APPENDIX A

DESCRIPTION OF THE CITY

THE CITY

General Description

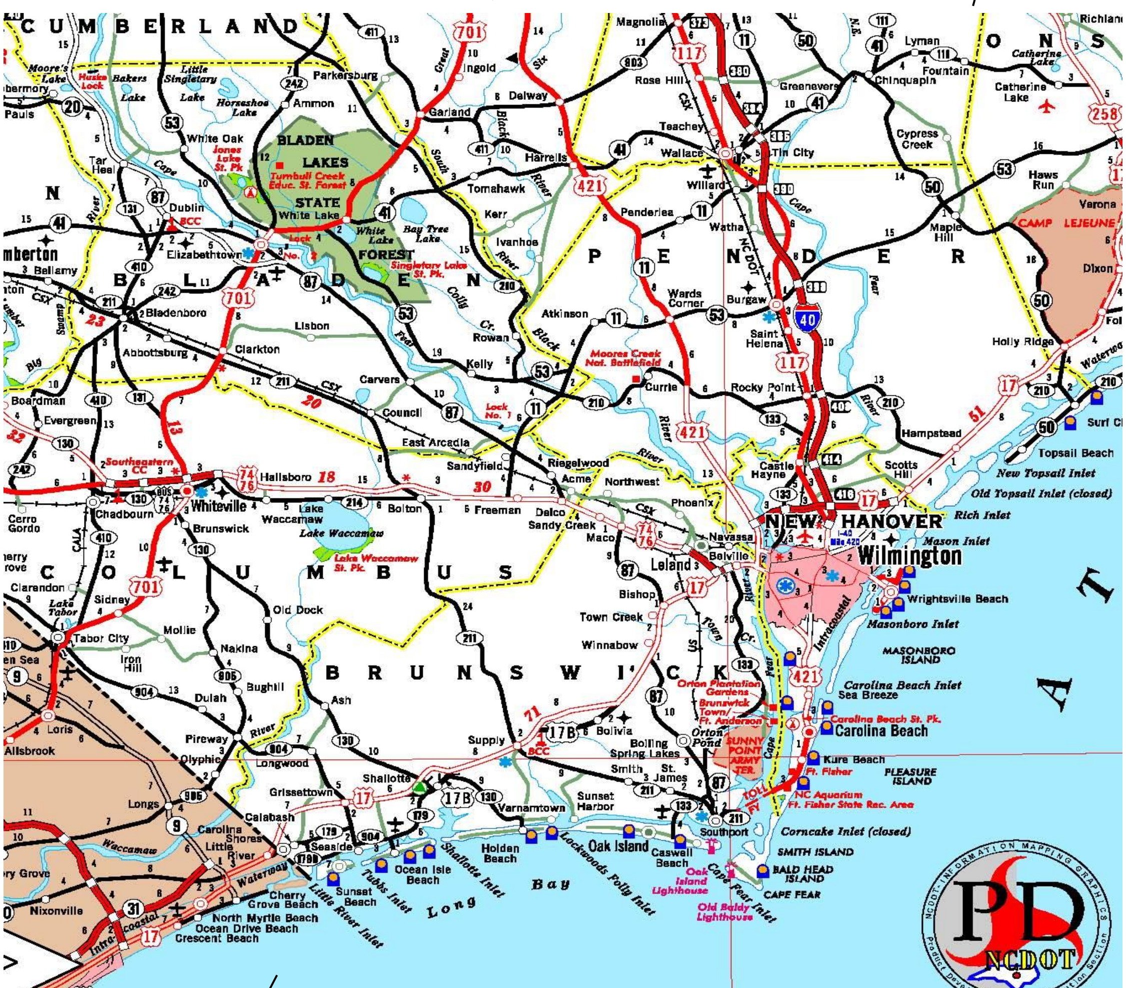
The City of Wilmington, North Carolina (the "*City*" or "*Wilmington*"), incorporated in 1739, is located approximately at the midpoint of the eastern seaboard of the United States, in the southeastern coastal section of the State of North Carolina (the "*State*"). The City is an active business, service and industrial center for the surrounding five-county area with a population of approximately 562,000. Numerous State and Federal agencies have regional offices in the area and the City serves as the financial, medical, legal, communications and transportation center for the southeastern part of the State.

In 2025, the Milken Institute/Greenstreet Real Estate Partners Best Performing Cities Index ranked the Wilmington MSA 13th nationally, marking an eight-place improvement over its 2024 position. Wilmington also tied for the top spot among the most moved-to cities in the United States, based on an analysis of net long-distance migration from January 2024 through March 2025 in the moving and storage company PODS' 5th annual Moving Trends Report. With a land area of approximately 52.9 square miles, the City is approximately 30 miles from the Atlantic Ocean via the Cape Fear River; is the County seat of New Hanover County (the "*County*"); and is home to the State's largest port.

New York, New York 500 Miles

Washington, D.C. 355 Miles

50 MILE RADIUS



410 Miles Atlanta, GA

Demographic Characteristics

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City to be as follows:

1990	2000	2010	2020	2025
55,530	75,542	106,476	115,451	126,164[1]

Source: United States Department of Commerce, Bureau of the Census, except for 2025.
[1] Estimate of North Carolina Office of State Budget and Management.

According to the North Carolina State Demographer, as of 2025, the City is the eighth largest city in the State.

Per capita income figures for the County, the Wilmington Metropolitan Statistical Area ("*Wilmington MSA*") and the State are presented in the following table:

Year	County	Wilmington MSA[1]	State
2020	$53,673	$51,808	$51,816
2021	60,273	57,786	57,233
2022	61,827	59,442	59,092
2023	66,363	62,278	62,233
2024	69,666	______	65,634

Source: United States Department of Commerce, Bureau of Economic Analysis.
[1] Wilmington MSA includes data collected from the City, the County and Pender County.

Commerce and Industry

The City's economy is diverse and driven by its coastal location and its role as the economic, cultural and services hub for southeastern North Carolina. The coast is a draw for the City's significant tourism industry but also the home of the State's largest deep-water port which drives a sizable related freight and rail distribution network. The City's local industry includes a range of operations spanning pharmaceutical research and development, the manufacture of fiber optics and nuclear fuel and jet engine components, as well as a growing film industry. In addition, the City has a significant healthcare and higher education presence.

Tourism. Tourism is the area's largest economic component in terms of employment and revenues. Nearby beaches, the historic river front area, the USS North Carolina Battleship Memorial, and the Live Oak Bank Pavilion are some of the many attractions that bring visitors to the City. The New Hanover County Tourism Development Authority ("*TDA*") was established to expand the tourism industry and to maintain the health of the local economy. Funded in large part by a room occupancy tax, the TDA serves as an umbrella organization representing all the services available to a visitor within the area. The North Carolina Division of Travel and Tourism has estimated that in 2024 travel and tourism generated $1.14 billion in the County (the third consecutive year the County has surpassed the billion-dollar mark), an increase of 1.5% from 2023. An estimated 7,003 jobs in the region were supported by tourism, generating $290.59 million in payroll in 2024. State tax revenue generated in the County totaled $37.54 million through State sales and excise taxes, and taxes on personal and corporate income. About $41.80 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses. Travel-generated State and local tax revenues saved each County resident an estimated $326.79. The County ranked 8th in visitor spending among North Carolina's 100 counties in 2024.

Port of Wilmington. The Port of Wilmington (the "*Port*") is one of two deep water harbors in the State and is located along the eastern bank of the Cape Fear River. Recent and ongoing improvements to regional and national highway networks make surface transportation supporting the Port superior to neighboring ports. North Carolina's ports in Wilmington and Morehead City, plus inland terminals in Charlotte and in Greensboro, link the State's consumers, businesses and industry to world markets, and serve as magnets to attract new business and industry. The Port is designated as a Foreign Trade Zone 214 The Port has had an aggressive capital improvement plan over the past few years to position itself for future growth and to accommodate today's larger container vessels. The Port's current container terminal master plan provides for an increase in the Port's annual throughput capacity to more than 1 million TEU's. Current projects intended to further enhance operational efficiency include a $22.5 million intermodal rail yard expansion, expected to be completed in 2026, which will add four new working tracks and increase annual rail capacity to more than 50,000 container movements, and a North Gate relocation and access improvement project, with construction anticipated to be completed in 2027, designed to improve truck circulation and terminal access.

Research and Development. The City has long been a clinical research hub with companies such as Pharmaceutical Product Development, Inc. ("*PPD*"), Alcami, and Quality Chemical Laboratories ("*QCL*"). In December of 2021, Thermo Fisher Scientific concluded its acquisition of PPD for $17.4 billion. With more than 65 locations around the world, Thermo Fisher Scientific provides an end-to-end drug development offering that includes API, biologics, viral vector services, cGMP plasmids, early and late phase development, clinical trial services, logistics services, and commercial manufacturing. PPD, originally founded in the City, is a leading global contract research organization providing discovery, development, and post-approval services as well as compound partnering programs for pharmaceutical, biotechnology, medical device, academic and government organizations. PPD remains a brand of Thermo Fisher Scientific, providing contract research services, and remains a major employer in Wilmington. Following the sale of the Skyline Center (formerly known as the Thermo Fisher or PPD building) to the City in 2023, Thermo Fisher entered into a three year lease (with a renewal option) for two floors of the building, evidencing the company's commitment to Wilmington as a hub for PPD operations. In furtherance of that commitment, Thermo Fisher has also worked to provide a remote work option for employees located in the City. In August of 2024, the PPD clinical research business of Thermo Fisher was honored for industry leadership in digital services by Information Services Group (ISG), a leading global technology research and advisory firm. Thermo Fisher was recognized as an ISG Provider Lens Leader for its digital transformation services in clinical development and patient engagement and regulatory affairs. ISG's honor focuses on Thermo Fisher's ability to provide access for patients to clinical trials of promising new medical therapies in more efficient and effective ways. It also recognizes the company's ability to help pharmaceutical and biotech customers accelerate the delivery of safe and effective medications to the marketplace while addressing issues of patient diversity, health equity, and sustainability in clinical research.

Alcami, a fully integrated end-to-end contract development and manufacturing organization, opened its doors in the City in 1983. In 2024, Alcami doubled its stability storage capability in the City with the completion of the first phase of its Good Manufacturing Practices Stability Storage space in its Wilmington facility. The expansion adds about 2,200 cubic feet of stability storage space, with capacity to add 6,000 more cubic feet of space if needed. QCL, started in 1998 by a retired UNCW professor, provides services to support small and large molecule drug products, drug substances, in-process materials and raw materials in all phases of research, development and commercialization. The company has five facilities in the City and expanded its main building, nearly doubling its footprint in 2023. Multiple other contract research organizations are in the City including: IQVIA, INC Research, Modoc Research, Chiltern, Novella Clinical, Wilmington Pharmaceuticals and Phargate Animal Health.

Manufacturing. General Electric's ("*GE*") global headquarters for nuclear fuel (GE Hitachi Nuclear Energy or "*GEH*") is located in the County, outside of the City. GEH is a global nuclear alliance created by GE and Hitachi to serve the global nuclear industry by offering the highest level of quality services related to nuclear power plant construction and maintenance. GEH specializes in uranium enrichment technology and is one of the world's leading providers of advanced reactors and nuclear services. In July 2021, GEH entered into a long-term contract extension with the Leibstadt Nuclear Power Plant, the most powerful nuclear plant in Switzerland, to provide a full portfolio of outage and inspection services through 2030. In December of 2025, the U.S. Department of Energy announced a $400 million grant to the Tennessee Valley Authority (TVA) to continue to accelerate deployment of GE Verona Hitachi Nuclear Energy BWRX-300 small modular reactors, with commercial operation of the first BWRX-300 at the utility's Clinch River Site in Oak Ridge, Tennessee targeted for the early 2030's. It would become the nation's first commercial small modular reactor. The TVA submitted a construction permit application to the U.S. Nuclear Regulatory Commission (NRC) in May 2025, and the NRC is currently reviewing the application. The BWRX-300 is the simplest, yet most innovative boiling water reactor.

Global Nuclear Fuel Americas ("*GNF*") operates a plant in the County, outside of the City, where it manufactures light-water nuclear reactor fuel. GNF is powered by three corporate giants: GE Energy, Toshiba and Hitachi. In 2025, GNF announced the introduction of GNF4, a next generation nuclear fuel product engineered to help plants operate with lower fuel cost per megawatt hour, due to better corrosion resistance and enhanced reliability. The first lead use assemblies of GNF4 are contracted for deployment in 2026 with full reload quantities expected in 2030.

GE Aviation, a global leader in jet engine and aircraft system production, is located in the County, outside of the City. The facility uses precision manufacturing to make rotating components that go into the core of nearly all of GE Aviation's jet engines, including the CFM LEAP and the GE9X In March 2025, GE aerospace announced $1 billion of investment in its U.S. manufacturing sites and suppliers, which includes nearly $52 million at its site in Wilmington to fund metal parts for multiple machines that will help reduce cycle times and increase capacity with crane systems and additional tooling. It will also allow for upgrades to the site building.

Corning opened the world's first optical fiber manufacturing facility in the City in 1979. Today, it is the world's largest optical fiber manufacturing plant with over one million square feet of manufacturing space and total onsite acreage of approximately 66 acres. In January 2026, they announced a multiyear agreement, up to $6 billion, with Meta to accelerate the most advanced data centers in the United States to support Meta's apps, technologies, and AI ambitions. Corning will supply Meta with the newest innovations in optical fiber, cable, and connectivity solutions. To support this, Corning will expand its manufacturing capabilities across its operations in the State, including in the City.

Film Industry. The City is a top filming destination for production companies due in large part to the EUE/Screen Gems Studios complex in the City, which was originally built in 1996 and was purchased by Cinespace Studios in September 2023. The new company now operates one of the largest sound stages in the City. It has been home to numerous productions, including The Summer I Turned Pretty and George & Tammy, and in July 2025 it hosted a new ABC sitcom, R.J. Decker. Dark Horse Studios, which has operated in the City since 2020, has expanded its operations in the City by constructing the first purpose-built studio to be built in North Carolina in more than 40 years. Combined with its existing facilities, the expansion brings Dark Horse Studios to over 80,000 square feet of sound stages. Studios 3 and 4 were completed in November 2024 and are expected to attract local and out of state productions seeking stage space. Dark Horse Studio's new stages have already hosted the first two seasons of MrBeast's game show "Beast Games." The State's 25% rebate on qualifying expenses and purchases/rentals made by productions while in-state, combined with the availability of experienced crew and great infrastructure, are likely to continue to drive expansion in the City's already robust film industry.

Medical Facilities. Novant Health New Hanover Regional Medical Center ("*Novant NHRMC*") is a teaching hospital, regional referral center, and tertiary care center serving a seven-county area in southeastern North Carolina. The medical center is one of nine Level II or higher trauma centers in the State and is home to the region's first Level III Neonatal Intensive Care Unit. Novant NHRMC offers advanced clinical capabilities, including the da Vinci® Surgical System, and serves as the primary teaching site for residency programs in internal medicine, obstetrics and gynecology, general surgery, and family medicine. These programs are affiliated with the University of North Carolina at Chapel Hill School of Medicine and administered by the South East Area Health Education Center. The hospital has received numerous recognitions for quality of care.

The 2021 sale of New Hanover Regional Medical Center to Novant Health provided the funding for an approximately $1.25 billion community endowment to benefit New Hanover County and its residents, providing long-term support for health and community initiatives.

In 2026, Novant Health announced plans to invest more than $1 billion in healthcare infrastructure across the Coastal Region over the next five to seven years. Planned projects include a new heart and vascular patient tower, expansion of cardiovascular medical office space, development of a 60-bed physical rehabilitation hospital, and renovations to expand surgical and endoscopy capacity at Novant NHRMC. The projects are intended to address continued population growth and increasing demand for specialty care and remain subject to State regulatory approval.

Higher Education. The University of North Carolina at Wilmington ("*UNCW*"), located within the City, is a comprehensive level I university in the 16-campus University of North Carolina System and the only public university in southeastern North Carolina. It is accredited by the Southern Association of Colleges and Schools and offers more than 60 majors, 37 master's degrees, and six Doctoral programs. *U.S News and World Reports* in 2026 ranks UNCW highly in several programs. UNCW ranked 109th among Top Public National Universities, 58th in undergraduate teaching programs, 12th in Best Online Master's in Nursing Programs for veterans and tied for 35th in best Online Master's in Nursing programs, up 30 spots from last year. UNCW had a fall 2024 enrollment of approximately 19,000 full-time-equivalent undergraduate and graduate students. UNCW's Marine Biology Program ("*MARBIONC*"), an offering of the university's Center for Marine Science, is a research-based economic development program based at UNCW that discovers, develops and markets new products and technologies derived from the sea. The UNCW Center for Innovation and Entrepreneurship ("*CIE*") works to identify and nurture high-growth, high-impact companies and to accelerate the entrepreneurial ecosystem in the southeastern area of the State.

Cape Fear Community College ("*CFCC*") is accredited by the Southern Association of Colleges and Schools Commission on Colleges, with over 22,500 students enrolling in classes annually. CFCC students can train for a new career in one of the college's many technical programs or earn a two-year college transfer degree. CFCC offers an array of continuing education classes for lifelong learning and workforce development, as well as free courses in adult education, basic skills, and GED test preparation. Construction trades, power line technician, and Yamaha marine service technician are among CFCC's new workforce development programs. And to entrepreneurs and small businesses, CFCC's Small Business Center serves as a resource for free seminars and free business counseling services. CFCC's Associates Degree Nursing program is the top in North Carolina and has a pass rate over 98%.

Major Employers

The following table lists the major manufacturing and major non-manufacturing establishments, service companies and institutions in the County.

Company or Institution	Product or Service	Approximate Number of Employees
Major Manufacturing		
General Electric Company***	Components and Fuel for Nuclear Production of Electricity and Jet Engine Components	2,021
Corning, Inc*	Optical Wave Guides	1,000
Major Non-Manufacturing		
Novant Health*	Health Care	7,500
New Hanover County Board of Education**	Public Education	3,385
New Hanover County**	County Government	2,044
The University of North Carolina at Wilmington*	Higher Education	1,965
Thermo Fisher Scientific (PPD)*	Pharmaceuticals Testing	1,700
Wilmington Health*	Health Care	1,270
City of Wilmington*	Municipal Government	1,174
Cape Fear Community College*	Higher Education	1,081

Source: Greater Wilmington Business Journal, New Hanover County, New Hanover County of Board of Education, General Electric, Cape Fear Community College, and Thermo Fisher Scientific (PPD).
*Located within the City.
**Located partially within the City.
***Located within the County.

Taxable Sales

The following table reflects the total taxable sales for the County.

Fiscal Year Ended/Ending June 30	Total Taxable Sales	Increase (Decrease) Percent Over Previous Year
2021	$5,746,625,707	14.30%
2022	6,680,019,869	16.24
2023	7,179,532,403	7.48
2024	7,363,675,819	2.56
2025	7,544,388,573	2.45
2026 (5 months)[1]	3,437,441,407	--

Source: North Carolina Department of Revenue, Sales and Use Tax Division.
[1] For the five-month period ended November 2025. The comparable figure for the five-month period ended November 2024 was $3,194,706,202.

Employment

The North Carolina Department of Commerce has estimated the percentage of unemployment in the City to be as follows: **[Note: Update for 2026 before posting.]**

	2021	2022	2023	2024	2025	2026
January	6.2%	3.9%	3.9%	3.8%	3.8%	
February	6.0	3.8	3.8	3.8	3.5	
March	5.4	3.5	3.6	3.5	3.7	
April	5.1	3.4	3.1	3.0	3.4	
May	5.0	3.6	3.4	3.3	3.6	
June	5.4	4.0	3.7	3.6	3.9	
July	4.9	3.8	3.8	3.8	3.7	
August	4.7	4.1	3.9	3.7	3.8	
September	3.9	3.3	3.3	3.0	3.5	
October	3.9	3.5	3.5	3.1	N/A	
November	3.8	3.6	3.4	3.4	3.9	
December	3.1	3.3	3.4	3.2	3.3	

Source: North Carolina Department of Commerce: Labor and Economic Analysis Division.
Note: Most recent data available.

Construction Activity

Construction activity in the City is indicated by the following table setting forth the number and value of building permits issued in the City:

Fiscal Year Ending	Number of Building Permits	Residential Value (in thousands)	Nonresidential Value (in thousands)	Total Value (in thousands)
2021	1,328	$340,268	$227,522	$567,790
2022	1,923	361,669	293,806	655,475
2023	1,512	283,799	176,749	460,548
2024	1,635	282,780	282,275	565,055
2025	1,756	378,623	280,538	659,161
2026[1]	804	191,559	107,863	299,422

Source: New Hanover County Building Inspections Division.
[1] Through December 31, 2025. As of December 31, 2024, the number of building permits was 856, and the residential, non-residential, and total values (in thousands) were $167,634, $175,292, and $343,167, respectively.

Commercial and Residential Development

A number of notable commercial and/or residential developments are underway in the City and in various stages of completion, with others currently under construction or recently released for construction, including the following:

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

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

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

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

Autumn Hall began construction in 2007 on a mixed-use development with an estimated value of $420 million. The original master plan included more than 200 acres and a wide range of residential, retail and office development. Commercial spaces in the development include 403,000 square-feet of retail space, 355,000 square-feet of office space, and a 135-room hotel. The development has also provided 72 acres of common/open space. A total of 220 single-family home sites have been approved and approximately 131,000 square-feet of office and commercial use, along with a 40,000 square-foot medical office facility currently leased by Novant NHRMC, have been constructed. A multifamily development consisting of a total of 286 residential units, pool, and open space was completed in the spring of 2013. Carolina Bay at Autumn Hall, which consists of 51 condominium units, was completed in 2013. Phase II of Carolina Bay at Autumn Hall, a continuing care retirement community with 122 multi-family units and a 100-bed assisted living facility, has been completed. The next phase of development was released for construction in 2019 and included 19,000 square-feet of office space, 26,000 square-feet of retail and restaurant space, and 106 residential units. Roadway improvements for Eastwood Road, which were required for the future build-out of the project, are now complete. A new bank building located at the entrance to Autumn Hall is currently under construction. Two, 2-story commercial buildings with 34,000 square-feet of office and commercial space are currently under construction. A 34,000 square-foot medical office located at 5505 Currituck Drive is currently under construction.

RiverLights is a large-scale, multi-phase residential and mixed-use development located on River Road in south Wilmington. Fifteen single-family subdivisions with a total of 1,961 lots have been approved by the City's Subdivision Review Board and Design Adjustment Committee. Five of these residential subdivisions are developer-identified, *age-qualified developments* targeting residents 55 years of age and older. Phase I of Marina Village at RiverLights is a mixed-use community with 112 boat slips, 10 townhomes, and 9,800 square-feet of restaurant space, approximately 16,000 square-feet of office space, 4,000 square-feet of retail space, and a 7,700 square-foot art gallery. Middleburg Apartments, a 250-unit, two-building apartment development located in the MX-zoned portion of RiverLights, was recently completed. On December 1, 2020, City Council approved a rezoning of a 120-acre tract within Riverlights

(MX3) for a new mixed-use development to include a mix of residential, office, and commercial uses. A 279-unit residential cottage project (Cottages at Riverlights) and a 286-unit apartment project (Argento) are currently under construction. Plans for a 120-unit independent living facility and a 60-bed assisted living facility are currently under review. Refuel is a 6,507 square-foot convenience food store with fuel pumps located at 505 Arnold Street. The project is currently under construction. A dental office building with 4,219 square-feet is proposed at 5413 Watergrass Drive. This project is currently under review.

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

The following additional developments in the City have been released for construction or are currently under construction:

Name of Development	Type of Development	Number of Units
Center Point[1]	Mixed Use – Apartments, Hotel, Retail & Office Space	370
Airlie at Wrightsville Sound	Single Family	49
Ansley Park	Apartments	276
East & Mason	Mixed Use – Townhomes, Single Family	168
Switchyard	Multi Family	252
Wilmington Three Phase A	Apartments	286
Cottages at Bradley Creek	Single Family	56
Franklin Forest Phase 2	Multi Family	14
Woodlands at Echo Farms	Apartments	382
Woodlands at Echo Farms	Townhomes, Single Family	208
Pacific Place	Single Family	39
Proximity at Watermark	Apartments	248
Starway Village	Affordable Housing Units	278
720 Castle	Mixed Use – Residential, Commercial	10
Makai Subdivision	Single Family	14
Sterling Reserve	Multi Family	56
Venture at Carolina	Multi Family	225
Midtown Junction	Multi Family	257
Good Shepard Ministries Supportive Housing	Affordable Housing Units	32
Bradley Heights	Multi Family	61
Twin Lofts	Multi Family	148
Cape Landing Apartments	Affordable Housing Apartments	60
Cape Landing Apartments	Townhomes	11
Midtown Flats	Multi Family	34
Saphire on 5th	Multi Family	124
Metropoli Townhomes	Townhomes	8
Midtown and Main	Multi Family	40
Ethos 622	Multi Family	49
Mira Mar Townhomes	Townhomes	18

(Formerly Villa Point)		
The Townhomes at Allens Lane	Townhomes	16

[1] Center Point is a mixed-use development which includes, in addition to the 370 apartment units, 102,300 square-feet of office space and 121,000 square-feet of retail and restaurant space.

Annexation. The City is empowered to levy a property tax on both real and personal properties located within its boundaries and the County is the only other unit that levies taxes within the City's corporate limits. The City is also empowered by State statute to extend its corporate limits by annexation, upon receipt of a valid petition signed by the owners of the real property located within the area. The City has exercised its annexation powers in the past but no major annexation has taken place in the last five years.

Government and Major Services

Government Structure. The City is governed by the Council-Manager form of government. The seven-member nonpartisan City Council is elected at-large, with the six Council members serving four-year staggered terms and the Mayor serving a two-year term. The Mayor and Council Members serve as the City's policy-making body, adopting an annual balanced budget, establishing legislative direction for the City, and appointing various officials, including a professional City Manager to serve as chief executive officer to direct the daily activities of the City's departments. The City Council makes extensive use of appointed boards and commissions in the development of policy decisions.

Education. The City and County have a consolidated public school system. New Hanover County Schools is governed by a seven-member Board of Education. The Board is elected for four-year staggered terms. The City has no direct financial responsibility for any part of the school system. The State provides operational funds for a basic education program for each school system in the State. Funds are also provided by the State for capital construction through the Public Schools Building Capital Fund. In addition to the State funds, the County contributes funds from its General Fund. Designated portions of two local option one-half cent sales taxes must be used for school capital outlay expenditures or the retirement of bonded indebtedness incurred for these purposes.

The following table illustrates the number of schools in the system and their average daily membership ("*ADM*")[1] for the past four years and the current year:

	Elementary Grades (K-5)		Intermediate Grades (6-8)		Secondary Grades (9-12)	
School Year[2]	Number of Schools	ADM[1]	Number of Schools	ADM[1]	Number of Schools	ADM[1]
2020-21	26	10,639	7	5,623	9	8,024
2021-22	26	10,882	7	5,441	9	8,259
2022-23	26	10,996	7	5,381	9	8,397
2023-24	26	10,964	7	5,258	9	8,407
2024-25	26	10,775	7	5,263	9	8,171
2025-26[3]	25	10,508	7	5,202	7	8,050

Source: North Carolina Department of Public Instruction.

[1] ADM or average daily membership, determined by actual records at the schools, is computed by the North Carolina Department of Public Instruction on a uniform basis for all public school units in the State. The ADM computations are used as a basis for teacher allotments.

[2] The above table includes alternative schools.

[3] 2025-26 ADM based on the Month 2 Membership Report FY2026.

New Hanover County Schools has projected an average daily membership of 23,760 during the 2025-2026 school year for kindergarten through twelfth grade. In 2024-2025 New Hanover County Schools served 24,209 students from kindergarten through twelfth grade. Services were provided to these students in 25 elementary schools, seven middle schools, four high schools, one technical high school, two early college high schools, and three specialty schools. Additionally, pre-K services were provided for 750 students, distributed across public elementary classrooms as well as three dedicated pre-K centers.

Transportation

The Road System. The City is served by Interstate 40, U.S. Highways 17, 117, 74, 76, 421 and by North Carolina Highways 132 and 133. These highways connect the area to the major cities in North Carolina, South Carolina and Virginia. There are projects in different stages of early development today that will shape the transportation future of the region. These projects include interchange improvements at Military Cutoff Road and Eastwood Road, Martin Luther King Jr. Parkway (MLK) and Kerr Avenue, MLK and Market Street; College Road upgrades between Market Street and Gordon Road, and Oleander Drive and Greenville Loop; and Cape Fear Memorial Bridge replacement, South Front Street widening, and Market Street widening.

Mass Transit. Local bus service is provided by the Cape Fear Public Transportation Authority (the "*Transportation Authority*"), which operates as Wave Transit. The Transportation Authority is reported as a component unit of the City and is governed by a nine-member board (or a member's designee). The members of the board are designated to be the County Manager, the City Manager, a County Deputy Attorney, the City Attorney, the County Finance Director, the City Budget Director, the Executive Director of the Wilmington Urban Area Metropolitan Planning Organization and two members, one appointed by the County and one by the City. A private management firm oversees the daily operations of the Transportation Authority, managing a system of ten routes, the UNCW Shuttle service, as well as the historic downtown trolley. The Transportation Authority provides transportation services to approximately 700,000 passengers annually. In January 2020, the Transportation Authority opened a new downtown transfer station, providing customers a safer, more convenient, and accessible experience when utilizing public transportation. The City's operating subsidy to the Transportation Authority's system is $1,827,444 for fiscal year ending June 30, 2025, representing 13% of the Transportation Authority's budget. In 2025, Wave Transit received a $1 million grant from the Federal Transit Administration to replace six older shuttle buses and to complete the conversion of its fixed-route bus fleet from diesel fuel to compressed natural gas, resulting in a fleet that now operates entirely on cleaner-burning fuel sources.

Wilmington International Airport. The Wilmington International Airport ("*ILM*" or the "*Airport*"), a component unit of the County, is operated by the New Hanover County Airport Authority. The Airport is the 4th largest in the State. In 2025, ILM served 1,826,994 passengers, a 24.6% increase over the 1,465,869 served in 2024. ILM reports that it ranks first in growth over the last three years among major airports in the country. From 2022-2025, ILM reported a 66% increase in seat capacity growth and now offers 29 non-stop routes and has expanded services from several airlines. Two commercial airlines, American Airlines and Delta, provide regular jet and commuter service, offering direct (non-stop) service to four major cities: Atlanta, Charlotte, New York and Philadelphia, and one-stop connections to hundreds of destinations both domestic and international. The Airport is a U.S. Customs and Border Protection General Aviation International Clearance Facility.

Phase one of the Wilmington International Airport (ILM) expansion, with a total cost of approximately $69 million, includes a $16.4 million grant from the Federal Aviation Administration. The project commenced in 2018 and was completed in phases, culminating in Fall 2023. The expansion substantially increased the size and functionality of the terminal and included the construction of a new outbound baggage handling room with updated screening equipment, expansion of the airline ticket lobby, ticket counters, and ticket office areas, and the addition of new gate space with expanded seating, restrooms, and concession areas. The project also included improvements to the baggage claim and car rental areas, as well as renovation of the former gate areas. As completed, the terminal increased by approximately 75% to 162,800 square feet and added four new gates, expanded concessions and restaurant space, and an enhanced baggage claim area. These improvements position ILM to accommodate continued passenger growth in the region while providing a modernized, efficient, and expanded passenger experience. Phase two consists of approximately $165 million in planned capital improvements and began in 2023, including terminal curb front improvements, phased parking improvements, the realignment of Airport Boulevard, and continued terminal expansion to be completed by the fall of 2026. ILM is expected to have 2,700 parking spaces at the end of the project with room for more and designated lanes for arrivals and departures. Approximately 1,500 of these parking spaces have been completed and placed into service, with the remaining spaces and the terminal access improvements scheduled for completion by fall 2026. There will also be a complete renovation of one of the Airport's runways at a cost of $15 million.

Public Service Enterprises

Water and Sewer. In May 2007, the City Council of the City and the Board of Commissioners of the County each adopted resolutions creating a water and sewer authority called the Cape Fear Public Utility Authority (the "*Authority*") to consolidate the City's and County's water and sewer systems, along with the New Hanover County Water and Sewer District (the "*District*"). Transfer of water and sewer assets and liabilities, as well as employees, of the City, the County, and the District to the Authority was completed on July 1, 2008. The water and sewer system assets and liabilities of the City, County, and District were leased, transferred, or assigned to the Authority, to the extent permitted under existing financing documentation law.

The Authority provides water and sewer services for the City and areas in the County not served by Carolina Beach, Kure Beach and Wrightsville Beach. The Authority's water system is composed of a surface water system and two groundwater systems. The Authority's water system has 1,221 miles of distribution lines and 76,311 customer accounts. The Authority's wastewater collection system consists of approximately 947 miles of gravity lines, 23,806 manholes, approximately 159 pump stations and 169 miles of pressurized sewage force main. The Authority currently has 76,426 wastewater accounts and provides wholesale wastewater treatment services to the Town of Wrightsville Beach and wastewater services to a portion of Pender County.

Recycling and Trash Services. The City's Recycling & Trash Services Division oversees the collection and disposal of the City's refuse, yard waste, bulky items, electronics, and bi-weekly collection and disposal of commingled recycling to over 31,000 City customers. User fees fund all of the services. The refuse section provides weekly trash collection to City residents on public streets. The division also oversees the delivery, repair, and pick-up of thousands of trash and recycling carts annually. The yard debris section collects customers' prepared vegetative debris weekly and functions as a lead responder in weather-related emergency debris removal. The downtown section is responsible for "Blue Bag" trash and commercial cardboard and glass recycling in the central business district. The downtown section operates 18 hours per day, seven days a week. The administrative section handles a large-volume call center assisting customers, including requests to schedule bulky and electronic service appointments and process new account activation work orders. The Recycling & Trash Services Division also provides downtown litter removal and trash collection from over 200 public trash and recycling receptacles on the Riverwalk and the historic downtown area, as wells as sidewalk pressure washing daily in the Central Business District. The Recycling & Trash Services Division is responsible for supporting cleanup activities following the City's sponsored events and festivals.

Storm Water Management. The City's Storm Water and Streets Management Division of the Public Services Department maintains and improves the public drainage system, under city streets, for the protection of the community and the environment. These activities are funded by user fees. The Storm Water Maintenance section is responsible for capital drainage improvements projects (CIP) and the Operations section is responsible for the operation and maintenance of the public drainage system which includes drainage pipes, catch basins, open channels, storm water control measures, etc. In addition, the Street Sweeping section of Storm Water Services helps to minimize the amount of trash, debris, sediment, and other pollutants from entering open or closed drainage systems. The five core components of Storm Water Services include asset management and planning, capital improvements, regulatory and enforcement activities, water quality measures required by the NC Department of Environmental Quality's Storm Water MS4 Permit and operations and maintenance.

Other City Services. The City provides a broad range of leisure-time activities, parks and recreation facilities to residents of and visitors to the area. There are 58 park and recreation sites throughout the City consisting of 807 acres including 380 acres of athletic and recreation facilities. In addition, there are approximately 32 miles of trails. The City continues to focus on creating diverse and accessible parks and recreation opportunities.

The City maintains an active role in providing adequate housing for low and moderate income citizens. In addition to the City's Housing Authority, the City makes available housing rehabilitation loans to qualified homeowners and loans to investors for the renovation of rental property and the construction of new homes for persons of low and moderate income. The funds are provided from the City's Community Development Block Grant and Home program, the General Fund, and the Rental Rehabilitation program.

Debt Information

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt in the approximate amount of $1,564,481,844 as of June 30, 2025.

Outstanding General Obligation Debt

	Principal Outstanding as of				
General Obligation Bonds	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Street	$46,415,000	$45,190,000	$44,425,000	$43,660,000	$42,895,000
Parks	25,405,000	22,445,000	19,485,000	16,525,000	13,565,000
Refunding	9,100,000	8,435,000	7,390,000	6,340,000	5,290,000
Other	4,140,000	3,840,000	3,540,000	3,240,000	2,945,000
Total Bonds	$85,060,000	$79,910,000	$74,840,000	$69,765,000	$64,695,000

General Obligation Debt Ratios

At June 30	Total GO Debt	Assessed Valuation[1]	Total GO Debt to Assessed Valuation	Population[2]	Total GO Debt Per Capita
2021	$85,060,000	$15,981,099,374	0.53	116,243	731.74
2022	79,910,000	21,434,311,269	0.37	118,294	675.52
2023	74,840,000	21,895,119,764	0.34	121,309	616.94
2024	69,765,000	22,638,692,946	0.31	123,756	563.73
2025	64,695,000	23,221,264,259	0.28	126,164	512.78

[1] Property in the County is appraised at least once every eight years as required by State law. The most recent property revaluation was effective as of January 1, 2025 for the tax levy associated with fiscal year ended June 30, 2026. Property is assessed at 100% of value. Tax rates are per $100 of assessed value.
[2] Estimate of the North Carolina Office of State Budget and Management.

The following table sets forth the debt service requirements on general obligation debt of the City which will be outstanding as of June 30, 2025.

General Obligation Debt Service Requirements and Maturity Schedule

	Existing Debt	
Fiscal Year Ending June 30th	Principal	Principal & Interest
2025-26	$5,065,000	$7,043,257
2026-27	5,060,000	6,884,328
2027-28	5,055,000	6,668,849
2028-29	5,050,000	6,455,893
2029-30	4,400,000	5,623,722
2030-31	4,400,000	5,449,599
2031-32	4,400,000	5,274,613
2032-33	4,020,000	4,770,580
2033-34	4,015,000	4,650,185
2034-35	3,865,000	4,384,033
2035-36	3,865,000	4,294,895
2036-37	3,720,000	4,059,972
2037-38	3,720,000	3,973,615
2038-39	2,955,000	3,122,237
2039-40	2,955,000	3,060,320
2040-41	2,150,000	2,193,000
	$64,695,000	$77,909,098

General Obligation Debt Information for Overlapping Unit as of June 30, 2025

				Debt Authorized And Unissued		Total GO Debt		
Unit	2025 Population[1]	Assessed Valuation[2]	Tax Rate Per $100	Utility	Other	Utility	Other	Total GO Debt Per Capita
New Hanover County	246,612	$52,114,837,747	$0.4500	—	—	—	$190,763,741	$773.54

[1] Estimate of North Carolina Office of State Budget and Management

[2] Based on County's fiscal year ended June 30, 2025 ACFR.

Other Long-Term Commitments. Annual principal and interest requirements of the City's limited obligation bonds, installment financing contracts and other long-term contractual commitments as of June 30, 2025. Debt service on certain of these obligations are paid through the City's Special Purpose Fund and Enterprise Fund as described in more detail in the footnotes to the table.

Fiscal Year Ending June 30	General Fund	Special Purpose Fund[1]	Enterprise Fund[2]	Amount Payable
2026	$30,766,034	$4,010,075	$4,590,386	$39,366,495
2027	19,202,440	4,007,675	4,548,283	27,998,708
2028	15,238,020	4,011,775	4,502,400	23,752,195
2029	13,916,016	4,011,275	4,082,709	22,010,000
2030	12,975,617	4,014,275	4,046,069	21,035,961
2031	10,985,874	4,015,275	4,020,713	19,021,862
2032	13,752,533	4,013,900	3,987,632	21,754,065
2033	12,005,025	4,013,300	3,956,426	19,974,751
2034	11,598,048	4,012,700	3,361,966	18,972,714
2035	9,316,007	4,016,900	4,823,794	18,156,701
2036	8,062,757	4,015,500	4,711,726	16,789,983
2037	7,787,980	4,010,250	4,593,266	16,391,496
2038	6,928,404	4,011,850	4,478,681	15,418,935
2039	6,678,002	-	4,360,571	11,038,573
2040	6,422,601	-	4,241,061	10,663,662
2041	4,607,449	-	1,800,151	6,407,600
2042	4,046,212	-	1,723,538	5,769,750
2043	3,863,681	-	1,644,444	5,508,125
2044	2,488,667	-	1,567,958	4,056,625
	$200,641,367	$52,164,750	$71,041,774	$323,847,891

[1] Obligations payable from the Special Purpose Funds are budgeted to be paid from (1) proceeds derived from (a) a City tax equal to 3% of the gross receipts derived from the rental of any room, lodging or similar accommodation furnished by any hotel, motel, inn, tourism camp or similar place within the City (the "*City Occupancy Tax*"), and (b) a County tax equal to 3% of the gross receipts derived from the rental of any room, lodging or similar accommodation furnished by any hotel, motel, inn, tourism camp or similar place within the "convention center district" of the City, which covers substantially all of the downtown area of the City (the "*Convention Center District Occupancy Tax*" and together with the City Occupancy Tax, the "*Occupancy Taxes*") and (2) net parking revenues derived from the parking deck adjacent to the City's Convention Center Facility. Net proceeds of the Occupancy Taxes made available to the City are restricted by legislation for use only for the construction, financing, operation, promotion and maintenance of the City's Convention Center Facility.

[2] Obligations of the City's parking facilities are included in the Enterprise Funds.

Stormwater Revenue Bonds. Annual principal and interest requirements for the City's revenue bonds as of June 30, 2025, are listed below, reflecting principal and interest requirements with respect to the City's Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2015A (the "*2015A Storm Water Bonds*"). On the date of execution and delivery of the 2026 Bonds, the City expects to issue its Storm Water Fee Revenue Refunding Bonds, Series 2026 (the "*2026 Storm Water Bonds*"), the proceeds of which will be used to refund in advance of their maturities each maturity of the 2015A Storm Water Bonds maturing on June 1, 2027 through June 1, 2040, inclusive.

Fiscal Year Ending June 30	Annual P&I Requirements	Fiscal Year Ending June 30	Annual P&I Requirements
2026	$1,549,450	2034	$989,025
2027	1,551,200	2035	992,025
2028	1,551,725	2036	993,025
2029	1,551,125	2037	992,275
2030	1,548,625	2038	995,400
2031	1,553,625	2039	995,000
2032	1,552,225	2040	993,200
2033	1,549,025		$19,356,950

Debt Outlook. The City's future financing plans (after the execution and delivery of the 2026 Bonds and the 2026 Storm Water Bonds) include already approved projects for installment financing in fiscal years ending June 30, 2028 and June 30, 2030 of approximately $27.6 million and $5 million, respectively. Projects expected to be financed in 2028 include street and sidewalk repairs, riverwalk improvements, pedestrian bike improvements, a bridge restoration on 4th Street, a bridge replacement on Pine Grove Drive, and repairs to the Greenfield Lake bridge and connecting structures. Projects expected to be financed in 2030 include access management improvements along Market Street and street and sidewalk repairs. Future capital improvement and financing plans after 2030 are still under development, so the planned 2030 financing is the last one currently supported by an approved capital improvement plan. Currently, the City has no plans to issue additional general obligation bonds.

Tax Information

General Information

	Fiscal Year Ended June 30				As of January 31,
	2022	2023	2024	2025	2026[4]
Assessed Valuation					
Assessment Ratio[1]	100%	100%	100%	100%	100%
Real Property	$18,981,187,663	$19,223,790,658	$19,713,328,526	$20,076,857,450	$31,587,396,389[3]
Personal Property	2,281,086,055	2,492,248,957	2,715,011,552	2,944,308,089	3,869,268,758
Public Service Companies[2]	172,037,551	179,080,149	210,352,868	200,098,720	215,035,715
Total Assessed Valuation	$21,434,311,269	$21,895,119,763	$22,638,692,946	$23,221,264,259	$35,671,700,862[3]
Rate per $100	0.3808	0.395	0.395	0.420	0.2825
Levy	$82,286,366	$86,628,169	$89,630,935	$97,847,366	$100,165,079

[1] Percentage of appraised value has been established by statute.
[2] Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
[3] The most recent property revaluation was effective as of January 1, 2025 for the tax levy associated with fiscal year ended June 30, 2026.
[4] Estimated as of January 31, 2026.

Tax Collections

Year Ended June 30	Prior Years' Levies Collected[1]	Current Year's Levy Collected	Percentage of Current Year's Levy Collected
2021	$350,504	$79,520,111	99.48%
2022	281,342	82,156,281	99.84
2023	215,804	86,455,952	99.80
2024	174,487	89,433,072	99.78
2025	0	97,475,689	99.62

Source: New Hanover County Tax Office.
[1] Prior Years' Levies Collected as of June 30, 2025 for years 2021-2025.

For fiscal year ending June 30, 2026, the total levy collected through January 31, 2026, is $94,419,188.

Ten Largest Taxpayers for Fiscal Year 2025

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Corning Inc.	Optical Fiber MFG	$ 266,162,857	1.15%
Live Oak Banking Company	Banking	99,751,693	0.43
Duke Energy Progress	Utilities	94,748,735	0.41
Mayfaire Town Center LP	Real Estate	91,048,357	0.39
RPP Holdings LLC	Real Estate	73,781,600	0.32
CCS Sawmill Point LLC ETAL	Real Estate	63,303,000	0.27
Arboretum West Mixed Use LLC	Real Estate	62,103,900	0.27
Triangle Avalon Wilmington LLC	Real Estate	60,180,200	0.26
Wilmington Independent Living LLC	Health Care	58,964,200	0.25
CLPF Mill Creek LLC	Real Estate	54,240,771	0.23

Source: New Hanover County Tax Office.

2025-2026 Budget Outlook

The fiscal year ending June 30, 2026 ("*FY26*") budget (the "*2026 Budget*") as originally adopted totaled $156,884,601. The 2026 Budget includes $2,763,817 in appropriated General Fund balance, of which a total of $2.5 million was appropriated for debt service, resulting from the anticipated sale of surplus properties, $243,817 was appropriated for the November 2025 municipal election, and the remaining $20,000 was appropriated from committed fund balance for special travel for councilmembers and managers. The 2026 Budget represents an increase of approximately 5.2% or $7.8 million over the prior year's adopted budget. During FY26, an additional $8,294,701 was appropriated from the City's General Fund. This total includes supplemental appropriation of $3,967,790 for debt service and $103,880 for leaseback expenses resulting from the sale of surplus property, $127,153 of parks committed revenue, $906,725 for 800MHz radio subscriptions, $1,000,000 for acquisition of park land, and funding to accommodate $2,189,153 in encumbrances from the previous year. As of February 9, 2026, the amended budget totaled $165,179,302.

The ad valorem tax rate has decreased for FY26 by 13.75 cents, following the recent property valuation, to bring the adopted rate to at $0.2825. The 2026 Budget dedicates $0.0577 of the ad valorem property tax rate to support the City's capital improvements program ("*CIP*"), which funds 80% debt service and 20% pay-as-you-go for certain tax-supported projects in the CIP. The level of unassigned fund balance is estimated to remain in compliance with the City Council's policy of maintaining a minimum unassigned fund balance of 20% to 25% of budgeted expenditures.

The 2026 Budget allocates $46 million in sales tax representing $800,000 of growth over the prior year's budget of $45.2 million. Sales tax revenues received by the City through January 31, 2026 (which represent sales tax revenues collected through October 31, 2026 due to the typical delay in receiving this revenue from the North Carolina Department of Revenue) were at 36% of the full-year budget with 34% of collection days elapsed.

2026-2027 Budget

The budget for the Fiscal Year ended June 30, 2027 is not expected to be presented to the City Council until its meeting in early May.

Pension Plans

The City participates in the North Carolina Local Governmental Employees' Retirement System and the Supplemental Retirement Income Plan.

The North Carolina Local Governmental Employees' Retirement System is a service agency administered through a board of trustees by the State for public employees of counties, cities, boards, commissions and other similar governmental entities. While the State Treasurer is the custodian of system funds, administrative costs are borne by the participating employer governmental entities. The State makes no contributions to the system.

The system provides, on a uniform system-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers and employees. Employee members contribute 6% of their individual compensation. Each new employer makes a normal contribution plus, where applicable, a contribution to fund any accrued liability over a 24-year period. The normal contribution rate, uniform for all employers, was 13.60% of eligible payroll for general employees and 15.04% of eligible payroll for law enforcement officers for the fiscal year ended June 30, 2025. The accrued liability contribution rate is determined separately for each employer and covers the liability of the employer for benefits based on employees' service rendered prior to the date the employer joins the system.

Members qualify for a vested deferred benefit that is unreduced at age 65, with at least five years of creditable service, at age 60 with 25 years of credit, or at any age with 30 years credit; reduced benefit at age 50 with at least 20 years credit or at age 60 with at least five years of creditable service. Benefit payments are computed by taking an average of the annual compensation for the four consecutive years of membership service yielding the highest average. This average is then adjusted by a percentage formula, by a total years of service factor and by an age service factor if the individual is not eligible for unreduced benefits.

Contributions to the system are determined on an actuarial basis.

For information concerning the City's participation in the North Carolina Local Governmental Employees' Retirement System and the Supplemental Retirement Income Plan of North Carolina see the Notes to the City's Audited Financial Statements in Appendix B to the Official Statement.

Financial statements and required supplementary information for the North Carolina Local Governmental Employees' Retirement System are included in the Annual Comprehensive Financial Report ("*ACFR*") for the State. Please refer to the State's ACFR for additional information.

Other Post-Employment Benefits

The City provides certain other post-employment benefits ("*OPEB*") as part of the total compensation offered to attract and retain the services of qualified employees. The City offers post-retirement health care benefits to retirees hired prior to January 1, 2007, who participate in the North Carolina Local Governmental Employees' Retirement System ("*LGERS*") and have at least five years of creditable service with the City. The health care benefits for such a retiree are the same as for active employees and are available until the retiree is Medicare eligible.

The City has made changes to eligibility requirements for retiree healthcare benefits in order to manage the long-term cost of the plan. Employees hired on or after January 1, 2007, but before July 1, 2009, who subsequently retire will be required to contribute the active employee premium plus a percentage of the premium paid by the City for active employees based on the number of creditable years of service beyond five years attained with the LGERS. Such retirees may purchase healthcare benefits for their eligible dependents by paying the full cost of such dependent coverage (prior to this change, qualified retirees' contributions requirements for both individual and dependent coverages were limited to the active employee premium). Employees hired on or after July 1, 2009, but before January 1, 2011, who subsequently retire must participate in the LGERS and have at least 10 years of creditable service with the City to be eligible for benefits under the City's post-employment healthcare plan. Such a retiree will be required to contribute the active employee premium plus a percentage of the premium paid by the City for active employees based on the number of creditable years of service beyond 10 years attained with the City. Employees hired on or after January 1, 2011 are not eligible for retiree healthcare benefits.

In accordance with requirements of GASB Statement No. 75, the City engages an actuarial firm to prepare a report which assists in reporting the cost of other post-employment benefits in its financial report. As of June 30, 2025 the City-wide total OPEB liability was $42,100,754. The plan fiduciary net position was $3,492,220, resulting in an OPEB liability of $38,608,534.

For more information on the City's financial obligations with respect to these benefits and other post-retirement benefits, see Note 3B of the City's financial statements and notes thereto attached as Appendix B to the Official Statement.

Contingent Liabilities

The City is a defendant or potential defendant in various litigation or pre-litigation matters. The City is defending or will defend all of these matters vigorously. Any potential losses to the City should be limited to either the insurance policies' deductible amounts for those matters covered by insurance, or to minimal or nominal amounts in matters not covered by specific insurance policies. It is not possible at this time to predict the outcome of these claims and actions, but in the opinion of the City Attorney, these claims should not result in judgments that, in the aggregate, would have a material adverse effect on the City's financial statements or its ability to meet its financial obligations with respect to the 2026 Bonds.