transferred to the Cape Fear Public Utility Authority (CFPUA) in 2009. Outstanding installment obligations related to those systems were not assigned to the CFPUA and continued to be obligations of the City. The obligations were classified as governmental activities and reimbursed to the City by the CFPUA. The CFPUA refunded the installment obligations in June 2016 and accordingly the obligations are considered defeased.

## CITY OF WILMINGTON, NORTH CAROLINA

## Ratios of General Bond Debt Outstanding

## Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	\$ 24,828,722	0.18 %	\$ 215
2017	22,591,838	0.17	193
2018	36,733,135	0.25	303
2019	34,315,874	0.22	281
2020	48,126,128	0.31	392
2021	92,863,406	0.58	804
2022	87,457,649	0.41	741
2023	82,063,472	0.37	676
2024	76,667,040	0.34	620
2025	71,249,019	0.31	565

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Amounts presented are net of original issuance discounts and premiums.

(1) See Table 5, Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value.

(2) Population data can be found in Table 14, Schedule of Demographic and Economic Statistics.

CITY OF WILMINGTON, NORTH CAROLINA

Direct and Overlapping Governmental Activities Debt

June 30, 2025

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
New Hanover County	\$ 438,807,164	44.56 %	\$ 195,532,472
City of Wilmington direct debt			<u>293,813,985</u>
Total direct and overlapping debt			<u>\$ 489,346,457</u>

**Source:** Assessed value data used to estimate applicable percentages provided by the New Hanover Tax Office. Debt outstanding data provided by each government.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Wilmington. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total assessed value.

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**CITY OF WILMINGTON, NORTH CAROLINA**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$1,075,112,344	\$1,095,058,898	\$ 1,195,229,512	\$ 1,222,355,970
Total net debt applicable to debt limit	<u>173,712,584</u>	<u>175,309,527</u>	<u>181,546,469</u>	<u>185,743,646</u>
Legal debt margin	<u>\$ 901,399,760</u>	<u>\$ 919,749,371</u>	<u>\$ 1,013,683,043</u>	<u>\$ 1,036,612,324</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	16.16%	16.01%	15.19%	15.20%
Total net debt applicable to the debt limit as a percentage of the debt limit excluding installment obligations reimbursed by the Cape Fear Public Utility Authority (1)	14.98%	N/A	N/A	N/A

**Legal Debt Margin Calculation for Fiscal Year 2025**

Total assessed valuation at June 30, 2025	<u>\$ 23,221,264,259</u>
Debt limit: 8% of total assessed value	\$ 1,857,701,141
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 64,695,000
Other debt (excluding revenue bonds)	<u>228,524,297</u>
Gross debt	293,219,297
Total net debt applicable to debt limit	<u>293,219,297</u>
Available legal debt margin	<u>\$ 1,564,481,844</u>

**Notes:** Under state law, the City of Wilmington's debt limit should not exceed 8% of the City's assessed valuation.

Total net debt is total outstanding bonded debt (other than revenue bonds) plus other outstanding debt minus funding and refunding bonds authorized but not yet issued and bonded debt incurred for water and sewer enterprise operations.

(1) The operations of the groundwater systems, business-type activities, were transferred to the Cape Fear Public Utility Authority (CFPUA) in 2009. Included in the City's gross debt are installment obligations related to those systems not assigned to the CFPUA and remain obligations of the City. These obligations are classified as governmental activities and are reimbursed to the City by the CFPUA. The CFPUA refunded the installment obligations in June 2016 and accordingly the obligations are considered defeased.

**TABLE 12**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$1,245,408,322	\$1,278,487,950	\$1,714,744,902	\$1,751,609,581	\$1,811,095,436	\$ 1,857,701,141
<u>230,393,176</u>	<u>266,603,646</u>	<u>249,775,944</u>	<u>256,244,490</u>	<u>316,257,274</u>	<u>293,219,297</u>
<u>\$1,015,015,146</u>	<u>\$1,011,884,304</u>	<u>\$1,464,968,958</u>	<u>\$1,495,365,091</u>	<u>\$1,494,838,162</u>	<u>\$ 1,564,481,844</u>
18.50%	20.85%	14.57%	14.63%	17.46%	15.78%
N/A	N/A	N/A	N/A	N/A	N/A

## CITY OF WILMINGTON, NORTH CAROLINA

## Pledged-Revenue Coverage

## Last Ten Fiscal Years

Storm Water Fee Revenue Bonds						
Fiscal Year Ended June 30	Gross Revenues <sup>(1)</sup>	Less Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service <sup>(3)</sup>		Coverage
				Principal	Interest	
2016	\$ 10,073,409	\$ 5,349,878	\$ 4,723,531	\$ 750,000	\$ 972,666	2.74
2017	10,875,222	5,278,373	5,596,849	775,000	946,619	3.25
2018	11,851,414	5,944,984	5,906,430	810,000	917,294	3.42
2019	12,548,121	5,746,174	6,801,947	840,000	887,509	3.94
2020	18,291,948	11,961,560	6,330,388	865,000	856,244	3.68
2021	12,673,412	7,197,565	5,475,847	740,000	745,925	3.69
2022	12,876,036	6,412,240	6,463,796	840,000	713,200	4.16
2023	15,469,042	8,138,100	7,330,942	880,000	671,200	4.73
2024	15,088,597	7,899,231	7,189,366	925,000	627,200	4.63
2025	16,083,077	7,931,772	8,151,305	950,000	599,450	5.26

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Gross revenues include all fees, other charges and investment income.

(2) Operating expenses do not include interest, depreciation and amortization expenses.

(3) Principal and interest expenses are for the succeeding fiscal year according to the terms of the bond covenants.

## CITY OF WILMINGTON, NORTH CAROLINA

## Demographic and Economic Statistics

## Last Ten Fiscal Years

Fiscal Year Ended June 30	Population <sup>(1)</sup>	Personal Income (amounts expressed in thousands)	Per Capita Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Ratio <sup>(5)</sup>
2016	115,498	\$ 4,881,176	\$ 42,262	38.1	12,771	5.1 %
2017	117,255	5,186,892	44,236	38.2	12,824	4.4
2018	121,150	5,648,861	46,627	38.5	12,364	4.1
2019	121,910	5,855,215	48,029	38.6	12,171	4.2
2020	122,891	6,240,405	50,780	39.0	12,381	7.9
2021	116,243 <sup>(6)</sup>	6,529,718	56,173	39.4	12,329	4.7
2022	118,294	6,873,946	58,109	39.6	12,252	3.7
2023	121,309	7,501,627	61,839	39.7	12,003	3.5
2024	123,756	N/A	N/A	39.8	12,016	3.7
2025	126,164	N/A	N/A	41.5	11,685	3.9

**Sources and notes:**

- (1) Office of State Budget and Management's certified municipal estimates.
- (2) United States Bureau of Economic Analysis.
- (3) Office of State Budget and Management, Median age statistics are for New Hanover County as a whole, which includes the City of Wilmington.
- (4) New Hanover County Public Schools.
- (5) North Carolina Employment Security Commission (LAUS). City of Wilmington.
- (6) With the completion of the 2020 Census, the Office of State Budget and Management's certified municipal population estimate was corrected downward.

TABLE 15

## CITY OF WILMINGTON, NORTH CAROLINA

## Principal Employers

## Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (1)
Novant Health*	7,500	1	6.21 %	6,462	1	5.86 %
New Hanover County Schools**	3,385	2	2.80	3,719	2	3.37
New Hanover County**	2,044	3	1.69	1,650	5	1.50
General Electric Nuclear Fuel/Aircraft***	2,021	4	1.67	2,017	3	1.83
University of North Carolina (Wilmington)*	1,965	5	1.63	1,891	4	1.71
Thermo Fisher Scientific (PPD)*	1,700	6	1.41	1,499	6	1.36
Wilmington Health*	1,270	7	1.05	-		-
City of Wilmington*	1,174	8	0.97	1,014	9	0.92
Cape Fear Community College*	1,081	9	0.90	1,294	8	1.17
Corning, Inc*	1,000	10	0.83	1,000	10	0.91
Verizon Wireless*	-		-	1,514	7	1.37
Total	23,140		19.16 %	22,060		20.00 %

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

**Notes:**

\* Located within the City of Wilmington

\*\* Located partially in the City of Wilmington

\*\*\* Located within New Hanover County

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

**TABLE 16**

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	163	170	172	176	179	188	197	206	224	231
Public Safety										
Police										
Sworn personnel	273	278	278	281	281	278	278	277	273	279
Civilians	73	76	78	78	71	76	76	84	91	83
Fire										
Sworn personnel	208	211	210	207	207	207	207	222	222	222
Civilians	11	13	13	13	15	15	16	16	16	16
Code enforcement	5	6	6	6	6	6	7	7	7	9
Transportation	58	58	59	60	60	59	60	61	61	61
Economic and Physical Development	8	8	8	8	8	8	8	10	10	11
Cultural and Recreational	88	92	93	100	102	100	105	105	107	107
Solid Waste	83	75	75	75	75	75	75	75	75	75
Storm Water Management	60	60	60	60	60	62	61	62	61	62
Parking Facilities	2	2	2	2	2	3	3	3	3	3
Golf Course	14	13	13	13	13	13	13	14	14	15
Total	<u>1,046</u>	<u>1,062</u>	<u>1,067</u>	<u>1,079</u>	<u>1,079</u>	<u>1,090</u>	<u>1,106</u>	<u>1,142</u>	<u>1,164</u>	<u>1,174</u>
	(1)									

**Source:** City Budget Office.

**Notes:**

(1) This table does not represent part-time employees prior to fiscal year 2016.

TABLE 17

## CITY OF WILMINGTON, NORTH CAROLINA

## Operating Indicators by Function

## Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Calls dispatched	200,474	185,576	186,668	178,039	161,001	163,504	151,958	152,198	156,011	141,883
Part I crimes	5,840 (1)	4,985	4,674	4,188	4,273	4,016	3,923	4,394	5,128	4,585
Fire										
Actual fires	492	485	494	511	499	504	561	857	735	718
Fire department responses	13,310	14,025	13,482	14,047	11,540	9,425	10,417	15,480	17,709	18,472
Fire inspections completed	4,400	5,336	4,855	5,079	5,458	5,298	6,639	7,322	5,675	5,251
Streets and Sidewalks Maintenance										
Miles of streets resurfaced	15	11	16	9	21	14	11	23	27	33
Solid Waste										
Tons of residential refuse	22,955	24,265	27,030	28,999	28,859	26,174	25,571	28,058	27,850	27,868
Tons of recyclables	7,059	6,998	7,232	7,573	7,186	6,745	6,320	6,897	6,692	5,621
Storm Water										
Number of customers	31,273	36,890	37,633	37,859	38,217	38,479	38,757	39,180	39,476	39,895
ERUs	92,622	92,026	93,206	94,222	95,447	95,002	96,380	97,517	98,477	101,203
Golf Course										
Total number of regular rounds	34,678	34,642	35,849	41,406	44,874	48,180	50,262	54,296	52,956	52,051

**Source:** Various City departments.

**Notes:** Indicators are not available for the general government function.

(1) The police department increased the number of focus patrols by 49% in the fiscal year 2016.

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**CITY OF WILMINGTON, NORTH CAROLINA**

**Capital Asset Statistics by Function**

**Last Ten Fiscal Years**

	Fiscal Year		
	2016	2017	2018
Police			
Stations / facilities	2	2	2
Patrol units	271	286	290
Fire			
Fire stations	10	10	10
Transportation			
Streets (miles)	400	403	404
Streetlights (1)	716	740	761
Cultural and Recreational			
Parks	39	39	39
Parks acreage	421	421	421
Trail miles	27	27	27
Athletic and recreation facilities	16	16	16
Athletic and recreation facilities acreage	323	323	323
Solid Waste			
Collection trucks	46	46	47
Storm Water			
Storm sewers (miles)	526	528	529
Parking			
Parking Decks	4	4	3
Fleet			
Vehicles (excluding patrol units)	215	215	226

**Source:** Various City departments.

**Notes:** No capital assets indicators are available for the general government function.

- (1) The number of streetlights does not include leased streetlights which are owned and maintained by Duke Energy Progress.
- (2) The athletic and recreation facilities acreage increase between fiscal year 2020 and 2021 is due to the acquisition of land for the nCino Sports Park & Complex.

**TABLE 18**

Fiscal Year						
2019	2020	2021	2022	2023	2024	2025
2	2	2	2	2	2	2
296	299	337	349	380	365	364
9	9	9	9	9	9	9
406	412	413	414	415	417	422
763	774	854	879	888	888	896
40	41	41	41	41	41	41
421	427	427	427	427	427	427
29	32	32	32	32	32	32
16	16	17	17	17	17	17
323	323	380	380	380	380	380
		(2)				
47	47	46	45	44	47	47
530	557	575	576	603	615	627
3	4	4	4	4	5	5
239	238	230	242	249	248	258

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**COMPLIANCE SECTION TAB (BACK)**



**REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and budgetary comparison of the General Fund of City of Wilmington, North Carolina (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Wilmington's basic financial statements, and have issued our report thereon dated December 19, 2025.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City. Our audit, described below, does not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
December 19, 2025



**REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Wilmington, North Carolina's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Wilmington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of each of its major federal programs for the year ended June 30, 2025.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City, which received \$8,071,694 in federal awards during the year ended June 30, 2025. Our audit, described below, does not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with the Uniform Guidance and the State Single Audit Implementation Act.

***Basis for Opinion on Each Major Federal Programs***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
December 19, 2025



**REPORT ON COMPLIANCE  
FOR THE MAJOR STATE PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major State Program**

***Opinion on the Major State Program***

We have audited City of Wilmington, North Carolina's (the City) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the City's major state program for the year ended June 30, 2025. The City's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of Cape Fear Public Transportation Authority, a discretely presented component unit of the City, which received \$1,337,672 in State awards during the year ended June 30, 2025. Our audit, described below, did not include the operations of Cape Fear Public Transportation Authority because this component unit separately engaged us to perform an audit in accordance with the Uniform Guidance and the State Single Audit Implementation Act.

In our opinion, the City of Wilmington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2025.

***Basis for Opinion on the Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major State program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's State programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
December 19, 2025

**CITY OF WILMINGTON, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2025**

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**I – Schedule of Findings and Questioned Costs**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>    X    </u> Yes	<u>        </u> No
Significant deficiency(ies) identified?	<u>        </u> Yes	<u>    X    </u> None Reported
Noncompliance material to financial statements noted?	<u>        </u> Yes	<u>    X    </u> No

*Federal Awards*

Internal control over the major federal program:

Material weakness(es) identified?	<u>        </u> Yes	<u>    X    </u> No
Significant deficiency(ies) identified?	<u>        </u> Yes	<u>    X    </u> None Reported

Type of auditor’s report issued on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

         Yes          X     No

Identification of major federal program:

Federal Assistance Listing	Name of Federal Program or Cluster
21.027	American Rescue Plan Act
14.228	Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii
14.239	Home Investment Partnership Program

**CITY OF WILMINGTON, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended June 30, 2025**

---

**I – Schedule of Findings and Questioned Costs (Continued)**

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

          \$          750,000          

Auditee qualified as low-risk auditee?            X       Yes                 No

*State Awards*

Internal control over the major State program:

Material weakness(es) identified?                 Yes            X       No

Significant deficiency(ies) identified?                 Yes            X       None reported

Type of auditor’s report issued on compliance for the  
major State program:

Unmodified

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

           Yes            X       No

Identification of major State program:

Non-State System Street-Aid Allocation

Auditee qualified as low-risk auditee?            X       Yes                 No

**CITY OF WILMINGTON, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**For the Year Ended June 30, 2025**

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**II – Financial Statement Findings**

**Finding 2025-001 – Material Compliance Finding and Material Weakness in Internal Control over Compliance – Reporting of the Schedule of Expenditures of Federal Awards**

**Criteria:** In accordance with the audit requirements of Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) the City is required to prepare a Schedule of Federal and State Awards to include all expenditures made for any federal and State awards during the course of the fiscal year.

**Condition:** Due to an error in the process of compiling the SEFSA, the City did not include a material grant expenditure thus causing the SEFSA to be materially inaccurate.

**Effect:** The City did not include \$8,769,891 in CDBG expenditures on the Schedule of Expenditures of Federal and State Awards that the City had incurred during the fiscal year.

**Cause:** The City process for manually reconciling expenditures to the SEFSA omitted a material grant expenditure.

**Recommendation:** The City’s finance department should perform a reconciliation of federal and State revenue and expenditures reported in the fund financial statements to the Schedule of Expenditures of Federal and State Awards and investigate any material differences.

**Name of Contact Person:** Martha Wayne, Finance Director

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with the finding. See Corrective Action Plan.

**III – Federal Award Findings and Questioned Costs**

None reported.

**IV – State Award Findings and Questioned Costs**

None reported.



**FINANCE DEPARTMENT**  
Finance Division  
929 N. Front Street, 10<sup>th</sup> Floor  
PO Box 1810  
Wilmington, NC 28402-1810

910 341-7822  
910 254-0906 fax



**CITY OF WILMINGTON, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2025**

**Finding 2025-001**

**Name of Contact Person:** Martha Wayne – Finance Director

**Corrective Action:** The City is updating the process for preparing the Schedule of Expenditures of Federal and State Awards (SEFSA). The new process will include having the individual pulling information together for a specific SEFSA section also prepare a reconciliation between the total expenditures to total revenues. This reconciliation will then be reviewed by a second individual for accuracy. This reconciliation will provide an additional layer to ensure the completeness of information reported.

**Proposed Completion Date:** June 30, 2026

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<b>Federal Awards:</b>							
<u>U.S. Department of Housing and Urban Development</u>							
Office of Community Planning & Development:							
Direct Programs:							
CDBG - Entitlement Grants Cluster							
Community Development Block Grants:							
Community Development Block Grants	14.218	B-19-MC-370010	-	\$ 8,719	\$ -	\$ -	\$ -
Community Development Block Grants	14.218	B-21-MC-370010	-	36,181	-	-	-
Community Development Block Grants	14.218	B-22-MC-370010	-	255,858	-	-	-
Community Development Block Grants	14.218	B-23-MC-370010	-	153,756	-	-	600
Community Development Block Grants	14.218	B-24-MC-370010	-	370,761	-	-	-
Community Development Block Grants	14.218	B-20-MW-37-0010	-	25,906	-	-	-
Total CDBG - Entitlement Grants Cluster				<u>851,181</u>	<u>-</u>	<u>-</u>	<u>600</u>
Community Development Block Grant:							
Disaster Recovery	14.228	B-19-DV-37-0001/0002	-	<u>8,769,891</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home Investment Partnerships Program:							
Home Investment Partnerships Program	14.239	M-17-MC-37-0207	-	5,894	-	-	-
Home Investment Partnerships Program	14.239	M-18-MC-37-0207	-	190,092	-	-	-
Home Investment Partnerships Program	14.239	M-19-MC-37-0207	-	1,119	-	-	-
Home Investment Partnerships Program	14.239	M-20-MC-37-0207	-	526,647	-	-	-
Home Investment Partnerships Program	14.239	M-21-MC-37-0207	-	366,631	-	-	-
Home Investment Partnerships Program	14.239	M-22-MC-37-0207	-	369,844	-	-	-
Home Investment Partnerships Program	14.239	M-23-MC-37-0207	-	39,928	-	-	22,526
Home Investment Partnerships Program	14.239	M-24-MC-37-0207	-	109,350	-	-	472,241
Total Home Investment Partnerships Program				<u>1,609,505</u>	<u>-</u>	<u>-</u>	<u>494,767</u>
Lead Hazard Reduction Demonstration Grant Program:							
HUD-Healthy Homes	14.905	NCHHP0105-23	-	<u>612,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>11,842,805</u>	<u>-</u>	<u>-</u>	<u>495,367</u>

See Notes to Schedule of Expenditures  
of Federal and State Awards

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**

**Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<b>Federal Awards (continued):</b>							
<u>U.S. Department of Transportation</u>							
DOT Federal Railroad Administration:							
Direct Program:							
Wilmington Rail Realignment	20.325	69A36520501370CRSNC	-	\$ 93,898	\$ -	\$ -	\$ -
DOT Federal Highway Administration:							
Direct Program:							
Safe Streets & Roads for All	20.939	693JJ32540101	-	52,674	-	-	6,584
Federal Transit Administration:							
Pass-through N.C. Department of Transportation:							
Metropolitan Transportation Planning:							
Transportation Planning	20.505	25-08-126	36230.27.24.6	75,916	-	80,861	9,493
Transportation Planning	20.505	25-08-126	36230.27.24.6	-	9,488	-	-
Total Metropolitan Transportation Planning				75,916	9,488	80,861	9,493
Federal Highway Administration:							
Pass-through N.C. Department of Transportation:							
Wrightsville/Greenville Improvement	20.205	U-5534 C	44096.1.F4; .2.F4; .3.FA; .2.25	135,137	-	-	31,936
Hinton Avenue Multiuse Path	20.205	U-5534 H	44096.1.F9; .2.F9; .3.F9; .2.25; .2.26	(19,218)	-	-	(5,964)
Hooker Road Multiuse Path	20.205	U-5534 G	44096.1.F8; .2.F8; .3.F8	128,581	-	-	29,978
Holly Tree / College Crosswalk	20.205	U-5534 Q	44096.3.18	68,591	-	-	14,312
Market Street HAWK Signal	20.205	EB-6028	48749.3.1	93,618	-	-	22,159
Pre-Emptive Signals Phase II	20.205	U-6235	48931.1.1	10,099	-	-	2,056
Transportation Planning	20.205-5	7500026467	51386.1.18	350,200	-	-	87,550
Transportation Planning	20.205-5	7500026467	44094.1.6	683,153	-	-	170,788
Transportation Planning	20.205-5	7500026467	50902.1.2	8,200	-	-	-
Transportation Planning	20.205-5	7500025866	44094.1.5	36,313	-	-	9,078
Transportation Planning	20.205-5	7500026467	44094.1.6	79,968	-	-	19,992
Downtown Rail Trail Phase I	20.205	BL-0045	49921.1.1	42,376	-	-	-
EB-5600 - South 17th St. MUP	20.205	EB-5600	56000.2.1; .2.2	(132,635)	-	-	(31,919)
EB-5600 - South 17th St. MUP	20.205	EB-5600	56000.1.1; .2.1; 2.2	144,528	-	-	34,812
Total Highway Planning and Construction				1,628,911	-	-	384,778

See Notes to Schedule of Expenditures  
of Federal and State Awards

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**

**Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<b>Federal Awards (continued):</b>							
<u>U.S. Department of Transportation (continued)</u>							
National Highway Traffic Safety Administration: Pass-through N.C. Department of Transportation: Governor's Highway Safety Program							
	20.600	PT-24-06-21	22024.6.21	\$ 9,242	\$ -	\$ -	\$ -
Total U.S. Department of Transportation				<u>1,860,641</u>	<u>9,488</u>	<u>80,861</u>	<u>400,855</u>
<u>Department of Agriculture</u>							
Forest Service: National Fish and Wildlife Foundation: Pass-through The Nature Conservancy:							
The Nature Conservancy - Controlled Burn				2,036	-	-	-
				<u>2,036</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>							
Pass-through New Hanover County: 'JAG Equipment / NHC 2023							
	16.738	15PBJA-23-GG-03605-JAGX	-	80,419	-	13,552	-
				<u>80,419</u>	<u>-</u>	<u>13,552</u>	<u>-</u>
Criminal Division: Equitable Sharing Program-Federal Forfeiture							
	16.922	-	-	13,336	-	-	-
				<u>13,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Justice				<u>93,755</u>	<u>-</u>	<u>13,552</u>	<u>-</u>
<u>U.S. Department of The Treasury</u>							
Departmental Offices: Direct Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds							
	21.027	SLT-0864	-	3,609,331	-	952,214	-
				<u>3,609,331</u>	<u>-</u>	<u>952,214</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>							
Federal Emergency Management Agency: Direct Program: Port Security Grant 2022							
	97.056	EMW-2022-PU-00414-S01	-	473,659	-	-	157,886
				<u>473,659</u>	<u>-</u>	<u>-</u>	<u>157,886</u>

See Notes to Schedule of Expenditures  
of Federal and State Awards

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<b>Federal Awards (continued):</b>							
<u>U.S. Department of Homeland Security (continued)</u>							
<u>Pass-through N.C. Department of Public Safety:</u>							
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	\$ (21,285)	\$ (7,095)	\$ -	\$ -
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(12,110)	(4,036)	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(82,313)	(27,438)	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	728,053	242,684	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(48,419)	(16,140)	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(8,975)	(2,992)	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(10,649)	(3,550)	-	-
Public Assistance Grant	97.036	FEMA-4393-DR-NC	-	(25,679)	(8,560)	-	-
Total Pass-through N.C. Dept. of Crime Control and Public Safety:				<u>518,623</u>	<u>172,873</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>992,282</u>	<u>172,873</u>	<u>-</u>	<u>157,886</u>
Total Federal Awards				<u>18,400,850</u>	<u>182,361</u>	<u>1,046,627</u>	<u>1,054,108</u>
<b>State Awards:</b>							
<u>N.C. Department of Natural and Cultural Resources</u>							
Maides Park Inclusive Playground	N/A	2023-1059	-	<u>-</u>	<u>27,674</u>	<u>-</u>	<u>6,918</u>
<u>N.C. Department of Public Safety</u>							
<u>Emergency Management</u>							
Opioid Pilot Project NCDPS 2024	-	2000074918 2023-2025	-	<u>-</u>	<u>310,489</u>	<u>310,489</u>	<u>-</u>
<u>N.C. Department of Transportation</u>							
Powell Bill Funds	DOT - 4	Agmt 4000029276	32570	-	4,037,452	-	-
Municipal Agreement - Schedules C and D	-	-	3.1065SM; 3.2065SM	-	475,514	-	-
Small Construction Agreement	-	-	48935	-	16,756	-	-
Multi Modal Phase 1B	20.205	Agmt 12650 & 13126	51088	-	463,622	-	105,518
Safe Streets & Roads for All	-	TIP #: SS-6203AW	51360	<u>-</u>	<u>6,584</u>	<u>-</u>	<u>-</u>
Total N.C. Department of Transportation				<u>-</u>	<u>4,999,928</u>	<u>-</u>	<u>105,518</u>

See Notes to Schedule of Expenditures  
of Federal and State Awards

**CITY OF WILMINGTON, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing or State DOT Number	Grant Award Number	WBS Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient	Local Expenditures
<b>State Awards (continued):</b>							
<u>N.C. Dept. of Public Safety</u>							
<u>Division of Emergency Management</u>							
Tropical Storm Helene Response Support	-	312134	-	\$ -	\$ 4,909	\$ -	\$ -
Tropical Storm Helene Response Support	-	312182	-	-	4,436	-	-
Tropical Storm Helene Response Support	-	312221	-	-	24,521	-	-
Tropical Storm Helene Response Support	-	312950	-	-	4,067	-	-
Tropical Storm Helene Response Support	-	314077	-	-	9,111	-	-
Tropical Storm Helene Response Support	-	314077-04	-	-	8,972	-	-
Tropical Storm Helene Response Support	-	314830	-	-	17,284	-	-
Tropical Storm Helene Response Support	-	314832	-	-	41,840	-	-
Tropical Storm Helene Response Support	-	317489	-	-	5,136	-	-
Tropical Storm Helene Response Support	-	317867	-	-	4,047	-	-
Tropical Storm Helene Response Support	-	318861	-	-	1,465	-	-
Tropical Storm Helene Response Support	-	323623	-	-	5,289	-	-
Tropical Storm Helene Response Support	-	324588	-	-	4,574	-	-
Total Pass-through N.C. Dept. of Public Safety:				-	135,651	-	-
<b>Other Financial Assistance:</b>							
<u>N.C. Department of Justice</u>							
Opioid Settlement Fund	-	NHC Contract #22-0235	-	-	341,972	353,277	20,526
Total State Awards				-	5,815,714	663,766	132,962
Total Federal and State Awards				\$ 18,400,850	\$ 5,998,075	\$ 1,710,393	\$ 1,187,070

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2025

### NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards represents the activity of all federal and State awards to the City of Wilmington, North Carolina, excluding those of its discretely presented component unit. The City's reporting entity is defined in Note 1 to the City's basic financial statements. Expenditures are reported on the schedule only at such time as there is an approved award and as activity occurs that obligates the City to make a payment, not when the award has been received. As a result, certain expenditures incurred in a prior year may be reported for the first time in the current year or as a reimbursement of expenditures reported in a prior year. All federal and state awards, received directly or indirectly (passthrough) from federal and state agencies, are included on the schedule.

### NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards has been prepared on the modified accrual basis, which is described in Note 1 of the City's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State Single Audit Implementation Act. Therefore, amounts presented in this schedule will frequently differ from amounts presented in or used in the preparation of the financial statements.

### NOTE 3 – SUBRECIPIENTS

Federal and State awards have been passed through to subrecipients as follows for the year ended June 30, 2025:

<u>Program Title</u>	<u>Federal AL Number</u>	<u>Amount</u>
Transportation Planning	20.505	\$ 80,861
JAG Equipment / NHC 2023	16.738	\$ 13,552
COVID - 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 952,214
Opioid Pilot Project NCDPS 2024		\$ 310,489
Opioid Settlement Fund		\$ 353,277

### NOTE 4 – INDIRECT COST

The City of Wilmington has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2025

### NOTE 5 – OPIOID SETTLEMENT FUND

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA and considered State Awards for State single audit requirements.

### NOTE 6 – NEGATIVE BALANCES IN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

On December 12, 2024, the North Carolina Department of Transportation (NCDOT) reclassified the federal funding source for the South 17th Street MUP project from Federal Highway Administration (FHWA) funds to Surface Transportation Block Grant – Direct Attributable (STBG-DA) funds. This change resulted in a reallocation of previously reported expenditures and led to negative amounts reported on the Schedule of Expenditures of Federal and State Awards (SEFSA) as of June 30, 2025, totaling \$132,635 in federal awards and \$31,919 in local matching funds.

On December 31, 2024, utility relocation costs for the Hinton Ave MUP project were adjusted due to a correction in the cost allocation between this project and Project 2TRST1410 (Wrightsville/Greenville Improvement). The discrepancy was identified upon submission of the second invoice and resulted in a total correction of \$69,463. As a result, the Schedule of Expenditures of Federal and State Awards (SEFSA) as of June 30, 2025, reflects negative expenditures of \$19,218 in federal awards and \$5,964 in local matching funds associated with that project.

On September 10, 2024, the North Carolina Department of Public Safety – Emergency Management (NCDPS) issued the final closeout payment for Hurricane Florence Project #76266. During the closeout process, actual eligible project costs were determined to be less than previously estimated, resulting in an overall project underrun. As a result, previously reported expenditures were reallocated, leading to negative amounts reported on the Schedule of Expenditures of Federal and State Awards (SEFSA) as of June 30, 2025, totaling \$82,313 in Federal funds and \$27,438 in State funds.

On September 16, 2024, the North Carolina Department of Public Safety – Emergency Management (NCDPS) issued the final closeout payment for Hurricane Florence Project #79982. During the closeout process, actual eligible project costs were determined to be less than previously estimated, resulting in an overall project underrun. As a result, previously reported expenditures were reallocated, leading to negative amounts reported on the Schedule of Expenditures of Federal and State Awards (SEFSA) as of June 30, 2025, totaling \$25,679 in Federal funds and \$8,560 in State funds.

# CITY OF WILMINGTON, NORTH CAROLINA

## Notes to Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2025

### NOTE 6 – NEGATIVE BALANCES IN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

During the final closeout process for several small projects related to Hurricane Florence, it was identified that the City of Wilmington had received both insurance proceeds and Public Assistance (PA) funds for the same project costs. In accordance with federal and state grant requirements, the City is required to return to the North Carolina Emergency Management (NCEM) the amount of funding received from insurance proceeds. As a result, on May 30, 2025, previously reported expenditures were reallocated, leading to negative amounts reported on the Schedule of Expenditures of Federal and State Awards (SEFSA) for the fiscal year ended June 30, 2025. The adjustments were as follows:

- **Project #71314:** \$21,285 in Federal funds, \$7,095 in State funds
- **Project #75640:** \$12,110 in Federal funds, \$4,036 in State funds
- **Project #76279:** \$48,419 in Federal funds, \$16,140 in State funds
- **Project #76281:** \$8,975 in Federal funds, \$2,992 in State funds
- **Project #76284:** \$10,649 in Federal funds, \$3,550 in State funds

These negative amounts reflect the return of funds previously claimed but later determined to be duplicative due to the receipt of insurance reimbursements for the same expenses.