

CITY OF NEWARK, DELAWARE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024



CITY OF NEWARK
MUNICIPAL CENTER
CITY HALL POLICE COURT 40



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Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2024



Prepared by the City of Newark Finance Department

*Jill A. Hollander, Finance Director
Daina Montgomery, Deputy Finance Director
James W. Smith, Accountant*

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CITY OF NEWARK

Delaware

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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INTRODUCTORY SECTION



FINANCE DEPARTMENT
CITY OF NEWARK

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June 24, 2025

To the Honorable Mayor, Members of City Council, and Citizens of Newark:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Newark, Delaware, for the fiscal year ended December 31, 2024. This report is published in accordance with the provisions of Section 807 of the City Charter and is intended to provide comprehensive financial information to our residents, utility customers, bondholders, trustees, lenders, depository institutions, governmental agencies, and the broader financial community.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

The City's financial statements have been audited by CliftonLarsonAllen LLP (CLA), an independent firm of certified public accountants, as required by Section 807 of the City Charter. CLA has issued an unmodified ("clean") opinion on the City of Newark's financial statements for the year ended December 31, 2024. The independent auditor's report is located at the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Newark is a full-service municipality located in northern Delaware, centrally positioned between the metropolitan areas of Philadelphia and Baltimore. Encompassing approximately 9.3 square miles, the City is home to an estimated population of over 30,000 full-time residents, including thousands of students who attend the University of Delaware, located within the City's core.

Newark operates under the council-manager form of government. The City Council consists of a Mayor elected at-large serving a three-year term and six Council members elected by district, all serving staggered two-year terms. The City Council is responsible for legislative functions, including establishing policies, approving the annual budget, adopting ordinances, and appointing the City Manager, who oversees the day-to-day operations of the organization.

The City provides a full range of municipal services, including police protection, electric and water utilities, sewer services, refuse collection, street maintenance, land use planning and inspections, code enforcement, parking services, and a wide array of parks and recreational programming. The City also operates its own Alderman's Court and 911 communications center that provides emergency dispatch services to police, fire, and emergency medical units within the local area.

Newark's utility operations are self-supporting and include electric, water, stormwater, and sewer services, all maintained through enterprise funds. The City's utility infrastructure is critical to supporting the needs of both residents and businesses, and ongoing investment in capital projects ensures the continued delivery of reliable and high-quality service.

As the host community for the University of Delaware's main campus, Newark benefits from a vibrant, diverse population and a dynamic local economy. The City's close partnership with the University continues to foster economic development, cultural enrichment, and innovative collaboration.

The City's departments and divisions work collaboratively to promote transparency, maintain fiscal responsibility, and provide responsive, high-quality service to the public. Through its commitment to professional management, community engagement, and long-term planning, Newark continues to deliver on its mission of service excellence.

Local economy

The City of Newark continues to benefit from a diverse and resilient local economy anchored by the presence of the University of Delaware, which serves as the largest employer in the area. The University contributes significantly to the City's economic stability by attracting students, faculty, and research institutions from across the nation and around the world. Its presence supports a broad range of businesses, from hospitality and retail to innovation-based industries tied to technology and advanced manufacturing.

Newark is also home to a strong base of science, energy, and financial employers that enhance the City's economic diversity. These include long-established industry leaders such as DuPont, Chemours, GE Aviation, and Bloom Energy, which maintain major operations within City limits. The Delaware Technology Park, the State's premier high-tech business incubator, continues to expand with new lab and office space to support early-stage companies and university spinouts. Bank of America, a major national credit card lender, anchors a robust financial services sector in the surrounding region. Additionally, global chemical company FMC has consolidated its agricultural research activities at the nearby Stine Research Center. While Newark's industrial sector remains active and healthy, the City continues to collaborate with the University of Delaware, Delaware Technology Park, New Castle County Chamber of Commerce, and the State to attract high-quality, low-impact manufacturing firms that align with Newark's innovation economy and land-use priorities.

Newark's strategic location along the I-95 corridor, with convenient access to major cities such as Philadelphia, Baltimore, and Washington, D.C., makes it an attractive destination for both residents and businesses. The City's proximity to regional transportation networks, including passenger rail service via Amtrak and SEPTA, continues to enhance its appeal as a hub for commerce and travel. The recently constructed Newark Regional Transportation Center, located on the south side of the tracks, represents a commitment to infrastructure investment and economic development. The Historic Newark Train Station, now home to the Newark Historical Society and the Newark Partnership, is undergoing renovations that reflect the City's commitment to preserving Newark's history.

The City's retail and commercial sectors remain strong, with Main Street and surrounding districts serving as vibrant centers of economic activity. Most recently, the redevelopment of a large aging and underutilized shopping center into a vibrant mixed-use center known as The Grove has also created a location for large footprint commercial tenants like the Picklr, an indoor pickleball facility, and Lefty's Alley and Eats, a family fun center. The local business community is composed primarily of small and independently owned enterprises, which contribute to the City's unique character and economic diversity. Newark's efforts to support these businesses through flexible permitting, infrastructure improvements, and event programming have helped sustain commercial vitality through changing economic conditions.

Newark continues to experience modest but steady growth in residential development, particularly in mixed-use and infill projects that align with the City's comprehensive plan and smart growth principles. These developments help meet increasing demand for housing while preserving the City's community character and walkability.

Unemployment in the region remains relatively low compared to state and national averages, bolstered by strong public sector employment and the stability provided by the education, healthcare, and utility sectors. The City also benefits from the economic and operational stability of its municipally owned utilities, which it operates directly to serve residents, businesses, and institutions.

Looking ahead, Newark remains committed to fostering sustainable economic growth by investing in public infrastructure, supporting business development, and enhancing the quality of life for residents and visitors alike. These efforts, in coordination with regional and institutional partners, ensure that Newark remains a thriving and economically competitive community.

Long-term financial planning and major initiatives

The City of Newark continues to prioritize long-term financial sustainability through strategic planning, infrastructure investment, revenue diversification, and prudent fiscal management. The City maintains a multi-year Capital Improvement Program (CIP), updated annually to identify, prioritize, and fund projects essential to maintaining and enhancing public services and infrastructure. This process ensures that the City's limited resources are allocated efficiently to meet current demands while preparing for future growth and challenges.

To strengthen financial resilience, the City follows conservative budgeting practices on fund balances, debt management, and capital asset replacement. These established practices and a long-standing commitment to structurally balanced operations, position the City to withstand economic fluctuations while preserving essential services.

Newark continues to leverage its AAA bond rating to fund long-term capital projects at favorable interest rates. The City also actively seeks federal and state grant opportunities to supplement local funding and reduce the financial burden on residents. Long-range planning in the City's water and electric utilities illustrate this approach. Projects such as the reintroduction of the Laird Tract Well Field, PFAS treatment upgrades, and expansion of renewable energy partnerships reflect the City's commitment to utility resiliency and regulatory compliance.

Capital Projects and Infrastructure Improvements

In FY2024, the City of Newark advanced numerous capital projects that enhanced public spaces, improved municipal facilities, and strengthened core infrastructure:

- **Parks and Recreation** made substantial improvements to recreational amenities:
 - Completed design, bidding, and contract awards for the Dickey Park enhancement project, featuring a new walking trail, pavilion, and fitness stations.
 - Advanced trail connectivity through the Olan Thomas to Kershaw Park sidewalk/trail expansion project which is in the design phase.
 - Finalized bidding and awarded construction for the Old Paper Mill Road Park development.
 - Renovated drainage and installed a new playground at Devon Park.

Additional park infrastructure accomplishments included:

- Completion of Phase 2 of the Main Street tree pit enhancement project, with 25 large shade trees planted.
- Resurfaced basketball courts at Lumbrook Park (including an ADA-accessible path) and the George Wilson Center.
- Repaired tennis courts at Lewis Park and fully refurbished courts at Fairfield Crest, including installation of a new play feature.

On the recreation side, the department:

- Reorganized Camp REAL, splitting sessions between Dickey Park and Alder Creek to better support programming.
- Partnered with the University of Delaware Athletics program to provide free swimming lessons to Camp REAL participants.
- Updated department photographs for website and marketing materials.
- Acquired new canopies for special event booths and replacement trash cans for public use during events.

- **Public Works and Water Resources (PWWR)** completed several major infrastructure projects:

- Completed a major upgrade at the South Well Field Water Treatment Plant, introducing PFAS/PFOA treatment capabilities using Granular Activated Carbon (GAC) and Anion Exchange (AIX) media. The project was funded through ARPA and the State Revolving Fund.
- Rehabilitated three water storage tanks, including lead abatement and repainting as necessary.
- Resurfaced and rehabilitated eight street segments and installed 19 ADA-compliant curb ramps as part of the ADA Transition Plan.
- Managed over 6,450 bulk refuse pickups and collected nearly 330 tons of additional refuse, enhancing solid waste operations.

- **Administration's Facilities Maintenance Division** leveraged grant funding to improve City facility longevity and safety:

- Repaved the VFW parking lot behind City Hall, which supports overflow municipal parking.
- Began construction of a warehouse expansion at the Field Operations Complex to store electric infrastructure materials.
- Initiated renovations of the Historic Newark Passenger Railroad Station.
- Commenced design phases for a new police impound facility and renovations to the George Wilson Community Center.

- **The Police Department** continued its long-standing commitment to service excellence:

- Embarked on another level of accreditation, building on its status as an agency internationally accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) in the Advanced Law Enforcement category since 1997. In March 2022, the 911 Communications Center also earned CALEA communications accreditation. The department is currently pursuing its 10th Advanced Law Enforcement reaccreditation and 1st Communications reaccreditation. The reaccreditation process spans four years and includes annual remote reviews by CALEA Compliance Service Members, culminating in an on-site assessment scheduled for November 2025.
- Established the Behavioral Health Unit in 2025, inspired by the department's core values of Human Life, Integrity, Service, and Professionalism. The unit brings together police officers, mental health professionals, and community resources to peacefully resolve incidents involving individuals experiencing mental health crises. In addition to Crisis Intervention Training for officers, a dedicated Mental Health Case Manager identifies patients, assesses their ongoing needs, connects them with treatment, conducts follow-up services, and supports families in accessing additional resources.

- **Planning and Development** launched several initiatives aimed at improving service delivery, enhancing regulatory clarity, and supporting long-term community development.
 - Staff launched Tyler Technologies Enterprise Permitting and Licensing Program (EPL) on October 1, 2024. This program allows City staff to fully digitize the plan and permit review process for over 120 of the City's permitting and plan review processes with more processes being added. It has also provided the opportunity to review each of these processes for redundancies and efficiencies to find savings in staff time, as well as proposing Code changes to make updates where required. It is expected that after initial training and rollout, the end product will decrease the time it takes for customers to go through the City's processes and provide more transparency for the public.
 - The City implemented Newark's first zoning regulations regarding the state's legalization of adult use marijuana in August of 2024, which includes cultivation, testing, manufacturing and retail facilities. The first special use permit for a retail marijuana store has been issued and a second special use permit for a marijuana cultivation facility currently is in process. This new industry is expected to generate significant utility revenue for electric and water, as well as bring new jobs to the City.
 - The City continued to work to support affordable housing in Newark through in-kind and grant support. The Newark Housing Authority completed permitting for 72 new units of affordable housing, which will be constructed in two phases beginning the second quarter of 2025 and was supported by waivers of certain City subdivision and permitting fees. Additionally, grants were given to two other potential affordable housing developments to cover initial feasibility and engineering costs. If those two projects come to fruition, that would bring an additional 90 to 100 units to market.
- **The Electric Department** pursued several major capital and system reliability projects:
 - Continued planning for a new substation and associated infrastructure to support system capacity and redundancy, including finalizing easement agreements with the University of Delaware, 1743 Holdings, and the State, and progressing electric system analysis for the new interconnection and STAR Campus Substation.
 - Finalized design work for protective relay replacements at Kershaw Substation and prepared for transformer upgrades in late 2024.
 - Installed over 600 feet of new underground cable at Devon, with an additional 580 feet completed by year-end, as part of ongoing efforts to replace aging infrastructure.
 - Procured and began integration of an Outage Management System (OMS) to enhance outage response and communication.
 - Expanded EV charging infrastructure at City facilities, including the Police Department and City Hall, with installations underway at the Maintenance Yard and Lot 1.
- **The IT Division** advanced several key initiatives to enhance customer service, strengthen cybersecurity, modernize infrastructure, and invest in workforce development:
 - **Customer-Facing Applications:** The City replaced the Harris Customer Connect portal with the upgraded Harris SilverBlaze platform, improving the customer experience for utility account access and service management. Staff also worked with Tyler Technologies to implement credit card service fees across permits, licenses, taxes, and general billing modules.
 - **Cybersecurity and Resiliency:** The City upgraded its backup and recovery systems to a modern solution that includes immutability and isolation, key best practices for safeguarding data. A comprehensive review of the SCADA (Supervisory Control and Data Acquisition) architecture and configuration was completed in partnership with the Cybersecurity & Infrastructure Security Agency (CISA) and Idaho National Laboratory (INL), with coordination from the Electric, IT, and Water departments. Additionally, the City collaborated with the Department of Homeland Security to perform a physical

Security Assessment at First Entry (SAFE) on all electric substations. A full penetration test was completed, with active mitigation of identified vulnerabilities ongoing.

- **Hardware and Infrastructure Upgrades:** The City deployed 205 new workstations, representing 75% of the total inventory, and outfitted over 24 police vehicles to support the take-home program. Thirty-five new surveillance cameras were installed to enhance facility and public safety monitoring.
- **Professional Development and Outreach:** Newark hosted the annual Tyler User Group Conference for Delaware clients, providing a local opportunity for knowledge sharing and software training. The City also participated in Delaware Technical Community College's work-based learning program, hosting interns during each semester to gain valuable hands-on IT experience at no cost to the City.

Looking Ahead

The City remains committed to proactive financial planning, infrastructure modernization, and inclusive economic growth. By aligning investments with long-term priorities and community values, Newark is building a resilient and prosperous future for all residents.

While management is proud of the City's accomplishments through 2024, we look forward with excitement to the achievements of 2025 and beyond. The City's motto, *"Committed to Service Excellence,"* reflects Newark's dedication to delivering the high-quality municipal services that residents and businesses expect and deserve. From our CALEA-certified police department and 911 communications center, to nationally recognized parks and recreational facilities, to our reliable electric, water, and public works services, the City is proud to meet the evolving needs of the community.

Newark continues to enhance accessibility to government services through online platforms and is firmly committed to leveraging technology to better connect with and serve residents. The City's partnership with the University of Delaware fosters a culturally rich environment that provides exceptional educational, economic, and social opportunities. Whether here as students or long-term residents, all who live in Newark help shape the City's unique character. Newark will continue to provide public services with pride, professionalism, and excellence.

Relevant financial policies

The City of Newark is committed to prudent fiscal management through a framework of financial principles that guide budget development, capital planning, and operational decision-making. These principles support the long-term financial stability of the City, ensure the delivery of essential services, and preserve Newark's ability to respond to changing economic conditions.

Core financial principles include:

- **Balanced Budgeting:** As required by the City Charter, the annual operating budget must be balanced, with expenditures not exceeding revenues and available reserves.
- **Responsible Reserve Practices:** Newark strives to maintain sufficient reserves across its funds to protect against economic downturns, revenue volatility, and unexpected expenses.
- **Capital Planning:** The City utilizes a multi-year Capital Improvement Program (CIP) to prioritize infrastructure investment based on strategic goals, regulatory needs, and community benefit.
- **Conservative Debt Management:** Newark uses debt strategically and cautiously for large-scale capital projects, keeping borrowing costs within sustainable levels.
- **Self-Supporting Utilities:** Electric, water, sewer, and stormwater services are funded through enterprise operations, with rates set to recover costs and support reinvestment.

- **Prudent Investment Practices:** Newark's investment activities are guided by state law and focus on safety, liquidity, and preservation of public funds.
- **Budget Oversight:** Budgetary authority is governed by the City Charter, with control maintained at the fund level and amendments requiring City Council approval.

These principles reflect the City's long-standing commitment to transparency, accountability, and the responsible stewardship of public resources.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Newark a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. This marks the 15th consecutive year that the City has received this prestigious honor. To earn the Certificate of Achievement, a government must publish an easily readable and well-organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

The Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the program's standards, and we are submitting it to the GFOA for consideration of another award.

The preparation of this report would not have been possible without the skill, dedication, and hard work of the entire staff of the Finance Department. Deputy Finance Director Daina Montgomery, James Smith, Jackie Moore, and Trevor Miller, deserve special appreciation for their invaluable contributions in compiling the data necessary to complete this report.

Respectfully submitted,



Thomas Coleman
City Manager



Jill Hollander
Director of Finance



Government Finance Officers Association

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

Presented to

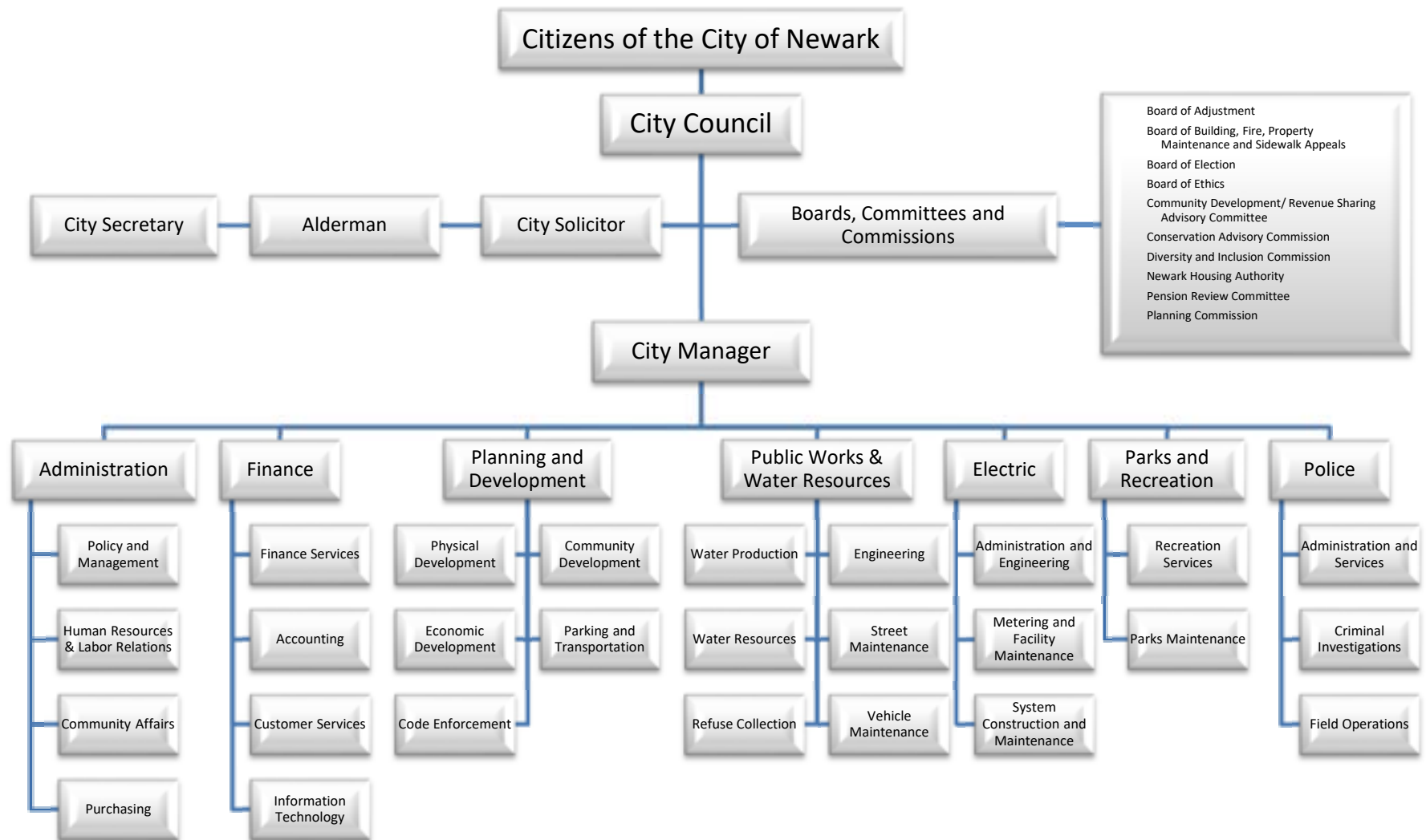
**City of Newark
Delaware**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Executive Director/CEO

City of Newark, Delaware



CITY OF NEWARK

Delaware

LIST OF ELECTED OFFICIALS, APPOINTED OFFICIALS,
AND MANAGEMENT STAFF

DECEMBER 31, 2024

Elected Officials

Mayor

Council Member - District 1

Council Member - District 2

Council Member - District 3

Council Member - District 4

Council Member - District 5

Council Member - District 6

Jerry Clifton

John Suchanec

Corinth Ford

Jay Bancroft

Dwendolyn Creecy

Jason Lawhorn

Travis McDermott

Appointed Officials

City Manager

City Secretary

Alderman

Deputy Alderman

City Solicitor

Deputy City Solicitor

Thomas Coleman

Tara Schiano

Lisa R. Hatfield

Donald Gregory

Paul E. Bilodeau

Robert O'Neill

Management Staff

Chief Human Resource Officer

Chief of Police

Director of Electric

Director of Finance

Director of Parks & Recreation

Director of Planning & Development

Director of Public Works & Water Resources

Devan Hardin

Mark Farrall

Bhadresh Patel

Jill A. Hollander

Paula Ennis

Renee K. Bensley

Tim Filasky



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Members of City Council
City of Newark, Delaware
Newark, Delaware

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Delaware (the City), as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2024, the City adopted new accounting guidance GASB Statement Number 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund and combining fiduciary fund financial statements, and nonmajor fund budgetary comparisons 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 combining and individual nonmajor fund and combining fiduciary fund financial statements, and nonmajor fund budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

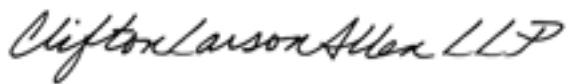
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

Members of City Council
City of Newark, Delaware

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

CliftonLarsonAllen LLP

Baltimore, Maryland
June 24, 2025

City of Newark, Delaware

Management's Discussion & Analysis

The Management's Discussion and Analysis section is intended to provide readers with a general overview of the financial activities of the City of Newark, Delaware (the "City") for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the beginning of this report, as well as the financial statements and notes to the financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the City of Newark exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$155.4 million (*representing its net position*). The change in net position of \$18.9 million represents an increase as compared to the change in the prior year.
- The City's unrestricted net position increased by \$10.3 million in 2024 to \$39.9 million. This amount may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2024, the City's governmental funds reported combined ending fund balances of \$23.6 million, an increase of \$4.5 million from the prior year. This increase is attributable to an increase in intergovernmental revenues such as PILOT and grants compared to 2023. Approximately \$10.1 million is *available for spending* at the City's discretion (*unassigned fund balance*).
- As of December 31, 2024, the City's enterprise funds reported a combined ending net position of \$118.7 million. Increased utility revenue and capital grants/contributions resulted in a larger increase in net position as compared to 2023. The increase in net position was \$12 million as compared to an increase of \$4.8 million in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis serves as an introduction to the City's basic financial statements. These statements are comprised of three components:

1. Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.
 - a. *Statement of Net Position*: This statement presents information on all the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
 - b. *Statement of Activities*: This statement presents information indicating how the City's net position changed during the reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes or personnel leave earned but unused by employees).
 - c. Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from the functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government administration, public safety, public works and recreation. The business-type activities of the City are electric, water, sewer, parking and stormwater operations.

The government-wide financial statements may be found on Pages 28 through 29 of this report.

2. Fund financial statements: 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

City of Newark, Delaware

Management's Discussion & Analysis

legal requirements. All the funds of the City may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- a. *Governmental Funds*: Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may assist in evaluating the City's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Thus, the long-term impact of the government's near-term financing decisions becomes apparent. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Funds are classified as *major* and *nonmajor*. Data from major governmental funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances, and may be found on Pages 30 and 34 of this report. Data from the nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of *combining statements* and may be found on Pages 90 and 91 of this report.

Major funds include:

- i. General Fund: Funding, accounting and reporting of general governmental operations such as administration, public safety, public works, community development and recreation.
- ii. Capital Projects Fund: Funding, accounting and reporting of expenditures on capital projects as per the City's Five-Year Capital Improvement Plan.

Nonmajor funds include:

- iii. Debt Service Fund: Funding, accounting and reporting of principal and interest payments to service the City's outstanding debts.

The City utilizes *special revenue funds* to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Revenue sources for these funds include grants from outside sources as well as interest earnings. The following are *special revenue funds* in addition to being nonmajor funds:

- iv. Community Development Fund: Funding, accounting and reporting of the City's Community Development Block Grants (CDBG) from the United States federal government.
- v. Law Enforcement Fund: Funding, accounting and reporting of grants and other funding designated for law enforcement operating expenditures.
- vi. Parks and Recreation Fund: Funding, accounting and reporting of grants and other funding designated for the maintenance and beautification of the City's parks and the operation of the Recreation Department's programs.
- vii. Transportation Fund: Funding, accounting and reporting of the Unicity bus program. During 2024, this fund became inactive due to the discontinuation of the Unicity bus program. The balance of the fund was transferred to the General Fund.

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The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements may be found on Pages 30 through 34 of this report.

- b. *Proprietary Funds*: The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The following are the City's enterprise funds:

- i. Electric Fund: Funding, accounting and reporting of the operations of the Electric Department.
- ii. Water Fund: Funding, accounting and reporting of the operations of the Water Department.
- iii. Sewer Fund: Funding, accounting and reporting of the operations of the Sewer Department.
- iv. Parking Fund: Funding, accounting and reporting of the operations of the Parking Department.
- v. Stormwater Fund: Funding, accounting and reporting of the operations of the Stormwater Utility.

The following are the City's internal service funds:

- vi. Maintenance Fund: Funding, accounting and reporting of the maintenance of City machinery, vehicles and buildings.
- vii. Self-Insurance Fund: Funding, accounting and reporting of disability and medical claim payments made for job-related employee injuries and deductibles paid to insurance underwriters.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Sewer, Parking and Stormwater operations, all of which are major funds of the City.

The proprietary fund financial statements may be found on Pages 35 through 38 of this report.

- c. *Fiduciary Funds*: Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources contained in these funds are *not* available to support the City's programs and operations. The accounting used for fiduciary funds is like that used for proprietary funds.

The following are the City's fiduciary funds:

- i. Pension Trust Fund: The City acts as a trustee of the assets contributed by both the City and its employees, which are being held for the future payment of retirement annuities to qualified retirees.
- ii. OPEB Trust Fund: The City, acting as trustee of the assets contributed by the City, which are being held for the future payment of post-employment benefits other than pension benefits.

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The fiduciary fund financial statements may be found on Pages 39 through 40 of this report.

3. Notes to the Financial Statements: The notes provide additional information that is essential to gain a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on Pages 41 through 83 of this report.

In addition to the basic financial statements, the accompanying notes and this MD&A, this report also presents certain other *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits and to its enrolled employees. Required supplementary information may be found on Pages 84 through 89 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's total activity.

Newark's assets are comprised primarily of long-term public and utility infrastructure assets, property and equipment. The City's long-term debt consists of State Revolving Loans for various water, sewer and stormwater projects, lease obligations, notes payable incurred to support efficiency projects and finance equipment purchases, and an Automated Meter Infrastructure Project. Long-term debt is discussed in more detail in note 4 of the financial statements. The unrestricted net position balance of \$39.9 million at the close of 2024 may be used to meet the current and ongoing obligations to citizens and creditors. The City maintains an "Aa2" rating from Moody's and an "AA+" rating from Fitch for its current debt issuances. These high investment-grade ratings reflect the City's strong financial operations characterized by substantial reserves, low reliance on debt, a robust residential and commercial base and stable employment in the healthcare and education sectors.

City of Newark, Delaware

Management's Discussion & Analysis

Table 1

CITY OF NEWARK STATEMENT OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2024						
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
ASSETS						
Total current and other assets	\$ 41,391,902	\$ 38,438,741	\$ 69,589,630	\$ 71,110,078	\$ 110,981,532	\$ 109,548,819
Total capital assets	47,789,828	43,057,852	100,035,122	92,307,399	147,824,950	135,365,251
Total Assets	89,181,730	81,496,593	169,624,752	163,417,477	258,806,482	244,914,070
DEFERRED OUTFLOW OF RESOURCES						
Deferred pension amounts	2,042,973	5,029,621	544,380	1,340,212	2,587,353	6,369,833
Deferred OPEB amounts	1,061,324	2,032,419	340,689	652,415	1,402,013	2,684,834
Total Deferred Outflow Resources	3,104,297	7,062,040	885,069	1,992,627	3,989,366	9,054,667
LIABILITIES						
Total current liabilities	4,222,145	5,299,866	16,025,191	16,938,514	20,247,336	22,238,380
Total noncurrent liabilities	43,898,869	46,063,789	33,596,205	39,948,833	77,495,074	86,012,622
Total Liabilities	48,121,014	51,363,656	49,621,396	56,887,347	97,742,410	108,251,003
DEFERRED INFLOW OF RESOURCES						
Deferred pension amounts	819,411	1,572,263	218,344	418,952	1,037,755	1,991,215
Deferred OPEB amounts	272,895	382,625	87,599	122,823	360,494	505,448
Deferred revenue	6,341,241	5,693,967	-	-	6,341,241	5,693,967
Deferred right to use leased assets	-	-	1,892,857	1,025,814	1,892,857	1,025,814
Total Deferred Inflow Resources	7,433,547	7,648,855	2,198,800	1,567,589	9,632,347	9,216,444
NET POSITION						
Net investment in capital assets	38,532,023	35,657,001	71,592,859	66,344,060	110,124,882	102,001,061
Restricted	1,073,533	1,838,476	4,319,594	3,100,000	5,393,127	4,938,476
Unrestricted	(2,874,090)	(7,949,355)	42,777,172	37,511,108	39,903,082	29,561,753
Total Net Position	\$ 36,731,466	\$ 29,546,122	\$ 118,689,625	\$ 106,955,168	\$ 155,421,091	\$ 136,501,290

Note: Amounts at December 31, 2023 have not been restated due to practicality. Refer to Note 1.

Net Position: Comparing net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$155.4 million at the close of this fiscal year, representing an increase of \$18.9 million from the prior year net position of \$136.5 million. Within Business-type activities, net position increased from \$107 million to \$118.7 million or \$11.7 million. The governmental activities net position of \$36.7 million represents an increase of \$7.2 million as compared to net position of \$29.5 million in 2023.

The City's net position consists principally of its investment in capital assets (land, buildings, machinery and equipment), net of any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided from other sources because the capital assets themselves cannot be liquidated and used to satisfy these liabilities.

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As shown in Table 2, governmental activities expenses exceeded revenues by \$11.8 million in 2024. The deficit is consistent with the prior year variance and is \$833 thousand lower versus 2023. As in previous years, the City offsets the governmental deficit with transfers from the business type funds.

Table 2

CITY OF NEWARK CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2024						
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for services	\$ 6,774,385	\$ 6,104,927	\$ 88,332,999	\$ 81,171,296	\$ 95,107,384	\$ 87,276,223
Operating Grants & Contributions	3,646,535	2,225,848	-	-	3,646,535	2,225,848
Capital Grants & Contributions	5,061,493	2,911,370	6,712,385	2,036,185	11,773,878	4,947,555
General Revenues:						
Total Taxes	11,961,950	11,514,306	-	-	11,961,950	11,514,306
Investment Earnings/ (Loss)	2,418,514	2,614,363	473,263	777,562	2,891,777	3,391,925
Other Revenues	58,677	(60,246)	90,574	93,301	149,251	33,055
Total Revenues	29,921,554	25,310,568	95,609,221	84,078,344	125,530,775	109,388,912
EXPENSES						
General Government	9,991,294	9,251,109	-	-	9,991,294	9,251,109
Public Safety	21,903,083	18,694,763	-	-	21,903,083	18,694,763
Public Works	4,979,219	5,133,522	-	-	4,979,219	5,133,522
Community Development	157,145	360,136	-	-	157,145	360,136
Culture and Recreation	4,475,800	4,315,556	-	-	4,475,800	4,315,556
Interest Expense	212,682	186,549	-	-	212,682	186,549
Business-type activities	-	-	63,865,185	59,395,319	63,865,185	59,395,319
Total Expenses	41,719,223	37,941,635	63,865,185	59,395,319	105,584,408	97,336,954
Increase (Decrease) in Net Position before Transfers	(11,797,669)	(12,631,067)	31,744,036	24,683,025	19,946,367	12,051,958
Transfers	19,766,886	19,920,340	(19,766,886)	(19,920,340)	-	-
Change in Net Position	7,969,217	7,289,273	11,977,150	4,762,685	19,946,367	12,051,958
Net Position - Beginning of Year, as previously presented	29,546,122	22,256,849	106,955,168	102,192,483	136,501,290	124,449,332
Restatements	(783,873)	-	(242,693)	-	(1,026,566)	-
Net Position - Beginning of Year, as restated	28,762,249	-	106,712,475	-	135,474,724	-
Net Position - End of Year	\$ 36,731,466	\$ 29,546,122	\$ 118,689,625	\$ 106,955,168	\$ 155,421,091	\$ 136,501,290

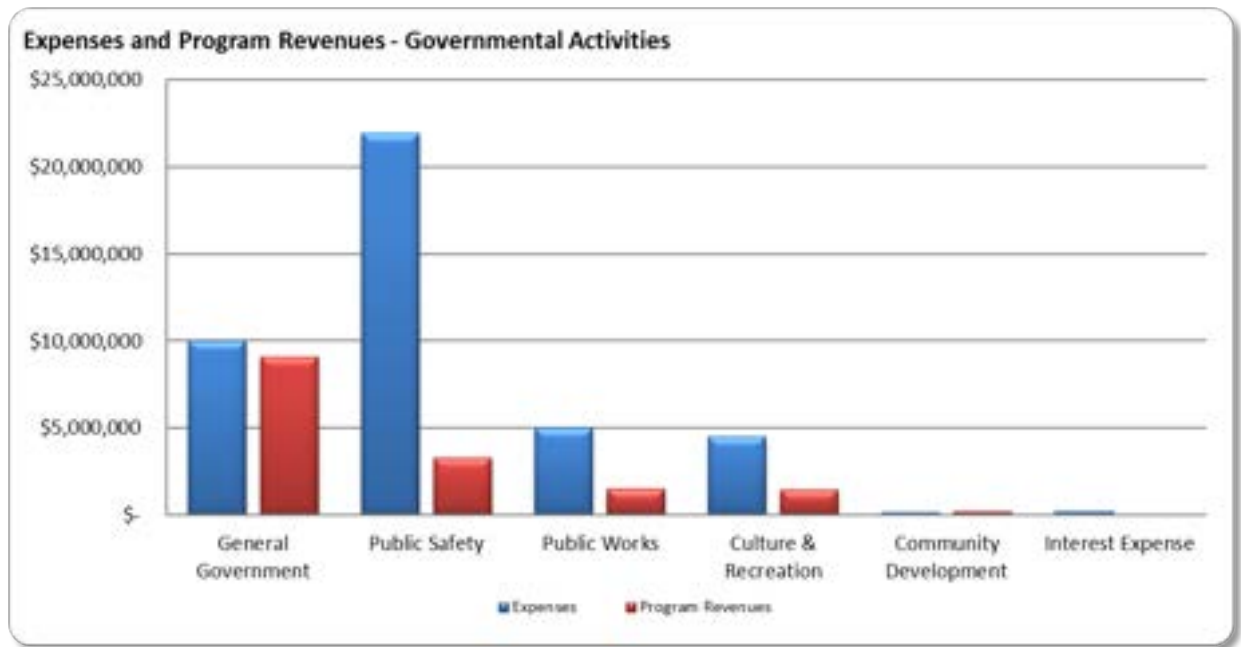
Note: Beginning Net Position as of January 1, 2024 have been restated but due to practicality amounts for year ended December 31, 2023 have not been restated. Refer to Note 1.

City of Newark, Delaware

Management's Discussion & Analysis

Governmental Activities: Our analysis of the City's governmental activities will focus on the Schedule of Net Position (Table 1), the Schedule of Changes in Net Position (Table 2), the following 2024 graphs depicting Expenses and Program Revenues by Function as well as Revenues by Source, and the Schedule of Net Costs (Table 3). The graph below illustrates that, aside from the negligible totals in the Community Development and Interest Expense categories, program income alone does not generate the revenue required to support governmental activities.

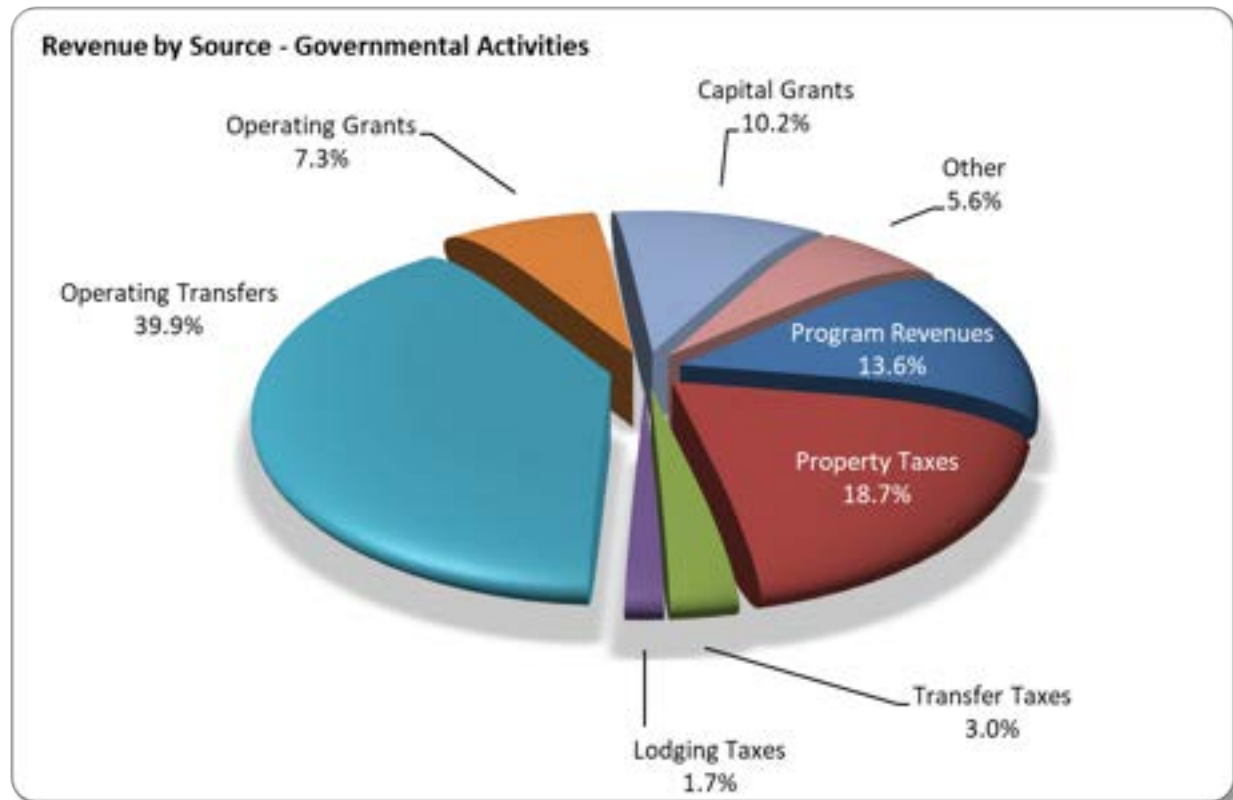
Program Revenues, Property and Realty Transfer Taxes, and Grants and other funding sources account for 55.9 percent of total governmental funding. The balance is met through operating transfers from the enterprise funds, as the City of Newark embraces the public utility business model to keep property taxes low and utility rates competitive while maintaining a high level of service across a diverse set of public offerings.



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Management's Discussion & Analysis

As the following graph further illustrates, transfers from the enterprise funds, real property taxes, and program revenues (grants & contributions and charges for service) provide most of the funding for the City's governmental activities. Transfers from the City's proprietary funds are the largest revenue source, accounting for 39.9 percent of revenues. Property taxes supply 18.7 percent of revenues. Program revenues contribute 13.6 percent, real estate transfer taxes add 3.0 percent and the lodging tax contributes 1.7 percent. The City relies on these revenue sources, as well as grants and miscellaneous funding of 23.1 percent, to provide the high quality of life to its citizens and the highest level of service to its business community that each has come to expect.



City of Newark, Delaware

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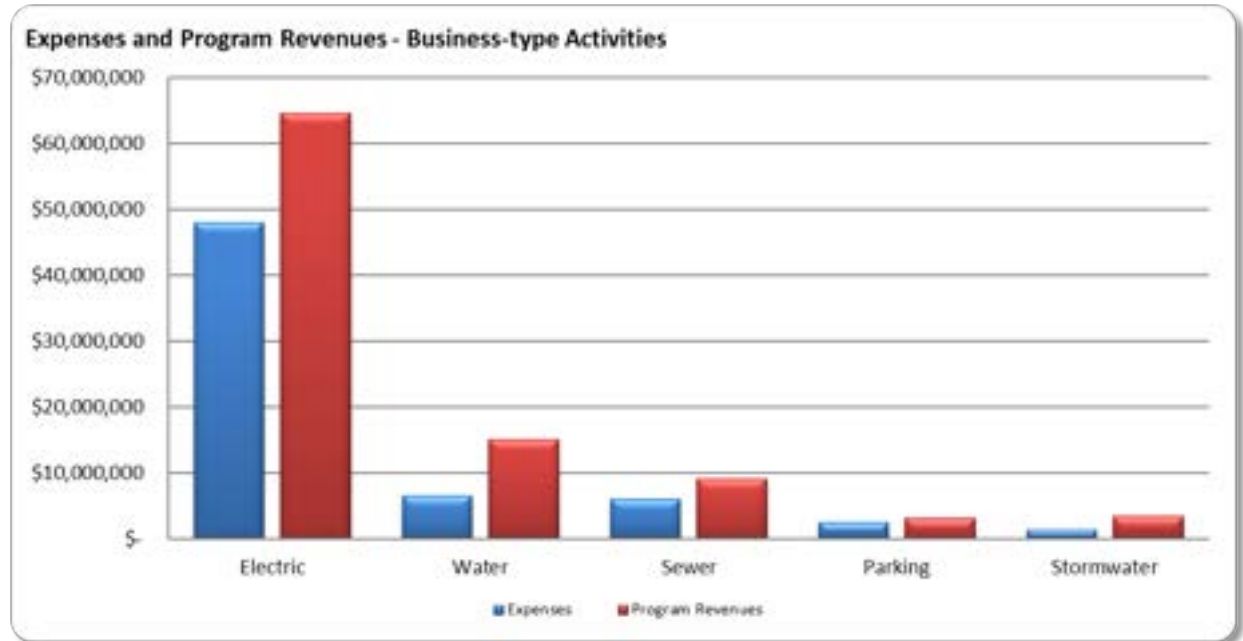
As shown in Table 3, the total cost of all governmental activities this year was \$41.7 million. These costs were partially supported by total program revenues of \$15.5 million, leaving a net cost of \$26.2 million. The program revenues were paid by those who directly benefited from the programs (\$6.8 million) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$8.7 million). The balance of the cost was primarily funded by City taxes totaling \$12.0 million and enterprise fund transfers of \$19.8 million. Public safety programs are the largest single spending commitment, accounting for 53 percent of the City's governmental activities expenses. Various general administration, public works, and culture and recreation services combine for about 47 percent of expenses.

Table 3

Governmental Activities Net Cost

Functions/Programs	Total Cost of Services	% of Total Cost	Service Charges	Grants	Total Program Revenues	Net Revenue (Expense) for Services
General Government	\$ 9,991,294	23.9%	\$ 3,733,635	\$ 5,365,181	\$ 9,098,816	\$ (892,478)
Public Safety	21,903,083	52.4%	2,151,795	1,104,646	3,256,441	(18,646,642)
Public Works	4,979,219	11.9%	35,165	1,448,059	1,483,224	(3,495,995)
Culture & Recreation	4,475,800	10.7%	853,790	594,247	1,448,037	(3,027,763)
Community Development	157,145	0.4%	-	195,895	195,895	38,750
Interest Expense	212,682	0.5%	-	-	-	(212,682)
Total	\$ 41,719,223	100%	\$ 6,774,385	\$ 8,708,028	\$ 15,482,413	\$ (26,236,810)

Business-type Activities: The City provides electric, water, sewer, stormwater, and parking services to its residents, businesses, and visitors. These services constitute the business-type activities presented in the City-wide financial statements. The City Council establishes rates and collects fees from users of the utility and parking systems. The revenues include investment income in addition to charges for services (operating revenues). The investment income is not specific to an individual program, but to all the activities. Most business-type revenue is derived from service charges.



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The City is a full-requirements member of the Delaware Municipal Electric Corporation, Inc. (DEMEC). DEMEC is a public corporation constituted as a Joint Action Agency and a wholesale electric utility. DEMEC represents nine municipal electric distribution utilities located in the state of Delaware. The creation of DEMEC was made possible by an act of the Delaware General Assembly on June 6, 1978, and the entity was incorporated on July 12, 1979. The City purchases all of its baseload power from DEMEC for resale to its customers. Beginning in October 2014, a very small portion of the City's load is being met with intermittent power generated by five solar park installations throughout the City. All residential and commercial electric users within the City limits are customers of the City's electric utility. The Electric Department maintains 176 miles of high voltage electric lines, nine substation sites, 60 circuit breakers, and 29 power transformers to provide over 12,000 customers with reliable electrical service. Over 420,000 megawatt-hours were delivered to our customers in this reporting period.

The City provides all customers within the City limits with drinking water and wastewater services. The City also provides drinking water to customers in certain territories outside of the City. The Water Division of the Public Works and Water Resources Department is responsible for the maintenance and operation of all the equipment and facilities at each of the nine water supply wells, the Curtis Water Treatment Plant, the South Well Field Water Treatment Plant, nine finished water storage tanks, one raw water storage tank, the 317-million-gallon raw water reservoir, and six booster pumping stations. More than 960 million gallons of water are pumped through 135 miles of pipe annually to serve more than 10,500 water service connections. The Sewer Division of the Public Works and Water Resources Department is responsible for the City's 94 miles of sanitary sewer collection and three sewer pumping stations with force mains. The sanitary sewer system operates primarily on a gravity system, while the lowest points of the City are served by a series of three lift stations. The sewage flows out of the City's system and through the New Castle County system before being treated at the Wilmington Regional Wastewater Treatment Facility. The County charges the City for this service, which represents the most significant operating cost in the Sewer Fund.

The Parking Division manages seven surface parking lots within the City's downtown area. In addition to the surface lot parking, the City maintains 491 on-street metered parking spaces in the City's downtown area. While the City owns two of the seven surface parking lots, various other lots, components of lots, and entrances to lots are owned by third parties that lease the space to the City for the benefit of its parking operations.

As shown in Table 2, revenues totaled \$95.6 million for the year, which represents an increase of \$11.5 million from the prior year. This increase was driven by increased consumption, an increase to the customer charge for water and sewer, and larger capital grant recognition. Expenses related to these business type activities totaled \$63.9 million in 2024, which represents an increase of \$4.5 million from the prior year. The increase in operating costs is mainly attributable to utility purchases, personnel expenditures, pension and OPEB adjustments, and increased cost of materials and supplies. In total, revenues exceeded expenses and transfers by \$12 million in 2024.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2024, the City's governmental funds reported combined ending balances of \$23.6 million, an increase of \$4.5 million as compared to the prior year. The bulk of the fund balance is restricted and assigned, which means that it is not available for new spending because it has already been appropriated for: 1) capital improvements, 2) debt service or 3) a variety of other restricted and assigned purposes. Almost fifty-seven percent of the fund balance – \$13.5 million – is either restricted to or assigned to general, capital projects, or other non-major governmental funds.

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The City maintains a General Fund which serves as the chief operating fund of the City. As of December 31, 2024, the total fund balance of the General Fund was \$11.3 million, \$10.1 million which is unassigned.

The General Fund balance increased by \$4.0 million in fiscal year 2024. The increase in General Fund balance is attributable to a increases in tax revenues, permit/license revenues, and PILOT revenues.

The City maintains a Capital Projects Fund to account for major capital acquisitions and construction related to governmental activities separately from the ongoing operating activities. As of December 31, 2024, the total fund balance of the Capital Projects Fund was \$11.3 million, all of which is restricted and assigned.

The Capital Projects Fund balance increased by \$533 thousand in 2024 as opposed to an increase of \$761 thousand in 2023. The difference between the results of the two years is due to increased capital outlay in 2024 as compared with 2023.

The City maintains special revenue funds to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The special revenue funds include the Community Development Fund, the Law Enforcement Fund, the Parks and Recreation Fund and the Transportation Fund. Revenue sources for these funds include grants from State and other governmental units as well as interest earnings. The combined fund balance for the special revenue funds decreased by \$39 thousand in 2024.

The City maintains a Debt Service Fund to set aside resources to meet current and future obligations of the City. As of December 31, 2024, the fund balance was \$41,953 all of which is assigned.

The financial statements for the governmental funds may be found on Pages 30 through 34 as well as Pages 90 through 96 of this report.

Proprietary Funds: As previously mentioned, the City maintains five principal proprietary funds related to the provision of utility services and parking, as well as two internal service funds for the maintenance of the City's fleet of vehicles and for the self-insurance claims of the City. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

The Electric Fund reported a total net position of \$41.5 million as of December 31, 2024, \$21.7 million which was unrestricted. Total net position increased by \$2.9 million in 2024 as a result of \$15.8 million in operating income before capital grants and transfers, plus capital grants and contributions of \$1.2 million less \$14 million transferred to the General Fund to support governmental activities. The fund expended \$562 thousand on improvements to the City's electrical distribution system. The electric fund reports long-term debt of \$3.9 million related to the lease obligation employed to finance the City's Advanced Metering Infrastructure project in 2012 and the Bank of America/Energy Savings Performance Contract energy efficiency projects; otherwise, the electric fund does not share in any general obligation debt of the City and has not issued revenue bonds.

The Water Fund had a total net position of \$47.5 million as of December 31, 2024. Total net position increased \$5.2 million in 2024. Income before capital grants and transfers amounted to \$4.4 million, representing an increase of \$348 thousand versus 2023 as a result of increases in operating revenues. \$3.5 million was transferred from the Water Fund to the General Fund to support governmental activities. The fund expended \$6.5 million on improvements to the City's water purification, containment and distribution system. The Water Fund carries \$10 million of long-term debt related to financed equipment and State Revolving Loans detailed in Note 4.

The Sewer Fund had a total net position of \$15.8 million as of December 31, 2024, \$7.5 million of which was unrestricted. Total net position increased by \$1.5 million in 2024. Income before capital grants and transfers amounted to \$2.7 million of which \$1.6 million was transferred to the General Fund to support governmental activities. The fund expended \$2.2 million on improvements to the City's sewage transport and elimination system. The Sewer Fund reports \$2.6 million of State Revolving Loan and financed equipment debt.

The Parking Fund had a total net position of \$3.6 million as of December 31, 2024. Total net position increased by \$75 thousand in 2024. The fund transferred \$590 thousand to the General Fund to support governmental activities.

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The Stormwater Fund had a total net position of \$10.3 million as of December 31, 2024. Income before capital grants and transfers totaled \$1.3 million. The fund expended \$651 thousand in improvements. The fund had long term debt from financed equipment and State Revolving Loans which totaled \$8.4 million December 31, 2024.

Internal Service Funds: The City maintains two internal service funds. The Maintenance Fund is used to account for the maintenance of machinery, vehicles, and buildings for all departments of the City, and the Self Insurance Fund is used to account for disability and medical claim payments for job related injuries. The internal service funds' assets and liabilities are included with the governmental activities on the statement of net position on Page 28. The net revenue of certain activities of the internal service funds are reported with governmental activities on the statement of activities on Page 29. The assets and liabilities as well as revenue and expenses are also reported on Pages 97 through 99 of the fund financial statements.

The financial statements for the proprietary funds may be found on Pages 35 through 38 of this report.

Fiduciary Funds: As previously mentioned, the City maintains two fiduciary funds – the Employees' Pension Trust Fund and the Other Post-Employment Benefits Fund. These funds contain assets held by the City in a trustee capacity.

The assets in the Pension Fund pertain to three distinct plans, although the plans are collectively managed and administered. These plans are the police plan covering all sworn police officers except the Chief of Police, the special police plan covering the Chief of Police, and the non-police plan covering civilian, non-sworn and regular full-time employees. The Pension Fund ended the fiscal year with a balance of \$102.2 million, an increase of \$8.5 million as compared to the prior fiscal year. The total pension liability, as of December 31, 2024, is \$133.3 million, representing a funding ratio of 76.7 percent. The City contribution was \$26 thousand more than the annual required contribution of \$5.01 million.

The OPEB Trust Fund ended the fiscal year with a balance of \$22.8 million, representing an increase of \$3.0 million over the prior fiscal year. The total OPEB liability, as of December 31, 2024, is \$26.4 million, representing a funding ratio of 86 percent. The City contribution was \$876 thousand more than the annual required contribution of \$1.1 million.

The financial statements for the fiduciary funds can be found on Pages 39 through 40 as well as Pages 100 through 101 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the City's budget and actual results can be found on Page 34.

Actual revenues in the General Fund were less than budgeted revenues by \$27 thousand. The minor unfavorable overall variance from budget is attributable to all revenue lines coming in less than budgeted in varying degrees except for favorable variances in lodging taxes, interest and investment earnings, and charges for services. Expenditures were \$3.9 million dollars lower than the final total budget. All departments had lower than expected expenditures except the judicial department. The bulk of the savings in expenditures are mainly the result of personnel vacancies and the related salary and benefit costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounted to \$147.8 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements and machinery and equipment.

- The City made gross additions to capital assets of \$21.2 million in 2024. Net additions, after depreciation, amortization and retirements, totaled \$12.5 million.

City of Newark, Delaware

Management's Discussion & Analysis

Additional information on the City's capital assets can be found in Note 3 of this report.

Long-term Debt

At December 31, 2024, the City had the following additional long-term debt: lease and note payable totaling \$2.0 million to fund an Automated Metering Infrastructure Project (the "AMI" or "Smart Meter" Project), \$7.2 million in various energy efficiency loans and leases, \$19.0 million in State Revolving Loans and \$1.6 million bank loan for 2018 referendum capital projects, \$3.5 million for various equipment loans, \$445 thousand for leases and \$151 thousand for subscription based IT arrangements. The leases and notes payable are recorded as long-term debt, although the City's obligation to make principal and interest payments under the note and the security agreement, and lease payments under the lease agreement, constitute current obligations payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement. All such payments made pursuant to the note, security agreement and lease agreement are subject to annual appropriations by the City.

Other long-term obligations of the City include \$31.1 million of net pension liability, \$3.7 million of net OPEB liability and \$2.9 million of compensated absences which include carry forward vacation, sick and compensatory time.

The City maintains an "Aa2" rating from Moody's Investor Service and an "AA+" rating from Fitch Ratings for its current debt issuances.

Additional information about the City's long-term debt can be found in Notes 4 and 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City derives the vast majority of its operating revenue from the sale of electricity to a stable and diversified customer base that is 23 percent residential and 77 percent commercial or industrial, with the largest customer being the University of Delaware with 37 percent of the City's consumption in kilowatt hours. As the result of a rate study, the City instituted a revised rate structure in July 2011 that fairly and equitably assessed usage charges across various residential, commercial and industrial classifications.
- The City continues to maintain a diversified real estate revenue base (64 percent residential, 29 percent commercial and 7 percent industrial), which protects the City's real estate tax revenue against short-term fluctuations in any one segment. The real estate tax millage was 1.0551 per \$100 of assessed value throughout 2024 and 1.0815 cents per \$100 in 2025.
- The City Council adopted the 2025 General Operating Budget on November 18, 2024. The budget includes total operating revenues of \$123 million, an increase of 7.5 percent from 2024, and total operating expenditures of \$121 million, an increase of 8.5 percent from 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to: Director of Finance, City of Newark, 220 South Main Street, Newark, Delaware 19711.

General information relating to the City of Newark can be found on its website www.newarkde.gov.

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BASIC FINANCIAL STATEMENTS

CITY OF NEWARK, DELAWARE
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,129,389	\$ 31,085,999	\$ 51,215,388
Investments	10,946,133	10,488,906	21,435,039
Accounts receivables, net	2,378,479	10,251,380	12,629,859
Leases receivable	-	1,958,176	1,958,176
Internal balances	(570,000)	570,000	-
Taxes receivable	1,781,044	-	1,781,044
Inventory - supplies	65,490	3,971,294	4,036,784
Prepaid items	912,848	386,970	1,299,818
Restricted Assets:			
Cash and cash equivalents	4,859,484	9,046,327	13,905,811
Investments	889,035	1,830,578	2,719,613
Total current assets	41,391,902	69,589,630	110,981,532
Noncurrent assets:			
Capital assets, net:			
Land	6,137,719	14,920,274	21,057,993
Construction in progress	556,140	2,144,583	2,700,723
Buildings	10,435,997	20,944,452	31,380,449
Improvements	21,957,106	58,645,576	80,602,682
Machinery and Equipment	8,536,688	3,372,111	11,908,799
Intangibles	166,178	8,126	174,304
Total capital assets, net	47,789,828	100,035,122	147,824,950
Total noncurrent assets	47,789,828	100,035,122	147,824,950
Total assets	89,181,730	169,624,752	258,806,482
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension amounts	2,042,973	544,380	2,587,353
Deferred OPEB amounts	1,061,324	340,689	1,402,013
Total deferred outflows of resources	3,104,297	885,069	3,989,366
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	1,946,726	6,625,860	8,572,586
Customer deposits	889,035	1,830,578	2,719,613
Regulatory liability	-	3,114,826	3,114,826
Compensated absences	228,953	65,543	294,496
Due to other governments	35,629	69,571	105,200
Accrued interest payable	20,909	103,908	124,817
Unearned revenue	-	2,314,761	2,314,761
Subscription Based IT Arrangements (SBITAs)	150,786	-	150,786
Bonds, notes, and lease payable	950,107	1,900,144	2,850,251
Total current liabilities	4,222,145	16,025,191	20,247,336
Noncurrent liabilities:			
Compensated absences	2,060,581	589,882	2,650,463
Net OPEB liability	2,795,734	892,570	3,688,304
Net pension liability	24,897,471	6,158,375	31,055,846
Unearned revenue	6,450,954	2,502,607	8,953,561
Bonds, notes, and lease payable	7,694,129	23,452,771	31,146,900
Total noncurrent liabilities	43,898,869	33,596,205	77,495,074
Total liabilities	48,121,014	49,621,396	97,742,410
DEFERRED INFLOW OF RESOURCES			
Deferred pension amounts	819,411	218,344	1,037,755
Deferred OPEB amounts	272,895	87,599	360,494
Deferred property taxes	6,341,241	-	6,341,241
Deferred right to use leased assets	-	1,892,857	1,892,857
Total deferred inflows of resources	7,433,547	2,198,800	9,632,347
Net Position			
Net investment in capital assets	38,532,023	71,592,859	110,124,882
Restricted for:			
Special revenue funds - public safety	468,777	-	468,777
Special revenue funds - culture and recreation	496,310	-	496,310
Alderman's court security	108,446	-	108,446
Capital projects	-	4,319,594	4,319,594
Unrestricted	(2,874,090)	42,777,172	39,903,082
Total net position	\$ 36,731,466	\$ 118,689,625	\$ 155,421,091

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 9,991,294	\$ 3,733,635	\$ 2,774,680	\$ 2,590,501	\$ (892,478)	\$ -	\$ (892,478)
Public safety	21,903,083	2,151,795	565,902	538,744	(18,646,642)	-	(18,646,642)
Public works	4,979,219	35,165	-	1,448,059	(3,495,995)	-	(3,495,995)
Community development	157,145	-	155,650	40,245	38,750	-	38,750
Culture and recreation	4,475,800	853,790	150,303	443,944	(3,027,763)	-	(3,027,763)
Interest expense	212,682	-	-	-	(212,682)	-	(212,682)
Total governmental activities	41,719,223	6,774,385	3,646,535	5,061,493	(26,236,810)	-	(26,236,810)
Business-type activities:							
Electric	47,743,855	63,367,652	-	1,178,012	-	16,801,809	16,801,809
Water	6,324,107	10,535,807	-	4,455,829	-	8,667,529	8,667,529
Sewer	6,003,997	8,642,560	-	410,715	-	3,049,278	3,049,278
Parking	2,448,679	3,138,103	-	-	-	689,424	689,424
Stormwater	1,344,547	2,648,877	-	667,829	-	1,972,159	1,972,159
Total business-type activities	63,865,185	88,332,999	-	6,712,385	-	31,180,199	31,180,199
Total primary government	\$ 105,584,408	\$ 95,107,384	\$ 3,646,535	\$ 11,773,878	(26,236,810)	31,180,199	4,943,389
General Revenues							
Taxes:							
Real estate taxes					9,313,703	-	9,313,703
Real estate transfer taxes					1,492,274	-	1,492,274
Franchise fees					299,135	-	299,135
Lodging tax					856,838	-	856,838
Rent					-	103,366	103,366
Unrestricted investment earnings/(loss)					2,418,514	473,263	2,891,777
Gain (loss) on sale of capital assets					58,677	(12,792)	45,885
Transfers					19,766,886	(19,766,886)	-
Total general revenues and transfers					34,206,027	(19,203,049)	15,002,978
Change in net position					7,969,217	11,977,150	19,946,367
Net position - beginning of year, as previously presented					29,546,122	106,955,168	136,501,290
Restatements					(783,873)	(242,693)	(1,026,566)
Net position - beginning of year, as restated					28,762,249	106,712,475	135,474,724
Net position - end of year					\$ 36,731,466	\$ 118,689,625	\$ 155,421,091

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Capital Projects	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,225,032	\$ 8,571,093	\$ 1,545,242	\$ 17,341,367
Investments	7,136,509	3,142,017	-	10,278,526
Accounts receivable	1,673,707	604,986	94,570	2,373,263
Taxes receivable, net	1,781,044	-	-	1,781,044
Due from other funds	205,000	-	-	205,000
Inventory - supplies	59,158	-	-	59,158
Prepaid items	664,146	187,989	-	852,135
Restricted assets:				
Cash and cash equivalents	13,757	2,551,663	-	2,565,420
Investments	889,035	-	-	889,035
Total assets	<u>\$ 19,647,388</u>	<u>\$ 15,057,748</u>	<u>\$ 1,639,812</u>	<u>\$ 36,344,948</u>
LIABILITIES				
Liabilities:				
Accounts payable and accrued expenses	\$ 876,246	\$ 449,767	\$ 90,613	\$ 1,416,626
Customer deposits	889,035	-	-	889,035
Due to other governments	35,629	-	-	35,629
Unearned revenue	220,128	3,307,350	467,159	3,994,637
Due to other funds	-	-	75,000	75,000
Total liabilities	<u>2,021,038</u>	<u>3,757,117</u>	<u>632,772</u>	<u>6,410,927</u>
DEFERRED INFLOW OF RESOURCES				
Deferred property taxes	6,341,241	-	-	6,341,241
Total deferred inflows of resources	<u>6,341,241</u>	<u>-</u>	<u>-</u>	<u>6,341,241</u>
FUND BALANCES				
Nonspendable				
Inventory	59,158	-	-	59,158
Prepaid items	664,146	187,989	-	852,135
Restricted for				
Safetytown programs	-	-	70,342	70,342
Parks donations	-	-	34,939	34,939
Recreation donations	-	-	38,594	38,594
Island beautification	-	-	108,614	108,614
Parkland improvements	-	-	150,797	150,797
Other parks programs	-	-	93,024	93,024
Law enforcement	-	-	468,777	468,777
Alderman's court security	108,446	-	-	108,446
Assigned to				
Other departmental purposes	327,335	-	-	327,335
Debt service	-	-	41,953	41,953
Capital projects	-	11,112,642	-	11,112,642
Unassigned	10,126,024	-	-	10,126,024
Total fund balances	<u>11,285,109</u>	<u>11,300,631</u>	<u>1,007,040</u>	<u>23,592,780</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,647,388</u>	<u>\$ 15,057,748</u>	<u>\$ 1,639,812</u>	<u>\$ 36,344,948</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF NEWARK, DELAWARE
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total Fund Balance - Governmental Funds	\$ 23,592,780
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Also excluded are \$6,930,008 of internal service capital assets accounted for in the following line	40,859,820
Internal service funds are used by management to charge the costs of the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position	5,794,325
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Lease, SIBTA and notes payable (net of Internal Service Fund, \$2,674,874 included in net position)	(6,120,148)
Compensated absences (net of Internal Service Fund, \$37,198 included in net position)	(2,252,336)
Net other post employment benefits liability (net of Internal Service Fund, \$73,766 included in net position)	(2,721,968)
Net pension liability (net of Internal Service Fund, \$512,421 included in net position)	(24,385,050)
Deferred resources relate to:	
Deferred outflow of pension amounts (net of internal service funds \$45,279)	1,997,694
Deferred inflow of pension amounts (net of internal service funds \$18,161)	(801,250)
Deferred outflow of other post employment benefit amounts (net of internal service funds \$28,040)	1,033,284
Deferred inflow of other post employment benefit amounts (net of internal service funds \$7,210)	(265,685)
Net position of governmental activities	<u>\$ 36,731,466</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Real estate	\$ 9,313,703	\$ -	\$ -	\$ 9,313,703
Real estate transfer	1,492,274	-	-	1,492,274
Franchise	299,135	-	-	299,135
Lodging	856,838	-	-	856,838
Licenses and permits	2,020,220	-	-	2,020,220
Fines, forfeits and costs	1,990,471	-	-	1,990,471
Interest and investment earnings	1,861,013	534,068	6,840	2,401,921
Intergovernmental revenues	2,354,677	3,512,267	765,688	6,632,632
Charges for services	2,703,552	-	4,804	2,708,356
Subvention - University of Delaware	621,753	-	-	621,753
Total revenues	<u>23,513,636</u>	<u>4,046,335</u>	<u>777,332</u>	<u>28,337,303</u>
EXPENDITURES				
Current:				
General government	9,574,910	-	-	9,574,910
Public safety	19,620,400	-	511,323	20,131,723
Public works	3,949,557	-	-	3,949,557
Community development	-	-	157,145	157,145
Culture and recreation	3,727,930	-	13,870	3,741,800
Debt service:				
Principal	-	-	594,538	594,538
Interest	-	-	148,491	148,491
Capital outlay	-	7,193,307	115,190	7,308,497
Total expenditures	<u>36,872,797</u>	<u>7,193,307</u>	<u>1,540,557</u>	<u>45,606,661</u>
Deficiency of revenues under expenditures	<u>(13,359,161)</u>	<u>(3,146,972)</u>	<u>(763,225)</u>	<u>(17,269,358)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	19,836,183	1,683,200	768,622	22,288,005
Transfers out	(2,586,823)	-	(48,315)	(2,635,138)
Proceeds from the sale of capital assets	74,613	5,000	-	79,613
Issuance of debt and financed purchases	-	1,991,829	-	1,991,829
Total other financing sources and uses	<u>17,323,973</u>	<u>3,680,029</u>	<u>720,307</u>	<u>21,724,309</u>
Net change in fund balances	3,964,812	533,057	(42,918)	4,454,951
Fund balances - beginning of year	7,320,297	10,767,574	1,049,958	19,137,829
Fund balances - end of year	<u>\$ 11,285,109</u>	<u>\$ 11,300,631</u>	<u>\$ 1,007,040</u>	<u>\$ 23,592,780</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Changes in Fund Balances - Total Governmental Funds	\$ 4,454,951
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$7,308,497) is allocated over their estimated useful lives as depreciation expense (\$4,048,709) net of the internal service funds of \$6,930,008. This is the amount by which capital outlays exceeded depreciation in the current period.	3,259,788
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(20,936)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Lease and note principal (net of internal service funds \$126,247)	569,186
SIBTA payments	145,909
Financing /debt proceeds	(1,991,829)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Compensated absences (net of the internal service funds \$38,838 included in net position)	(107,055)
Net pension liability and related deferred inflows and outflows (net of the internal service funds (\$22,410) included in net position)	(788,301)
Net OPEB liability and related deferred inflows and outflows (net of the internal service funds (\$21,664) included in net position)	800,553
Internal service funds are used by management to charge the costs of the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.	1,646,951
Change in Net Position of Governmental Activities	<u>\$ 7,969,217</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Real estate - current	\$ 9,285,625	\$ 9,285,625	9,276,178	\$ (9,447)
Real estate - delinquent and interest	67,500	67,500	37,525	(29,975)
Real estate - transfer	1,650,000	1,650,000	1,492,274	(157,726)
Franchise	300,000	300,000	299,135	(865)
Lodging	715,000	715,000	856,838	141,838
Licenses and permits	1,927,000	2,049,245	2,020,220	(29,025)
Fines, forfeits and costs	2,122,000	2,150,100	1,990,471	(159,629)
Interest and investment earnings/(loss)	1,722,000	1,722,000	1,861,013	139,013
Intergovernmental revenues	830,775	2,392,775	2,354,677	(38,098)
Charges for services/fees	2,586,425	2,586,425	2,703,552	117,127
Subvention - University of Delaware	621,753	621,753	621,753	-
Total revenues	<u>21,828,078</u>	<u>23,540,423</u>	<u>23,513,636</u>	<u>(26,787)</u>
EXPENDITURES				
Current:				
General government:				
Finance	2,337,032	2,342,497	2,246,736	95,761
Planning & development	1,517,575	1,641,852	1,542,912	98,940
Administration	2,072,365	2,075,987	1,807,210	268,777
Legislative	1,773,877	1,775,855	1,525,491	250,364
Judicial	653,179	654,255	663,991	(9,736)
Information technology	2,178,578	2,180,664	1,788,570	392,094
Total general government	<u>10,532,606</u>	<u>10,671,110</u>	<u>9,574,910</u>	<u>1,096,200</u>
Public safety:				
Code enforcement	2,088,039	2,092,842	1,785,473	307,369
Police	18,353,707	18,701,101	17,834,927	866,174
Total public safety	<u>20,441,746</u>	<u>20,793,943</u>	<u>19,620,400</u>	<u>1,173,543</u>
Public works:				
Highways and streets	2,766,292	2,782,123	2,215,120	567,003
Sanitation	2,304,286	2,307,917	1,734,437	573,480
Total public works	<u>5,070,578</u>	<u>5,090,040</u>	<u>3,949,557</u>	<u>1,140,483</u>
Culture and recreation	4,247,997	4,268,166	3,727,930	540,236
Total expenditures	<u>40,292,927</u>	<u>40,823,259</u>	<u>36,872,797</u>	<u>3,950,462</u>
Deficiency of revenues under expenditures	<u>(18,464,849)</u>	<u>(17,282,836)</u>	<u>(13,359,161)</u>	<u>3,923,675</u>
Other Financing Sources (Uses)				
Transfers in	22,433,402	22,433,402	19,836,183	(2,597,219)
Transfers out	(4,018,553)	(4,018,553)	(2,586,823)	1,431,730
Proceeds from the sale of capital assets	50,000	50,000	74,613	24,613
Total other financing sources and uses	<u>18,464,849</u>	<u>18,464,849</u>	<u>17,323,973</u>	<u>(1,140,876)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,182,013</u>	<u>3,964,812</u>	<u>\$ 2,782,799</u>
Fund balances - January 1			<u>7,320,297</u>	
Fund balances - December 31			<u>\$ 11,285,109</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF NEWARK, DELAWARE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 12,234,942	\$ 7,570,090	\$ 5,168,666	\$ 366,678	\$ 5,745,623	\$ 31,085,999	\$ 2,788,022
Investments, unrestricted	8,357,316	169,832	1,812,485	2,088	147,185	10,488,906	667,607
Accounts receivable, net	7,108,111	1,340,135	1,286,548	50,502	466,084	10,251,380	5,216
Leases receivable	213,853	1,744,323	-	-	-	1,958,176	-
Due from other funds	1,077,237	12,000	22,320	-	-	1,111,557	267,418
Inventory - supplies	3,417,729	498,608	49,449	-	5,508	3,971,294	6,332
Prepaid items	170,131	97,563	12,062	89,299	17,915	386,970	60,713
Restricted assets:							
Cash and cash equivalents	5,135,486	3,232,041	410,922	-	267,878	9,046,327	2,294,064
Investments	1,804,636	19,142	6,800	-	-	1,830,578	-
Total current assets	39,519,441	14,683,734	8,769,252	508,567	6,650,193	70,131,187	6,089,372
Noncurrent assets:							
Capital assets, net:							
Land	-	7,957,954	-	3,545,582	3,416,738	14,920,274	44,230
Construction in progress	1,630,919	451,958	-	61,706	-	2,144,583	-
Buildings	10,120,458	10,633,346	-	190,648	-	20,944,452	6,124,231
Improvements	7,689,627	30,961,803	10,532,167	565,664	8,896,315	58,645,576	358,278
Machinery and equipment	1,468,271	388,391	244,795	683,184	587,470	3,372,111	403,269
Intangibles	1,000	7,126	-	-	-	8,126	-
Total noncurrent assets	20,910,275	50,400,578	10,776,962	5,046,784	12,900,523	100,035,122	6,930,008
Total assets	60,429,716	65,084,312	19,546,214	5,555,351	19,550,716	170,166,309	13,019,380
DEFERRED OUTFLOW OF RESOURCES							
Deferred pension amounts	292,630	151,619	2,070	55,628	42,433	544,380	45,279
Deferred OPEB amounts	179,458	86,925	1,402	40,658	32,246	340,689	28,040
Total deferred outflow of resources	472,088	238,544	3,472	96,286	74,679	885,069	73,319
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	4,714,153	845,585	864,956	112,516	88,650	6,625,860	530,100
Customer deposits payable	1,804,636	19,142	6,800	-	-	1,830,578	-
Regulatory liability	3,114,826	-	-	-	-	3,114,826	-
Compensated absences	26,049	24,324	437	8,271	6,462	65,543	3,720
Due to other funds	12,000	22,320	-	507,237	-	541,557	967,418
Due to other governments	69,571	-	-	-	-	69,571	-
Accrued interest payable	24,546	54,539	9,739	1,519	13,565	103,908	20,909
Unearned revenue	318,498	1,616,021	136,478	97,825	145,939	2,314,761	-
Bonds, notes, and lease payable	413,029	860,480	90,318	50,356	485,961	1,900,144	130,137
Total current liabilities	10,497,308	3,442,411	1,108,728	777,724	740,577	16,566,748	1,652,284
Noncurrent liabilities:							
Compensated absences	234,438	218,913	3,938	74,438	58,155	589,882	33,478
Net OPEB liability	468,415	228,675	3,688	106,961	84,831	892,570	73,766
Net pension liability	3,310,553	1,714,283	24,845	630,434	478,260	6,158,375	512,421
Unearned revenue	1,028,275	1,265,691	137,417	-	71,224	2,502,607	2,456,317
Bonds, notes, and lease payable	3,525,230	9,150,977	2,479,753	381,554	7,915,257	23,452,771	2,544,737
Total noncurrent liabilities	8,566,911	12,578,539	2,649,641	1,193,387	8,607,727	33,596,205	5,620,719
Total liabilities	19,064,219	16,020,950	3,758,369	1,971,111	9,348,304	50,162,953	7,273,003
DEFERRED INFLOW OF RESOURCES							
Deferred pension amounts	117,371	60,812	830	22,312	17,019	218,344	18,161
Deferred OPEB amounts	46,143	22,351	360	10,454	8,291	87,599	7,210
Deferred right to use leased assets	201,086	1,691,771	-	-	-	1,892,857	-
Total deferred inflow of resources	364,600	1,774,934	1,190	32,766	25,310	2,198,800	25,371
NET POSITION							
Net investment in capital assets	15,955,667	38,390,033	8,141,587	4,614,874	4,490,698	71,592,859	4,116,332
Restricted for:							
Capital projects	3,830,000	351,627	137,967	-	50,715	4,319,594	-
Unrestricted	21,687,318	8,785,312	7,510,573	(967,114)	5,710,368	42,726,457	1,677,993
Total net position	\$ 41,472,985	\$ 47,526,972	\$ 15,790,127	\$ 3,647,760	\$ 10,251,781	\$ 118,689,625	\$ 5,794,325

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities Enterprise Funds					Total Enterprise Funds	Governmental Activities Internal Service Funds
	Electric	Water	Sewer	Parking	Stormwater		
Operating Revenues:							
Charges for service	\$ 63,007,250	\$ 10,334,980	\$ 8,619,625	\$ 3,138,103	\$ 2,641,709	\$ 87,741,667	\$ 1,863,039
Penalties and fees	346,258	110,532	15,871	-	6,643	479,304	-
Miscellaneous	14,144	90,295	7,064	-	525	112,028	420
Total operating revenues	<u>63,367,652</u>	<u>10,535,807</u>	<u>8,642,560</u>	<u>3,138,103</u>	<u>2,648,877</u>	<u>88,332,999</u>	<u>1,863,459</u>
Operating Expenses:							
Personnel	3,881,024	2,862,611	248,535	1,440,668	565,765	8,998,603	851,974
Utility purchases	39,369,035	-	4,947,589	-	-	44,316,624	-
Materials and supplies	342,686	572,787	48,561	32,647	29,007	1,025,688	143,543
Contracted services	2,096,794	848,219	286,735	716,644	255,258	4,203,650	346,030
Depreciation/Amortization	1,586,287	1,811,148	415,191	257,805	274,443	4,344,874	280,647
Other	369,778	15,433	9,620	915	44,215	439,961	169,943
Total operating expenses	<u>47,645,604</u>	<u>6,110,198</u>	<u>5,956,231</u>	<u>2,448,679</u>	<u>1,168,688</u>	<u>63,329,400</u>	<u>1,792,137</u>
Operating income (loss)	<u>15,722,048</u>	<u>4,425,609</u>	<u>2,686,329</u>	<u>689,424</u>	<u>1,480,189</u>	<u>25,003,599</u>	<u>71,322</u>
Nonoperating Revenues (Expenses):							
Interest and investment revenue	276,693	78,586	65,333	5,832	53,085	479,529	16,593
Rent revenue	23,202	80,164	-	-	-	103,366	-
Interest expense	(98,251)	(213,909)	(47,766)	-	(175,859)	(535,785)	(63,964)
Lease/financed purchases Interest expense	-	-	-	(6,266)	-	(6,266)	-
Gain (loss) on Sale of Capital Assets	(12,792)	-	-	-	-	(12,792)	-
Total nonoperating revenues (expenses)	<u>188,852</u>	<u>(55,159)</u>	<u>17,567</u>	<u>(434)</u>	<u>(122,774)</u>	<u>28,052</u>	<u>(47,371)</u>
Income before capital grants, capital contributions, and transfers	15,910,900	4,370,450	2,703,896	688,990	1,357,415	25,031,651	23,951
Capital grants and contributions	1,178,012	4,455,829	410,715	-	667,829	6,712,385	1,508,981
Transfers in	20,981	-	-	-	-	20,981	235,000
Transfers out	(14,025,587)	(3,543,480)	(1,629,252)	(589,548)	-	(19,787,867)	(120,981)
Change in net position	<u>3,084,306</u>	<u>5,282,799</u>	<u>1,485,359</u>	<u>99,442</u>	<u>2,025,244</u>	<u>11,977,150</u>	<u>1,646,951</u>
Net position - beginning of year, as previously presented	38,498,175	42,330,871	14,305,558	3,573,251	8,247,313	106,955,168	4,154,732
Restatements	(109,496)	(86,698)	(790)	(24,933)	(20,776)	(242,693)	(7,358)
Net position - beginning of year, as restated	<u>38,388,679</u>	<u>42,244,173</u>	<u>14,304,768</u>	<u>3,548,318</u>	<u>8,226,537</u>	<u>106,712,475</u>	<u>4,147,374</u>
Net position - end of year	<u>\$ 41,472,985</u>	<u>\$ 47,526,972</u>	<u>\$ 15,790,127</u>	<u>\$ 3,647,760</u>	<u>\$ 10,251,781</u>	<u>\$ 118,689,625</u>	<u>\$ 5,794,325</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 65,317,639	\$ 10,591,515	\$ 8,771,693	\$ 3,171,280	\$ 2,734,683	\$ 90,586,810
Receipts from interfund charges for fleet management services	-	-	-	-	-	-
Receipts from interfund charges for facility management services	-	-	-	-	-	-
Receipts from interfund charges for risk management services	-	-	-	-	-	-
Customer deposits received	691,965	-	-	-	-	691,965
Customer deposits returned	(689,715)	-	-	-	-	(689,715)
Other operating receipts	28,194	90,295	7,064	-	525	126,078
Payments to suppliers for goods and services	(43,595,840)	(1,317,060)	(5,186,978)	(719,925)	(193,119)	(51,012,922)
Payments to employees for services	(4,121,638)	(2,992,344)	(246,974)	(1,476,325)	(612,026)	(9,449,307)
Payments for interfund services used	(187,381)	(131,302)	(56,472)	(82,434)	(89,963)	(547,552)
Net cash provided (used) by operating activities	<u>17,443,224</u>	<u>6,241,104</u>	<u>3,288,333</u>	<u>892,596</u>	<u>1,840,100</u>	<u>29,705,357</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	20,981	-	-	-	-	20,981
Transfers out	(14,025,587)	(3,543,480)	(1,629,252)	(589,548)	-	(19,787,867)
Net cash provided (used) by noncapital financing activities	<u>(14,004,606)</u>	<u>(3,543,480)</u>	<u>(1,629,252)</u>	<u>(589,548)</u>	<u>-</u>	<u>(19,766,886)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from bonds and notes	-	1,233,979	754,677	-	262,360	2,251,016
Payments of retainage	(4,109)	-	-	-	(11,872)	(15,981)
Purchases of capital assets	(2,111,350)	(6,273,622)	(1,618,984)	(159,327)	(1,032,650)	(11,195,933)
Proceeds from sale of capital assets	9,838	-	-	-	-	9,838
Capital grants received	1,288,308	150,000	-	-	120,000	1,558,308
Change in deferred capital grants	-	(2,031,010)	(177,330)	-	207,117	(2,001,223)
Principal paid on capital debt	(652,028)	(1,179,416)	(87,858)	-	(443,829)	(2,363,131)
Interest paid on capital debt	(128,050)	(261,418)	(48,296)	-	(169,446)	(607,210)
Principal paid on lease payable	-	-	-	(48,659)	-	(48,659)
Interest paid on lease payable	-	-	-	(5,809)	-	(5,809)
Net cash provided (used) by capital and related financing activities	<u>(1,597,391)</u>	<u>(8,361,487)</u>	<u>(1,177,791)</u>	<u>(213,795)</u>	<u>(1,068,320)</u>	<u>(12,418,784)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and rents received	195,413	146,568	40,701	3,744	32,722	419,148
Net cash provided (used) by investing activities	<u>195,413</u>	<u>146,568</u>	<u>40,701</u>	<u>3,744</u>	<u>32,722</u>	<u>419,148</u>
Net increase (decrease) in cash and cash equivalents	2,036,640	(5,517,295)	521,991	92,997	804,502	(2,061,165)
Cash and cash equivalents - beginning of year	<u>15,333,788</u>	<u>16,319,426</u>	<u>5,057,597</u>	<u>273,681</u>	<u>5,208,999</u>	<u>42,193,491</u>
Cash and cash equivalents - end of year	<u>\$ 17,370,428</u>	<u>\$ 10,802,131</u>	<u>\$ 5,579,588</u>	<u>\$ 366,678</u>	<u>\$ 6,013,501</u>	<u>\$ 40,132,326</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds
						Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities						
Operating income (loss)	\$ 15,722,048	\$ 4,425,609	\$ 2,686,329	\$ 689,424	\$ 1,480,189	\$ 25,003,599
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation/amortization expense	1,586,287	1,811,148	415,191	257,805	274,443	4,344,874
Effect of changes in operating assets, liabilities and deferred outflows and inflows:						
Accounts receivable	1,537,713	180,772	142,379	42,442	84,798	1,988,104
Leases receivable	20,344	(913,560)	-	-	-	(893,216)
Due from other funds	835	(12,000)	(6,780)	-	-	(17,945)
Allowance for uncollectible accounts	68,242	545	598	-	1,533	70,918
Inventory	(1,103,633)	(19,128)	(15,303)	-	2,099	(1,135,965)
Prepaid expenses	(5,353)	(12,352)	3,118	(6,283)	(2,909)	(23,779)
Deferred outflow pension amounts	427,798	221,653	3,026	81,323	62,032	795,832
Deferred outflow OPEB amounts	164,201	79,535	1,283	37,202	29,505	311,726
Customer deposits	2,250	-	-	-	-	2,250
Accounts payable	1,086,785	131,664	131,975	17,377	66,658	1,434,459
Regulatory liability	(1,270,340)	-	-	-	-	(1,270,340)
Compensated absences	8,430	(223)	2,369	8,588	957	20,121
Net OPEB liability	(282,077)	(137,707)	(2,221)	(64,411)	(51,085)	(537,501)
Net pension liability	(465,946)	(242,418)	(1,868)	(87,468)	(69,349)	(867,049)
Due to other funds	(312,600)	(97,820)	(36,200)	(49,435)	-	(496,055)
Due to other governments	5,836	-	(34,655)	-	(19,800)	(48,619)
Unearned revenue	401,997	-	-	(9,265)	-	392,732
Deferred right to use leased assets	(23,203)	890,246	-	-	-	867,043
Deferred inflow pension amounts	(107,836)	(55,873)	(763)	(20,499)	(15,637)	(200,608)
Deferred inflow OPEB amounts	(18,554)	(8,987)	(145)	(4,204)	(3,334)	(35,224)
Total adjustments	1,721,176	1,815,495	602,004	203,172	359,911	4,701,758
Net cash provided (used) by operating activities	\$ 17,443,224	\$ 6,241,104	\$ 3,288,333	\$ 892,596	\$ 1,840,100	\$ 29,705,357
Noncash investing, capital, and financing activities:						
Increase (decrease) in fair value of investments	103,919	10,425	24,632	2,088	20,363	161,427
Increase (decrease) in capital grants receivable	(150,770)	-	-	-	-	(150,770)
Increase (decrease) in accrued interest receivable	9,708	1,407	2,292	-	1,902	15,309
Increase (decrease) in accrued interest payable	(29,799)	(47,509)	(530)	-	6,413	(71,425)
Increase (decrease) in accrued interest payable-leases	-	-	-	457	-	457
Capitalization of accrued payables, retainage	39,026	231,069	629,199	-	-	899,294
Capital contributions of property and equipment	40,474	-	-	-	-	40,474
Gain (Loss) on Capital Asset Disposal	(22,630)	-	-	-	-	(22,630)
Non-cash rent income over(under) payments received	563	1,757	-	-	-	2,320
Capital acquisitions from deferred revenue	-	(4,455,829)	(410,715)	-	(496,145)	(5,362,689)

The accompanying notes are an integral part of these financial statements.

**CITY OF NEWARK, DELAWARE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Pension and Other Benefits Funds
ASSETS	
Cash and cash equivalents	\$ 2,433,307
Investments:	
Domestic equity mutual funds	52,316,711
International equity mutual funds	18,392,221
Fixed income mutual funds	45,257,688
Real estate equity funds	6,241,926
Accounts receivable	77,964
Contributions receivable	270,033
Total assets	<u>124,989,850</u>
 NET POSITION	
Net position restricted for employee pension benefits	102,234,154
Net position restricted for other post employment benefits	22,755,696
Total net position	<u>\$ 124,989,850</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Pension and Other Benefits Funds
ADDITIONS	
Contributions:	
Employer	\$ 6,448,977
State aid - police	540,066
Employee	<u>591,407</u>
Total contributions	<u>7,580,450</u>
Investments:	
Investment earnings	3,453,593
Net increase in fair value of investments	7,884,321
Investment expense	<u>(111,598)</u>
Total investment income	<u>11,226,316</u>
Total additions	<u>18,806,766</u>
DEDUCTIONS	
Benefits	7,284,329
Administrative expenses	<u>67,400</u>
Total deductions	<u>7,351,729</u>
Change in net position	11,455,037
Net position - beginning of year	<u>113,534,813</u>
Net position - end of year	<u><u>\$ 124,989,850</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Newark, Delaware (the "City") was incorporated in 1852, under the provisions of the State of Delaware. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, streets, sanitation, utilities, health and social services, culture and recreation, public improvements, planning and zoning, and general administration.

The Government Accounting Standards Board established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. The criteria used in determining whether such organizations should be included in the City's financial reporting entity are financial interdependencies, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service and special financing relationships.

The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the City. Eliminations of interfund activity have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

Measurement Focus, Basis of Accounting, And Financial Statement Presentation

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (nonexchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the providers have been satisfied.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are classified as available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the City considers all revenues to be available if they are collected within 60 days after the fiscal year end. Revenues considered susceptible to accrual include property taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), 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 are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

General Fund – This fund is used to account for the general operating activities of the City. General government, public safety, public works, parks and recreation, and judiciary offices are financed through this fund with receipts from general property taxes, licenses and permits, investment interest, fines, charges for current services, intergovernmental and other revenue.

Capital Projects Fund – This fund is used to account for the design, construction and improvement of City buildings, land improvements, and the purchase and replacement of vehicles, machinery and equipment.

The City reports the following major proprietary funds:

Electric Fund – Used to account for the operation of an electric distribution system.

Water Fund – Used to account for the operation of a water supply system.

Sewer Fund – Used to account for the operation of a sewage collection system.

Parking Fund – Used to account for the operation of a municipal parking lot system.

Stormwater Fund – Used to account for the operation of a stormwater collection system.

The City reports the following internal service funds:

Maintenance Fund – This fund is used to account for the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis.

Self-Insurance Fund – This fund accounts for disability and medical claim payments made for employee job related injuries and deductible amounts paid to insurance underwriters.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The City reports the following non-major governmental funds:

Debt Service Fund – Used to account for principal and interest payments made for the City’s General Obligation Bonds Series 2011 and the Energy Improvement Loan.

Community Development Fund – Used to account for the City’s Community Development Block Grant from the United States Department of Housing and Urban Development passed through New Castle County Department of Community Development and Housing.

Law Enforcement Fund – Used to account for grants and other funding designated for Law Enforcement operating expenditures.

Parks and Recreation Fund – Used to account for grants and other funding designated for Parks maintenance and beautification and for the City’s Recreational program operating expenditures.

Transportation Fund – Used to account for the Unicity bus program and the related grant. Effective June 2024, this fund became inactive due to the discontinuation of the Unicity bus program. The balance of the fund was transferred to the General Fund.

The City reports the following fiduciary fund types:

Pension Trust Fund – This fund is used to account for the assets held by the Pension Program in a trustee capacity for the employees of the City. The Pension Program, which is part of the City’s legal entity, is a single-employer defined benefit pension plan that provides benefits to City employees.

OPEB Trust Fund – This fund is used to account for the funding, accounting, and reporting of postemployment benefits other than pension.

With limited exceptions, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

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 electric, water, sewer and parking proprietary funds and the maintenance internal service fund are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use in certain programs, it is the City’s policy to apply cost-reimbursement grant resources first to those programs, followed by bond proceeds, categorical block grants and then by general revenues, as they are needed.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Receivables

Receivables as of December 31, 2024, for the City's governmental activities include real estate taxes receivable, home buyer's assistance program receivables, grants receivable, permits and licenses receivable, liens receivable, interest receivables, and other miscellaneous receivables.

Allowance for Doubtful Accounts

Historically, the City of Newark has experienced a 99 percent collection rate for real estate taxes. Taxes constitute a lien against real property and are collected in full when title transfers. An allowance for doubtful accounts is established which includes outstanding receivables for parcels of undeveloped land that may not be recoverable through a transfer or monitions sale and one percent of the remaining receivable balance. As of December 31, 2024, the allowance for doubtful accounts in the General Fund amounted to \$185,494.

The City of Newark's water, sewer and electric utilities experience very small losses from uncollectible accounts. Water and sewer fees constitute a lien against real property and can usually be collected in full when title transfers. Accordingly, an allowance for doubtful accounts is funded annually at the rate of approximately .01 percent of annual revenues, excluding adjustment, penalties, and miscellaneous revenues. This amount approximates actual losses. Only balances that remain after tax sales are written off each year.

Electric fees do not constitute a lien; however, maintenance of adequate customer deposits, monthly billing and diligent collection procedures minimize losses from uncollectible accounts. Accordingly, an allowance for doubtful accounts is funded annually at the rate of approximately .20 percent of annual revenues, excluding adjustments, penalties, and miscellaneous revenues. This amount approximates the City's actual loss experience.

As of December 31, 2024, the allowance for doubtful accounts amounted to \$477,712 in the Electric Fund, \$18,843 in the Water Fund, \$25,734 in the Sewer Fund and \$425 in the Stormwater Fund.

Inventories and Prepaid Items

Inventories of governmental and proprietary fund types are valued at average cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items are recorded as expense/expenditures when consumed.

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital Assets

Capital assets including property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has defined capital assets as assets with a minimum individual acquisition value of \$20,000 and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the estimated useful lives of the related assets. The City generally uses the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

Buildings	20-40 years	Electric System	15-30 years
Sewer System	50 years	Water System	20-50 years
Improvements	10-20 years	Equipment	5-10 years

Compensated Absences

City employees earn vacation and sick leave depending on their length of service. Sick leave accumulates at the rate of 15 days per year. Any unused sick leave more than 90 days is paid to the employee annually at the rate of one day for every three days accumulated. Employees have no vested interest in unused sick leave at termination, but the City does pay a portion of sick leave upon retirement based on contractual union agreements. Employees may carry forward up to two weeks of vacation leave and any remaining balance is payable to the employee upon terminating employment with the City.

Compensatory time is accumulated as earned up to a maximum limit. Any unused compensatory time is payable to the employee upon terminating employment with the City.

The liability for compensated absences reported in government-wide and proprietary fund statements consists of leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been settled in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current financial period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent consumption of net assets that apply to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The City has two items that qualify for reporting in this category, the deferred pension amounts and deferred OPEB amounts, which are reported on the Statement of Net Position.

In addition to liabilities, the statements of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that apply to a future period and so will not be recognized as inflow of resources (revenue) until that time. The items that qualify for reporting in this category are billed but uncollected property tax interest & penalties, assessments, liens, deferred pension and OPEB amounts and deferred lease revenue.

Net Position and Fund Equity

The difference between fund assets, liabilities, and deferred outflows/inflows of resources is “Net Position” on the government-wide, proprietary and fiduciary fund statements and “Fund Balance” on governmental fund statements. Net Position is classified as “Net Investment in Capital Assets,” legally “Restricted” for a specific purpose, or “Unrestricted” and available for appropriation for the general purposes of the fund or activity. Net investment in capital assets is defined as capital assets less accumulated depreciation and outstanding debt incurred to finance those capital assets.

Fund Balance

GASB 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. In the Governmental Fund financial statements, fund balances are classified as:

- Nonspendable – includes amounts that cannot be spent because they are not in spendable form, such as prepaid and inventory items reported in the general fund, capital projects fund, and other governmental funds.
- Restricted – includes items that are restricted by external parties or imposed by grants, law, or legislation.
- Committed – includes amounts that can be used only for the specific purposes determined by formal action (council bill) of the City’s highest level of decision-making authority (City Council). Constraints can be removed or changed only by taking the same action (council bill) prior to the end of the fiscal year. The City had no committed fund balances at December 31, 2024.
- Assigned – includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – this category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and then unassigned fund balance.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Taxes

Property taxes attach as an enforceable lien on property when levied. Taxes are levied on July 1 and are payable on or before September 30. Taxes paid after the payable date are assessed a five percent penalty for nonpayment and one and one-half percent interest per month thereafter. The City bills and collects its own property taxes. City property tax revenues are recognized on a pro rata basis. An allowance for doubtful accounts is calculated on tax balances of identified properties where amounts due may not be collected at the time of a title transfer and one percent of the remaining tax receivable balance. The property tax rate for 2024 was \$1.0551 per \$100 of assessed value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the General fund. This budget is adopted on a basis consistent with generally accepted accounting principles.
- b. The City Council adopts legal annual budgets for the General Fund, Proprietary Funds, Transportation Fund, Downtown Newark Partnership Fund, Parks Special Revenue Funds, Debt Service Fund, Maintenance Fund, and the Insurance Fund. The City Council also adopts legal project length budgets for its Capital Projects Funds, Community Development Block Grant Fund, and the Law Enforcement Fund. Project periods for these funds may differ from the City's fiscal year; comparisons of budgetary information for these funds are presented as supplemental information.
- c. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis. Budget appropriations lapse at year-end.
- d. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Revenue and Expenditures

For the year ended December 31, 2024, actual revenues in the General Fund were \$26,787 less than budgeted revenues. The City experienced unfavorable variances in all categories except lodging tax revenue, investment and interest earnings, and charges for services.

General Fund operating expenditures were \$3.9 million less than appropriated. The judicial department was the only department with an unfavorable variance exceeding budgeted expenditures by \$9,736.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Amended Pension Plan for Employees of the City of Newark, Delaware and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the City of Newark. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and the deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of City's plan and additions to/deductions from the plan's net position have been determined on the same basis as the plan. Benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity time of purchase of one year or less, which are reported at cost.

Adoption of New Accounting Standards:

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. This standard updates the guidance on the recognition and measurement for compensated absences.

The City adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

Governmental Activities (including Internal Service Fund):

	Governmental	Internal Service	Total
Net position- beginning as previously reported	\$ 26,992,979	\$ 2,553,143	\$ 29,546,122
Effect of GASB Statement No. 101	(776,515)	(7,358)	(783,873)
Net position- beginning as restated	<u>\$ 26,216,464</u>	<u>\$ 2,545,785</u>	<u>\$ 28,762,249</u>

Business type Activities:

	Electric	Water	Sewer	Parking	Stormwater	Total
Net position- beginning as previously reported	\$ 38,498,175	\$ 42,330,871	\$ 14,305,558	\$ 3,573,251	8,247,313	\$ 106,955,168
Effect of GASB Statement No. 101	(109,496)	(86,698)	(790)	(24,933)	(20,776)	(242,693)
Net position- beginning as restated	<u>\$ 38,388,679</u>	<u>\$ 42,244,173</u>	<u>\$ 14,304,768</u>	<u>\$ 3,548,318</u>	<u>\$ 8,226,537</u>	<u>\$ 106,712,475</u>

Dissolution of Fund

Effective June 2024, the Transportation Fund became inactive due to the discontinuation of the Unicity bus program. The balance of the fund was transferred to the General Fund.

	Transportation Fund	General Fund
Transfer from:	\$ 36,517	\$ -
Transfer to:	-	36,517
	<u>\$ 36,517</u>	<u>\$ 36,517</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a written policy for custodial credit risk. At December 31, 2024, the carrying amount of the City's cash accounts and cash on hand was \$65,121,199, net of \$45,034 included in Fiduciary Funds. The bank balances were \$64,950,919. Of the bank balances, \$334,983 was covered by Federal Depository Insurance, \$64,615,936 was secured by collateral consisting of uninsured and unregistered investments held by the pledging financial institution but not in the City's name.

Investments

The City is authorized to invest in United States Government Securities; Federal Agency Securities; Certificates of Deposits, Time Deposits, and Bankers Acceptances; Corporate Debt Instruments; Repurchase Agreements; Money Market Mutual Funds; the pooled investment fund known as the Delaware Local Government Investment Pool (DELGIP) as authorized by Title 29, Chapter 12 of the Delaware Code; Municipal Obligations that are rated in either of the two highest rating categories by a nationally recognized rating agency; and Guaranteed Investment Contracts. Investments in certificates of deposits are insured, registered, or held by the City or its agent in the City's name. Corporate notes held as of December 31, 2024 had varying rates but none lower than A. Amounts that may be invested in any one of these categories are subject to percentage limitations as set forth in the City's written Investment Policy. The investments of the Pension trust are not subject to these restrictions. Refer to Note 8 for further discussion of the investment policy of the Pension Plan.

As of December 31, 2024, the City had the following investments (excluding investments of the City's fiduciary funds):

<u>Investment Type</u>	<u>INVESTMENT MATURITIES (in years)</u>				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>More Than Ten Years</u>
U. S. Government Securities	\$ 16,449,355	\$ -	\$ 14,673,850	\$ 1,333,847	\$ 441,658
Corporate Notes	4,759,128	-	4,407,871	351,257	-
Municipal Bonds	2,946,169	-	2,946,169	-	-
	<u>\$ 24,154,652</u>	<u>\$ -</u>	<u>\$ 22,027,890</u>	<u>\$ 1,685,104</u>	<u>\$ 441,658</u>

Credit Risk

The City and the Pension Plan have no policy regarding credit risk for U.S. Government Securities or Federal Agency Securities. The City's investments in bonds have varying ratings from Moody's as detailed below:

Aaa	64.91%
Aa2	5.96%
Aa3	8.48%
A1	8.69%
A2	1.37%
N/A	10.59%

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Interest Rate Risk

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value.

The City's and the Pension Plan's investment policies limit and stagger the maturity of investments to mitigate interest rate risk and maintain adequate liquidity to meet cash flow needs. The portfolio is structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. The portfolio is invested in permitted securities with a stated maturity of no more than ten years from the date of purchase, unless the security is matched to a specific obligation or debt of the City. To control volatility of the portfolio and to further mitigate interest rate risk, the City manages the portfolio's effective duration target not to exceed three years.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

All investment securities purchased by the City or the Pension Plan or held as collateral on deposits or investments are held in third-party safekeeping at a qualified financial institution that is not a counterparty to the investment transaction. All investment securities are held in the name of the City.

Concentration of Credit Risk

Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (securities acquired from a single issuer.)

The City's portfolio is diversified to limit exposure to any one issuer. At the time of purchase, the investment in any single issuer shall not exceed 5 percent of the City's investment portfolio fair value. This rule excludes direct obligations of the U.S. Government, U.S. Government Agencies and Enterprises, money market funds, and securities that have an effective maturity no longer than the next business day.

As of December 31, 2024, there were no investments with a fair value more than 5 percent of the City's portfolio invested in any single issuer. Additional information concerning the concentration of credit risk applicable to the Pension Plan can be found in Note 8.

Foreign Currency Risk

The City and Pension Plan's investment policies do not allow for investments denominated in foreign currencies. The City and Pension Plan do not hold such investments.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Investments and Valuation

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below

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

The City's investments (including investments of the City's fiduciary funds) are categorized in the following table:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Balance December 31, 2024</u>
U. S. Government Securities	\$ 2,377,679	\$ 16,449,355	\$ -	\$ 18,827,034
Corporate Notes	-	4,759,128	-	4,759,128
Municipal Bonds	-	2,946,169	-	2,946,169
Domestic Equity Mutual Funds	52,316,711	-	-	52,316,711
International Equity Mutual Funds	18,392,221	-	-	18,392,221
Fixed Income Mutual Funds	45,257,688	-	-	45,257,688
Real Estate Equity Funds	6,241,926	-	-	6,241,926
	<u>\$ 124,586,225</u>	<u>\$ 24,154,652</u>	<u>\$ -</u>	<u>\$ 148,740,877</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CAPITAL ASSETS

The capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 5,544,921	\$ 592,798	\$ -	\$ 6,137,719
Construction in progress	<u>650,758</u>	<u>78,832</u>	<u>173,450</u>	<u>556,140</u>
Total capital assets not being depreciated	<u>6,195,679</u>	<u>671,630</u>	<u>173,450</u>	<u>6,693,859</u>
Capital assets being depreciated/amortized:				
Buildings	17,955,742	1,418,053	-	19,373,795
Improvements	44,136,130	2,550,658	-	46,686,788
Machinery and equipment	22,125,998	4,615,374	1,211,693	25,529,679
Right to use leased equipment	61,781	-	-	61,781
Intangible subscriptions	<u>699,689</u>	<u>-</u>	<u>-</u>	<u>699,689</u>
Total capital assets being depreciated/amortized	<u>84,979,340</u>	<u>8,584,085</u>	<u>1,211,693</u>	<u>92,351,732</u>
Less accumulated depreciation/amortization for:				
Buildings	8,480,104	457,694	-	8,937,798
Improvements	23,124,193	1,605,489	-	24,729,682
Machinery and equipment	16,213,895	1,982,475	1,190,757	17,005,613
Right to use leased equipment	33,875	15,284	-	49,159
Intangible subscriptions	<u>265,100</u>	<u>268,411</u>	<u>-</u>	<u>533,511</u>
Total accumulated depreciation/amortization	<u>48,117,167</u>	<u>4,329,353</u>	<u>1,190,757</u>	<u>51,255,763</u>
Total capital assets being depreciated/amortized, net	<u>36,862,173</u>	<u>4,254,732</u>	<u>20,936</u>	<u>41,095,969</u>
Governmental activities capital assets, net	<u>\$ 43,057,852</u>	<u>\$ 4,926,362</u>	<u>\$ 194,386</u>	<u>\$ 47,789,828</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CAPITAL ASSETS (cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 14,906,964	\$ 13,310	\$ -	\$ 14,920,274
Construction in progress	1,586,430	1,214,885	656,732	2,144,583
Intangibles	8,126	-	-	8,126
Total capital assets not being depreciated	<u>16,501,520</u>	<u>1,228,195</u>	<u>656,732</u>	<u>17,072,983</u>
Capital assets being depreciated/amortized:				
Buildings	42,715,801	3,065,849	414,000	45,367,650
Right to use leased buildings	291,580	-	-	291,580
Improvements	97,184,086	7,680,996	-	104,865,082
Right to use leased improvements	271,744	-	-	271,744
Machinery and equipment	8,151,491	776,919	-	8,928,410
Total capital assets being depreciated/amortized	<u>148,614,702</u>	<u>11,523,764</u>	<u>414,000</u>	<u>159,724,466</u>
Less accumulated depreciation/amortization for:				
Buildings	23,796,905	1,208,311	391,370	24,613,846
Improvements	44,103,466	2,334,326	-	46,437,792
Machinery and equipment	4,805,526	750,773	-	5,556,299
Right to use leased buildings	67,288	33,644	-	100,932
Right to use leased improvements	35,638	17,820	-	53,458
Total accumulated depreciation/amortization	<u>72,808,823</u>	<u>4,344,874</u>	<u>391,370</u>	<u>76,762,327</u>
Total capital assets being depreciated/amortized, net	<u>75,805,879</u>	<u>7,178,890</u>	<u>22,630</u>	<u>82,962,139</u>
Business-type activities capital assets, net	<u>\$ 92,307,399</u>	<u>\$ 8,407,085</u>	<u>\$ 679,362</u>	<u>\$ 100,035,122</u>

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

General government	\$ 879,377
Public safety	1,060,331
Public works	1,199,206
Culture and recreation	909,792
Capital assets held by the government's internal service funds and charged to the various functions based on their usage	<u>280,647</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 4,329,353</u>

Business-type activities:

Electric	\$ 1,586,287
Water	1,811,148
Sewer	415,191
Parking	257,805
Stormwater	<u>274,443</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 4,344,874</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT

Equipment Financed Purchase Obligation – Business Type Activities

On December 19, 2012, the City entered into an \$8,897,374 Equipment Purchase Agreement with Bank of America Public Capital Corporation. The loan bears an interest rate of 2.20 percent. Payments are due quarterly starting January 1, 2014, with the final payment due January 1, 2028. The proceeds, which were used to partially finance the City's \$11,495,735 Automated Meter Infrastructure Project in the business-type activities, were deposited in an Acquisition Fund under the City's name. Disbursements for project construction costs were made from this fund. The present value of all future minimum payments is reported as an obligation in the Statement of Net Position and related depreciation of \$444,114 is included in total depreciation reported on the Statement of Revenues, Expenses, and Changes in Net Position.

As of December 31, 2024, payments under this lease obligation are as follows:

<u>Year Ending December 31</u>	<u>Business Type Activities</u>
2025	\$ 703,350
2026	703,350
2027	<u>703,350</u>
Total payments	2,110,050
Less: interest	<u>(89,547)</u>
Present value of payments	<u><u>\$ 2,020,503</u></u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

Equipment Financed Purchase Obligations – Governmental Type Activities

On December 23, 2016, the City entered into an Equipment Purchase Agreement with Fulton Bank for \$430,000. The loan bears an interest rate of 2.8 percent. Payments are due monthly starting August 5, 2017, with the final payment due August 5, 2027. The proceeds, which were used to partially finance the City's purchase and installation of fiber optic cable for the city's network of security cameras, were deposited in a Vendor Payable Account under the City's name. Disbursements for project costs were made from this account. The present value of all future minimum payments is reported as an obligation in the Government Wide Statement of Net Position and related depreciation of \$21,500 is included in expenses of the General Government reported on the Statement of Activities.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2025	\$ 49,255
2026	49,255
2027	<u>28,732</u>
Total payments	127,242
Less: interest	<u>(4,357)</u>
Present value of payments	<u>\$ 122,885</u>

On July 29, 2021, the City entered into an Equipment Purchase Agreement with Fulton Bank for \$336,653. The loan bears an interest rate of 2.65 percent. Payments are due semi-annually starting August 5, 2021, with the final payment due August 5, 2027. The proceeds were used to finance the City's purchase of a Swap Loader. The present value of all future minimum payments is reported as an obligation in the Government Wide Statement of Net Position and related depreciation of \$67,331 is included in expenses of the General Government reported on the Statement of Activities

<u>Year Ending December 31</u>	<u>Total</u>
2025	\$ 60,290
2026	60,290
2027	<u>30,148</u>
Total payments	150,728
Less: interest	<u>(5,812)</u>
Present value of payments	<u>\$ 144,916</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

On July 23, 2023, the City entered into four Equipment Purchase Agreements with Fulton Bank totaling \$143,756. The loans bear an interest rate of 3.95 percent. Payments are due semi-annually starting June 25, 2022, with the final payment due June 25, 2027. The proceeds were used to finance the purchase of four new police vehicles. One of the vehicle obligations was terminated because of an accident and the balance was paid off by insurance proceeds. The present value of all future minimum payments is reported as an obligation in the Government Wide Statement of Net Position and related depreciation of \$15,635 is included in expenses of the General Government reported on the Statement of Activities.

	<u>Year Ending December 31</u>	
2025		\$ 23,624
2026		<u>23,624</u>
Total payments		47,248
Less: interest		<u>(2,242)</u>
Present value of payments		<u>\$ 45,006</u>

Equipment Financed Purchase Obligation – Business Type Activities

On January 21, 2021, the City entered into an Equipment Purchase Agreement with Fulton Bank for \$175,965. The loan bears an interest rate of 2.65 percent. Payments are due semi-annually starting January 25, 2021, with the final payment due July 25, 2026. The proceeds were used to finance the City's purchase of a Dump Truck. The present value of all future minimum payments is reported as an obligation in the Statement of Net Position and related depreciation of \$35,193 is included in total depreciation reported on the Statement of Revenues, Expenses, and Changes in Net Position.

<u>Year Ending December 31</u>	<u>Total</u>
2025	\$ 31,506
2026	<u>31,507</u>
Total payments	63,013
Less: interest	<u>(2,033)</u>
Present value of payments	<u>\$ 60,980</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

Equipment Financed Purchase Obligation - Governmental & Business Type Activities

On August 21, 2020, the City entered into an \$8,150,965 Equipment Purchase Agreement with Bank of America Public Capital Corporation. The loan bears an interest rate of 2.345 percent. Payments are due quarterly starting February 21, 2021, with the final payment due August 21, 2040. The proceeds, which were used to finance the Citywide Energy Savings Performance Contract project which includes HVAC, roof repair/replacement and solar panel projects in the governmental and business-type activities, were deposited in an Acquisition Fund under the City's name. Disbursements for project construction costs were made from this fund. The present value of all future minimum payments is reported as an obligation in the Statement of Net Position and related depreciation of \$318,296 is included in total depreciation reported on the Statement of Revenues, Expenses, and Changes in Net Position.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
2025	\$ 281,650	\$ 232,968	\$ 514,618
2026	283,139	234,198	517,337
2027	284,785	235,560	520,345
2028	286,590	237,054	523,644
2029 - 2033	1,465,641	1,212,308	2,677,949
2034 - 2038	1,518,623	1,256,131	2,774,754
2039 - 2040	<u>621,702</u>	<u>514,234</u>	<u>1,135,936</u>
Total payments	4,742,130	3,922,453	8,664,583
Less: interest	<u>(820,469)</u>	<u>(678,559)</u>	<u>(1,499,028)</u>
Present value of payments	<u>\$ 3,921,661</u>	<u>\$ 3,243,894</u>	<u>\$ 7,165,555</u>

On June 8, 2023, the City entered into a Master Lease Equipment Purchase Agreement with Bank of America Public Capital Corporation. The first installment of \$1,345,945 occurred in December 2023 and bears an interest rate of 3.6226 percent. Payments are due semiannually starting June 28, 2024, with the final payment due December 28, 2030. The proceeds were used to reimburse the City for the purchase of vehicles for governmental and business-type departments. In December 2024, the City closed on a second installment for \$2,254,189 at an interest rate of 3.9662 percent to purchase additional vehicles. Payments are due semiannually starting June 27, 2025, with the final payment due December 27, 2031. The present value of all future minimum payments is reported as an obligation in the Statement of Net Position and related depreciation of \$283,036 is included in total depreciation reported on the Statement of Revenues, Expenses, and Changes in Net Position.

<u>Installment 1: Year Ending December 31</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
2025	\$ 178,882	\$ 62,469	\$ 241,351
2026	178,882	62,469	241,351
2027	178,882	62,469	241,351
2028	178,882	62,469	241,351
2029	178,882	62,469	241,351
2030	<u>18,074</u>	<u>51,411</u>	<u>69,485</u>
Total payments	912,484	363,756	1,276,240
Less: interest	<u>(86,647)</u>	<u>(38,031)</u>	<u>(124,678)</u>
Present value of payments	<u>\$ 825,837</u>	<u>\$ 325,725</u>	<u>\$ 1,151,562</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

<u>Installment 2: Year Ending December 31</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
2025	\$ 338,843	\$ 43,288	\$ 382,131
2026	338,843	43,288	382,131
2027	338,843	43,288	382,131
2028	338,843	43,288	382,131
2029	338,843	43,288	382,131
2030-2031	<u>597,077</u>	<u>86,577</u>	<u>683,654</u>
Total payments	2,291,292	303,017	2,594,309
Less: interest	<u>(299,463)</u>	<u>(40,657)</u>	<u>(340,120)</u>
Present value of payments	<u>\$ 1,991,829</u>	<u>\$ 262,360</u>	<u>\$ 2,254,189</u>

GASB 87 Leases

The City leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2037 and provide for renewal options ranging from zero up to sixty months.

Governmental Activities:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,745	\$ 180	\$ 10,925
2026	<u>2,411</u>	<u>16</u>	<u>2,427</u>
Total	<u>\$ 13,156</u>	<u>\$ 196</u>	<u>\$ 13,352</u>

Business Type Activities:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 50,356	\$ 5,201	\$ 55,557
2026	52,096	4,572	56,668
2027	53,578	3,923	57,501
2028	54,994	3,257	58,251
2029	56,441	2,574	59,015
2030 - 2034	120,070	6,454	126,524
2035 - 2037	<u>44,375</u>	<u>712</u>	<u>45,087</u>
Total lease payments	<u>\$ 431,910</u>	<u>\$ 26,693</u>	<u>\$ 458,603</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

GASB 96 SIBTAs

The City has entered into several subscription-based IT agreements for information technology purposes and initiatives. Payments are made annually and interest is based on the City's incremental borrowing rate.

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 150,786	\$ 4,007	\$ 154,793
Total	<u>\$ 150,786</u>	<u>\$ 4,007</u>	<u>\$ 154,793</u>

2018 Referendum

On June 19, 2018, a City referendum was approved by voters allowing for the issuance of debt for the purchase and repurposing of the University of Delaware Rodney property to a stormwater facility and park as well as various other capital projects approved in the 2018-2022 Capital Improvement Program budget. Funding for many of these projects is through State Revolving Loans.

Governmental Referendum Loan

On June 30, 2022, the City entered into a loan agreement with Fulton Bank for \$2 million for reimbursement of various capital projects approved as part of the referendum. The loan bears an interest rate of 3.95 percent. Payments are due monthly starting July 30, 2022, with the final payment due June 30, 2032.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2025	\$ 210,526
2026	210,526
2027	210,526
2028	210,526
2029	210,526
2030 - 2032	<u>526,317</u>
Total	<u>\$ 1,578,947</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

State Revolving Loans (SRL) – Business Type Activities

Clean Water State Revolving Loans

On November 27, 2018, the City entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund, acting by and through the Department of Natural Resources and Environmental Control for the construction of a stormwater management facility at the site of the closed University of Delaware Dormitory complex in an amount up to \$9 million with an interest rate of 2%. The City began making semi-annual principal and interest payments on December 1, 2023.

Year Ending December 31	Principal	Interest	Total
2025	\$ 452,750	\$ 160,525	\$ 613,275
2026	461,851	151,424	613,275
2027	471,134	142,141	613,275
2028	480,603	132,672	613,275
2029	490,264	123,011	613,275
2030 - 2034	2,603,154	463,220	3,066,374
2035 - 2039	2,875,501	190,873	3,066,374
2040	303,601	3,036	306,637
Total	<u>\$ 8,138,858</u>	<u>\$ 1,366,902</u>	<u>\$ 9,505,760</u>

On February 28, 2019, the City entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund, acting by and through the Department of Natural Resources and Environmental Control for the Newark Sanitary Sewer Study Rehab – Phase One project in an amount up to \$1.3 million with an interest rate of 2.489%. The City began making semi-annual principal and interest payments on March 1, 2023.

Year Ending December 31	Principal	Interest	Total
2025	\$ 65,441	\$ 28,813	\$ 94,254
2026	67,080	27,174	94,254
2027	68,761	25,494	94,255
2028	70,483	23,772	94,255
2029	72,248	22,007	94,255
2030 - 2034	389,304	81,969	471,273
2035 - 2039	440,558	30,715	471,273
Total	<u>\$ 1,173,875</u>	<u>\$ 239,944</u>	<u>\$ 1,413,819</u>

On February 4, 2021, the City entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund, acting by and through the Department of Natural Resources and Environmental Control for the Newark Sanitary Sewer Study Rehab – Phase Two project in an amount up to \$2.6 million. The City is not required to make semi-annual interest only payments during construction. Draws total \$1,232,887 at December 31, 2024.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

Drinking Water State Revolving Loans

On February 28, 2019, the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the South Well Field Water Treatment Plant upgrade project in an amount up to \$3 million. An addendum to the agreement provided for an additional \$1 million in funding. The City began making semi-annual principal and interest payments at 2.489% on March 1, 2023.

Year Ending December 31	Principal	Interest	Total
2025	\$ 190,068	\$ 87,092	\$ 277,160
2026	194,828	82,332	277,160
2027	199,708	77,452	277,160
2028	204,710	72,450	277,160
2029	209,837	67,323	277,160
2030 - 2034	1,130,695	255,104	1,385,799
2035 - 2039	1,279,558	106,241	1,385,799
2040	136,876	1,703	138,579
Total	<u>\$ 3,546,280</u>	<u>\$ 749,697</u>	<u>\$ 4,295,977</u>

On February 28, 2019, the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the Water Main Replacement Project in an amount up to \$1 million. The City began making semi-annual principal and interest payments at 2.489% on March 1, 2023. The City is required to make semi-annual principal and interest payments through March 2040.

Year Ending December 31	Principal	Interest	Total
2025	\$ 47,500	\$ 21,766	\$ 69,266
2026	48,690	20,574	69,264
2027	49,909	19,356	69,265
2028	51,159	18,106	69,265
2029	52,440	16,825	69,265
2030 - 2034	282,572	63,753	346,325
2035 - 2039	319,775	26,551	346,326
2040	34,207	426	34,633
Total	<u>\$ 886,252</u>	<u>\$ 187,357</u>	<u>\$ 1,073,609</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

On February 28, 2019, the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the SCADA Upgrade Project in an amount up to \$550 thousand. The City began making semi-annual principal and interest payments at 2.489% on March 1, 2024.

Year Ending December 31	Principal	Interest	Total
2025	\$ 74,687	\$ 11,414	\$ 86,101
2026	76,558	9,543	86,101
2027	78,475	7,626	86,101
2028	80,441	5,660	86,101
2029	82,455	3,646	86,101
2030	84,521	1,583	86,104
Total	<u>\$ 477,137</u>	<u>\$ 39,472</u>	<u>\$ 516,609</u>

On December 12, 2019, the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the Water Tank Rehabilitation Project in an amount up to \$2.25 million. The City is not required to make semi-annual interest only payments during construction. Draws total \$670,253 at December 31, 2024.

On February 18, 2021, the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the second phase of the Water Main Replacement Project in an amount up to \$2 million. The City began making semi-annual principal and interest payments at 2% on September 1, 2024.

Year Ending December 31	Principal	Interest	Total
2025	\$ 88,028	\$ 38,546	\$ 126,574
2026	89,797	36,777	126,574
2027	91,602	34,972	126,574
2028	93,443	33,131	126,574
2029	95,321	31,253	126,574
2030 - 2034	506,128	126,741	632,869
2035 - 2039	559,081	73,788	632,869
2040-2043	425,807	17,202	443,009
Total	<u>\$ 1,949,207</u>	<u>\$ 392,410</u>	<u>\$ 2,341,617</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM DEBT (cont'd)

On January 28, 2022 the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the Laird Tract Well Restoration Project in an amount up to \$1.925 million. The City is not required to make semi-annual interest only payments at 2% during construction. There were no draws as of December 31, 2024.

In 2023 the City entered into a financing agreement with the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health for the Emerging Contaminant Project in an amount up to \$2.9 million. The City is not required to make semi-annual interest only payments at 2% during construction. Draws total \$932,796 at December 31, 2024.

NOTE 5 CHANGES IN LONG-TERM LIABILITIES

Long term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Lease payable	\$ 28,987	\$ -	\$ (15,831)	\$ 13,156	\$ 10,743
Subscription Based IT Arrangements (SBITAs)	296,695	-	(145,909)	150,786	150,786
Notes payable/ financed purchase obligations	7,319,081	1,991,829	(679,829)	8,631,081	939,364
Net pension liability	26,365,376	-	(1,467,905)	24,897,471	-
Net OPEB liability	4,479,316	-	(1,683,582)	2,795,734	-
Compensated absences	1,437,444	2,604,473	(1,752,382)	2,289,535	228,954
Long-term liabilities	<u>\$ 39,926,899</u>	<u>\$ 4,596,302</u>	<u>\$ (5,745,438)</u>	<u>\$ 38,777,763</u>	<u>\$ 1,329,847</u>
<u>Business-Type Activities</u>					
Lease payable	\$ 480,569	\$ -	\$ (48,659)	\$ 431,910	\$ 50,356
Notes payable/ financed purchase obligations	7,158,574	262,360	(1,507,473)	5,913,461	932,732
State Revolving loans	17,874,546	1,988,656	(855,659)	19,007,543	918,474
Net pension liability	7,025,424	-	(867,049)	6,158,375	-
Net OPEB liability	1,430,071	-	(537,501)	892,570	-
Compensated absences	392,611	741,171	(478,357)	655,425	65,543
Long-term liabilities	<u>\$ 35,668,530</u>	<u>\$ 2,992,187</u>	<u>\$ (5,601,433)</u>	<u>\$ 33,059,284</u>	<u>\$ 1,967,105</u>

The net pension liability and the net OPEB liability attributable to governmental activities will be paid by the governmental and internal service funds. The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. As of December 31, 2024, \$2,674,874 of notes payable, \$37,198 of compensated absences, \$512,421 of net pension liability and \$73,766 of net OPEB liability from internal service funds are included in the above amounts.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 INTERFUND TRANSFERS, RECEIVABLES & PAYABLES

The composition of interfund transfers as of the year ended December 31, 2024 was as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 19,836,183	\$ 2,586,823
Capital Projects Fund	1,683,200	-
Nonmajor Governmental Funds	768,622	48,315
Electric Fund	20,981	14,025,587
Water Fund	-	3,543,480
Sewer Fund	-	1,629,252
Parking Fund	-	589,548
Stormwater Fund	-	-
Internal Services Fund	<u>235,000</u>	<u>120,981</u>
Total transfers	<u>\$ 22,543,986</u>	<u>\$ 22,543,986</u>

Annual transfers of electric utility revenues have been made to the General Fund since 1996. The City's policy is that transfers may be made from the enterprise funds to the General Fund provided such transfers will take into consideration each enterprise fund's financial strength and operating condition.

The composition of interfund balances as of the year ended December 31, 2024 was as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Community Development	\$ 75,000
General	Parking	130,000
Electric	Maintenance	700,000
Electric	Parking	377,237
Water	Electric	12,000
Sewer	Water	22,320
Self Insurance	Maintenance	<u>267,418</u>
Total		<u>\$ 1,583,975</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods & services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts include balances of working capital loans made to funds that are awaiting receivables. Due to/from between governmental activities and business type activities are shown net on the Government Wide Statement of Net Position and total \$570,000.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 LEASE RECEIVABLE

The City, acting as lessor, leases access to space on electric and water towers under long-term, non-cancelable lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from sixty months to eighteen years. During the year ended December 31, 2024, the City recognized \$103,366 and \$32,402 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under these lease agreements are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 80,019	\$ 38,569	\$ 118,588
2026	85,403	37,298	122,701
2027	87,857	35,975	123,832
2028	90,378	34,615	124,993
2029	95,872	33,193	129,065
2030 - 2034	514,870	141,441	656,311
2035 - 2039	282,562	106,267	388,829
2040 - 2044	224,269	78,148	302,417
2045 - 2049	237,357	50,409	287,766
2050 - 2054	259,625	15,300	274,925
Total	<u>\$ 1,958,212</u>	<u>\$ 571,215</u>	<u>\$ 2,529,427</u>

NOTE 8 PENSIONS

Plan Description

Substantially all full-time employees of the City are covered by the Amended Pension Plan for Employees of the City of Newark, Delaware, created and operated under Section 2.98 of the City Code. This is a contributory, single-employer defined benefit pension plan accounted for as a pension trust fund and administered by the City Council sitting as the Board of Trustees. The defined benefit pension plan is reported in the City's financial statements and is not included in the report of any other public employee retirement system or other entity. A separate report for the Pension Trust Fund is not prepared.

Each year, on January 1, Milliman Consulting, prepares a complete Pension Plan Actuarial Valuation Report that is available for review in the Finance Department. On a monthly basis, Vanguard Investment Group, the Principal Financial Group, and DTI Consulting prepare performance monitoring reports on the investment returns of plan assets. Finance Department staff prepares a separate report which, along with those of the consultants, is transmitted to the Board of Trustees, discussed at regular public meetings and made available for review in the Finance Department.

All employees, immediately upon date of hire, who meet one of the five eligible classes of membership, are eligible to enroll in the Plan: Local 1670 employees hired prior to April 1, 2014, Employees Council hired prior to January 1, 2014, exempt employees hired prior to January 1, 2012, police employees and special police (Chief of Police) hired prior to January 1, 2012. The plan is closed to all membership classes except for police employees. Benefits are determined by membership class, but eligibility and vesting are based on total service.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

Although plan assets are collectively managed and administered, the plan is a combination of three plans with distinctly different levels of benefits. Although there are three benefit levels, all plan assets are available to pay benefits to any plan member. The three plans are:

1. Non-Police – civilian, non-sworn, regular, full-time employees
2. Police – all sworn police officers except the Chief of Police
3. Special Police – the Chief of Police

Non-Police and Special Police employees are entitled to a benefit at 2.1 percent of their final average compensation comprised of base pay plus longevity times years of credited service. For Exempt and Special Police employees, final average compensation equals the average of the employee's 60 highest paid consecutive months of City employment. For members of the Communication Workers of America (white collar) and the American Federation of State, County and Municipal Employees (blue collar), final average compensation equals the average of the employee's 36 highest paid consecutive months of City employment. For Non-Police employees the normal retirement date is the first day of the month coinciding with or next following the latter of the fifth anniversary of the member's plan participation date or the member's 65th birthday. For Special Police the normal retirement date is the later of the employee's 50th birthday or the employee's fifth anniversary of participation in the Plan. The Plan permits early retirement for Non-Police employees at age 55 with the completion of 15 or more years of credited service. The early retirement benefit is actuarially reduced unless the sum of years of service and age is equal to 85. There are no early retirement options for Special Police.

Police employees are entitled to a benefit calculated at different rates. For service prior to January 1, 1978, a benefit at 2.2 percent of the final average compensation (the average of the employee's 36 highest paid consecutive months of employment with the City) comprised of base pay plus longevity times years of credited service. For service from January 1, 1978 through December 31, 1987, service credits accumulate at the rate of 2.25 percent for each year of service. For service after December 31, 1987, service credits accumulate at the rate of 2.5 percent for each year of service up to twenty years.

Service credits accumulate at the rate of 3.5 percent per year after twenty years.

Police members shall not be required to contribute after accumulating the maximum normal retirement benefit of 67.5 percent of final average compensation.

Normal retirement for Police employees hired before January 1, 1989, is the earlier of (1) the later of the employee's 50th birthday or the fifth anniversary of the member's date of participation in the plan or (2) the completion of 20 years of credited service as a Police employee. For a Police employee hired after January 1, 1989, normal retirement occurs upon the completion of 20 years of credited service as a contributing member. A Police member who has completed 15 or more years of credited service and who terminates employment no more than five years prior to the member's Normal Retirement Date shall be eligible to receive a retirement pension benefit commencing on the first of the month following the member's Normal Retirement Date.

Each employee who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment may be eligible for a disability pension equal to the employee's accumulated service credits, reduced by any benefits paid under the City's long-term disability insurance program. Police and Special Police employees whose disability results from the discharge of their official duties, shall receive pension benefits of not less than seventy-five percent of their prior December 1st compensation, reduced by any benefits paid under any workmen's compensation law, the City's long-term disability issuance program and 50 percent of actual Social Security Act disability benefits.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

If a member terminates employment before becoming eligible for any other benefits under the plan, the member is entitled to a complete refund of the employee's pension contributions. The contributions are refunded with interest, which accumulates at the rate of four percent annually.

With five years or more of credited service, eight vested benefit options of equivalent actuarial value are available as follows:

1. A retirement benefit for the remainder of the employee's life.
2. A retirement benefit for a minimum of five years and then only for the rest of the member's life. If the member does not live for five years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the five-year period.
3. A retirement benefit for a minimum of 10 years and then only for the rest of the member's life. If the member does not live for 10 years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the 10-year period.
4. A retirement benefit for a minimum of 15 years and then only for the rest of the member's life. If the member does not live for 15 years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the 15-year period.
5. A survivor benefit equal to 50 percent of the employee's benefit after the member's death.
6. A survivor benefit equal to 66-2/3 percent of the employee's benefit after the member's death.
7. A survivor benefit equal to 75 percent of the employee's benefit after the member's death.
8. A survivor benefit equal to 100 percent of the employee's benefit after the member's death.

The contribution percentage for Employees Council, Management Employees and Special Police employees in 2024 was 4.5 percent of current base and longevity pay earned. Contributions for AFSCME Locals 1670 and 3919 for 2024 was 2.5 percent.

Police employees of the City are required to contribute a variable percentage of their current base and longevity pay.

The Police employee contribution rate, as outlined in the FOP Collective Bargaining Agreement approved by City Council, is equal to the City's contribution rate to the police fund for the prior year; however, the rate increase is limited to not more than 2 percent over the previous year's contribution rate and the overall rate cannot exceed 7.0 percent. The Police employee contribution rate was 7.0 percent in 2024.

In 2006, the assumed retirement rates for police officers hired before 1989 were updated to reflect actual plan experience. Previously, it was assumed that these officers retired by age 50. Now, their assumed retirement age follows a table of rates, ending at the age at which they attain maximum accumulated service credits (67.5 percent of final average earnings). Significant actuarial assumptions used in determining the net pension benefit obligation include:

- (a) rate of return on the investment present and future assets of 6 percent per year compounded annually, net of investment and administrative expenses;
- (b) salaries that are assumed to increase annually by a percentage that is based on years of service with rates varying from 3.5 percent to 6.0 percent for non-police employees and 3.5 percent to 8.5 percent for police employees;
- (c) 2.5 percent employee contribution rate for AFSCME, 4.5 percent for CWA, Management and Special police and 7.0 percent for police and;
- (d) the assumption that benefits will not increase after retirement.

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 PENSIONS (cont'd)

The City's contributions for the fiscal year ended December 31, 2024 totaled \$5,039,563 including \$540,066 of funds provided by the State of Delaware. The State aid for police pension is recorded through the general fund escrow account.

Plan Membership

As of January 1, 2024, the most recent actuarial valuation, employee membership consisted of:

Police and Nonpolice Participants	Police	Non Police	Total
Active employees	53	73	126
Retired and disabled members receiving benefits	81	140	221
Deferred vested participants	2	12	14
Total	136	225	361

The City's total payroll for all employees covered by the Plan for the current year was \$11,979,188. Participation in the plan is required for management employees hired prior to January 1, 2012, Local 1670 employees hired prior to April 1, 2014, and Employees Council hired prior to January 1, 2014.

Plan Administration

The City Council of Newark, Delaware, acting as Trustees of the Amended Pension Plan for Employees of the City of Newark, Delaware is responsible for directing and monitoring the investment policies and management of Plan Assets. Administration of the Plan is overseen by the Operations and Investment Committee and is composed of three individuals appointed by City Council. The Operations and Investment Committee has the authority to determine the accuracy and timeliness of all payments due the Plan, accounting for and depositing all payments made to the Plan, making payment and distribution of moneys as authorized by the Trustees, answering all correspondence on the rights and benefits of members and employees, certifying application for benefits to the Trustees for approval or confirmation, directing and monitoring the performance of all consultants, managers, custodians, compiling information on investments for presentation to Trustees, keeping records, files, and documents belonging to Trustees, assisting the Trustees in the discharge of their functions, reviewing and determining actuarial assumptions.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

Investment Policy

The Pension Committee is responsible for administering the investment policies of the Plan and providing oversight for the management of the Plan assets. The investment goal of the Plan is long term growth of capital with emphasis on total return while avoiding excessive risk. Investment managers are expected to adhere to investment management styles for which they are hired and are evaluated regularly for adherence to investment discipline. Managers are expected to purchase and hold a wide variety of different instruments or securities. The trust invests in several fixed income mutual funds with varying rates Ba+ or higher.

The following was the Plan's adopted asset allocation policy as of December 31, 2024:

Asset Class	Minimum	Maximum	Target
Risk Based Assets	60%	80%	70%
Large Cap U.S. Equity	20%	30%	25%
Mid Cap U.S. Equity	5%	20%	10%
Small Cap U.S. Equity	0%	15%	5%
Non-U.S. Equity	5%	20%	10%
Emerging Market Equity	0%	10%	5%
Real Estate	0%	10%	5%
High Yield Bonds	0%	15%	7%
Commodities	0%	5%	3%
Fixed Income	25%	35%	28%
Cash	0%	30%	2%

Plan Assets

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The Vanguard Company manages the investment of pension plan assets and maintains numerous commingled investment funds for qualified public employee pension plans. These investments are not categorized according to the level of risk assumed at year end because they are not represented by securities.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee, and actuarial services, are charged and paid by short-term assets of the plan.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

The condensed financial statements as of and for the year ended December 31, 2024 are as follows:

Statement of Fiduciary Net Position
Employee's Pension Trust Fund

ASSETS	
Cash and cash equivalents	\$ 1,924,336
Investments:	
Domestic equity mutual funds	42,638,461
International equity mutual funds	14,994,862
Fixed income mutual funds	37,255,115
Real estate equity funds	5,088,569
Accounts receivable	62,778
Contributions receivable	270,033
Total assets	<u>102,234,154</u>
NET POSITION	
Restricted for employee post employment benefits	<u>\$ 102,234,154</u>

Statement of Changes in Fiduciary Net Position
Employee's Pension Trust Fund

ADDITIONS	
Contributions:	
Employer contributions	\$ 4,499,497
State aid - police	540,066
Employee contributions	591,407
Total contributions	<u>5,630,970</u>
Investments:	
Investment earnings	2,829,648
Net increase in fair value of investments	6,515,585
Investment expense	(95,235)
Total investment earnings (deficit)	<u>9,249,998</u>
Total additions	<u>14,880,968</u>
DEDUCTIONS	
Benefits	6,334,849
Administrative expenses	59,165
Total deductions	<u>6,394,014</u>
Change in net position	8,486,954
Net position, January 1	<u>93,747,200</u>
Net position, December 31	<u>\$ 102,234,154</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

Concentrations

The Pension Plan did not hold investments in any one organization that represented 5 percent or more of the Plan's fiduciary net position as of December 31, 2024.

Rate of Return of Investments

The annual money weighted rate of return on pension plan investments, net of pension plan investment expenses, for the fiscal year ended December 31, 2024 was 9.94 percent. The money-weighted rate of return considers the changing amounts invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

The long-term expected rate of return on pension plan investments was determined by adding the expected inflation to expected long-term real returns, reflecting expected volatility and correlation. Best estimates of real rate of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024 are detailed below:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U.S. Cash	2.00%	0.94%
U.S. Corporate Bonds	10.00%	2.91%
U.S. Government Bonds	18.00%	1.84%
U.S. High Yield Bonds	7.00%	4.04%
U.S. Large Cap	25.00%	5.33%
U.S. Mid Cap	10.00%	5.73%
U.S. Small Cap	5.00%	6.82%
Foreign Developed Equity	10.00%	6.91%
Emerging Markets Equity	5.00%	9.29%
U.S. REITs	5.00%	6.80%
Commodities	3.00%	3.38%

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 PENSIONS (cont'd)

Net Pension Liability

The net pension liability of the trust as of December 31, 2024 was for the measurement date December 31, 2024:

Total pension liability	\$ 133,290,000
Fiduciary net position	<u>(102,234,154)</u>
Net pension liability	<u>\$ 31,055,846</u>
Fiduciary net position as a % of total pension liability	76.70%
Changes in net pension liability:	
Service cost	\$ 2,299,613
Interest on total pension liability	7,578,980
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	2,608,256
Effect of assumptions changes or inputs	-
Benefit payments	<u>(6,334,849)</u>
Net change in total pension liability	6,152,000
Total pension liability, beginning	<u>127,138,000</u>
Total pension liability, ending (a)	<u>\$ 133,290,000</u>
Fiduciary Net Position	
Employer contributions	5,039,563
Member contributions	591,407
Investment income net of investment expenses	9,249,998
Benefit payments	(6,334,849)
Administrative expenses	<u>(59,165)</u>
Net change in plan fiduciary net position	8,486,954
Fiduciary net position, beginning	<u>93,747,200</u>
Fiduciary net position, ending (b)	<u>\$ 102,234,154</u>
Net pension liability, ending = (a) - (b)	<u>\$ 31,055,846</u>
Covered payroll	\$ 11,979,188
Net pension liability as a % of covered payroll	259.25%

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 PENSIONS (cont'd)

Method and assumptions used to determine net pension liability were as follows:

Valuation date	January 1, 2024, rolled forward to December 31, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 18 year amortization period and will decline by 1 year each year. The portion of the unfunded liability associated with the adoption of the County Plan death benefit for police is amortized over a closed 10 year period beginning with 2019 valuation. New Plan for electing police is amortized over a closed 10 year period beginning with 2021 valuation.
Asset valuation method	Fair value of assets less unrecognized gains/losses over a 3-year period. Gains/losses are based on actuarial value of assets.
Actuarial assumptions:	
Investment rate of return	6.00%
Projected salary increases	Based on 2.5% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Cost of living adjustments	None
Retirement	Rates vary by employee group, age, and type of retirement,
Mortality rate	PUBG/PUBS-2010 Mortality Tables projected on a generational basis using Scale MP-2021.

Discount Rate

The discount rate for calculating the total pension liability is equal to a single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount rate	6.00%
Long-term expected rate of return, net of investment return	6.00%
Bond Buyer General Obligation 20- Bond Municipal Bond Index	4.08%

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 PENSIONS (cont'd)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Amended Pension Plan for the Employees of the City of Newark, Delaware, calculated using the discount rate of 6 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate of 1 percentage point lower (5 percent) or 1 percentage point higher (7 percent) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total pension liability	\$ 150,098,000	\$ 133,290,000	\$ 119,335,000
Fiduciary net position	102,234,154	102,234,154	102,234,154
Net pension liability	<u>\$ 47,863,846</u>	<u>\$ 31,055,846</u>	<u>\$ 17,100,846</u>

Deferred Inflows/Outflows of Resources

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,291,980
Changes of assumptions	1,037,755	258,952
Net difference between projected and actual earnings	-	36,421
Total	<u>\$ 1,037,755</u>	<u>\$ 2,587,353</u>

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

Year ended December 31:

2025	\$ 1,430,641
2026	2,877,731
2027	(2,029,230)
2028	(729,544)
	<u>\$ 1,549,598</u>

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. All assets and income of the DCP are held in the DCP Trust for the exclusive benefit of participants and their beneficiaries. These assets are not the sole property of the City and are not subject to the claims of the City's general creditors, therefore, the assets are not on the City's balance sheet and all costs and expenses of administering the plan are borne by the participants.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City of Newark Other Post-Employment Benefits Trust Fund is a single employer defined benefit OPEB plan administered by the City Council sitting as the Board of Trustees. The fund, adopted under City Resolution No. 08-DD on December 8, 2008, provides medical and life insurance benefits to eligible retired City employees and their spouses. The plan is reported in the City's financial statements and is not included in the report of any other public employee retirement system or other entity. A separate report for the OPEB Trust Fund has not been prepared.

Participant data consisted of the following at January 1, 2023, the date of the latest actuarial valuation:

<u>Participants</u>	
Active	150
Retired	<u>174</u>
Total	<u><u>324</u></u>

Funding Policy

The trust is funded through contributions made by the City as an employer, earnings from investments, and reimbursements from retirees and spouses. The City's cost of providing retiree medical coverage and life insurance is paid out of the OPEB Fund. In 2024, the City contributed \$1,949,480 to prefund benefits and to pay current premiums for post-employment benefits. For 2024, the current premium costs of those benefits were \$949,480.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

Investment Policy/ Rate of Return/Discount Rate

The pension trust and OPEB trust share the same investment policy, long term expected rate of return results and discount rate. Refer to footnote 8 for this information.

The annual money weighted rate of return on OPEB plan investments, net of plan investment expenses, for the fiscal year ended December 31, 2024, was 9.76 percent. The money-weighted rate of return considers the changing amounts invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. The money-weighted rate of return is calculated net of investment expenses.

Discount Rate

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Discount rate	6.00%
Long-term expected rate of return, net of investment return	6.00%
Bond Buyer General Obligation 20- Bond Municipal Bond Index	4.08%

The condensed financial statements as of and for the year ended December 31, 2024 are as follows:

Statement of Fiduciary Net Position
Other Post-Employment Benefits Plan
December 31, 2024

ASSETS	
Cash and cash equivalents	\$ 508,971
Investments:	
Domestic equity mutual funds	9,678,250
International equity mutual funds	3,397,359
Fixed income mutual funds	8,002,573
Real estate equity funds	1,153,357
Accounts receivable	15,186
Total assets	<u>22,755,696</u>
NET POSITION	
Restricted for employee post employment benefits	<u>\$ 22,755,696</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

Statement of Changes in Fiduciary Net Position
Other Post-Employment Benefits Plan
For the Year Ended December 31, 2024

ADDITIONS	
Contributions:	
Employer contributions	\$ 1,949,480
Investments:	
Investment earnings	623,945
Net increase (decrease) in fair value of investments	1,368,736
Investment expense	<u>(16,363)</u>
Total additions	<u>3,925,798</u>
DEDUCTIONS	
Benefits	949,480
Administrative expenses	<u>8,235</u>
Total deductions	<u>957,715</u>
Change in net position	2,968,083
Net position, January 1	<u>19,787,613</u>
Net position, December 31	<u><u>\$ 22,755,696</u></u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

Net OPEB Liability

The components of the net OPEB liability of the trust as of December 31, 2024 were as follows:

Total OPEB liability	\$ 26,444,000
Fiduciary net position	<u>(22,755,696)</u>
Net OPEB liability	<u>\$ 3,688,304</u>
Fiduciary net position as a % of total OPEB liability	86.05%

Changes in Net OPEB Liability

Total OPEB liability	
Service cost	\$ 519,062
Interest on total OPEB liability	1,535,080
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	(25,662)
Effect of assumptions changes or inputs	-
Benefit payments	<u>(1,281,480)</u>
Net change in total OPEB liability	747,000
Total OPEB liability, beginning	<u>25,697,000</u>
Total OPEB liability, ending (a)	<u>\$ 26,444,000</u>
Fiduciary net position	
Employer contributions	2,281,480
Investment income net of investment expenses	1,976,318
Benefit payments	(1,281,480)
Administrative expenses	<u>(8,235)</u>
Net change in plan fiduciary net position	2,968,083
Fiduciary net position, beginning	<u>19,787,613</u>
Fiduciary net position, ending (b)	<u>\$ 22,755,696</u>
Net OPEB liability, ending = (a) - (b)	<u>\$ 3,688,304</u>
Fiduciary net position as a % of total OPEB liability	86.05%
Covered payroll	\$ 11,209,080
Net OPEB liability as a % of covered payroll	32.90%

**CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

The City's net OPEB liability was measured as of December 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023.

Method and assumptions used to determine net OPEB liability were as follows:

Valuation date	January 1, 2023, rolled forward to December 31, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 18 year amortization period and will decline by 1 year each year.
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.00%
Projected salary increases	Based on 2.5% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Healthcare cost trend rates	Based on Society of Actuaries Getzen Model with adjustments for administrative expenses, aging factors, and healthcare reform provisions.
Mortality rate	PUBG/PUBS-2010 Mortality Tables projected on a generational basis using Scale MP-2021.

Sensitivity Analysis

The following presents the net OPEB for the City, calculated using the discount rate of 6 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate of 1 percentage point lower (5.00 percent) or 1 percentage point higher (7.00 percent) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB liability	\$ 28,826,000	\$ 26,444,000	\$ 24,335,000
Fiduciary net position	22,755,696	22,755,696	22,755,696
Net OPEB liability	<u>\$ 6,070,304</u>	<u>\$ 3,688,304</u>	<u>\$ 1,579,304</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

The following presents the net OPEB for the City, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate of 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 25,065,000	\$ 26,444,000	\$ 27,637,000
Fiduciary net position	22,755,696	22,755,696	22,755,696
Net OPEB liability	<u>\$ 2,309,304</u>	<u>\$ 3,688,304</u>	<u>\$ 4,881,304</u>

Deferred Inflows/Outflows of Resources

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 19,403	\$ 577,891
Changes of assumptions	191,654	824,122
Net difference between projected and actual earnings	149,437	-
Total	<u>\$ 360,494</u>	<u>\$ 1,402,013</u>

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

Year ended December 31:	
2025	\$ 641,420
2026	944,383
2027	(391,708)
2028	(152,576)
	<u>\$ 1,041,519</u>

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11 SECTION 401A PLANS

CITY MANAGER'S RETIREMENT FUND

The City of Newark 401A Retirement Fund is a money purchase retirement plan known as the City of Newark, Delaware City Manager's Pension Plan. This plan is administered by the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust with the City Council of Newark serving as the trustee and there is no formal board for the plan. The plan was adopted under Resolution No. 08-W on October 13, 2008. The former City Manager participated in the plan. Contributions to the plan were made by the City and the former City Manager according to the plan contribution provisions. There were no contributions to the Fund in 2024.

EMPLOYEES RETIREMENT FUND

The City of Newark 401A Retirement Fund is a money purchase retirement plan and trust known as the City of Newark, Delaware Employee Defined Contribution Pension Plan. This plan is administered by the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, with the City Council of Newark serving as the trustee and there is no formal board for the plan. The plan, adopted under Resolution No. 12-R on October 8, 2012 and amended on January 1, 2014, includes management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and Employees Council hired after January 1, 2014. Contributions to the plan are made by the City and covered employees according to the plan's contribution provisions. In 2024, total contributions to the plan were \$1,069,678.

NOTE 12 RETIREMENT HEALTH SAVINGS PLANS

City employees participate in the following Retirement Health Savings Plans depending on date of hire:

The City of Newark Retirement Health Savings Plan 2009 is an employer-sponsored health savings plan that is administered by the ICMA Retirement Corporation with the City Council acting as trustee and there is no formal board for the plan. The fund, adopted under City Resolution No. 09-Q on August 24, 2009, is a savings vehicle that allows management employees to accumulate assets to pay for their medical expenses, their spouse's, and their dependents in retirement. In 2024, contributions to the plan were \$15,148.

The City of Newark Retirement Health Savings Plan 2012 is an employer-sponsored health savings plan that is administered by the ICMA Retirement Corporation with the City Council acting as trustee and there is no formal board for the plan. The fund, adopted under City Resolution No. 12-S on October 8, 2012 and amended on January 1, 2014, is a savings vehicle that allows management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and Employees Council employees hired after January 1, 2014, to accumulate assets to pay for their medical expenses, their spouse's, and their dependents in retirement. Contributions to the plan are made by the City and covered employees according to the plan contribution provisions. In 2024, plan contributions totaled \$318,876.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 13 RISK MANAGEMENT

The City maintains commercial insurance coverage for risk of losses relating to general, automotive, police professional, public officials and crime. There has been no significant change in coverage during the past year. There are no outstanding general liability claims above the insurance limit.

The City is self-insured for workers' compensation claims prior to May 14, 2019; however, medical costs related to on-the-job injuries are covered by the City's health insurance provider for employees covered by the City's group health plan. There is one workers' compensation claim above the insurance limit. The City's compensation payments are calculated based upon a written policy administered by the City.

The City maintains an insurance fund for worker's compensation claims and deductible amounts paid to its insurance underwriters. That insurance fund is included in these statements. Resources are allocated to this fund from operating funds. Historically, the City has experienced very few individual claims. As of December 31, 2024, there were several outstanding workers compensation claims included in accrued liabilities:

Fiscal Year	Aggregate Liability for Claims beginning 1/1	Current Year Claims	Actual Claims Payments	Change In Estimate	Aggregate Liability for Claims ending 12/31
2024	\$ 1,370,983	\$ -	\$ (243,075)	\$ (860,490)	\$ 267,418
2023	\$ 1,400,713	\$ -	\$ (29,730)	\$ -	\$ 1,370,983

NOTE 14 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC.

The City is a member of the Delaware Municipal Electric Corporation (DEMEC). DEMEC is a public corporation constituted as a Joint Action Agency and a wholesale electric utility. DEMEC was established in 1979 and represents nine municipal electric distribution utilities located in the State of Delaware and provides full requirements wholesale electric power supply service to eight of the nine members, including the City, through the operation of owned generation assets and various wholesale supply contracts with external parties.

The City purchases 100 percent of its electric supply requirements from DEMEC under a long-term full requirements service contract that became effective January 1, 2004 and which will remain in effect unless terminated upon one year's written notice by either party. The obligation of the City to purchase and pay for full requirements service, including its allocated costs under any then current forward contract for capacity and energy between DEMEC and a third party in effect as of the date of notice of termination, shall survive the termination of this Agreement.

On May 1, 2001, the City entered into separate power sales agreements to purchase a 47.4 percent interest in the capacity produced by Unit 1 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. The City is entitled to 47.4 percent of all power supply and ancillary products generated from the existing nominal 45 MW natural gas fired combustion turbine generator for the useful life of the facility.

CITY OF NEWARK, DELAWARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 14 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC. (cont'd)

On May 1, 2011, the City entered into separate power sales agreements to purchase a 43.7 percent interest in the capacity produced by Unit 2 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. The City is entitled to 43.7 percent of all power supply and ancillary products generated from the existing nominal 50 MW natural gas fired combustion turbine generator for the useful life of the facility.

Under the terms of the various agreements, DEMEC is authorized to act as agent for the City in all matters relating to the acquisition and delivery of its wholesale power supply and management of energy cost risk on behalf of the City in the deregulated energy markets.

In December 2015, DEMEC entered into a loan agreement with the Delaware Sustainable Energy Utility for the purpose of financing a LED Streetlight Project for the City. This loan is recorded on DEMEC's financial statement. DEMEC is repaying the debt with the City's Green Energy Funds which are held by DEMEC. Upon completion of the project in 2016, the City recognized the LED streetlights as assets. Capital grant revenue will be recognized over the repayment period.

NOTE 15 ENCUMBRANCES

Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. Amounts reported as encumbrances in the General Fund are reported as an assignment of Fund Balance. Encumbrances in the Capital Projects Fund and Other Governmental Funds are reported as restricted and assigned fund balances. The following table includes functional encumbrance balances as of December 31, 2024:

	Total	General Fund	Capital Projects Fund	Other Governmental Funds
General government	\$ 160,576	\$ 160,576	\$ -	\$ -
Public safety	122,739	103,045	-	19,694
Public works	41,304	41,304	-	-
Community development	57,689	-	-	57,689
Culture & recreation	22,410	22,410	-	-
Capital projects	<u>2,348,194</u>	<u>-</u>	<u>2,328,652</u>	<u>19,542</u>
	<u>\$ 2,752,912</u>	<u>\$ 327,335</u>	<u>\$ 2,328,652</u>	<u>\$ 96,925</u>

NOTE 16 LITIGATION

There were four pending lawsuits in which the City was involved at December 31, 2024. One case has been voluntarily dismissed by both parties, and one case was settled in 2025. The City has filed a motion to dismiss the third suit and the other case is in the initial stages, but the damages are not material and the City is confident in receiving a favorable outcome. Additionally, there were three other pending workers compensation claims against the City as of the date of the financial statements but one reached final settlement in 2025.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS *
DECEMBER 31

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service cost	\$ 1,630,162	\$ 1,739,878	\$ 1,839,970	\$ 1,828,519	\$ 1,970,556	\$ 2,359,669	\$ 2,221,396	\$ 2,663,117	\$ 2,365,284	\$ 2,299,613
Interest on total pension liability	5,295,916	5,545,543	5,667,566	5,888,322	6,307,605	6,319,393	6,693,283	7,024,279	7,344,620	7,578,980
Effect of plan changes	-	-	301,000	3,000	895,000	1,377,000	(374,000)	-	-	-
Effect of economic/demographic (gains) or losses	596,848	503,390	403,715	1,877,397	(513,503)	(143,965)	1,803,969	770,060	542,716	2,608,256
Effect of assumptions changes or inputs	-	4,565,000	-	1,603,000	4,251,000	1,689,000	5,438,000	(3,868,000)	-	-
Benefit payments	(3,930,926)	(4,206,811)	(4,762,251)	(4,848,238)	(4,936,658)	(5,093,097)	(5,373,648)	(5,865,456)	(6,228,620)	(6,334,849)
Net change in total pension liability	3,592,000	8,147,000	3,450,000	6,352,000	7,974,000	6,508,000	10,409,000	724,000	4,024,000	6,152,000
Total pension liability, beginning	75,958,000	79,550,000	87,697,000	91,147,000	97,499,000	105,473,000	111,981,000	122,390,000	123,114,000	127,138,000
Total pension liability, ending (a)	<u>\$ 79,550,000</u>	<u>\$ 87,697,000</u>	<u>\$ 91,147,000</u>	<u>\$ 97,499,000</u>	<u>\$ 105,473,000</u>	<u>\$ 111,981,000</u>	<u>\$ 122,390,000</u>	<u>\$ 123,114,000</u>	<u>\$ 127,138,000</u>	<u>\$ 133,290,000</u>
Fiduciary Net Position										
Employer contributions	3,546,256	3,448,649	3,341,627	3,850,986	3,912,802	4,524,655	4,588,731	4,283,578	5,051,314	5,039,563
Member contributions	513,766	522,921	529,344	565,748	641,550	671,488	637,250	618,836	588,722	591,407
Investment income (loss) net of investment expenses	231,608	4,421,702	9,216,606	(3,787,283)	13,381,274	10,288,215	11,204,871	(15,092,835)	11,853,305	9,249,998
Benefit payments	(3,930,926)	(4,206,811)	(4,762,251)	(4,848,238)	(4,936,658)	(5,093,097)	(5,373,648)	(5,865,456)	(6,228,620)	(6,334,849)
Administrative expenses	(29,425)	(80,915)	(53,630)	(86,550)	(116,285)	(63,695)	(107,660)	(77,385)	(87,215)	(59,165)
Net change in plan fiduciary net position	331,279	4,105,546	8,271,696	(4,305,337)	12,882,683	10,327,566	10,949,544	(16,133,262)	11,177,506	8,486,954
Fiduciary net position, beginning	56,139,979	56,471,258	60,576,804	68,848,500	64,543,163	77,425,846	87,753,412	98,702,956	82,569,694	93,747,200
Fiduciary net position, ending (b)	<u>\$ 56,471,258</u>	<u>\$ 60,576,804</u>	<u>\$ 68,848,500</u>	<u>\$ 64,543,163</u>	<u>\$ 77,425,846</u>	<u>\$ 87,753,412</u>	<u>\$ 98,702,956</u>	<u>\$ 82,569,694</u>	<u>\$ 93,747,200</u>	<u>\$ 102,234,154</u>
Net pension liability, ending = (a) - (b)	<u>\$ 23,078,742</u>	<u>\$ 27,120,196</u>	<u>\$ 22,298,500</u>	<u>\$ 32,955,837</u>	<u>\$ 28,047,154</u>	<u>\$ 24,227,588</u>	<u>\$ 23,687,044</u>	<u>\$ 40,544,306</u>	<u>\$ 33,390,800</u>	<u>\$ 31,055,846</u>
Fiduciary net position as a % of total pension liability	70.99%	69.08%	75.54%	66.20%	73.41%	78.36%	80.65%	67.07%	73.74%	76.70%
Covered payroll	\$ 12,562,421	\$ 12,908,988	\$ 12,128,926	\$ 12,593,688	\$ 12,651,764	\$ 12,959,760	\$ 12,784,771	\$ 12,507,674	\$ 11,295,736	\$ 11,979,188
Net pension liability as a % of covered payroll	183.71%	210.09%	183.85%	261.69%	221.69%	186.94%	185.28%	324.16%	295.61%	259.25%

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS *
DECEMBER 31, 2024

Notes to schedule:

Valuation date	January 1, 2024, rolled forward to December 31, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 18 year amortization period and will decline by 1 year each year. The portion of the unfunded liability associated with the adoption of the County Plan death benefit for police is amortized over a closed 10 year period beginning with 2019 valuation. New Plan for electing police is amortized over a closed 10 year period beginning with 2021 valuation.
Asset valuation method	Fair value of assets less unrecognized gains/losses over a 3-year period. Gains/losses are based on actuarial value of assets.
Actuarial assumptions:	
Investment rate of return	6.00%
Projected salary increases	Based on 2.5% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Cost of living adjustments	None
Retirement	Rates vary by employee group, age, and type of retirement,
Mortality rate	PUBG/PUBS-2010 Mortality Tables projected on a generational basis using Scale MP-2021.

CITY OF NEWARK, DELAWARE
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
DECEMBER 31

<u>Fiscal Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
2015	2,998,093	3,546,256	(548,163)	12,562,421	28.23%
2016	3,044,590	3,448,649	(404,059)	12,908,988	26.72%
2017	3,507,333	3,341,627	165,706	12,128,926	27.55%
2018	3,857,788	3,850,986	6,802	12,593,688	30.58%
2019	3,897,013	3,912,802	(15,789)	12,651,764	30.93%
2020	4,464,562	4,524,655	(60,093)	12,959,760	34.91%
2021	4,513,368	4,588,731	(75,363)	12,784,771	35.89%
2022	4,755,815	4,283,578	472,237	12,507,674	34.25%
2023	4,545,763	5,051,314	(505,551)	11,295,736	44.72%
2024	5,013,746	5,039,563	(25,817)	11,979,188	42.07%

SCHEDULE OF INVESTMENT RETURNS*

Year Ended December 31, 2015	0.41%
Year Ended December 31, 2016	7.86%
Year Ended December 31, 2017	15.35%
Year Ended December 31, 2018	-5.53%
Year Ended December 31, 2019	20.84%
Year Ended December 31, 2020	13.30%
Year Ended December 31, 2021	12.80%
Year Ended December 31, 2022	-15.39%
Year Ended December 31, 2023	14.45%
Year Ended December 31, 2024	9.94%

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS **
FOR THE YEAR ENDED DECEMBER 31

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 440,270	\$ 467,117	\$ 463,065	\$ 482,265	\$ 482,173	\$ 424,411	\$ 519,062
Interest on total OPEB liability	1,289,956	1,342,448	1,221,074	1,305,308	1,255,262	1,343,487	1,535,080
Effect of plan changes	-	-	187,000	(182,000)	-	-	-
Effect of economic/demographic (gains) or losses	(25,162)	(77,387)	(33,164)	541,428	29,246	969,734	(25,662)
Effect of assumptions changes or inputs	(51,000)	(1,194,000)	372,000	(1,217,000)	(91,000)	1,609,000	-
Benefit payments (including implicit rate subsidy)	<u>(918,064)</u>	<u>(827,178)</u>	<u>(843,975)</u>	<u>(806,001)</u>	<u>(903,681)</u>	<u>(1,215,632)</u>	<u>(1,281,480)</u>
Net change in total OPEB liability	736,000	(289,000)	1,366,000	124,000	772,000	3,131,000	747,000
Total OPEB liability, beginning	<u>19,857,000</u>	<u>20,593,000</u>	<u>20,304,000</u>	<u>21,670,000</u>	<u>21,794,000</u>	<u>22,566,000</u>	<u>25,697,000</u>
Total OPEB liability, ending (a)	<u>\$ 20,593,000</u>	<u>\$ 20,304,000</u>	<u>\$ 21,670,000</u>	<u>\$ 21,794,000</u>	<u>\$ 22,566,000</u>	<u>\$ 25,697,000</u>	<u>\$ 26,444,000</u>
Fiduciary net position							
Employer contributions	1,414,064	1,426,178	1,638,975	1,679,226	1,803,681	2,215,632	2,281,480
Implicit rate subsidy contribution*	304,000	201,000	205,000	132,000	136,000	321,000	332,000
Investment income (loss) net of investment expenses	(543,150)	2,044,852	2,042,865	2,000,344	(2,820,984)	2,490,075	1,976,318
Benefit payments	(614,064)	(626,178)	(638,975)	(674,001)	(903,681)	(1,215,632)	(1,281,480)
Implicit rate subsidy payments*	(304,000)	(201,000)	(205,000)	(132,000)	(136,000)	(321,000)	(332,000)
Administrative expenses	<u>(22,390)</u>	<u>(15,440)</u>	<u>(21,290)</u>	<u>(12,265)</u>	<u>(27,340)</u>	<u>(22,090)</u>	<u>(8,235)</u>
Net change in plan fiduciary net position	234,460	2,829,412	3,021,575	2,993,304	(1,948,324)	3,467,985	2,968,083
Fiduciary net position, beginning	<u>9,189,201</u>	<u>9,423,661</u>	<u>12,253,073</u>	<u>15,274,648</u>	<u>18,267,952</u>	<u>16,319,628</u>	<u>19,787,613</u>
Fiduciary net position, ending (b)	<u>\$ 9,423,661</u>	<u>\$ 12,253,073</u>	<u>\$ 15,274,648</u>	<u>\$ 18,267,952</u>	<u>\$ 16,319,628</u>	<u>\$ 19,787,613</u>	<u>\$ 22,755,696</u>
Net OPEB liability, ending = (a) - (b)	<u>\$ 11,169,339</u>	<u>\$ 8,050,927</u>	<u>\$ 6,395,352</u>	<u>\$ 3,526,048</u>	<u>\$ 6,246,372</u>	<u>\$ 5,909,387</u>	<u>\$ 3,688,304</u>
Fiduciary net position as a % of total OPEB liability	45.76%	60.35%	70.49%	83.82%	72.32%	77.00%	86.05%
Covered payroll	\$ 11,696,145	\$ 12,425,486	\$ 12,826,195	\$ 12,775,169	\$ 12,371,445	\$ 12,483,748	\$ 11,209,080
Net OPEB liability as a % of covered payroll	95.50%	64.79%	49.86%	27.60%	50.49%	47.34%	32.90%

*In accordance with illustration B1 of the 2017-2 Implementation Guide, premium payments on behalf of retirees have been adjusted to reflect age-based claims cost. The amount of the implicit rate subsidy adjustment should be subtracted from healthcare costs attributable to active employees. Additionally, the implicit rate subsidy contribution and payments of \$332,000 are not reflected on the Statement of Changes in Net Position – Fiduciary Funds.

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS **
FOR THE YEAR ENDED DECEMBER 31

Notes to schedule:

Valuation date	January 1, 2023, rolled forward to December 31, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 18 year amortization period and will decline by 1 year each year.
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.00%
Projected salary increases	Based on 2.5% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Healthcare cost trend rates	Based on Society of Actuaries Getzen Model with adjustments for administrative expenses, aging factors, and healthcare reform provisions.
Mortality rate	PUBG/PUBS-2010 Mortality Tables projected on a generational basis using Scale MP-2021.

CITY OF NEWARK, DELAWARE
RSI - OPEB
DECEMBER 31

SCHEDULE OF EMPLOYER CONTRIBUTIONS*

<u>Fiscal Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
2015	1,171,936	535,209	636,727	N/A	N/A
2016	1,256,296	628,586	627,710	N/A	N/A
2017	1,389,203	1,001,172	388,031	11,696,145	8.56%
2018	1,383,560	1,414,064	(30,504)	11,696,145	12.09%
2019	1,249,413	1,426,178	(176,765)	12,425,486	11.48%
2020	1,203,149	1,638,975	(435,826)	12,826,195	12.78%
2021	1,070,648	1,679,226	(608,578)	12,775,169	13.14%
2022	817,551	1,667,681	(850,130)	12,371,445	13.48%
2023	1,003,858	1,894,632	(890,774)	12,483,748	15.18%
2024	1,073,440	1,949,480	(876,040)	11,209,080	17.39%

SCHEDULE OF INVESTMENT RETURNS*

Year Ended December 31, 2015	N/A
Year Ended December 31, 2016	N/A
Year Ended December 31, 2017	15.14%
Year Ended December 31, 2018	-5.65%
Year Ended December 31, 2019	20.79%
Year Ended December 31, 2020	16.00%
Year Ended December 31, 2021	12.66%
Year Ended December 31, 2022	-15.08%
Year Ended December 31, 2023	14.82%
Year Ended December 31, 2024	9.76%



COMBINING FUND STATEMENTS

Non-Major Governmental Funds:

Debt Service Fund – Used to account for principal and interest payments made for the City’s General Obligation Bonds Series 2011 and the Energy Improvement Loan.

Community Development Fund – Used to account for the City’s Community Development Block Grant from the United States Department of Housing and Urban Development passed through New Castle County Department of Community Development and Housing.

Law Enforcement Fund – Used to account for grants and other funding designated for Law Enforcement operating expenditures.

Parks and Recreation Fund – Used to account for grants and other funding designated for Parks maintenance and beautification and for the City’s Recreational program operating expenditures.

Transportation Fund – Used to account for the Unicity bus program and the related grant. Effective June 2024, the Transportation Fund became inactive due to the discontinuation of the Unicity bus program. The balance of the fund was transferred to the General Fund.

Internal Service Funds:

Maintenance Fund – This fund is used to account for the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis.

Self-Insurance Fund – This fund accounts for disability and medical claim payments made for employee job related injuries and deductible amounts paid to insurance underwriters.

Fiduciary Funds:

Pension Trust Fund – This fund is used to account for the assets held by the Pension Program in a trustee capacity for the employees of the City. The Pension Program, which is part of the City’s legal entity, is a single-employer defined benefit pension plan that provides benefits to City employees.

OPEB Trust Fund – This fund is used to account for the funding, accounting, and reporting of postemployment benefits other than pension.

**CITY OF NEWARK, DELAWARE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

		Special Revenue Funds				Total Nonmajor Governmental Funds
	Debt Service	Transportation Fund	Community Development Fund	Law Enforcement	Parks and Recreation	
ASSETS						
Cash and cash equivalents	\$ 46,341	\$ -	\$ 142,643	\$ 856,482	\$ 499,776	\$ 1,545,242
Accounts receivable	-	-	53,144	41,426	-	94,570
Total assets	<u>\$ 46,341</u>	<u>\$ -</u>	<u>\$ 195,787</u>	<u>\$ 897,908</u>	<u>\$ 499,776</u>	<u>\$ 1,639,812</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 4,388	\$ -	\$ 29,817	\$ 52,942	\$ 3,466	\$ 90,613
Unearned revenues	-	-	90,970	376,189	-	467,159
Due to other funds	-	-	75,000	-	-	75,000
Total liabilities	<u>4,388</u>	<u>-</u>	<u>195,787</u>	<u>429,131</u>	<u>3,466</u>	<u>632,772</u>
FUND BALANCES						
Restricted for						
Safetytown programs	-	-	-	-	70,342	70,342
Parks donations	-	-	-	-	34,939	34,939
Recreation donations	-	-	-	-	38,594	38,594
Island beautification	-	-	-	-	108,614	108,614
Parkland improvements	-	-	-	-	150,797	150,797
Other parks programs	-	-	-	-	93,024	93,024
Law enforcement	-	-	-	468,777	-	468,777
Assigned to						
Debt service	41,953	-	-	-	-	41,953
Total fund balances	<u>41,953</u>	<u>-</u>	<u>-</u>	<u>468,777</u>	<u>496,310</u>	<u>1,007,040</u>
Total liabilities and fund balances	<u>\$ 46,341</u>	<u>\$ -</u>	<u>\$ 195,787</u>	<u>\$ 897,908</u>	<u>\$ 499,776</u>	<u>\$ 1,639,812</u>

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Debt Service	Transportation Fund	Community Development Fund	Law Enforcement	Parks and Recreation	
REVENUES						
Interest and investment earnings	\$ -	\$ -	\$ -	\$ 6,840	\$ -	\$ 6,840
Intergovernmental revenues	-	-	195,895	419,490	150,303	765,688
Charges for services	-	-	-	-	4,804	4,804
Total revenues	-	-	195,895	426,330	155,107	777,332
EXPENDITURES						
Current:						
Public safety	-	-	-	511,323	-	511,323
Community development	-	-	157,145	-	-	157,145
Culture and recreation	-	-	-	-	13,870	13,870
Debt service:						
Principal	594,538	-	-	-	-	594,538
Interest	148,491	-	-	-	-	148,491
Capital outlay	-	-	40,245	19,850	55,095	115,190
Total expenditures	743,029	-	197,390	531,173	68,965	1,540,557
Excess (deficiency) of revenues over (under) expenditures	(743,029)	-	(1,495)	(104,843)	86,142	(763,225)
OTHER FINANCING SOURCES (USES)						
Transfers in	750,716	-	1,495	16,411	-	768,622
Transfers out	(11,798)	(36,517)	-	-	-	(48,315)
Total other financing sources and (uses)	738,918	(36,517)	1,495	16,411	-	720,307
Net change in fund balances	(4,111)	(36,517)	-	(88,432)	86,142	(42,918)
Fund balances - January 1	46,064	36,517	-	557,209	410,168	1,049,958
Fund balances - December 31	\$ 41,953	\$ -	\$ -	\$ 468,777	\$ 496,310	\$ 1,007,040

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal	\$ 1,202,039	\$ 1,202,039	\$ 594,538	\$ 607,501
Interest	173,824	173,824	148,491	25,333
Total debt service	<u>1,375,863</u>	<u>1,375,863</u>	<u>743,029</u>	<u>632,834</u>
Total expenditures	<u>1,375,863</u>	<u>1,375,863</u>	<u>743,029</u>	<u>632,834</u>
Deficiency of revenues under expenditures	<u>(1,375,863)</u>	<u>(1,375,863)</u>	<u>(743,029)</u>	<u>632,834</u>
Other Financing Sources (Uses)				
Transfers In	1,375,863	1,375,863	750,716	(625,147)
Transfers Out	<u>-</u>	<u>-</u>	<u>(11,798)</u>	<u>(11,798)</u>
Total other financing sources and uses	<u>1,375,863</u>	<u>1,375,863</u>	<u>738,918</u>	<u>(636,945)</u>
Net change in fund balances	-	-	(4,111)	<u>\$ (4,111)</u>
Fund balances - January 1	<u>46,064</u>	<u>46,064</u>	<u>46,064</u>	
Fund balances - December 31	<u>\$ 46,064</u>	<u>\$ 46,064</u>	<u>\$ 41,953</u>	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Total general government	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers Out	-	-	(36,517)	(36,517)
Total other financing sources and uses	-	-	(36,517)	(36,517)
Net change in fund balances	-	-	(36,517)	<u>\$ (36,517)</u>
Fund balances - January 1	36,517	36,517	36,517	
Fund balances - December 31	<u>\$ 36,517</u>	<u>\$ 36,517</u>	<u>\$ -</u>	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	<u>\$ 277,613</u>	<u>\$ 277,613</u>	<u>\$ 195,895</u>	<u>\$ (81,718)</u>
Total revenues	<u>277,613</u>	<u>277,613</u>	<u>195,895</u>	<u>(81,718)</u>
EXPENDITURES				
Current:				
Community development:				
Community development & subventions	<u>277,613</u>	<u>277,613</u>	<u>157,145</u>	<u>120,468</u>
Total community development	<u>277,613</u>	<u>277,613</u>	<u>157,145</u>	<u>120,468</u>
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>40,245</u>	<u>(15,245)</u>
Total expenditures	<u>302,613</u>	<u>302,613</u>	<u>197,390</u>	<u>105,223</u>
Excess of revenues over expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(1,495)</u>	<u>23,505</u>
Other Financing Sources (Uses)				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>1,495</u>	<u>(23,505)</u>
Total other financing sources and uses	<u>25,000</u>	<u>25,000</u>	<u>1,495</u>	<u>(23,505)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and investment earnings	\$ -	\$ -	\$ 6,840	\$ 6,840
Intergovernmental revenues	<u>284,111</u>	<u>335,911</u>	<u>419,490</u>	<u>83,579</u>
Total revenues	<u>284,111</u>	<u>335,911</u>	<u>426,330</u>	<u>90,419</u>
EXPENDITURES				
Current:				
Public safety:				
Police	<u>284,111</u>	<u>385,583</u>	<u>511,323</u>	<u>(125,740)</u>
Total public safety	<u>284,111</u>	<u>385,583</u>	<u>511,323</u>	<u>(125,740)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>19,850</u>	<u>(19,850)</u>
Total expenditures	<u>284,111</u>	<u>385,583</u>	<u>531,173</u>	<u>(145,590)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(49,672)</u>	<u>(104,843)</u>	<u>(55,171)</u>
Other Financing Sources (Uses)				
Transfers In	<u>-</u>	<u>-</u>	<u>16,411</u>	<u>16,411</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>16,411</u>	<u>16,411</u>
Net change in fund balances	<u>-</u>	<u>(49,672)</u>	<u>(88,432)</u>	<u>\$ (38,760)</u>
Fund balances - January 1	<u>557,209</u>	<u>557,209</u>	<u>557,209</u>	
Fund balances - December 31	<u>\$ 557,209</u>	<u>\$ 507,537</u>	<u>\$ 468,777</u>	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 21,025	\$ 21,025	\$ 150,303	\$ 129,278
Charges for services	6,500	6,500	4,804	(1,696)
Total revenues	27,525	27,525	155,107	127,582
EXPENDITURES				
Current:				
Culture and recreation:				
Parks and recreation	49,995	49,995	7,731	42,264
Landscape beautification	12,200	12,200	6,139	6,061
Total culture and recreation	62,195	62,195	13,870	48,325
Capital Outlay	-	62,176	55,095	7,081
Total expenditures	62,195	124,371	68,965	55,406
Excess (deficiency) of revenues over (under) expenditures	(34,670)	(96,846)	86,142	182,988
Other Financing Sources (Uses)				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(34,670)	(96,846)	86,142	\$ 182,988
Fund balances - January 1	410,168	410,168	410,168	
Fund balances - December 31	\$ 375,498	\$ 313,322	\$ 496,310	

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2024

	Maintenance Fund	Self- Insurance Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,809,463	\$ 978,559	\$ 2,788,022
Investments, unrestricted	-	667,607	667,607
Accounts receivable, net	1,344	3,872	5,216
Due from other funds	-	267,418	267,418
Inventory	6,332	-	6,332
Prepaid items	55,713	5,000	60,713
Restricted Assets:			
Cash and cash equivalents	2,294,064	-	2,294,064
Total current assets	<u>4,166,916</u>	<u>1,922,456</u>	<u>6,089,372</u>
Noncurrent assets:			
Capital assets, net:			
Land	44,230	-	44,230
Buildings	6,124,231	-	6,124,231
Improvements	358,278	-	358,278
Machinery and equipment	403,269	-	403,269
Total noncurrent assets	<u>6,930,008</u>	<u>-</u>	<u>6,930,008</u>
Total assets	<u>11,096,924</u>	<u>1,922,456</u>	<u>13,019,380</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension amounts	45,279	-	45,279
Deferred OPEB amounts	<u>28,040</u>	<u>-</u>	<u>28,040</u>
Total deferred outflow of resources	<u>73,319</u>	<u>-</u>	<u>73,319</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	260,826	269,274	530,100
Compensated absences	3,720	-	3,720
Due to other funds	967,418	-	967,418
Accrued interest payable	20,909	-	20,909
Bonds, notes, and lease payable	130,137	-	130,137
Total current liabilities	<u>1,383,010</u>	<u>269,274</u>	<u>1,652,284</u>
Noncurrent liabilities:			
Compensated absences	33,478	-	33,478
Net OPEB liability	73,766	-	73,766
Net pension liability	512,421	-	512,421
Unearned revenue	2,456,317	-	2,456,317
Bonds, notes, and lease payable	2,544,737	-	2,544,737
Total noncurrent liabilities	<u>5,620,719</u>	<u>-</u>	<u>5,620,719</u>
Total liabilities	<u>7,003,729</u>	<u>269,274</u>	<u>7,273,003</u>
DEFERRED INFLOW OF RESOURCES			
Deferred pension amounts	18,161	-	18,161
Deferred OPEB amounts	7,210	-	7,210
	<u>25,371</u>	<u>-</u>	<u>25,371</u>
NET POSITION			
Net investment in capital assets	4,116,332	-	4,116,332
Unrestricted	<u>24,811</u>	<u>1,653,182</u>	<u>1,677,993</u>
Total net position	<u>\$ 4,141,143</u>	<u>\$ 1,653,182</u>	<u>\$ 5,794,325</u>

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Maintenance Fund</u>	<u>Self- Insurance Fund</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Charges for service	\$ 1,860,819	\$ 2,220	\$ 1,863,039
Miscellaneous	420	-	420
Total operating revenues	<u>1,861,239</u>	<u>2,220</u>	<u>1,863,459</u>
Operating Expenses:			
Personnel	851,974	-	851,974
Materials and supplies	143,543	-	143,543
Contracted services	343,810	2,220	346,030
Depreciation	280,647	-	280,647
Other	169,943	-	169,943
Total operating expenses	<u>1,789,917</u>	<u>2,220</u>	<u>1,792,137</u>
Operating income	<u>71,322</u>	<u>-</u>	<u>71,322</u>
Nonoperating Revenues (Expenses):			
Interest and investment gain	-	16,593	16,593
Interest expense	<u>(63,964)</u>	<u>-</u>	<u>(63,964)</u>
Total nonoperating revenues (expenses)	<u>(63,964)</u>	<u>16,593</u>	<u>(47,371)</u>
Income before capital grants, capital contributions, and transfers	7,358	16,593	23,951
Capital grants and contributions	1,508,981	-	1,508,981
Transfers in	100,000	135,000	235,000
Transfers out	<u>(20,981)</u>	<u>(100,000)</u>	<u>(120,981)</u>
Change in net position	1,595,358	51,593	1,646,951
Net position - beginning of year, as previously presented	2,553,143	1,601,589	4,154,732
Restatements	<u>(7,358)</u>	<u>-</u>	<u>(7,358)</u>
Net position - beginning of year, as restated	2,545,785	1,601,589	4,147,374
Net position - end of year	<u>\$ 4,141,143</u>	<u>\$ 1,653,182</u>	<u>\$ 5,794,325</u>

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Maintenance Fund	Self- Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges for fleet management services	\$ 673,384	\$ -	\$ 673,384
Receipts from interfund charges for facility management services	1,187,435	-	1,187,435
Receipts from interfund charges for risk management services	-	1,000,702	1,000,702
Other operating receipts	420	-	420
Payments to suppliers for goods and services	825,207	(1,126,334)	(301,127)
Payments to employees for services	(942,539)	-	(942,539)
Net cash provided (used) by operating activities	1,743,907	(125,632)	1,618,275
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	100,000	135,000	235,000
Transfers out	(20,981)	(100,000)	(120,981)
Net cash provided (used) by noncapital financing activities	79,019	35,000	114,019
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments of retainage	(45,099)	-	(45,099)
Purchases of capital assets	(1,732,731)	-	(1,732,731)
Proceeds from sale of capital assets	-	-	-
Capital grants received	1,494,695	-	1,494,695
Principal paid on capital debt	(126,247)	-	(126,247)
Interest paid on capital debt	(64,950)	-	(64,950)
Net cash provided (used) by capital and related financing activities	(474,332)	-	(474,332)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	9,770	9,770
Net cash provided (used) by investing activities	-	9,770	9,770
Net increase (decrease) in cash and cash equivalents	1,348,594	(80,862)	1,267,732
Cash and cash equivalents - beginning of year	2,754,933	1,059,421	3,814,354
Cash and cash equivalents - end of year	\$ 4,103,527	\$ 978,559	\$ 5,082,086
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income	\$ 71,322	\$ -	\$ 71,322
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	280,647	-	280,647
Effect of changes in operating assets and liabilities			
Accounts receivable	(1,321)	-	(1,321)
Due from other funds	2,558,100	998,482	3,556,582
Inventory	13,797	-	13,797
Prepaid expenses	7,439	-	7,439
Deferred outflow pension amounts	66,193	-	66,193
Deferred outflow OPEB amounts	25,657	-	25,657
Accounts payable	(104,683)	(1,124,114)	(1,228,797)
Compensated absences	(38,838)	-	(38,838)
Net OPEB liability	(44,422)	-	(44,422)
Net pension liability	(71,918)	-	(71,918)
Due to other funds	(998,482)	-	(998,482)
Deferred inflow pension amounts	(16,685)	-	(16,685)
Deferred inflow OPEB amounts	(2,899)	-	(2,899)
Total adjustments	1,672,585	(125,632)	1,546,953
Net cash provided (used) by operating activities	\$ 1,743,907	\$ (125,632)	\$ 1,618,275
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	-	6,823	6,823
Increase (decrease) in accrued interest payable	(986)	-	(986)
Capitalization of accrued payables, retainage	41,037	-	41,037
Capital acquisitions from deferred revenue	(437,195)	-	(437,195)

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	Employees Pension Trust Fund	Other Post- Employment Benefits Fund	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 1,924,336	\$ 508,971	\$ 2,433,307
Investments:			
Domestic equity mutual funds	42,638,461	9,678,250	52,316,711
International equity mutual funds	14,994,862	3,397,359	18,392,221
Fixed income mutual funds	37,255,115	8,002,573	45,257,688
Real estate equity funds	5,088,569	1,153,357	6,241,926
Accounts receivable	62,778	15,186	77,964
Contributions receivable	270,033	-	270,033
	<u>102,234,154</u>	<u>22,755,696</u>	<u>124,989,850</u>
Total assets			
	<u>102,234,154</u>	<u>22,755,696</u>	<u>124,989,850</u>
NET POSITION			
Net position restricted for employee pension benefits	102,234,154	-	102,234,154
Net position restricted for other post employment benefits	-	22,755,696	22,755,696
Total net position	<u>\$ 102,234,154</u>	<u>\$ 22,755,696</u>	<u>\$ 124,989,850</u>

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Employees Pension Trust Fund	Other Post- Employment Benefits Fund	Total Fiduciary Funds
ADDITIONS			
Contributions:			
Employer contributions	\$ 4,499,497	\$ 1,949,480	\$ 6,448,977
State aid - police	540,066	-	540,066
Employee contributions	591,407	-	591,407
Total contributions	<u>5,630,970</u>	<u>1,949,480</u>	<u>7,580,450</u>
Investments:			
Investment earnings	2,829,648	623,945	3,453,593
Net increase in fair value of investments	6,515,585	1,368,736	7,884,321
Investment expense	(95,235)	(16,363)	(111,598)
Total investment income	<u>9,249,998</u>	<u>1,976,318</u>	<u>11,226,316</u>
Total additions	<u>14,880,968</u>	<u>3,925,798</u>	<u>18,806,766</u>
DEDUCTIONS			
Benefits	6,334,849	949,480	7,284,329
Administrative expenses	59,165	8,235	67,400
Total deductions	<u>6,394,014</u>	<u>957,715</u>	<u>7,351,729</u>
Change in net position	8,486,954	2,968,083	11,455,037
Net position - January 1	<u>93,747,200</u>	<u>19,787,613</u>	<u>113,534,813</u>
Net position - December 31	<u><u>\$ 102,234,154</u></u>	<u><u>\$ 22,755,696</u></u>	<u><u>\$ 124,989,850</u></u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Newark’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.

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Financial Trends

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

Revenue Capacity

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These schedules contain information to help the reader assess the City’s most significant local revenue sources, the electric utility and real estate tax.

Debt Capacity

115-118

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

119-120

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

121-123

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 NEWARK, DELAWARE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 30,269,082	\$ 31,378,295	\$ 32,033,351	\$ 32,127,961	\$ 32,860,010	\$ 29,318,618	\$ 33,185,058	\$ 33,510,885	\$ 35,657,001	\$ 38,532,023
Restricted	176,186	1,337	893,224	1,172,296	1,117,957	1,390,826	1,750,464	1,102,982	1,838,476	1,073,533
Unrestricted	(2,964,236)	(5,589,425)	(8,585,727)	(16,763,284)	(16,293,499)	(13,155,673)	(15,241,706)	(12,357,018)	(7,949,355)	(2,874,090)
Total governmental activities net position	<u>\$ 27,481,032</u>	<u>\$ 25,790,207</u>	<u>\$ 24,340,848</u>	<u>\$ 16,536,973</u>	<u>\$ 17,684,468</u>	<u>\$ 17,553,771</u>	<u>\$ 19,693,816</u>	<u>\$ 22,256,849</u>	<u>\$ 29,546,122</u>	<u>\$ 36,731,466</u>
Business-type activities										
Net investment in capital assets	\$ 49,953,620	\$ 54,356,297	\$ 58,842,536	\$ 60,558,726	\$ 65,964,765	\$ 72,315,548	\$ 67,806,267	\$ 64,971,735	\$ 66,344,060	\$ 71,592,859
Restricted	-	-	-	-	-	-	1,889,150	3,100,000	3,100,000	4,319,594
Unrestricted	14,729,687	15,273,278	16,417,133	18,851,124	19,204,772	16,449,545	27,287,077	34,120,748	37,511,108	42,777,172
Total business-type activities net position	<u>\$ 64,683,307</u>	<u>\$ 69,629,575</u>	<u>\$ 75,259,669</u>	<u>\$ 79,409,850</u>	<u>\$ 85,169,537</u>	<u>\$ 88,765,093</u>	<u>\$ 96,982,494</u>	<u>\$ 102,192,483</u>	<u>\$ 106,955,168</u>	<u>\$ 118,689,625</u>
Primary government										
Net investment in capital assets	\$ 80,222,702	\$ 85,734,592	\$ 90,875,887	\$ 92,686,687	\$ 98,824,775	\$ 101,634,166	\$ 100,991,325	\$ 98,482,620	\$ 102,001,061	\$ 110,124,882
Restricted	176,186	1,337	893,224	1,172,296	1,117,957	1,390,826	3,639,614	4,202,982	4,938,476	5,393,127
Unrestricted	11,765,451	9,683,853	7,831,406	2,087,840	2,911,273	3,293,872	12,045,371	21,763,730	29,561,753	39,903,082
Total primary government net position	<u>\$ 92,164,339</u>	<u>\$ 95,419,782</u>	<u>\$ 99,600,517</u>	<u>\$ 95,946,823</u>	<u>\$ 102,854,005</u>	<u>\$ 106,318,864</u>	<u>\$ 116,676,310</u>	<u>\$ 124,449,332</u>	<u>\$ 136,501,290</u>	<u>\$ 155,421,091</u>

**CITY OF NEWARK, DELAWARE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 7,515,728	\$ 7,758,601	\$ 7,934,478	\$ 8,513,469	\$ 8,162,236	\$ 8,139,725	\$ 8,256,255	\$ 9,311,372	\$ 9,251,109	\$ 9,991,294
Public safety	15,712,929	14,523,004	15,256,085	17,692,838	17,371,732	16,316,041	18,332,122	19,153,539	18,694,763	21,903,083
Public works	5,355,309	5,234,161	5,435,573	5,853,165	5,383,774	5,282,098	5,112,424	5,605,081	5,133,522	4,979,219
Community development	238,997	204,919	152,971	257,509	201,776	142,761	221,966	429,060	360,136	157,145
Culture and recreation	3,646,885	3,476,444	3,575,722	4,543,526	3,948,473	4,124,613	3,073,253	4,491,292	4,315,556	4,475,800
Interest expense	22,073	19,551	21,032	22,037	15,087	8,942	42,324	216,874	186,549	212,682
Total governmental activities expenses	<u>32,491,921</u>	<u>31,216,680</u>	<u>32,375,861</u>	<u>36,882,544</u>	<u>35,083,078</u>	<u>34,014,180</u>	<u>35,038,344</u>	<u>39,207,218</u>	<u>37,941,635</u>	<u>41,719,223</u>
Business-type activities:										
Electric	41,767,161	40,754,499	39,901,201	40,724,087	39,003,819	38,257,145	37,332,580	41,677,698	43,186,038	47,743,855
Water	5,702,289	5,551,922	5,851,339	5,046,620	5,603,083	5,075,577	5,046,068	6,100,449	6,218,423	6,324,107
Sewer	5,201,543	5,388,663	5,560,685	5,973,196	6,358,390	5,823,686	5,633,461	5,978,310	6,358,269	6,003,997
Parking	1,593,805	1,566,019	1,740,399	1,952,617	2,049,277	1,716,696	1,899,252	2,225,381	2,279,192	2,448,679
Stormwater (initiated in 2018)				1,104,922	911,681	1,434,692	808,604	1,336,943	1,353,397	1,344,547
Total business-type activities expenses	<u>54,264,798</u>	<u>53,261,103</u>	<u>53,053,624</u>	<u>54,801,442</u>	<u>53,926,250</u>	<u>52,307,796</u>	<u>50,719,965</u>	<u>57,318,781</u>	<u>59,395,319</u>	<u>63,865,185</u>
Total primary government expenses	<u>\$ 86,756,719</u>	<u>\$ 84,477,783</u>	<u>\$ 85,429,485</u>	<u>\$ 91,683,986</u>	<u>\$ 89,009,328</u>	<u>\$ 86,321,976</u>	<u>\$ 85,758,309</u>	<u>\$ 96,525,999</u>	<u>\$ 97,336,954</u>	<u>\$ 105,584,408</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,443,382	\$ 2,657,236	\$ 3,081,864	\$ 3,068,057	\$ 3,292,784	\$ 2,365,192	\$ 3,398,121	\$ 3,396,337	\$ 3,496,390	\$ 3,733,635
Public safety	891,512	1,313,738	1,348,763	2,587,645	1,412,797	1,249,800	1,225,284	914,797	1,738,289	2,151,795
Public works	8,843	8,687	20,564	17,804	39,147	19,353	18,175	19,514	36,898	35,165
Culture and recreation	623,025	655,634	668,514	706,987	720,923	206,126	504,454	743,550	833,350	853,790
Operating grants and contributions	1,220,225	1,250,818	1,321,862	1,388,615	1,845,043	4,174,291	2,047,839	2,503,575	2,225,848	3,646,535
Capital grants and contributions	665,475	588,637	1,670,470	1,338,317	1,305,054	55,346	2,895,410	1,777,861	2,911,370	5,061,493
Total governmental activities program revenues	<u>5,852,462</u>	<u>6,474,750</u>	<u>8,112,037</u>	<u>9,107,425</u>	<u>8,615,748</u>	<u>8,070,108</u>	<u>10,089,283</u>	<u>9,355,634</u>	<u>11,242,145</u>	<u>15,482,413</u>
Business-type activities:										
Charges for services:										
Electric	53,022,467	53,202,489	52,884,838	55,311,837	52,817,450	51,712,301	54,088,119	57,801,633	56,501,425	63,367,652
Water	9,045,018	9,564,594	9,595,035	9,600,198	9,307,957	8,519,986	9,296,661	9,318,894	9,955,495	10,535,807
Sewer	6,709,584	7,174,004	7,054,106	7,237,658	7,415,214	6,744,804	7,502,317	7,630,383	8,385,798	8,642,560
Parking	2,712,473	2,772,597	2,899,949	2,930,539	2,744,814	1,128,787	1,771,501	2,359,273	3,662,378	3,138,103
Stormwater (initiated in 2018)				2,028,116	2,435,618	2,414,657	2,369,352	2,655,647	2,666,200	2,648,877
Capital grants and contributions	298,368	149,250	69,764	145,869	535,109	37,380	211,144	1,404,694	2,036,185	6,712,385
Total business-type activities program revenues	<u>71,787,910</u>	<u>72,862,934</u>	<u>72,503,692</u>	<u>77,254,217</u>	<u>75,256,162</u>	<u>70,557,915</u>	<u>75,239,094</u>	<u>81,170,524</u>	<u>83,207,481</u>	<u>95,045,384</u>
Total primary government program revenues	<u>\$ 77,640,372</u>	<u>\$ 79,337,684</u>	<u>\$ 80,615,729</u>	<u>\$ 86,361,642</u>	<u>\$ 83,871,910</u>	<u>\$ 78,628,023</u>	<u>\$ 85,328,377</u>	<u>\$ 90,526,158</u>	<u>\$ 94,449,626</u>	<u>\$ 110,527,797</u>
Net (expense)/revenue										
Governmental activities	\$ (26,639,459)	\$ (24,741,930)	\$ (24,263,824)	\$ (27,775,119)	\$ (26,467,330)	\$ (25,944,072)	\$ (24,949,061)	\$ (29,851,584)	\$ (26,699,490)	\$ (26,236,810)
Business-type activities	17,523,112	19,601,831	19,450,068	22,452,775	21,329,912	18,250,119	24,519,129	23,851,743	23,812,162	31,180,199
Total primary government net expense	<u>\$ (9,116,347)</u>	<u>\$ (5,140,099)</u>	<u>\$ (4,813,756)</u>	<u>\$ (5,322,344)</u>	<u>\$ (5,137,418)</u>	<u>\$ (7,693,953)</u>	<u>\$ (429,932)</u>	<u>\$ (5,999,841)</u>	<u>\$ (2,887,328)</u>	<u>\$ 4,943,389</u>

CITY OF NEWARK, DELAWARE
CHANGES IN NET POSITION - CONTINUED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Real estate taxes	\$ 5,794,770	\$ 6,264,005	\$ 6,557,441	\$ 6,729,794	\$ 6,766,578	\$ 7,614,898	\$ 8,043,755	\$ 8,234,783	\$ 8,747,465	\$ 9,313,703
Real estate transfer taxes	2,074,082	1,430,654	1,584,426	2,365,285	2,646,573	1,293,038	2,207,891	5,718,365	1,687,587	1,492,274
Franchise fees	462,368	482,218	471,456	628,907	423,106	439,346	350,911	333,423	317,491	299,135
Lodging taxes (initiated 12/01/2018)	-	-	-	46,937	760,647	351,790	508,134	623,473	761,763	856,838
Investment earnings	116,947	116,018	115,172	124,038	640,030	603,706	(81,325)	(180,750)	2,614,363	2,418,514
Gain (loss) on sale of capital assets	18,912	9,730	59,200	51,403	25,863	-	14,800	68,996	(60,246)	58,677
Transfers	14,255,640	14,748,480	14,026,770	16,292,527	16,352,028	15,510,600	16,044,939	17,616,327	19,920,340	19,766,886
Total governmental activities	22,722,719	23,051,105	22,814,465	26,238,891	27,614,825	25,813,378	27,089,105	32,414,617	33,988,763	34,206,027
Business-type activities:										
Rents	-	-	-	-	-	-	-	81,801	81,801	103,366
Investment earnings	124,235	92,917	166,645	192,272	742,903	802,976	(256,789)	(1,158,595)	777,562	473,263
Gain on sale of capital assets	25,750	-	40,151	-	38,900	53,061	-	51,367	11,500	(12,792)
Transfers	(14,255,640)	(14,748,480)	(14,026,770)	(16,292,527)	(16,352,028)	(15,510,600)	(16,044,939)	(17,616,327)	(19,920,340)	(19,766,886)
Total business-type activities	(14,105,655)	(14,655,563)	(13,819,974)	(16,100,255)	(15,570,225)	(14,654,563)	(16,301,728)	(18,641,754)	(19,049,477)	(19,203,049)
Total primary government	\$ 8,617,064	\$ 8,395,542	\$ 8,994,491	\$ 10,138,636	\$ 12,044,600	\$ 11,158,815	\$ 10,787,377	\$ 13,772,863	\$ 14,939,286	\$ 15,002,978
Change in Net Position										
Governmental activities	\$ (3,916,740)	\$ (1,690,825)	\$ (1,449,359)	\$ (1,536,228)	\$ 1,147,495	\$ (130,694)	\$ 2,140,044	\$ 2,563,033	\$ 7,289,273	\$ 7,969,217
Business-type activities	3,417,457	4,946,268	5,630,094	6,352,520	5,759,687	3,595,556	8,217,401	5,209,989	4,762,685	11,977,150
Total primary government	\$ (499,283)	\$ 3,255,443	\$ 4,180,735	\$ 4,816,292	\$ 6,907,182	\$ 3,464,862	\$ 10,357,445	\$ 7,773,022	\$ 12,051,958	\$ 19,946,367

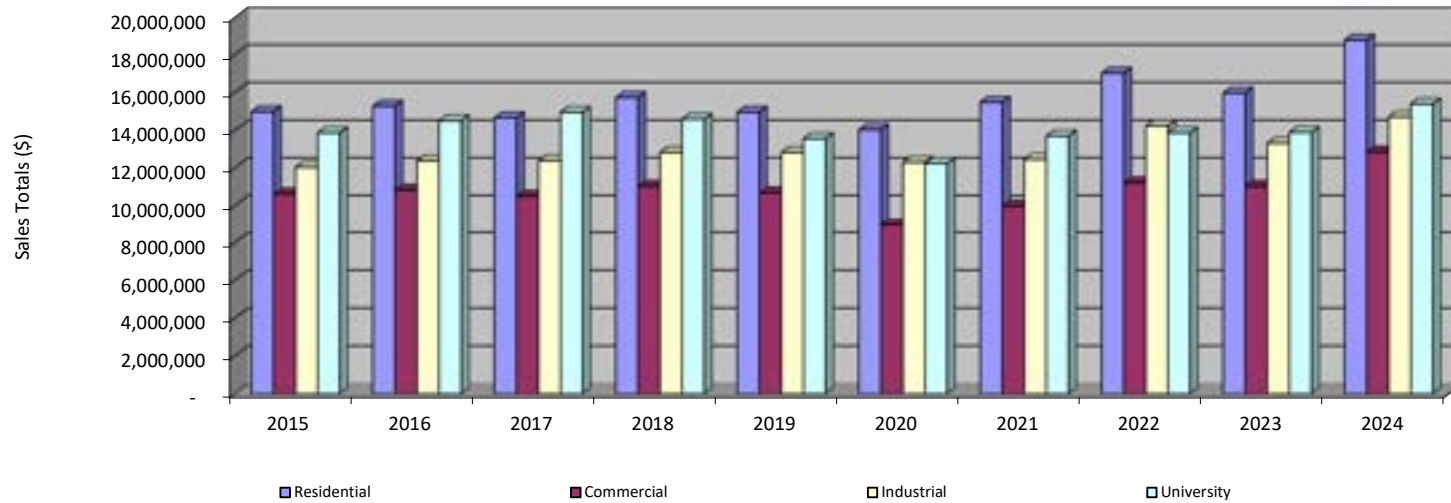
CITY OF NEWARK, DELAWARE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Fund balances:										
Nonspendable	\$ 309,223	\$ 126,359	\$ 156,325	\$ 165,163	\$ 574,799	\$ 567,389	\$ 557,087	\$ 578,295	\$ 803,062	\$ 723,304
Restricted	-	-	-	-	170,540	172,576	244,257	113,271	109,975	108,446
Assigned	108,720	111,514	93,285	156,304	128,675	126,440	366,412	408,946	338,364	327,335
Unassigned	3,868,737	4,144,251	4,283,966	3,637,979	3,803,145	2,860,046	2,283,900	4,291,964	6,068,896	10,126,024
Total general fund	<u>\$ 4,286,680</u>	<u>\$ 4,382,124</u>	<u>\$ 4,533,576</u>	<u>\$ 3,959,446</u>	<u>\$ 4,677,159</u>	<u>\$ 3,726,451</u>	<u>\$ 3,451,656</u>	<u>\$ 5,392,476</u>	<u>\$ 7,320,297</u>	<u>\$ 11,285,109</u>
All other governmental funds										
Fund balances:										
Nonspendable	\$ 52,846	\$ 12,199	\$ 7,699	\$ 68,829	\$ 69,828	\$ 50,553	\$ 8,823	\$ 1,267	\$ -	\$ 187,989
Restricted	747,478	875,174	893,224	1,172,296	1,117,957	1,218,250	1,057,510	2,989,711	1,728,501	965,087
Assigned	7,216,613	5,673,497	4,598,693	3,949,378	5,506,809	6,820,876	6,563,315	8,055,883	10,089,031	11,154,595
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,016,937</u>	<u>\$ 6,560,870</u>	<u>\$ 5,499,616</u>	<u>\$ 5,190,503</u>	<u>\$ 6,694,594</u>	<u>\$ 8,089,679</u>	<u>\$ 7,629,648</u>	<u>\$ 11,046,861</u>	<u>\$ 11,817,532</u>	<u>\$ 12,307,671</u>

CITY OF NEWARK, DELAWARE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 8,331,220	\$ 8,176,877	\$ 8,613,323	\$ 9,770,923	\$ 10,596,904	\$ 9,699,072	\$ 11,110,691	\$ 14,910,044	\$ 11,514,306	\$ 11,961,950
Licenses and permits	1,494,793	1,649,231	2,174,978	2,896,107	1,254,096	1,098,034	1,139,007	823,258	1,601,947	2,020,220
Fines, forfeits and costs	1,507,219	2,014,327	1,867,284	2,218,118	1,944,709	1,089,400	1,851,518	1,828,891	2,004,537	1,990,471
Investment earnings	109,343	110,008	107,460	113,998	612,396	560,871	(66,909)	(133,234)	2,583,414	2,401,921
Intergovernmental revenues	1,457,261	1,315,182	2,464,797	1,785,210	2,615,126	3,642,604	4,276,873	3,478,142	3,784,478	6,632,632
Charges for services/fees	986,429	1,003,861	1,105,646	1,276,082	2,281,547	1,691,946	2,155,508	2,420,549	2,498,443	2,708,356
Community donations	-	-	-	425,249	5,000	-	98,888	-	-	-
Subvention-University of Delaware	504,953	492,149	499,331	506,658	515,271	527,122	529,231	553,575	598,415	621,753
Total revenues	<u>14,391,218</u>	<u>14,761,635</u>	<u>16,832,819</u>	<u>18,992,345</u>	<u>19,825,049</u>	<u>18,309,049</u>	<u>21,094,807</u>	<u>23,881,225</u>	<u>24,585,540</u>	<u>28,337,303</u>
Expenditures										
General government	6,532,539	7,102,547	7,333,498	7,996,746	7,592,387	7,678,868	8,187,411	8,660,424	8,775,208	9,574,910
Public safety	12,946,674	13,295,638	14,230,492	16,286,387	15,992,469	16,821,298	17,363,382	17,683,237	18,589,978	20,131,723
Public works	3,804,497	3,799,250	4,056,558	4,472,833	4,007,015	4,264,973	4,170,467	4,280,679	4,228,195	3,949,557
Community development	238,997	204,919	152,971	257,509	201,776	142,761	221,966	429,060	360,136	157,145
Culture and recreation	2,720,807	2,739,878	2,899,397	3,783,579	3,127,665	2,986,032	3,242,021	3,667,545	3,586,622	3,741,800
Capital outlay	2,308,342	3,514,189	3,410,170	3,154,129	2,317,855	2,404,233	4,829,323	2,852,053	6,916,861	7,308,497
Debt service										
Principal	191,603	197,137	218,293	241,458	248,112	259,807	150,982	284,679	815,439	594,538
Interest and other charges	30,744	26,910	28,418	29,944	23,040	15,945	42,473	89,478	119,890	148,491
Total expenditures	<u>28,774,203</u>	<u>30,880,468</u>	<u>32,329,797</u>	<u>36,222,585</u>	<u>33,510,319</u>	<u>34,573,917</u>	<u>38,208,025</u>	<u>37,947,155</u>	<u>43,392,329</u>	<u>45,606,661</u>
Excess of revenues over (under) expenditures	(14,382,985)	(16,118,833)	(15,496,978)	(17,230,240)	(13,685,270)	(16,264,868)	(17,113,218)	(14,065,930)	(18,806,789)	(17,269,358)
Other financing sources (uses)										
Proceeds of long-term capital-related lease	-	-	430,000	-	-	1,418,245	336,653	-	-	-
Transfers in	17,672,928	16,296,303	14,649,848	17,686,213	18,893,176	19,215,721	17,532,725	20,006,374	23,728,368	22,288,005
Transfers out	(3,417,288)	(1,547,823)	(553,496)	(1,393,686)	(3,032,256)	(3,924,721)	(1,505,786)	(2,937,156)	(3,941,028)	(2,635,138)
Net Proceeds from debt issuance	-	-	-	-	-	-	-	2,109,756	970,710	1,991,829
Leases/subscriptions	-	-	-	-	-	-	-	138,956	672,379	-
Proceeds from sales of capital assets	56,388	9,730	60,824	54,470	46,154	-	14,800	106,033	74,852	79,613
Total other financing sources (uses)	<u>14,312,028</u>	<u>14,758,210</u>	<u>14,587,176</u>	<u>16,346,997</u>	<u>15,907,074</u>	<u>16,709,245</u>	<u>16,378,392</u>	<u>19,423,963</u>	<u>21,505,281</u>	<u>21,724,309</u>
Net change in fund balances	<u>\$ (70,957)</u>	<u>\$ (1,360,623)</u>	<u>\$ (909,802)</u>	<u>\$ (883,243)</u>	<u>\$ 2,221,804</u>	<u>\$ 444,377</u>	<u>\$ (734,826)</u>	<u>\$ 5,358,033</u>	<u>\$ 2,698,492</u>	<u>\$ 4,454,951</u>
Debt service as a percentage of noncapital expenditures	0.8%	0.8%	0.9%	0.8%	0.9%	0.9%	0.6%	1.1%	2.6%	1.9%

**CITY OF NEWARK, DELAWARE
ELECTRIC USAGE AND ACTUAL SALES TOTALS
LAST TEN FISCAL YEARS**



YEAR	RESIDENTIAL			COMMERCIAL			INDUSTRIAL			UNIVERSITY			TOTALS		
	SALES (kWh)	AMOUNT (\$)	AVG RATE (\$/kWh)	SALES (kWh)	AMOUNT (\$)	AVG RATE (\$/kWh)	SALES (kWh)	AMOUNT (\$)	AVG RATE (\$/kWh)	SALES (kWh)	AMOUNT (\$)	AVG RATE (\$/kWh)	SALES (kWh)	AMOUNT (\$)	AVG RATE (\$/kWh)
2015	96,750,581	14,964,142	0.155	75,642,389	10,602,388	0.140	91,831,587	12,022,056	0.131	152,519,176	13,844,523	0.091	416,743,733	51,433,109	0.123
2016	95,925,301	15,266,720	0.159	75,032,185	10,806,310	0.144	91,430,937	12,361,327	0.135	154,130,075	14,485,603	0.094	416,518,498	52,919,960	0.127
2017	92,951,598	14,640,923	0.158	73,267,323	10,484,103	0.143	92,677,500	12,370,251	0.133	154,697,941	14,935,996	0.097	413,594,362	52,431,273	0.127
2018	98,863,064	15,720,735	0.159	76,218,764	11,011,743	0.144	94,250,040	12,804,462	0.136	156,259,346	14,570,633	0.093	425,591,214	54,107,573	0.127
2019	96,397,523	14,943,381	0.155	76,310,791	10,664,016	0.140	98,051,478	12,800,345	0.131	153,531,544	13,536,632	0.088	424,291,336	51,944,374	0.122
2020	94,888,915	14,014,819	0.148	66,880,388	8,944,946	0.134	99,691,994	12,282,140	0.123	140,635,692	12,223,046	0.087	402,096,989	47,464,951	0.118
2021	99,174,200	15,463,873	0.156	71,320,547	9,967,345	0.140	96,208,351	12,436,924	0.129	154,598,227	13,677,904	0.088	421,301,325	51,546,046	0.122
2022	100,063,821	17,014,287	0.170	71,904,640	11,190,667	0.156	96,527,305	14,211,724	0.147	155,252,023	13,845,955	0.089	423,747,789	56,262,633	0.133
2023	95,586,208	15,958,220	0.167	72,583,597	11,009,901	0.152	92,304,252	13,293,394	0.144	151,512,363	13,868,747	0.092	411,986,420	54,130,262	0.131
2024	98,784,839	18,762,010	0.190	73,371,026	12,830,666	0.175	93,985,246	14,687,071	0.156	156,516,654	15,376,582	0.098	422,657,765	61,656,329	0.146

**CITY OF NEWARK, DELAWARE
PRINCIPAL ELECTRIC UTILITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

Customer	Type of Business	2024			2015		
		Consumption (1)	Rank	Percentage of Total Consumption	Consumption (1)	Rank	Percentage of Total Consumption
University of Delaware (2)	Public University	167,580,882	1	39.65%	159,877,165	1	38.36%
DuPont Electronic Materials Intl, LLC (3)	Manufacturing-Various	28,229,916	2	6.68%	-		
The Chemours Company	Chemical Research Hub	15,379,200	3	3.64%	-		
DuPont Specialty Products USA LLC (4)	Chemicals and Synthetics	5,560,128	4	1.32%	-		
Acme Markets (5)	Retail - Groceries	4,817,680	5	1.14%	-		
Power Systems Composites LLC	Wholesale Electric Equipment	3,798,480	6	0.90%	9,713,760	3	2.33%
Verizon Communications	Public Utility	3,359,501	7	0.79%	-		
Newark Charter School	Public Schools	3,226,120	8	0.76%	-		
Quest Pharmaceutical Services	Pharmaceutical Research	3,187,988	9	0.75%	3,406,075	10	0.82%
GWL 300 McIntire LLC (6)	Warehousing	3,179,280	10	0.75%	-		
Rohm & Haas Electronics (3)	Manufacturing-Various	-			27,550,800	2	6.61%
E I Dupont De Nemours & Company (4)	Chemicals and Synthetics	-			5,684,784	4	1.36%
A & P Food Stores (5)	Retail - Groceries	-			4,692,272	5	1.13%
Fraunhofer USA, Inc. (8)	Biotechnology Research	-			4,409,360	6	1.06%
618 G P Warehouse LLC (6)	Warehousing	-			4,378,080	7	1.05%
CHF - Del LLC (7)	Rental Apartments	-			4,280,877	8	1.03%
Christina School District	Public Schools	-			3,696,063	9	0.89%
		<u>238,319,175</u>		<u>56.39%</u>	<u>227,689,236</u>		<u>54.64%</u>

Note: (1) Peak demand rate is not considered.

(2) University totals include accounts not billed at "University" rate.

(3) DuPont Electronic Materials Intl LLC is the successor of Rohm & Haas Electronics.

(4) DuPont Specialty Products USA LLC is the successor of E I DuPont De Nemours & Company.

(5) Acme Markets acquired A & P Food Stores in November, 2015.

(6) GWL 300 McIntire LLC is the successor of 618 G P Warehouse LLC.

(7) CHF - Del LLC apartment complex was purchased by the University of Delaware in June, 2019 and became part of their dormitory system.

(8) Fraunhofer USA, Inc. laboratory was acquired by the University of Delaware in July, 2022.

CITY OF NEWARK, DELAWARE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax Exempt Property	Total Taxable Assessed Value (1)	Direct Tax Rate (Per \$100)	Estimated Actual Value
2015	587,674,420	937,377,045	696,332,863	828,718,602	0.6961	N/A
2016	592,327,020	950,452,300	694,712,283	848,067,037	0.7065	N/A
2017	592,310,200	956,158,820	694,898,159	853,570,861	0.7737	N/A
2018	595,920,120	960,560,200	697,490,594	858,989,726	0.7737	N/A
2019	589,537,920	974,675,100	709,403,008 ²	854,810,012	0.8047	N/A
2020	591,064,220	951,711,000 ³	668,648,475 ³	874,126,745	0.9120	N/A
2021	591,397,420	953,251,100	665,241,277	879,407,243	0.9120	N/A
2022	591,613,120	962,290,000	664,136,810	889,766,310	0.9348	N/A
2023	602,149,020	976,402,400	662,904,327	915,647,093	0.9815	N/A
2024	601,135,720	977,466,800	664,772,260	913,830,260	1.0551	N/A

(1) Source: City of Newark Finance Department, in consultation with New Castle County Department of Land Use.

(2) A large apartment parcel was transferred to the University of Delaware and was granted an educational exemption.

(3) Two large University of Delaware dormitory complexes, which were exempt from taxation, were demolished in 2020.

Note: As provided by State of Delaware law, the City of Newark utilizes property assessments established by the New Castle County Department of Land Use. The County last conducted a County-wide reassessment of all real property effective on July 1, 1985. Real property is assessed at 100% of the 1983 market value.

N/A = Property in the City is not reassessed periodically, therefore the estimated actual value is not available.

**CITY OF NEWARK, DELAWARE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rate	Overlapping Rates		Total Tax Rate
	City of Newark	New Castle County	Christina School District	
2015	0.7065	0.2436	2.2709	3.22097
2016	0.7737	0.2436	2.5614	3.57865
2017	0.7737	0.2436	2.5695	3.58679
2018	0.7737	0.2618	2.6372	3.67270
2019	0.8047	0.2904	2.6774	3.77251
2020	0.9120	0.2562	3.1293	4.29750
2021	0.9120	0.2523	3.2336	4.39790
2022	0.9348	0.2523	3.3252	4.51230
2023	0.9815	0.2747	3.3540	4.61016
2024	1.0551	0.2710	3.4340	4.76010

Note: The real estate tax rate is a single component figure established by City Council through budget adoption and applies to all classes of real property.

**CITY OF NEWARK, DELAWARE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Customer	Type of Business	2024			2015		
		Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
		Value		Value	Value		Value
1743 Holdings LLC	Industrial & Education Park	\$ 27,748,557	1	3.04%	\$ 7,727,745	9	0.93%
Pauline A. Mayer, Inc.	Retail Property / Apartments	19,952,200	2	2.18%	19,883,000	1	2.40%
Delmarva Power & Light Company	Public Utility	14,333,200	3	1.57%	9,125,000	5	1.10%
BPG Hotel Partners, LLC	Hotels	11,112,300	4	1.22%	11,112,300	3	1.34%
CS Residential LLC	Apartments	10,894,100	5	1.19%			
KRE UP III Delaware Owner LLC	Apartments	10,680,300	6	1.17%			
DuPont Electronic Materials CMP LLC	Manufacturing	8,020,000	7	0.88%			
Verizon Communication	Public Utility	7,918,400	8	0.87%	11,494,400	2	1.39%
University of Delaware	Education (Non-exempt portion)	7,554,400	9	0.83%	7,616,800	10	0.92%
96 East Main Street Associates LLC	Hotel & Apartments	7,269,240	10	0.80%			
CHF-Delaware LLC	Apartments				9,769,700	4	1.18%
Rohm and Haas Electronic Materials	Manufacturing				8,562,000	6	1.03%
UDEL Holdings LLC	Apartments				8,248,100	7	1.00%
Emory Hill & Company	Industrial Park				7,781,700	8	0.94%
		125,482,697		13.73%	101,320,745		12.23%

- Notes:
- 1743 Holdings LLC was established by the University of Delaware to develop an industrial and educational hub on the site of the former Chrysler Assembly Plant, now called the STAR Campus. The taxable assessed values of their holdings primarily include the Chemours Building (\$17.4 million), Bloom Energy (\$6 million), 550 South College (\$3.3 million), and the STAR Tower (\$1 million).
 - CHF-Delaware LLC has transferred its interest to the University of Delaware. This property now receives an educational exemption.
 - Rohm & Haas Electronic Materials was acquired by DuPont Electronics Materials CMP LLC.
 - UDEL Holdings has divested its properties among several successor entities.
 - Emory Hill & Company has divested some of its properties among several successor entities.

Source: City of Newark Finance Department

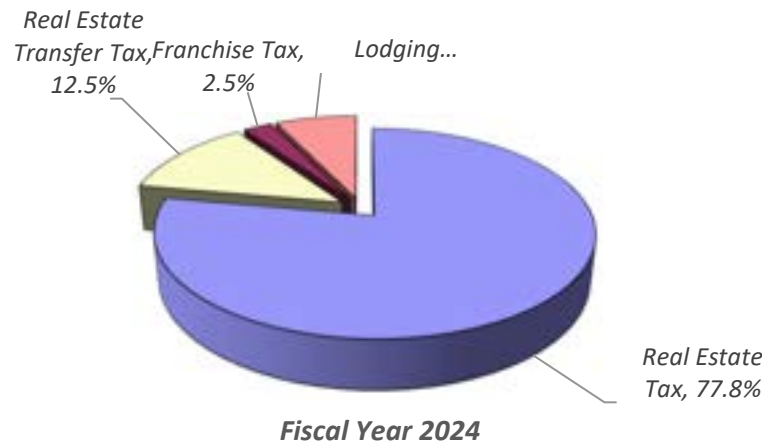
**CITY OF NEWARK, DELAWARE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections for Year	
		Amount	Percent of Levy		Amount (2)	Percent of Levy
2015	5,876,646	5,679,339	96.6%	188,216	5,867,555	99.8%
2016	6,592,320 ³	6,462,051	98.0%	116,898	6,578,949	99.8%
2017	6,626,727	6,505,395	98.2%	106,539	6,611,934	99.8%
2018	6,655,070	6,554,123	98.5%	81,406	6,635,529	99.7%
2019	6,892,362	6,770,258	98.2%	105,182	6,875,440	99.8%
2020	7,947,586 ⁴	7,689,670	96.8%	238,036	7,927,706	99.7%
2021	8,018,039	7,907,254	98.6%	84,317	7,991,571	99.7%
2022	8,315,502	8,119,172	97.6%	157,035	8,276,207	99.5%
2023	8,993,324	8,818,106	98.1%	114,459	8,932,565	99.3%
2024	9,653,109	9,410,088	97.5%	243,021	9,653,109	100.0%

Notes:

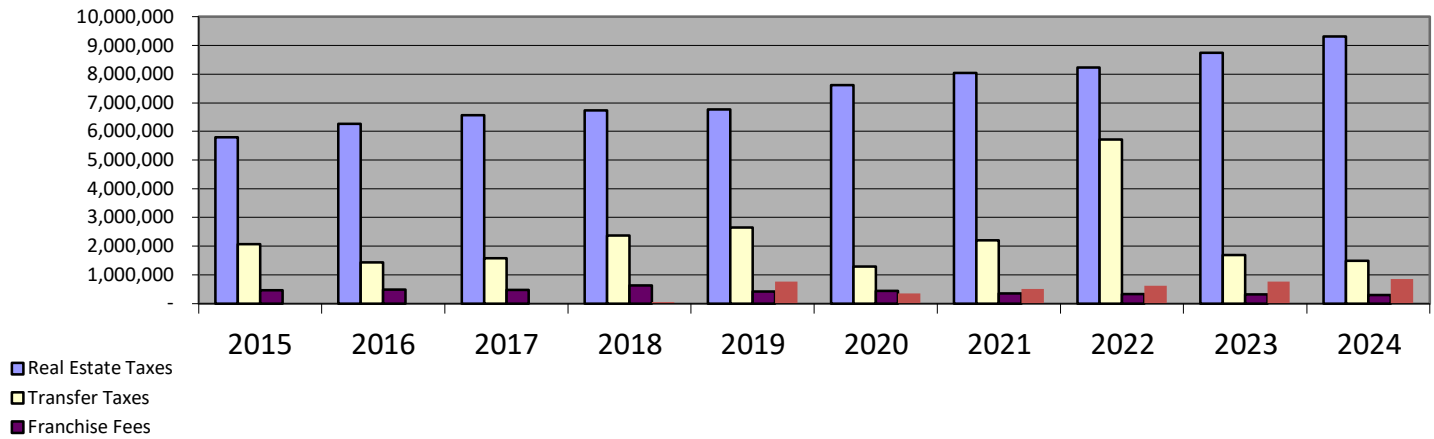
- (1) Represents initial annual levy plus quarterly supplementary billings.
- (2) Excludes tax penalties/interest.
- (3) Tax billings represent a tax rate increase of 9.5% over prior year.
- (4) Tax billings represent a tax rate increase of 13.33% over prior year.

City of Newark, Delaware
Governmental Activities Tax Revenues By Source
Last Ten Years
(accrual basis of accounting)



Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Franchise Tax	Lodging Tax	Total
2015	5,794,770	2,074,082	462,368	0	8,331,220
% of total	69.6%	24.9%	5.5%	0.0%	100.0%
2016	6,264,005	1,430,654	482,218	0	8,176,877
% of total	76.6%	17.5%	5.9%	0.0%	100.0%
2017	6,557,441	1,584,426	471,456	0	8,613,323
% of total	76.1%	18.4%	5.5%	0.0%	100.0%
2018	6,729,794	2,365,285	628,907	46,937	9,770,923
% of total	68.9%	24.2%	6.4%	0.5%	100.0%
2019	6,766,578	2,646,573	423,106	760,647	10,596,904
% of total	63.8%	25.0%	4.0%	7.2%	100.0%
2020	7,614,898	1,293,038	439,346	351,790	9,699,072
% of total	78.6%	13.3%	4.5%	3.6%	100.0%
2021	8,043,755	2,207,891	350,911	508,134	11,110,691
% of total	72.3%	19.9%	3.2%	4.6%	100.0%
2022	8,234,783	5,718,365	333,423	623,473	14,910,044
% of total	55.2%	38.4%	2.2%	4.2%	100.0%
2023	8,747,465	1,687,587	317,491	761,763	11,514,306
% of total	75.9%	14.7%	2.8%	6.6%	100.0%
2024	9,313,703	1,492,274	299,135	856,838	11,961,950
% of total	77.8%	12.5%	2.5%	7.2%	100.0%

CITY OF NEWARK, DELAWARE
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)



Fiscal Year	Real Estate Taxes	Real Estate Transfer Taxes	Franchise Fees	Lodging Taxes	Total
2015	5,794,770	2,074,082	462,368	-	8,331,220
2016	6,264,005 ¹	1,430,654	482,218	-	8,176,877
2017	6,557,441	1,584,426	471,456	-	8,613,323
2018	6,729,794	2,365,285	628,907	46,937	9,770,923
2019	6,766,578	2,646,573	423,106	760,647	10,596,904
2020	7,614,898 ²	1,293,038	439,346	351,790	9,699,072
2021	8,043,755	2,207,891	350,911	508,134	11,110,691
2022	8,234,783	5,718,365 ³	333,423	623,473	14,910,044
2023	8,747,465	1,687,587	317,491	761,763	11,514,306
2024	9,313,703	1,492,274	299,135	856,838	11,961,950

Notes:

- (1) Real Estate Tax billings represent a tax rate increase of 9.5% over previous year, 50% recognized in 2016.
(2) Real Estate Tax billings represent a tax rate increase of 13.33% over previous year, 50% recognized in 2020.

CITY OF NEWARK, DELAWARE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds*	Leases Payable	Subscription Arrangements (SBITA)	Notes and Financed Purchases	General Obligation Bonds *	Leases Payable	Notes and Financed Purchases
2015	\$ 920,130	\$ -	\$ -	\$ 194,073	\$ 8,295,220	\$ -	\$ 9,745,261
2016	743,896	-	-	166,936	7,217,140	-	8,973,855
2017	562,662	-	-	553,643	6,109,060	-	8,044,470
2018	381,428	-	-	487,185	4,975,979	-	7,144,669
2019	195,194	-	-	419,073	3,797,898	-	6,173,986
2020	-	-	-	4,810,235	2,574,818	-	8,860,050
2021	-	-	-	5,045,371	1,306,735	-	8,032,474
2022	-	85,039	-	6,839,315	-	527,573	6,960,507
2023	-	28,987	296,695	7,319,081	-	480,569	7,158,574
2024	-	13,156	150,786	8,631,081	-	431,910	5,913,461

*Includes unamortized premiums

Sources: Population - Delaware Population Consortium projection
Federal Reserve Bank of Philadelphia Quarterly Percent Change (2011 Personal Income)
City of Newark estimate based on increase in Personal Income growth for Delaware from US Department
of Commerce, Bureau of Economic Analysis (2012-2020 Personal Income)

**CITY OF NEWARK, DELAWARE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO TAXABLE ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Total Taxable Assessed Value	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds & Notes	Net General Obligation Bonds and Notes Payable	Percentage of Net Long-Term Debt to Assessed Value (1)	Net Long-Term Debt Per Capita
2015	33,395	828,718,602	920,130	8,295,220	9,215,350	1.11%	276
2016	33,264	848,067,037	743,896	7,217,140	7,961,036	0.94%	239
2017	33,674	853,570,861	562,662	6,109,060	6,671,722	0.78%	198
2018	33,673	858,989,726	381,428	4,975,979	5,357,407	0.62%	159
2019	33,941	854,810,012	195,194	3,797,898	3,993,092	0.47%	118
2020	34,430	874,126,745	-	2,574,818	2,574,818	0.29%	75
2021	34,196	879,407,243	-	1,306,735	1,306,735	0.15%	38
2022	34,035	889,766,310	-	-	-	0.00%	0
2023	31,296	915,647,093	-	-	-	0.00%	0
2024	30,572	913,830,260	-	-	-	0.00%	0

Notes: ¹ A City-wide reassessment of all real property was last updated on July 1, 1985
Real property is assessed at 100% of the 1983 market value

Sources: City of Newark Finance Department (Taxable Assessments)
Delaware Population Consortium projection

CITY OF NEWARK, DELAWARE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2023

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Newark</u>	<u>Amount Applicable to City of Newark</u>
New Castle County	\$ 181,668,000 ¹	4.54% ²	\$ 8,247,727
Christina School District	<u>14,613,308</u>	13.18% ³	<u>1,926,034</u>
Overlapping Debt	<u>\$ 196,281,308</u>		<u>\$ 10,173,761</u>
City of Newark General Obligation Bonds	\$ - ¹	100.00%	\$ -
City of Newark Other Notes Payable	<u>8,795,023 ¹</u>	100.00%	<u>8,795,023</u>
Direct Debt	<u>\$ 8,795,023</u>		<u>\$ 8,795,023</u>
Total Direct and Overlapping Debt	<u><u>\$ 205,076,331</u></u>		<u><u>\$ 18,968,784</u></u>

Sources: New Castle County Office of Finance, Christina School District,
and City of Newark Department of Finance.

- (1) Debt related to business-type activities is not included in this presentation.
- (2) Determined by dividing the taxable assessed valuation of the City of Newark (\$913,830,260) by the total taxable assessed valuation of New Castle County (\$20,138,711,000). Net Debt Outstanding is as of June 30, 2024.
- (3) Determined by dividing the students enrolled in the City of Newark (1,735) by the total student enrollment of the Christina School District (13,162). Net debt outstanding is as of June 30, 2024.

**CITY OF NEWARK, DELAWARE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit (1)	82,872	84,807	85,357	85,899	85,481	87,413	87,941	88,977	91,565	91,383
Total net debt applicable to limit	<u>9,169</u>	<u>7,915</u>	<u>6,626</u>	<u>5,311</u>	<u>3,947</u>	<u>2,533</u>	<u>1,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>73,703</u>	<u>76,892</u>	<u>78,731</u>	<u>80,588</u>	<u>81,534</u>	<u>84,880</u>	<u>86,680</u>	<u>88,977</u>	<u>91,565</u>	<u>91,383</u>
Total net debt applicable to the limit as a percentage of debt limit	11.06%	9.33%	7.76%	6.18%	4.62%	2.90%	1.43%	0.00%	0.00%	0.00%

Legal Debt Margin for Fiscal Year 2024

Total assessed value	\$ 1,578,603
Less: exempt real property	<u>(664,772)</u>
Total taxable assessed value	\$ 913,831
Debt limit (10% of taxable assessed value)	91,383
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	\$ 91,383

Notes: In accordance with Section 407.1 of the City Charter, if general obligation bonds are issued, the total outstanding debt secured by such bonds shall not exceed ten (10) per centum of the assessed value of all the real estate subject to taxation located within the City. If revenue bonds are issued, each such bond shall recite in substance that said bond, including interest thereon, is payable from the revenue pledged to the payment thereof, and that said bond does not constitute a debt of the City of Newark within the meaning of the bonded indebtedness limitation.

**CITY OF NEWARK, DELAWARE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (2)		Per Capita Income (3)	School Enrollment (4)	Univ of DE Enrollment (5)	Unemployment Rate (6)
2015	33,395	745,875,480	*	22,335	4,176	22,852	4.4%
2016	33,264	767,505,869	*	23,073	4,354	23,009	3.8%
2017	33,674	795,903,586	*	23,636	4,834	23,774	3.3%
2018	33,673	827,739,730	*	24,582	4,289	24,120	3.1%
2019	33,941	861,677,058	*	25,387	4,354	23,808	2.6%
2020	34,430	909,930,973	*	26,428	4,348	23,613	4.2%
2021	34,196	960,887,107	*	28,099	4,412	23,996	3.2%
2022	34,035	974,339,526	*	28,628	4,876	24,039	3.4%
2023	31,296	987,980,279	*	31,569	4,885	24,221	3.5%
2024	30,572	1,015,296,120	*	33,210	4,924	24,412	3.9%

Sources: (1) Delaware Population Consortium projection (Population)
(2) and (3) US Census
(4) Christina School District / Local Independent Schools
(5) University of Delaware Office of Institutional Research
(6) Delaware Department of Labor
(*) Estimated based on increase in Personal Income growth for Delaware from US Department of Commerce Bureau of Economic Analysis.

**CITY OF NEWARK, DELAWARE
PRINCIPAL EMPLOYERS IN NEW CASTLE COUNTY¹
CURRENT YEAR AND TEN YEARS AGO**

Industry Description	2024			2015		
	Employment	Rank	Percentage of Total County Employment	Employment	Rank	Percentage of Total County Employment
Health care and social assistance	81,793	1	16.4%	44,752	1	15.5%
Retail trade	51,073	2	10.3%	32,499	3	11.3%
Accommodation and food services	45,296	3	9.1%	21,425	6	7.4%
Finance and insurance	43,794	4	8.8%	37,019	2	12.8%
Education	39,725	5	8.0%			
Administration and waste services	29,173	6	5.9%	21,833	5	7.6%
Professional and technical services	29,061	7	5.8%	23,350	4	8.1%
Manufacturing	26,729	8	5.4%	11,252	10	3.9%
Construction	25,827	9	5.2%	13,255	9	4.6%
Transportation and warehousing	25,673	10	5.2%			
State government				16,123	7	5.6%
Local government				15,164	8	5.3%
Total	398,144		79.9%	236,672		82.1%

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

Note: The information presented is for New Castle County, Delaware, in which the City of Newark is entirely located, and is reprinted, with permission, from their 2024 Annual Comprehensive Financial Report.

CITY OF NEWARK, DELAWARE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of December 31									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	39.5	42.5	43.0	48.0	49.0	47.5	49.0	49.0	51.5	53.5
Public safety										
Police										
Officers	71.0	71.0	71.0	71.0	71.0	72.0	72.0	72.0	79.0	79.0
Civilian	19.0	19.0	20.0	20.0	20.0	19.5	19.5	19.5	22.5	22.5
Code enforcement	15.0	15.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	13.5
Streets										
Engineering	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
Maintenance	9.0	9.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
Sanitation	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.5	9.0	9.0
Culture and recreation	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	19.0	19.0
Electric	22.0	23.0	23.0	24.0	23.0	23.0	23.0	24.0	24.0	25.0
Water & wastewater	27.0	27.5	30.0	29.0	31.0	31.0	31.5	31.5	33.5	33.5
Parking	10.0	10.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.5
Fleet/facilities maintenance	4.0	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0
Total	<u>251.5</u>	<u>255.0</u>	<u>263.0</u>	<u>269.0</u>	<u>270.0</u>	<u>269.0</u>	<u>270.0</u>	<u>271.5</u>	<u>287.5</u>	<u>294.5</u>

Source: City's Personnel Office.

**CITY OF NEWARK, DELAWARE
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police calls for service	45,572	48,017	53,441	50,679	45,010	34,724	43,222	39,987	43,378	44,180
Criminal charges	2,244	2,488	2,277	2,124	2,615	1,516	1,737	2,072	1,984	2,134
Traffic summonses	9,325	10,453	9,313	10,270	11,551	4,202	12,454	10,734	6,455	6,322
Parking summonses	5,952	6,959	7,604	10,652	11,676	10,040	7,157	8,973	9,540	12,066
Meter summonses	15,780	22,710	23,630	23,297	17,546	14,179	23,770	28,017	28,948	30,751
Building permits issued	1,751	1,552	1,812	1,669	1,703	1,482	1,654	1,374	1,414	1,107
Public Works										
Refuse tons collected	5,722	5,799	5,826	5,944	6,246	5,816	6,068	5,962	5,462	5,926
Recycling tons collected	2,411.52	1,984.85	1,804.43	1,902.85	1,496.89	1,678.15	1,619.13	1,437.91	1,280.33	1,415.63
Miles of street	66	66	66	66	66	66	66	66	66	66
Patches (s.f.)	62,154	35,178	61,905	37,016	36,171	15,509	12,163	30,414	14,362	20,132
Curbs replaced and installed (l.f.)	16,550	12,871	11,181	6,859	9,485	7,729	12,514	4,640	18,324	9,904
Sidewalks										
4" (s.f.)	24,976	23,065	19,485	8,215	12,172	21,940	28,248	39,927	15,136	25,283
6" (s.f.)	12,326	10,386	7,277	4,492	4,661	4,756	5,491	5,604	5,355	12,834
General Government										
Parking tickets issued	21,174	29,669	31,234	33,949	29,222	24,219	30,927	36,990	38,488	42,817
Culture and Recreation										
Trails in Newark parks (mi)	16.8	16.8	16.8	16.8	17.1	17.1	17.6	19.1	19.1	19.1
Registrants	7,344	7,422	7,484	7,582	7,608	4,020	5,413	6,834	6,841	6,799
Participants	76,152	77,831	75,944	76,236	76,332	34,505	45,422	61,129	62,349	61,938
Electric										
MWH's sold	416,744	416,518	413,594	425,591	424,291	402,097	421,301	423,748	411,986	422,658
MWH's purchased	457,749	453,550	445,869	464,741	461,483	433,533	451,781	454,611	438,876	449,122
Meters in service	12,734	12,754	12,823	12,714	12,628	12,761	13,142	13,331	13,377	13,800
Water and Waste Water										
Meters in service	10,259	10,282	10,279	10,339	10,364	10,440	10,483	10,489	10,563	10,556
Fire hydrants in system	762	762	768	758	745	752	754	759	761	764
Gallons of water sold (000's)	1,092,816	1,056,537	1,028,878	1,028,295	1,021,183	895,007	945,988	963,311	922,643	966,425
Gallons of sewage collected (000's)	803,602	798,070	816,068	845,285	852,374	742,140	804,068	809,145	796,283	835,755

Sources: Various city departments.

Gallons of sewage collected excludes large wholesale sewer accounts (2014-2016).

**CITY OF NEWARK, DELAWARE
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	35	35	35	35	34	34	34	35	41	47
Sanitation										
Collection trucks	10	8	8	9	9	9	9	9	9	13
Streets										
Miles of streets	66	66	66	66	66	66	66	66	66	66
Street lights	2,837	2,834	2,948	2,960	2,960	2,960	3,005	3,030	3,032	3,039
Traffic signals	75	75	69	71	73	73	73	73	73	73
Culture and recreation										
Parks acreage	654.9	658.2	658.2	658.2	658.2	658.2	665.2	665.2	665.2	665.2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis and basketball courts	37	37	37	37	37	37	37	37	37	37
Community centers	1	1	1	1	1	1	1	1	1	1
Electric										
Substations transformers	27	28	29	29	29	29	29	28	27	28
Miles of high voltage service lines	175	175	175	175	175	175	176	176	176	176
Miles of low voltage service lines	190.00	182.00	181.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
Water										
Water mains (miles)	146	143	144	137	135	136	136	136	135	135
Wells in operation	4	4	4	4	4	4	6	4	4	4
Maximum daily capacity (Mgal)	5.8	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Sewer										
Sanitary sewers (miles)	96	94	96	94	94	94	94	94	94	94
Storm sewers (miles)	70	74	74	74	74	74	74	74	65	65
Parking										
On-street parking spaces	457	457	457	448	489	491	491	491	501	503
Parking lots maintained	7	7	6	6	6	7	7	8	8	8

Sources: Various city departments.