COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WILMINGTON, DELAWARE

For The Year Ended

JUNE 30, 2008

Wilmington
In the middle of it all

Issued by the Department of Finance

CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PREPARED BY THE DEPARTMENT OF FINANCE

Rendition of Speakman Place

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CITY OF WILMINGTON, DELAWARE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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JAMES M. BAKER
MAYOR

City of Wilmington
Delaware

LOUIS L. REDDING - CITY/COUNTY BUILDING
800 FRENCH STREET
WILMINGTON, DELAWARE
19801 - 3537

December 10, 2008

The Honorable James M. Baker, Members of City Council, and Citizens of the City of Wilmington, Delaware:

The City Charter requires that the City government publish a complete set of financial statements audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Wilmington for the fiscal year ended June 30, 2008.

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

The City of Wilmington's financial statements have been audited by McBride Shopa & Company, P.A., a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Wilmington for the fiscal year ended June 30, 2008, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Wilmington's financial statements, for the fiscal year ended June 30, 2008, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Wilmington was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Wilmington's separately issued Single Audit Report.

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

Profile of the Government

The City of Wilmington, located in the northern part of the State of Delaware, is the largest municipality in the State. Pursuant to Title 22, Delaware Code, 1953, the City was granted the right to exercise all expressed and implied powers and authority of local self-government and home rule under a Charter governed by the Delaware Constitution.

The Charter provides for a mayor and council form of government. Legislative authority is vested in a 13 member council. All members are elected to four-year terms. The City's Chief Executive and Administrative Officer is the Mayor, elected by citizens to a four-year term. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council. The City Council fixes compensation of all City employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades, and other municipal purposes. The City of Wilmington provides a full range of services, such as police and fire protection, maintenance and repairs of infrastructure, recreational activities, and promotes cultural events. The water and sewer services are provided through the Water and Sewer Fund, which has been included as an integral part of the City of Wilmington's financial statements.

The annual budget serves as the foundation for the City of Wilmington's financial planning and control. All departments of the City of Wilmington are required to submit their budget requests to the Office of Management and Budget for inclusion into the comprehensive budget. Annual appropriated budgets are adopted for the General Fund, Commerce Fund, and certain Non-Major Governmental Funds. Ninety (90) days prior to the commencement of a new fiscal year, the Mayor must submit to City Council a proposed operating budget. City Council reviews the budget, conducts hearings, and proposes changes in expenditure levels. City Council cannot modify the Mayor's estimates of revenues, but may propose changes in the tax levy amount to balance total appropriations and estimated revenues.

Thirty (30) days prior to the commencement of a new fiscal year, the annual operating budget must be enacted through legislation. Appropriations are legislated at the functional level. By legislative action, the annual appropriated budget may be amended. Budgetary transfers within a function at the expense category (e.g., personal services or materials, supplies, equipment) may be made without legislative approval. Appropriation control is maintained through a budget-tracking process within the accounting system at the functional and object levels. Note 2-B presents expenditures and transfers over appropriation and the cause of these variances.

Economic Condition and Outlook

Looking Forward in City Government. The Fiscal Year 2009 operating budget represents a 10.9% increase over the fiscal year 2008 budget. The FY 2009 budget continues to deliver the large-scale level of resources necessary to focus and expand the fundamental direct City services most important to the citizens which are the areas of public safety, public works, code enforcement, and parks and recreation.

The fiscal year 2009 budget reflects the following:

- The fiscal year General Fund budget for 2009 totals $141.6 million. The expansion and diversification of the City's revenues resulting in part from the Governor's Task Force and County Relief Packages, along with the Finance Department's aggressive Plan for Change, have greatly improved the City's financial strength and stability.

- The Finance Department has created very successful delinquent wage tax, sheriff's sale and parking ticket collection programs. The collection program has produced more than $20 million in new revenue since the spring of 2006 (at a return of $13 to $1 for each dollar invested). The Finance Department continues to expand on its Plan for Change in fiscal year 2009 to raise additional revenues from the collection of outstanding taxes and fees.

    - $250,000 – Expenditures were added to support the audits of large corporations for compliance in paying City wage and head taxes. The Department increased staffing by 1.5 full-time equivalent (FTE) positions, at a cost of $127,000, to assist in other areas of revenue collections. This resulted in,
    - $1,800,000 – Revenues that are expected to increase due to the additional collection of $1.25 million in wage taxes, $300,000 in head taxes and $250,000 in property taxes; and,
    - $900,000 - New revenues are expected from the installation of an additional ten red-light cameras. These new revenues are part of the Finance Department's Plan for Change for FY2009. The "Plan for Change' was initiated in October 2005 and has added over $20,000,000 to the City's revenues. The budget was amended in mid-year to accommodate the increase on collection commission, which will continue into FY2009.

- The Internal Service in the General Fund increased by $2.9 million, almost entirely attributable to Data Processing and Motor Vehicle chargebacks. The costs of these two service areas have risen dramatically, reflecting the conversion to the new Munis computer system, higher fuel costs and revised depreciation.

- Due to the contractually required minimum manning of all fire companies and demands of the 24/72 shift configuration, the Fire Department has increased overtime by almost $250,000 to a new total of just under $1.9 million. A civilian Fiscal Administrator position has been budgeted in the Administrative Division of the Fire Departments at a cost of $65,918. This position will be responsible for time sheets, attendance records and the TeleStaff computer system.

- In the Public Works Department, three Construction Inspectors have been added at a cost of $152,952 to administer the City's new street-cut oversight process. This process will ensure that work done by utilities and other companies on the City's right-of-way conforms to City standards for roadway-cut restoration and minimizes the disruption to traffic and pedestrians. At City Council's request, an Administrative Clerk position was added to support the growing responsibilities of the Operations Director.

Factors Affecting Financial Condition

Jobs. The efforts of the Mayor's Office of Economic Development (OED) to manage the growth and development of the City have continued to attract new business and create new jobs. OED has been instrumental in adding over 5,500 new jobs in the City since 2002 as a result of the success of 12 large scale development projects, including the headquarters of the WSFS Bank. Blue Cross/Blue Shield of DE and Barclay's Bank, as well as the new Renaissance Center office building. The Office of Economic Development has used incentive packages to attract 22 new businesses, has provided technical assistance to over 30 small businesses and has helped to place four private-activity bonds.

Local Economy. The Office of Economic Development provided a $500,000 grant in each of FY2008 and FY2009 to the Christiana Care Health System, which prompted CCHS to undertake a $200 million expansion at its Wilmington campus. It is a great statement about the City and demonstrates Christiana Care's continuing commitment to Wilmington.

The Justison Landing Project (involving homes, condos and retail development at the Christina Riverfront) is well underway and welcomed its first residents this past summer and has already attracted its first two retail establishments.

The City was successful in attracting FineStationery.com, the nation's largest online retailer of premium customized stationery and gifts. The company has relocated its headquarters and 90 employees to the Midtown Brandywine section of Wilmington. The City attracted FineStationery with a job-creation incentive package benefitting both the company and the City. "Our goal continues to focus on adding good companies and their employees to the expanding business base of Wilmington and to provide incentives for the future growth of these companies," said Mayor James Baker. Office of Economic Development (OED) Director Joseph DiPinto noted that the City utilized its Economic Development Strategic Fund to offer the company relocation assistance and also waived the City's employee "head tax" for five years. The company leased over 41,000 SF of space at the former Blue Cross/Blue Shield headquarters.

A similar incentive attracted Phillips & Cohen, a financial services call center, with a complement of 265 employees, to the Riverfront Shipyard Shops. The company's planned growth is over 100 new jobs during the next five years.

These examples represent two of six new businesses attracted in FY '08, with a starting total of over 470 new employees.

Long-Term Financial Planning. The City's long-term financial future is dependent on continued strong financial management, strong residential and business growth, increased homeownership to eclipse the rise in rental properties, and identification and adoption of additional, annual revenue sources above and beyond property and wage taxes and water and sewer fees. Projects designed to increase the City's revenue base and stabilize areas of the City include:

- The City of Wilmington has broken ground on another in a series of projects to stabilize and strengthen City neighborhoods. A new townhouse project by the name of Prestwyck Townhomes will be built on the site of the former Prestwyck Apartments — a long-time vacant and abandoned property acquired by the City through the U.S. Department of Housing and Urban Development (HUD) in 2005 and demolished by the City in 2006. The project is slated for completion by spring of 2009. Prestwyck Townhomes will feature three and four bedroom models; the starting prices for the units will range between $159,000 and $179,000.

The sold units will be bound by a retention agreement; reselling the home prior to meeting the terms of the retention agreement would result in having to pay back some of the subsidized costs of the home.

- In addition to building Prestwyck Townhomes, the City's Department of Real Estate and Housing has also budgeted an additional $300,000 to improve properties adjacent to the new construction site as part of the Commercial and Residential Facade Improvement Program.

- Ground was broken on the latest Buccini/Pollin group (BPG) project, the New Christina Crossing Retail Center. The project include a 700,000 square foot ShopRite Supermarket to anchor the latest BPG's project in South Wilmington. This project will provide an economic boost to one of Wilmington's last undeveloped areas. The project will include an additional 50,000 square feet of retail space when completed.

- The City's Department of Real Estate and Housing has also been working with the Wilmington Housing Partnership in an initiative involving three targeted City neighborhoods and five local housing organizations. The City has established a $4 million credit line with JP Morgan Chase Bank and is using part of this credit line to provide short term construction financing to the Wilmington Housing Partnership Corporation (WHPC). WHPC is subcontracting with the City of Wilmington for approximately $2,377,699 in federal CDBG, HOME, and HOME CHDO funds. Funding for projects is made available to interested organizations with capacity (private and non-profit) through bi-annual Requests for Proposals. This has resulted in the following:

    - Creation of 190 housing units in three RISE areas ,
    - Improvement of housing quality,
    - A more than 2% increase in the homeownership rate in RISE areas,
    - Stimulation of private investment, and the
    - Generation of $18,000,000 in mortgage financing.

Major Initiatives. The City has increased the amount of its Economic Development Strategic Fund for FY2009 by an additional $9 million to lock-in several major business development projects which are "in the pipeline" during FY2009. These opportunities are the result of an aggressive focus on the objective to identify and attract and retain new businesses which have a strong growth potential. Additional Programs are outlined below:

- A new "Street Cut/Pavement Management Program" within the Department of Public Works. This program will help the City more closely monitor and control which company or utility is digging into City streets. Under this program, the City will have advance notice of projects and be able to hold companies accountable by charging a fee. It is projected that the fees charged for street cut projects will ultimately help this new program pay for itself and result in smoother, well-maintained streets for the traveling public.

- An expanded Park Maintenance Program within the Parks and Recreation Department. In just a few months, management and maintenance of several key parcels of City parkland — Canby Park West, Sellers Park and the Alapocas' Ball Fields — will revert back to the

City from the County which had this financial and maintenance responsibility for the past 40 years.

- A new Business Compliance Program in the Department of Licenses and Inspections to enable the City to do a better job of identifying businesses in Wilmington that are not properly licensed. This effort will be coordinated with the Finance Department to make sure these businesses are also paying their fair share of taxes and fees.

- A shared health care coverage between the City and its Employees is approved in this new budget. The salaries and benefits for City employees account for 60% of the budget increase for FY 2009. The City must continue looking at ways to address the ever-increasing cost of health care benefits which have risen 35% in the past five years.

- The City has increased the funding of its Economic Development Strategic Fund for fiscal year 2009 by designating $9 million to be utilized in attracting new businesses and maintain the current economic base. The Office of Economic Development has aggressively attacked its objective of bringing new businesses to the City with an array of incentives. The Office of Economic Development expects to utilize the funds for the following:

    1. $3.5 million to cover commitments to twenty-two existing companies between the present and 2012,
    2. $3.5 million has been earmarked for a major financial firm that is expected to occupy 125,000 square foot of office space. The firm employs 200 full-time employees with an estimated payroll of $35 million dollars, and
    3. $2.15 million will fund future incentives that will enable the Office of Economic Development to continue to attract new businesses to the City of Wilmington.

Pension and Other Post-Employment Benefits. The City of Wilmington covers the majority of all full-time employees by one of its five single-employer and one multi-employer defined benefit pension retirement plans. Each year, an independent actuary, engaged by the plans, calculates the amount of the annual contribution that the City of Wilmington must make to the pension plans to ensure that the plans will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy, the City of Wilmington fully funds the annual required contribution to the pension retirement plans as determined by the actuary.

The City of Wilmington provides post-retirement healthcare benefits to all employees who retire from the City on or after January 1, 2000, and meet certain eligibility requirements. Under certain conditions, spouses of retirees and employees receiving a disability pension are also covered. Eligible retirees may participate in the dental program.

The Honorable Mayor and Members of City Council
December 10, 2008

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilmington, Delaware, for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The City of Wilmington has received this prestigious award for twenty-two years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive audited financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Wilmington received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated for the fiscal year beginning July 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget documentation was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications medium.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The award is valid for a period of one year.

Acknowledgements

The preparation of this report would not have been accomplished without the efficient and dedicated services of the staff of the Department of Finance, Office of Management and Budget, City Treasurer, Audit, Law, other City departments, various elected and appointed officials, and the efforts of our independent auditors, McBride Shopa & Company, P.A. We would like to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. We wish to acknowledge the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wilmington.

Respectfully submitted,

Ronald A. Morris
Director of Finance

Winston L. Robinson
Senior Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wilmington Delaware

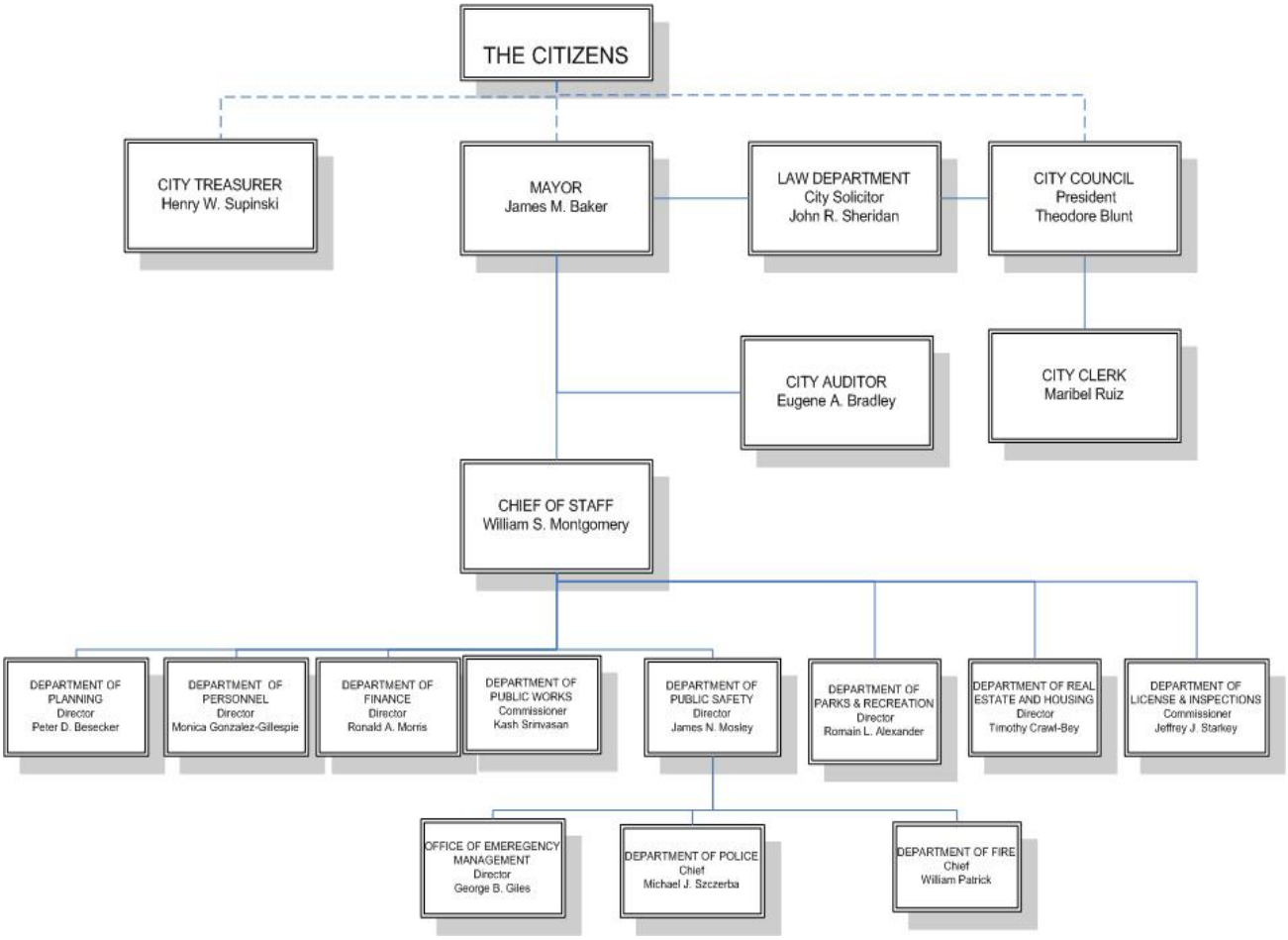
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF WILMINGTON
ORGANIZATION CHART



City of Wilmington
Listing of Principal Officials
June 30, 2008

Executive

Mayor	**James M. Baker**
City Treasurer	Henry W. Supinski

City Council

President	Theodore Blunt
1st District	Charles Potter, Jr.
2nd District	Norman D. Griffiths
3rd District	Stephanie T. Bolden
4th District	Hanifa G.N. Shabazz
5th District	Samuel Prado
6th District	Kevin F. Kelley, Sr.
7th District	Paul F. Ignudo, Jr.
8th District	R. Campbell Hay
Council Person at Large	Michael A. Brown, Sr.
Council Person at Large	Loretta Walsh
Council Person at Large	Theopalis K. Gregory
Council Person at Large	Charles M. Freel

Department Heads

Chief of Staff	William S. Montgomery
City Solicitor	John R. Sheridan, Esquire
City Auditor	Eugene A. Bradley, CPA
Clerk of Council	Maribel Ruiz
Planning	Peter D. Besecker
Personnel	Monica Gonzalez-Gillespie
Finance	Ronald A. Morris
Public Works	Kash Srinivasan
Public Safety	James N. Mosley
Parks and Recreation	Romain L. Alexander
Real Estate and Housing	Timothy Crawl-Bey
Licenses and Inspections	Jeffrey J. Starkey
Police	Michael J. Szczerba
Fire	Willie J. Patrick, Jr.
Emergency Management	George B. Giles

McBride, Shopa & company P.A.

Report of Independent Auditors

The Honorable Mayor, James M. Baker, Jr. and
Members of City Council
City of Wilmington, Delaware

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmington, Delaware, as of and for the fiscal year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Wilmington's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units: the Brandywine Gateway Corporation, the Christina Gateway Corporation, the Wilmington Downtown Business Improvement District and the Riverfront Wilmington Business Improvement District which represent 7.6% and 21.7%, respectively, of the component unit assets and revenues. We did not audit the financial statements of the Wilmington Park Trust Commission, a blended component unit reported as a non-major special revenue fund, which represents 0.9% and 0%, respectively, of the government-wide assets and revenues. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units and the Wilmington Park Trust Commission is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

Thomas John Shopa, CPA, CFP, CVA
Charles H. Elter, CPA
Robert S. Smith, CPA
Ronald E. Derr, CPA
George G. Fournaris, CPA, CGFM

Donald S. Emenheiser, CPA, CFP, MBA
Edward T. Gallagher, CPA, CIA
Dana L. Ketterer, CPA
Clyde G. Hartman, CPA/ABV, CFE, CVA
Jean D. Lloyd, CPA
Scott G. Sipple, Jr., CPA
Alison L. Houck, CPA
W. Mark Cullen, CPA
Emilio I. Rana, Jr., CPA (PA)(CA)
Kelly S. Klepacki, CPA

Members of:
American Institute of CPA's
Private Companies Practice Section
Delaware Society of CPA's

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Delaware BEST BUSINESS 2008

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmington, Delaware, as of June 30, 2008, and the respective changes in financial position and cash flows, thereof, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2008, on our consideration of the City of Wilmington, Delaware's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and the pension funding status and progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilmington's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McBride, Shopa & Co

Wilmington, Delaware
December 10, 2008

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2008

The Mayor and City Council of the City of Wilmington are pleased to present to readers of the financial statements of the City of Wilmington this narrative overview and analysis of the financial activities of the City of Wilmington for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal.

Financial Highlights

Government-wide

- The assets of the City exceeded its liabilities at the close of the fiscal year by $236,350,601 (net assets), an increase of $781,018 from the restated previous year; net assets for the prior year were restated by a decrease of $945,996 as explained in Note 17. The net assets of governmental activities decreased $3,258,693 from the restated previous year, while the net assets from business activities increased $4,039,711.

- Discretely presented component units reported net assets of $49,729,357, an increase of $1,219,776 from the previous year.

Fund Level

- As of the close of the current fiscal year, the City of Wilmington's governmental funds reported combined ending fund balances of $94,305,241, an increase of $6,655,448 from the restated previous year. Of the current ending balances, the unreserved balance of the General Fund is $60,035,085 or 48 % of the total General Fund expenditures and transfers out. Of the unreserved balance, $1,008,833 is designated for encumbrances, $18,562,766 is designated for specific activities detailed in Note 12, and $15,200,256 is designated for the Budget Reserve Account. The fund balance includes $25,263,230 that is unreserved and undesignated.

- The Capital Projects Fund had a fund balance in the amount of $25,490,794 to fund current and future City capital improvements.

- The Police Special Fund has a fund balance of $42,936 to fund Public Safety concerns.

- The Commerce Fund Balance designates $178,878 for future economic development activities.

Long-Term Debt

- The City's total net general obligation debt increased to $255,648,557 at June 30, 2008, an increase of $44,055,118. Current capital funding requirements of the water and sewer projects resulted in a $35,793,711 net increase in debt and government capital project activity required $8,261,407 more in funding than debt repayment.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City of Wilmington's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Wilmington's finances, in a manner similar to a private-sector business.

The Statement of Net Assets (page 18) presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators as to whether the financial position of the City is improving or deteriorating.

The Statement of Activities (page 19) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the City's component units.

- *Governmental Activities* – Most of the City's basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include General Governmental Services, Commerce, Real Estate and Housing, Public Works, Parks and Recreation, and Public Safety. Also included is the Wilmington Park Trust Commission (The Trust) which is presented as a blended component unit. The Trust was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington.

- *Business-type Activities* – The City charges fees to customers to help cover all or most of the cost of certain services provided. The City provides water, wastewater, and stormwater treatment services.

- *Discretely Presented Component Units* – Component units are legally separate organizations for which the City is financially accountable. The City includes the following component units in this report: Brandywine Gateway Corporation, Christina Gateway Corporation, Rock Manor Golf Corporation, Wilmington UDAG Corporation, Wilmington Economic Development Corporation, Wilmington Downtown Business Improvement District, Riverfront Wilmington Business Improvement District, and the Wilmington Parking Authority.

Fund Financial Statements. The fund financial statements begin on page 20 and provide detailed information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Most of the City's basic services are reported in the governmental funds, which focus on how cash flows into and out of those funds and the balances left at year end that are available for future spending. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided (page 21) to explain the differences between the Governmental Funds Balance Sheet and the Statement of Net Assets and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities (page 23). These funds are reported using the modified accrual basis of accounting, which primarily measures cash and other financial assets, available to satisfy current liabilities. Governmental funds of the City include the General Fund, Commerce Fund, Police Special Fund, Special Revenue Funds (Other Governmental Funds), and the Capital Projects Fund.

- *Proprietary Funds* – When the City charges for the services it provides, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize the accrual basis of accounting, the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public – water and sewer services. The Internal Service Funds report activities that provide supplies and services for the City's other programs and activities - data processing services, word processing services, mail service, mapping and graphics, duplication and reproduction, motor vehicle charges, health insurance, workers' compensation and risk management.

- *Fiduciary Funds* – The City acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Wilmington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found beginning on page 32 of this report. These funds are used where the City holds assets in trust or as an agent for others, including the pension trust funds and agency funds. Complete financial statements with accompanying notes of the Firefighter's Pension Plan and the Policeman's Pension Plan can be obtained from the City of Wilmington, Treasurer's Office.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found on page 78.

Other Information. Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in a single column in the basic financial statements, but they are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information as well as combining and individual fund statements begin on page 80.

Statistical Section. The City provides certain informational and statistical schedules that begin on page 101.

Financial Analysis of the Government as a Whole

Net Assets. A year-to-year comparison of net assets (2007 is restated by a net decrease of $945,996 related to the termination of a grant program as explained in Note 17) is as follows:

City of Wilmington's Net Assets as of June 30, 2008

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other Assets	$ 148,512,570	$ 141,869,024	$ 34,309,065	$ 7,422,382	$ 182,821,635	$ 149,291,406
Capital Assets	181,370,007	180,443,350	199,929,786	183,975,203	381,299,793	364,418,553
Total Assets	329,882,577	322,312,374	234,238,851	191,397,585	564,121,428	513,709,959
Long Term Liabilities	156,888,817	152,590,106	134,069,654	97,871,260	290,958,471	250,461,366
Other Liabilities	23,497,832	16,967,647	13,314,524	10,711,363	36,812,356	27,679,010
Total Liabilities	180,386,649	169,557,753	147,384,178	108,582,623	327,770,827	278,140,376
Net Assets:						
Invested in Capital Assets, Net of Related Debt	77,387,019	72,981,412	102,115,411	99,552,941	179,502,430	172,534,353
Restricted	32,130,891	37,550,546	35,632,265	13,216,350	67,763,156	50,766,896
Unrestricted	39,978,018	42,222,663	(50,893,003)	(29,954,329)	(10,914,985)	12,268,334
Total Net Assets	$ 149,495,928	$ 152,754,621	$ 86,854,673	$ 82,814,962	$ 236,350,601	$ 235,569,583

The largest component of City's net assets, $179,502,430, is reflected as investment in capital assets (e.g., land, buildings, equipment, and others), less any debt outstanding that was needed to acquire or construct the assets. The increase in Invested in Capital Assets (Net of Related Debt) of $6,968,077 is caused primarily by the increase of net capital assets being greater than the increase in net debt as the City invests in its infrastructure. Restricted net assets in the amount of $67,763,156 represent resources that are subject to a City of Wilmington charter provision or enabling legislation as to how they may be used; these increased by $16,996,260 primarily due to the issuance of bonds for capital projects. The unrestricted net assets of governmental activities decreased by $2,244,645 in large part due to the increased investment in infrastructure. Unrestricted net assets of business-type activities decreased by $20,938,674 due in part to principal payments of debt, capital acquisitions, and capital expenditures in advance of debt draw-downs.

Changes in Net Assets. A schedule of a comparison of year-to-year changes in activity is on the following page.

The combined net assets of the City increased $781,018 over the course of this year's operations. The net assets of governmental activities decreased $3,258,693, and the net assets of business-type activities increased by $4,039,711.

City of Wilmington's Changes in Net Assets
Year Ended June 30, 2008

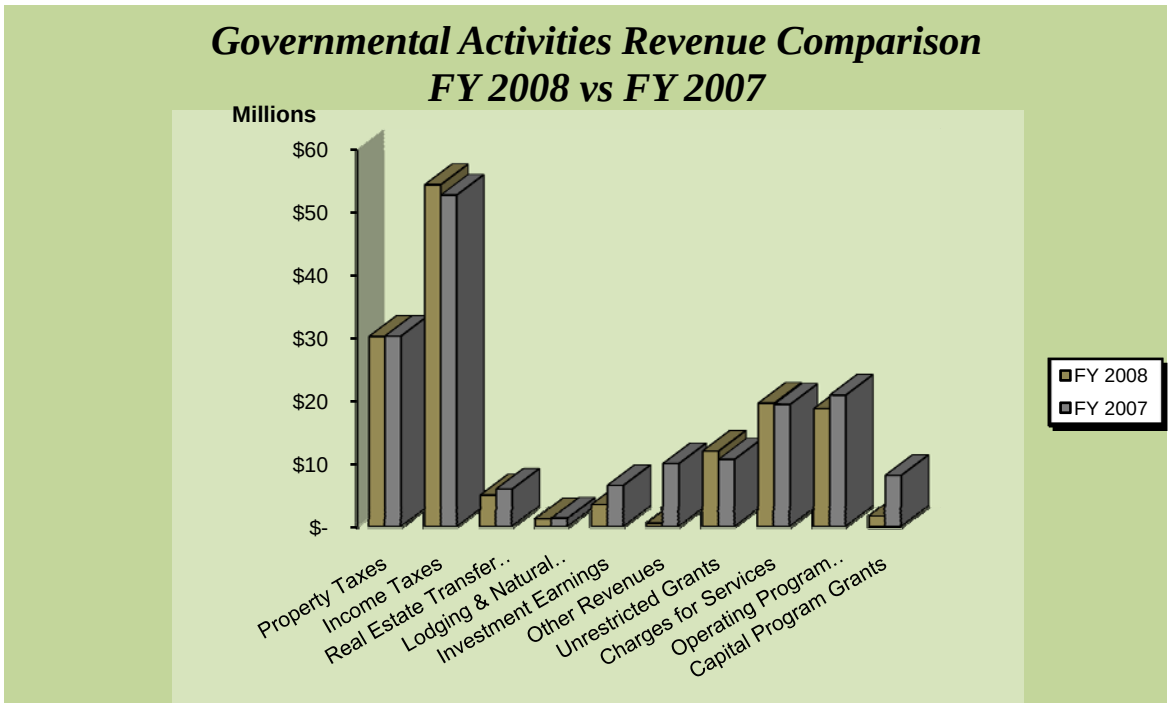
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
REVENUES						
Program Revenues:						
Charges for Services	$ 19,625,208	$ 19,432,872	$ 52,221,925	$ 51,143,730	$ 71,847,133	$ 70,576,602
Operating Grants & Contributions	18,322,960	20,915,294	-	-	18,322,960	20,915,294
Capital Grants & Contributions	1,639,225	8,135,550	-	-	1,639,225	8,135,550
General Revenues:						
Total Taxes	90,912,945	90,353,738	-	-	90,912,945	90,353,738
Investment Earnings	3,471,478	6,523,991	379,799	500,000	3,851,277	7,023,991
Other Revenues	12,506,845	20,678,653	-	45,954	12,506,845	20,724,607
Total Revenues	146,478,661	166,040,098	52,601,724	51,689,684	199,080,385	217,729,782
EXPENSES						
General Government	22,779,627	21,059,597	-	-	22,779,627	21,059,597
Economic Development	7,022,739	1,678,227	-	-	7,022,739	1,678,227
Real Estate and Housing	7,427,235	6,554,301	-	-	7,427,235	6,554,301
Public Works	21,562,949	18,308,616	-	-	21,562,949	18,308,616
Parks and Recreation	11,460,259	9,641,670	-	-	11,460,259	9,641,670
Public Safety	74,915,049	74,738,935	-	-	74,915,049	74,738,935
Interest on Long Term Debt	4,569,496	5,342,897	-	-	4,569,496	5,342,897
Water/Sewer	-	-	48,562,013	46,666,607	48,562,013	46,666,607
Total Expenses	149,737,354	137,324,243	48,562,013	46,666,607	198,299,367	183,990,850
Subtotal	(3,258,693)	28,715,855	4,039,711	5,023,077	781,018	33,738,932
Transfers	-	(5,000,000)	-	5,000,000	-	-
Change in Net Assets	$ (3,258,693)	$ 23,715,855	$ 4,039,711	$ 10,023,077	$ 781,018	$ 33,738,932

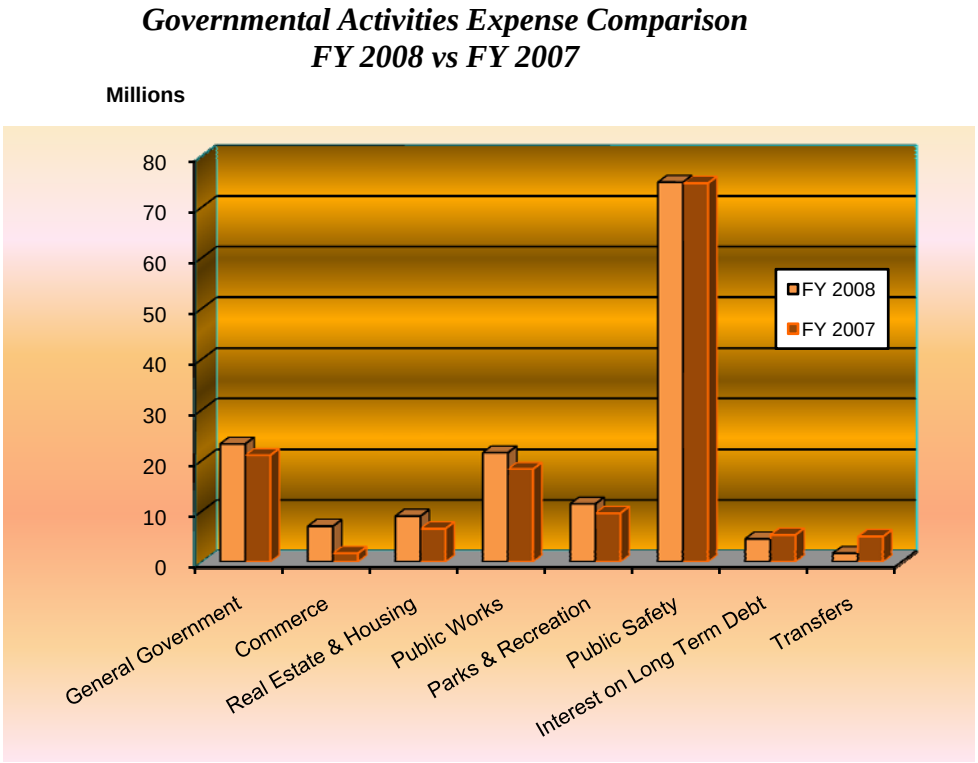
Governmental Activities

Revenues of governmental activities for fiscal year 2008 decreased from 2007 by $19,561,437. The primary reason for this was the decrease grant activity from the prior year. Capital grants in 2008 were not of the size of those funding the 2007 construction of the new public works yard. In addition although the expenditures continued for the public safety grant from New Castle County, the funding for the grant stopped in 2007. The key revenue elements are discussed later in the fund statement comparisons.

Expenses and transfers of governmental activities for fiscal 2008 increased by $7,413,111 compared to 2007. Of the increase, $5,344,512 came from additional support for economic development. Key cost elements are discussed later in the fund statement comparison.

The charts on the following page depict a comparative view of the revenues and expenses of the governmental activities for fiscal year 2008 as compared to fiscal year 2007.


Governmental Activities Revenue Comparison
FY 2008 vs FY 2007
Millions
$60
$50
$40
$30
$20
$10
$-
Property Taxes
Income Taxes
Real Estate Transfer...
Lodging & Natural...
Investment Earnings
Other Revenues
Unrestricted Grants
Charges for Services
Operating Program...
Capital Program Grants
FY 2008
FY 2007


Governmental Activities Expense Comparison
FY 2008 vs FY 2007
Millions
80
70
60
50
40
30
20
10
0
General Government
Commerce
Real Estate & Housing
Public Works
Parks & Recreation
Public Safety
Interest on Long Term Debt
Transfers
FY 2008
FY 2007

Business-type Activities

Net assets of the business-type activities increased by $4,039,711 for the current fiscal year primarily due to increased charges for services due in part to a 12.5% rate increase. Detail explanations of the variance are contained in the financial analysis of the City's Funds - Proprietary Funds section below.

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported fund balances of $94,305,241. Of the current ending fund balances, $60,035,085 is reported as unreserved in the General Fund, $2,913,982 as reserved for special revenue projects, and $25,490,794 as unreserved for capital projects.

The unreserved balance of the General Fund amounts to 48% of total General Fund expenditure and transfers out. Of the unreserved General Fund balance, the City has designated $1,008,833 for encumbrances, $18,562,766 for specific activities detailed in Note 12, and $15,200,256 into a Budget Reserve account for Public Emergencies. The remainder of $25,263,230 is unreserved undesignated.

The fund balance of the Capital Projects Fund increased to $25,490,794 as the result of a new bond issue and unspent bond funds. The Police Special Fund has $42,936 available for one final expenditure; FY2008 was essentially the last year of this grant from New Castle County. The Commerce Fund has available $178,878 to pay for economic development activities.

Governmental Funds

General Fund – Comparison to Prior Year.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, the unreserved fund balance was $60,035,085, an increase of $8,431,138 over fiscal year 2007. The General Fund unreserved undesignated fund balance is $25,263.230. The Fund designates $1,008,833 for encumbrances and has special designations of $18,562,766 (detailed in Note 12). There is a Budget Reserve Account of $15,200,256 that is held for adverse economic conditions or public emergency that can be used with the approval of a majority of the thirteen members of City Council.

The schedule on the following page presents General Fund revenues and expenditures for 2008 compared to budget and 2007.

The revenues for fiscal year 2008 increased $2,392,004 compared to the prior fiscal year. Primary contributing areas are:

- Intergovernmental Revenue increased by $1,449,781 compared to 2007 primarily caused by the start of State mandated sharing of corporate filing fee revenue by New Castle County ($1,116,909).
- Investment Earnings decreased by $1,909,720 based on lower rates and less available balances to invest.
- Net Profit Taxes increased by $505,915 and Wage Taxes rose by $1,955,067 compared to 2007. Both tax categories were helped by Department of Finance audit efforts and the broadening of the tax base.
- Property Taxes increased by $276,219. Recent construction appeared on the tax rolls and collection efforts on delinquent accounts more than offset a $568,214 negative ruling by an appeals court in an assessment appeal covering several tax years.

City of Wilmington, Delaware
General Fund Activity vs Prior Year and Budget

	2007 Actual	2008 Actual	Variance Positive (Negative)	Final Budget	2008 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 30,227,452	$ 30,503,671	$ 276,219	$ 30,966,500	$ 30,503,671	$ (462,829)
Wage	47,836,558	49,791,625	1,955,067	47,806,089	49,791,625	1,985,536
Net Profit	4,093,904	4,599,819	505,915	3,500,000	4,599,819	1,099,819
Franchise	2,044,715	1,814,216	(230,499)	2,313,333	1,814,216	(499,117)
Real Estate Transfer	5,940,697	4,978,122	(962,575)	4,000,000	4,978,122	978,122
Head	2,154,655	2,420,998	266,343	2,150,000	2,420,998	270,998
Lodging & Natural Gas	1,303,322	1,227,140	(76,182)	1,332,500	1,227,140	(105,360)
Intergovernmental	18,025,470	19,475,251	1,449,781	17,535,811	19,475,251	1,939,440
Licenses and Permits	4,597,081	4,380,848	(216,233)	4,311,000	4,380,848	69,848
Fines and Forfeitures	4,512,276	5,422,146	909,870	5,200,000	5,422,146	222,146
Charges for Services	4,437,247	4,861,265	424,018	4,293,933	4,861,265	567,332
Investment Earnings	5,234,150	3,324,430	(1,909,720)	5,000,000	3,324,430	(1,675,570)
Total Revenues	130,407,527	132,799,531	2,392,004	128,409,166	132,799,531	4,390,365
Expenditures:						
General Governmental Services:						
Mayor's office	5,788,573	7,269,116	(1,480,543)	9,436,127	7,269,116	2,167,011
City Council	2,711,085	2,683,096	27,989	2,721,310	2,683,096	38,214
Audit	589,033	601,884	(12,851)	609,338	601,884	7,454
Law	3,409,363	2,727,869	681,494	2,880,817	2,727,869	152,948
Finance	4,592,718	5,439,337	(846,619)	6,306,393	5,439,337	867,056
Personnel	1,617,315	1,548,197	69,118	1,688,438	1,548,197	140,241
Treasurer	419,532	423,988	(4,456)	427,500	423,988	3,512
Planning	1,527,256	1,537,205	(9,949)	1,569,507	1,537,205	32,302
Other Fiscal Charges	331,065	-	331,065	-	-	-
Real Estate and Housing	1,518,222	1,695,410	(177,188)	1,834,925	1,695,410	139,515
Public Works	19,643,794	20,189,714	(545,920)	21,055,206	20,189,714	865,492
Parks and Recreation	10,270,354	9,797,793	472,561	10,226,177	9,797,793	428,384
Public Safety:						
Licenses and Inspection	3,990,529	4,111,445	(120,916)	4,473,021	4,111,445	361,576
Fire	24,225,666	21,903,168	2,322,498	23,726,711	21,903,168	1,823,543
Police	43,191,615	42,773,935	417,680	45,255,779	42,773,935	2,481,844
Total Expenditures	123,826,120	122,702,157	1,123,963	132,211,249	122,702,157	9,509,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,581,407	10,097,374	3,515,967	(3,802,083)	10,097,374	13,899,457
Other Financing Sources (Uses)						
Bonds issued	26,232,582	-	(26,232,582)	-	-	-
Bond Premiums	846,829	-	(846,829)	-	-	-
Bond Payments to Escrow Agent	(26,747,759)	-	26,747,759	-	-	-
Transfers out	(13,353,528)	(1,666,236)	11,687,292	-	(1,666,236)	(1,666,236)
Total Other Financing Sources (Uses)	(13,021,876)	(1,666,236)	11,355,640	-	(1,666,236)	(1,666,236)
Net Change in Fund Balances	$ (6,440,469)	$ 8,431,138	$ (14,871,607)	$ (3,802,083)	$ 8,431,138	$ 12,233,221

- Licenses and Permits Fees fell by $216,233 due to a slowdown in building activity, although per employee business license fees (Head Tax) increased by $266,343 in part due to audit efforts. This slowdown also reduced real estate transfer taxes by $962,575.

- Fines and Forfeitures increased by $909,870 compared to 2007 primarily due to increases in red-light citation collections ($214,515) and the first year of an instant ticket effort by the Department of Licenses and Inspections ($184,201).

The current year's expenditures and transfers decreased by $12,811,255 compared to fiscal year 2007 spending levels. Fiscal year 2007 was inflated by $13,353,528 of transfers related to the use of the 2006 surplus to fund specific projects. Normal cost increases within the General Fund were offset by a workers compensation credit totaling $5,430,526 due to an actuarial adjustment to claims liability. In addition:

- General Governmental expenditures for 2008, which were 18% of General Fund expenditures, experienced an increase of $1,244,752 compared to the 2007 results. Increases primarily related to added support County parks and community libraries not part of the City, matching funds for a City golf course, and a $500,000 grant to the Hope Commission. Decreases in outside legal costs of $681,494 and fiscal charges of $331,065 were partially offset by $846,619 of costs related to expanded and successful revenue audit and collection efforts.

- Public Works, 16% of General Fund expenditures, saw expenditures increase $545,920 versus 2007. Regular salaries were up by $579,687 as more positions were filled throughout the year compared to FY2007. Elsewhere cost increases such as $278,161 of motor vehicle costs and $675,260 of recycle bank costs were offset by $177,676 of decreases in electricity, $410,161 of landfill tipping fees, and $344,107 in liability insurance costs.

- Parks and Recreation, 8% of General Fund expenditures, had expenditure decreases of $472,561. This primarily reflected the $514,889 decrease in workers compensation costs.

- Licenses and Inspections, 3% of General Fund expenditures, had expenditure decreases of $120,916. This primarily represented the $190,928 of costs of an emergency property maintenance program.

- Fire expenditures, which represented 18% of the City's General Fund expenditures, experienced a decrease of $2,322,498. This was primarily caused by a $1,666,124 credit for workers compensation cost in the current year versus a one time pension cost of $725,260 in FY2007.

- Police expenditures, which represented 35% of the City's General Fund expenditures, incurred a decrease of $417,680. The workers compensation credit of $2,995,353 more than offset $2,080,281 in increases in various types of overtime costs and $352,255 in increased pension cost.

- Transfers out in FY2008 for cable television, capital costs, and housing of $1,666,236 contrasted to $13,353,528 of mostly one-time transfers in FY2007 funded by a surplus in FY2006.

Other Major Funds – Comparison to Prior Year.

The Commerce Fund experienced a $3,222,291 increase in matching funds to state redevelopment projects and economic development funds to corporate entities moving into Wilmington; these were partly supported by bonds issued. The fund also did a current refunding of ten year old bonds primarily to fulfill an obligation to help the state reduce its payments of remaining debt from the State's purchase of the Port of Wilmington.

In its last year of significant activity, the Police Special Fund funded police costs $991,216 more than in FY2007. Receipts into this multi-year grant from New Castle County ended in FY2007.

Proprietary Funds

Water/Sewer Fund - Comparison to Prior Year

The operation of the Business-type activities increased the City's net assets by $4,039,711. Compared to 2007, the Water/Sewer System's charges for services in fiscal year 2008 increased by $1,078,195 or 2%.

- Sewer Service Charges to New Castle County increased 2.7% from $16,242,123 to $16,677,751.
- Other charges (primarily direct user charges) increased by 1.8% from $34,901,607 to $35,544,174. Although the City instituted a 12.5% increase in the water rates in FY 2008, the revenues for 2007 were inflated by billing adjustments following the updating of meters to almost the entire water system. In a revenue neutral move, FY2008 was the first full year where the City reduced sewer fees and instituted a stormwater charge.
- The Water and Sewer Fund is recording Investment Earnings of $379,799 versus $500,000 in the prior year. Earnings consist of interest on unspent capital funds from bond proceeds and were adversely impacted by dropping interest rates..
- Compared to fiscal year 2007 results, total expenses increased by $1,895,406 or 4%. The largest portion of this was from personal services which were up $1,313,959. This was partly due to $374,763 of increased pension healthcare costs and partly due to the change in accrued vacation and sick pay changing from a decrease to an increase and resulting in an expense increase of $658,386 compared to the prior year. Interest increased by $447,038 over 2007 due to the increased debt financing the capital improvement program.

General Fund Budgetary Highlights

The City adopted the fiscal year 2008 budget on May 17, 2007, and amended it to meet operational needs during the year. The City's practice is to (a) amend budgeted revenue only for grants or new revenue streams and (b) amend budgeted expenditures primarily to approve new spending authority.

The final budget contained $128,409,166 of revenues and $132,211,249 of expenditure before other financing uses. The original expenditures were increased by $4,473,605 for a) public safety overtime and b) a $2,000,000 capital project that was ultimately funded by the capital fund when bond funds became available. The actual results were revenues before other financing sources (uses) of $4,390,365 above budget, expenditures of $9,509,092 under budget, and transfers out of $1,666,236 over budget.

- Property taxes were $462,829 lower than budget. This consists of the effects of an adverse court ruling on an assessment that resulted in a refund of $568,214 and other tax exemptions, which were partially offset by enhanced collection efforts.
- Wage Tax revenues, representing 37% of General Fund Tax revenues, exceeded the budget by $1,985,536. Even as a major employer was reducing executive staff in Wilmington, the City saw significant increases from new entities in the Wilmington area and also enhanced audit efforts.
- Net Profit Taxes exceeded the budget by $1,099,819. Continued profitability of the legal service industry is primarily responsible for the increase in this revenue source.
- Real Estate Transfer Taxes exceeded the budget by $978,122. These tax receipts reflected strong sales of commercial properties and one large transfer generating $660,000.

- Intergovernmental revenues exceed budget by $1,939,440. Part of the increase came from a state pension contribution that exceeded budget by $1,058,406 and the remainder from state shared corporate filing fees of various types.

- Investment earnings decreased by $1,675,570 compared to budget due to lower interest rates and lower balances of unspent bond funds.

- Mayor's Office expenditures were under budget by $2,167,011 primarily due to the need to budget for a possible $2,000,000 expenditure prior to the receipt of bond funds. The bonds were issued before yearend and the expenditure authority was not used.

- Fire expenditures were under budget by $1,823,543 due primarily to a workers compensation actuarial adjustment that resulted in credit of $1,500,567 and decreased liability insurance costs of $187,743.

- Police expenditures were under budget by $2,481,844. This was also due primarily to a workers compensation actuarial adjustment that resulted in a credit of $2,995,353 and liability insurance reduction of $352,988 offset by $1,068,108 of increased overtime.

- There were three unbudgeted transfers out: $195,241 transferred to the Cable TV Fund in accordance with the City Code, $524,999 transferred to the Capital Projects Fund based on a 1999 Capital Budget that was to be funded by the General Fund as monies were expended, and a transfer for $945,996 to the Section 8 Housing Assistance Fund to fund a prior year adjustment (Note 17) required at the end of a federal grant program.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2008, the City had invested $381,299,793, net of accumulated depreciation, in a broad range of capital assets. The following table presents 2008 asset balances compared to 2007 balances (further detail in Note 6 as required by GASB 34).

City of Wilmington's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 24,090,181	$ 24,090,181	$ 3,656,612	$ 3,656,612	$ 27,746,793	$ 27,746,793
Art	1,183,107	1,183,107	-	-	1,183,107	1,183,107
Construction in Progress	2,870,211	1,615,605	8,782,733	27,439,205	11,652,944	29,054,810
Buildings & Improvements	54,313,142	53,470,378	3,894,336	3,974,632	58,207,478	57,445,010
Parks & Recreation Facilities	10,389,835	9,567,231	-	-	10,389,835	9,567,231
Streets & Signals	68,294,709	69,209,608	-	-	68,294,709	69,209,608
Water Reservoirs, Facilities & Water Lines	-	-	92,333,064	56,957,157	92,333,064	56,957,157
Wastewater Facilities & Sewer Lines	-	-	91,263,041	91,947,597	91,263,041	91,947,597
Vehicles, Equipment & Other	20,228,822	21,307,240	-	-	20,228,822	21,307,240
Totals	$ 181,370,007	$ 180,443,350	$ 199,929,786	$ 183,975,203	$ 381,299,793	$ 364,418,553

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- This was a year where capital improvements occurred fairly evenly with no single major governmental project taking the majority of funding. Improvements to streets and signals amounted to $2,388,435 and vehicle acquisitions were $1,012,494, and computer and communications equipment grew by $933,225.
- Parks and building improvements amounted to another $1,352,352 and $2,071,368, respectively.

Business-type Activities:

- Water Treatment Facilities and Water Lines added $35,442,635. Approximately $27,500,000 related to rebuilding Cool Spring Reservoir with an additional $5,200,000 spent on renovations at Porter Filter Plant.
- Sewer Lines added $2,420,078 primarily due to improvements to the Combined Sewer Overflow (CSO) system.
- The Construction in Progress at yearend contained costs related to construction at Hoopes Reservoir, new Real Time Control Technology, and filter plant improvements.

Additional information regarding the City's capital assets is contained in Note 6 to the financial statements.

Long-Term Debt. At the end of the current fiscal year, the City had total bonded (backed by the full faith and credit of the government) debt outstanding of $255,648,557. Of this amount, $127,382,153 comprises debt related to Governmental activities and $128,266,404 is supported by Business-Type activities.

- On December 14, 2007, the City issued a Bond Anticipation Note Series 2007 in the amount of $18,665,000. The note was defeased by the issuance of debt in June 2008 and ultimately paid on maturity July 14, 2008.
- On April 1, 2008, the City prefunded $6,500,000 of its General Obligation variable Rate Demand Bonds Series 2006B. The remaining $10,170,000 was defeased by the issuance of debt in June 2008 and called on August 1, 2008.
- On June 17, 2008, the City issued $75,215,000 of General Obligation Bonds to advance refund $3,310,000 of Series 1996B bonds and 2006B bonds (as noted above), refund the Bond Anticipation Note of 2007 (as noted above), and to provide funds for various capital projects including water and sewer projects.

The City is empowered by state law to issue debt obligations within the limits of authority passed from time to time by the state legislature.

The City maintains an A1 rating from Moody's Investors Service, an AA- rating from Standard & Poor's Corporation, and an AA- from Fitch Ratings for general obligation debt.

Additional information on the City's long-term debt can be found in Note 8 to the financial statements.

City of Wilmington's Outstanding Debt
General Obligations Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	$ 127,382,153	$ 119,120,746	$ 128,266,404	$ 92,472,693	$ 255,648,557	$ 211,593,439

Economic Factors and 2008 Budgets and Rates

The City of Wilmington's unemployment rate of 5.0% was essentially holding constant while per capita income continued to grow. The City's diversified service economy continued to be vibrant as Wilmington Savings fund Society moved into a new headquarters and Blue Cross & Blue Shield of Delaware consolidated its city and suburban operations into a City based headquarters. The City moved into its new Public Works Yard allowing the full use of old yard properties for expanded commercial and residential riverfront development. The state and federal courts in downtown Wilmington continue to draw legal firms and services to the downtown area.

The downtown Residences at Rodney Square continued a trend in Wilmington's urban living areas. Condominiums and apartments are being built along the Christiana River near restaurants that have moved into the riverfront areas.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2008. The City's budget addresses economic development, public safety, and infrastructure needs.

Tax and service charge rates primarily stayed unchanged in fiscal year 2008. The property tax rate was unchanged while added taxable reassessments increased the taxable base.

Requests for Information

This financial report is designed to provide a general overview of the City of Wilmington's finances to its citizens and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to Ronald A. Morris, Director of Finance, City of Wilmington, Delaware 19801.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units from sources listed in Note 1, page 37 and the financial statements are listed on page 34.

A view of the City's downtown ongoing facelift.

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Assets
June 30, 2008

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 98,806,920	$ 21,070,147	$ 119,877,067	$ 21,208,498
Receivables, Net (Note 4)	31,211,208	11,956,812	43,168,020	8,466,598
Due from Other Governments	16,551,563	-	16,551,563	-
Deferred Charges & Other Assets	1,942,879	1,282,106	3,224,985	938,758
Restricted Assets:				
Investments	-	-	-	2,481,434
Capital Assets, Net (Note 6)				
Land	24,090,181	3,656,612	27,746,793	19,615,468
Art	1,183,107	-	1,183,107	-
Construction in Progress	2,870,211	8,782,733	11,652,944	3,027,826
Buildings & Improvements	54,313,142	3,894,336	58,207,478	33,942,063
Parks & Recreation Facilities	10,389,835	-	10,389,835	-
Streets & Street Signals	68,294,709	-	68,294,709	-
Water & Sewer Systems	-	183,596,105	183,596,105	-
Vehicles, Equipment, and Other	20,228,822	-	20,228,822	2,214,581
Total Assets	329,882,577	234,238,851	564,121,428	91,895,226
LIABILITIES				
Accounts Payable & Accrued Expenses	13,276,594	12,105,815	25,382,409	1,642,163
Salaries and Benefits Payable	2,747,194	265,950	3,013,144	221,679
Unearned Revenue	4,245,854	942,759	5,188,613	108,434
Other Liabilities	3,228,190	-	3,228,190	-
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	10,555,086	6,539,773	17,094,859	3,023,600
Capital Leases	853,658	1,393,618	2,247,276	10,433
Claims Liabilities	5,371,119	-	5,371,119	-
Compensated Absences	5,489,619	156,750	5,646,369	-
Due in More Than One Year:				
Bonds Payable	118,400,212	124,013,244	242,413,456	35,155,359
Capital Leases	1,214,260	1,500,005	2,714,265	45,267
Claims Liabilities	10,477,511	-	10,477,511	-
Compensated Absences	1,969,976	466,264	2,436,240	-
Other Post Employment Benefits Payable	2,557,376	-	2,557,376	-
Minority Interest	-	-	-	1,958,934
Total Liabilities	180,386,649	147,384,178	327,770,827	42,165,869
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	77,387,019	102,115,411	179,502,430	20,807,302
Restricted for:				
Debt Service	-	-	-	1,865,822
Capital Projects	26,265,511	35,632,265	61,897,776	-
Park Operations	5,865,380	-	5,865,380	-
Unrestricted	39,978,018	(50,893,003)	(10,914,985)	27,056,233
Total Net Assets	$ 149,495,928	$ 86,854,673	$ 236,350,601	$ 49,729,357

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

City of Wilmington, Delaware

Statement of Activities
For the Year Ended June 30, 2008

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
			Grants and Contributions		Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Governmental Services	$ 22,779,627	$ 7,137,885	$ 100,705	$ -	$ (15,541,037)	$ -	$ (15,541,037)	$ -
Commerce	7,022,739	1,360	10,216	-	(7,011,163)	-	(7,011,163)	-
Real Estate and Housing	7,427,235	527,971	6,140,427	477,654	(281,183)	-	(281,183)	-
Public Works	21,562,949	263,071	1,275,171	807,641	(19,217,066)	-	(19,217,066)	-
Parks and Recreation	11,460,259	85,311	1,448,427	353,930	(9,572,591)	-	(9,572,591)	-
Public Safety	74,915,049	11,609,610	9,348,014	-	(53,957,425)	-	(53,957,425)	-
Interest on Long-term Debt	4,569,496	-	-	-	(4,569,496)	-	(4,569,496)	-
Total Governmental Activities	149,737,354	19,625,208	18,322,960	1,639,225	(110,149,961)	-	(110,149,961)	-
Business-type Activities:								
Water/Sewer	48,562,013	52,221,925	-	-	-	3,659,912	3,659,912	-
Total Primary Governments	$ 198,299,367	$ 71,847,133	$ 18,322,960	$ 1,639,225	(110,149,961)	3,659,912	(106,490,049)	-
Component Units:								
Brandywine Gateway Corporation	$ 4,391	$ -	$ -	$ -	-	-	-	(4,391)
Christina Gateway Corporation	8,031	-	-	-	-	-	-	(8,031)
Rock Manor Golf Corporation	105,070	12,500	-	415,000	-	-	-	322,430
Wilmington UDAG Corporation	618,505	462,443	-	-	-	-	-	(156,062)
Wilmington Economic Development Corporation	666,572	525,380	-	-	-	-	-	(141,192)
Wilmington Parking Authority	7,497,866	7,231,758	-	-	-	-	-	(266,108)
Downtown Visions	2,189,713	2,229,184	-	-	-	-	-	39,471
Riverfront Business Improvement District	278,904	311,689	-	-	-	-	-	32,785
Total Component Units	$ 11,369,052	$ 10,772,954	$ -	$ 415,000	-	-	-	(181,098)
	General Revenues:							
	Taxes:							
	Property Taxes, Levied for General Purposes				30,268,835	-	30,268,835	-
	Income Taxes				54,438,848	-	54,438,848	-
	Real Estate Transfer				4,978,122	-	4,978,122	-
	Lodging & Natural Gas Taxes				1,227,140	-	1,227,140	-
	Investment Earnings				3,471,478	379,799	3,851,277	1,171,831
	Other Revenues including Capital Asset Gains				500,000	-	500,000	229,043
	Grants, Entitlements, and Contributions not Restricted to Specific Programs				12,006,845	-	12,006,845	-
	Total General Revenues				106,891,268	379,799	107,271,067	1,400,874
	Changes in Net Assets				(3,258,693)	4,039,711	781,018	1,219,776
	Net Assets - Beginning				153,700,617	82,814,962	236,515,579	48,509,581
	Prior Period Adjustment (Note 17)				(945,996)	-	(945,996)	-
	Net Assets - Beginning As Restated				152,754,621	82,814,962	235,569,583	48,509,581
	Net Assets - Ending				$ 149,495,928	$ 86,854,673	$ 236,350,601	$ 49,729,357

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2008

	General	Capital Projects	Police Special	Commerce	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 45,253,193	$ 23,089,066	$ 189,556	$ 32,397	$ 4,203,996	$ 72,768,208
Investments	-	-	-	-	5,938,519	5,938,519
Receivables, Net (Note 4)	12,323,115	3,812,500	-	13,278,842	1,711,802	31,126,259
Due from Other Funds	16,720,504	-	-	-	-	16,720,504
Due from Component Unit	275,000	-	-	-	-	275,000
Due from Other Governments	986,483	1,251,658	-	-	4,745,008	6,983,149
Prepaid Items & Other Assets	1,633	-	-	-	-	1,633
TOTAL ASSETS	$ 75,559,928	$ 28,153,224	$ 189,556	$ 13,311,239	$ 16,599,325	$ 133,813,272
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 6,283,264	$ 1,255,750	$ 79,928	$ 641,396	$ 1,362,433	$ 9,622,771
Salaries and Benefits Payable	2,540,315	-	66,692	12,123	94,978	2,714,108
Due to Other Funds	-	-	-	-	2,145,192	2,145,192
Due to Component Unit	20,134	-	-	-	-	20,134
Deferred Revenue	5,052,940	1,406,680	-	12,478,842	2,839,174	21,777,636
Other Liabilities	1,628,190	-	-	-	1,600,000	3,228,190
Total Liabilities	15,524,843	2,662,430	146,620	13,132,361	8,041,777	39,508,031
Fund Balances:						
Reserved for:						
Park Operations	-	-	-	-	5,865,380	5,865,380
Unreserved, Reported In:						
General Fund, Undesignated	25,263,230	-	-	-	-	25,263,230
General Fund, Designated:						
Encumbrances	1,008,833	-	-	-	-	1,008,833
Special Designations	18,562,766	-	-	-	-	18,562,766
Budget Reserve Account	15,200,256	-	-	-	-	15,200,256
Special Revenue Funds	-	-	42,936	178,878	2,692,168	2,913,982
Capital Project Funds	-	25,490,794	-	-	-	25,490,794
Total Fund Balances	60,035,085	25,490,794	42,936	178,878	8,557,548	94,305,241
Total Liabilities and Fund Balances	$ 75,559,928	$ 28,153,224	$ 189,556	$ 13,311,239	$ 16,599,325	$ 133,813,272

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

City of Wilmington, Delaware

Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Assets
For the Year Ended June 30, 2008

The Total Net Assets reported for governmental activities in the Statement of Net Assets (Page 18) is different because:

Total Fund Balances for Government Funds (Page 20)		$ 94,305,241
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in Note 6 are included in the Statement of Net Assets. Also excluded are $16,360,844 of internal service fund assets accounted for in the following line.		165,009,163
Internal Service funds are used by management to charge the costs of centrally managed services to using funds and departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. The increase is equal to the internal service net assets.		4,235,937
Some of the city's taxes and other revenues will be collected after yearend, but are not available soon enough to pay current-year's expenditures and, therefore, are reported as deferred revenue in the fund statements.		17,531,782
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Compensated Absences	$ (7,260,657)	
Other Post Employment Benefit (OPEB) Liability	(2,557,376)	
Accrued Interest on Long Term Debt	(1,113,331)	
Deferred Amounts - Bond Issuance Costs	1,569,106	
Deferred Amounts - Bond Premium	(3,572,326)	
Deferred Amounts - Advance Refunding Difference	1,994,357	
Bonds and Notes Payable	(120,645,968)	(131,586,195)
Total Net Assets of Governmental Activities (Page 18)		$ 149,495,928

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

City of Wilmington, Delaware

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General	Capital Projects	Police Special	Commerce	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 30,503,671	$ -	$ -	$ -	$ -	$ 30,503,671
Wage	49,791,625	-	-	-	-	49,791,625
Net Profit	4,599,819	-	-	-	-	4,599,819
Franchise	1,814,216	-	-	-	-	1,814,216
Real Estate Transfer	4,978,122	-	-	-	-	4,978,122
Head	2,420,998	-	-	-	-	2,420,998
Lodging & Natural Gas	1,227,140	-	-	-	-	1,227,140
Intergovernmental	19,475,251	1,639,225	-	698,531	10,095,822	31,908,829
Licenses and Permits	4,380,848	-	-	-	-	4,380,848
Fines and Forfeitures	5,422,146	-	-	-	-	5,422,146
Charges for Services	4,861,265	7,293	-	1,360	1,372,014	6,241,932
Investment Earnings (Loss)	3,324,430	-	-	426,431	(279,383)	3,471,478
Total Revenues	132,799,531	1,646,518	-	1,126,322	11,188,453	146,760,824
EXPENDITURES						
Current:						
General Governmental Services	21,040,110	-	-	-	360,486	21,400,596
Commerce	-	-	-	6,892,580	-	6,892,580
Real Estate and Housing	489,480	-	-	-	6,222,545	6,712,025
Public Works	14,824,614	-	-	-	1,522,105	16,346,719
Parks and Recreation	7,169,196	-	-	-	1,981,311	9,150,507
Public Safety	67,405,764	-	4,612,137	-	2,070,300	74,088,201
Debt Service:						
Principal Retirement	7,717,811	-	-	4,773,033	-	12,490,844
Interest and Fiscal Charges	4,055,182	-	-	991,008	12,838	5,059,028
Capital Outlays	-	9,496,420	-	-	438,069	9,934,489
Total Expenditures	122,702,157	9,496,420	4,612,137	12,656,621	12,607,654	162,074,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,097,374	(7,849,902)	(4,612,137)	(11,530,299)	(1,419,201)	(15,314,165)
OTHER FINANCING SOURCES (USES)						
Proceeds from						
Capital Asset Sales	-	-	-	500,000	-	500,000
Bonds Issued	-	28,340,000	-	5,760,000	-	34,100,000
Bond Premiums	-	892,277	-	169,714	-	1,061,991
Bond Payments to Escrow Agent	-	(10,351,317)	-	(3,341,061)	-	(13,692,378)
Transfers In	-	524,999	-	-	1,141,237	1,666,236
Transfers Out	(1,666,236)	-	-	-	-	(1,666,236)
Total Other Financing Sources (Uses)	(1,666,236)	19,405,959	-	3,088,653	1,141,237	21,969,613
Net Change in Fund Balances	8,431,138	11,556,057	(4,612,137)	(8,441,646)	(277,964)	6,655,448
Fund Balance - Beginning	51,603,947	13,934,737	4,655,073	8,620,524	9,781,508	88,595,789
Prior Period Adjustment (Note 17)	-	-	-	-	(945,996)	(945,996)
Fund Balance - Beginning, as Restated	51,603,947	13,934,737	4,655,073	8,620,524	8,835,512	87,649,793
Fund Balance - Ending	$ 60,035,085	$ 25,490,794	$ 42,936	$ 178,878	$ 8,557,548	$ 94,305,241

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

City of Wilmington, Delaware

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2008

Amounts reported for governmental activities in the Statement of Activities (Page 19) are different because:

Net Change in Fund Balances - Total Governmental Funds (Page 22)		$ 6,655,448
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital asset acquisitions exceeded depreciation expense.		
Capital assets acquisition	$ 7,110,040	
Depreciation expense	(5,517,193)	1,592,847
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.		
Port of Wilmington Sale Proceeds	$ (698,531)	
Property and Other Taxes	(187,432)	
Fees and Fines	103,800	(782,163)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

	Debt Issued	Repayments	
General Obligation Bonds	$ (34,100,000)	$ 26,183,222	
Issuance Costs & Similar Items	(623,462)	(214,603)	
Net Adjustment	(34,723,462)	25,968,619	(8,754,843)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Other post employment benefit (OPEB) expenditures are reported in the Statement of Activities based on the Annual Required Contribution (ARC) regardless of the expended amount. In addition, interest on long-term debt is not recognized under the modified basis of accounting until due, rather than as it accrues. The following are the impact fo the net changes in balances.

Compensated Absences	$ 481,738	
Other Post Employment Benefit (OPEB) Liability	(2,557,376)	
Accrued Interest on Long-Term Debt	265,606	(1,810,032)
The net revenue of internal service funds is reported with governmental activities.		(159,950)
Change in net assets of governmental activities (page 19)		$ (3,258,693)

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

City of Wilmington, Delaware

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 30,966,500	$ 30,966,500	$ 30,503,671	$ (462,829)
Wage	47,806,089	47,806,089	49,791,625	1,985,536
Net Profit	3,500,000	3,500,000	4,599,819	1,099,819
Franchise	2,313,333	2,313,333	1,814,216	(499,117)
Real Estate Transfer	4,000,000	4,000,000	4,978,122	978,122
Head	2,150,000	2,150,000	2,420,998	270,998
Lodging & Natural Gas	1,332,500	1,332,500	1,227,140	(105,360)
Intergovernmental	17,535,811	17,535,811	19,475,251	1,939,440
Licenses and Permits	4,311,000	4,311,000	4,380,848	69,848
Fines and Forfeitures	5,200,000	5,200,000	5,422,146	222,146
Charges for Services	4,793,933	4,293,933	4,861,265	567,332
Investment Earnings	5,000,000	5,000,000	3,324,430	(1,675,570)
Total Revenues	128,909,166	128,409,166	132,799,531	4,390,365
Expenditures:				
General Governmental Services:				
Mayor's Office	7,702,392	9,436,127	7,269,116	2,167,011
City Council	2,655,185	2,721,310	2,683,096	38,214
Audit	609,338	609,338	601,884	7,454
Law	2,880,817	2,880,817	2,727,869	152,948
Finance	5,759,402	6,306,393	5,439,337	867,056
Personnel	1,688,438	1,688,438	1,548,197	140,241
Treasurer	419,200	427,500	423,988	3,512
Planning	1,526,207	1,569,507	1,537,205	32,302
Real Estate and Housing	1,834,925	1,834,925	1,695,410	139,515
Public Works	22,040,549	21,055,206	20,189,714	865,492
Parks and Recreation	10,025,177	10,226,177	9,797,793	428,384
Public Safety:				
Licenses and Inspection	4,473,021	4,473,021	4,111,445	361,576
Fire	22,795,214	23,726,711	21,903,168	1,823,543
Police	43,327,779	45,255,779	42,773,935	2,481,844
Total Expenditures	127,737,644	132,211,249	122,702,157	9,509,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,171,522	(3,802,083)	10,097,374	13,899,457
Other Financing Use				
Transfer Out	-	-	(1,666,236)	(1,666,236)
Total Other Financing Use	-	-	(1,666,236)	(1,666,236)
Net Change in Fund Balances	1,171,522	(3,802,083)	8,431,138	12,233,221
Fund Balance - Beginning	51,603,947	51,603,947	51,603,947	-
Fund Balance - Ending	$ 52,775,469	$ 47,801,864	$ 60,035,085	$ 12,233,221

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

City of Wilmington, Delaware

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Fund
Police Special
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures:				
Personal Services	3,585,439	3,585,439	3,585,439	-
Materials, Supplies and Equipment	1,026,698	1,026,698	1,026,698	-
Total Expenditures	4,612,137	4,612,137	4,612,137	-
Deficiency of Revenues Under Expenditures	(4,612,137)	(4,612,137)	(4,612,137)	-
Net Change in Fund Balances	(4,612,137)	(4,612,137)	(4,612,137)	-
Fund Balance - Beginning	4,655,073	4,655,073	4,655,073	-
Fund Balance - Ending	$ 42,936	$ 42,936	$ 42,936	$ -

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

City of Wilmington, Delaware

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Fund
Commerce
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Intergovernmental	$ 698,531	$ 698,531	$ 698,531	$ -
Investment Earnings	426,430	426,430	426,431	1
Other	-	-	1,360	1,360
Total Revenues	1,124,961	1,124,961	1,126,322	1,361
Expenditures:				
Personal Services	776,687	776,687	647,030	129,657
Materials, Supplies and Equipment	1,551,652	5,116,052	5,215,550	(99,498)
Debt Service	5,782,910	5,862,510	5,764,041	98,469
Special Purpose	-	1,030,000	1,030,000	-
Total Expenditures	8,111,249	12,785,249	12,656,621	128,628
Deficiency of Revenues Under Expenditures	(6,986,288)	(11,660,288)	(11,530,299)	129,989
Other Financing Sources (Uses)				
Proceeds from				
Capital Asset Sales	-	-	500,000	500,000
Bonds Issued	-	-	5,760,000	5,760,000
Bond Premiums	-	-	169,714	169,714
Bond Payments to Escrow Agent	-	-	(3,341,061)	(3,341,061)
Total Other Financing Sources (Uses)	-	-	3,088,653	3,088,653
Net Change in Fund Balances	(6,986,288)	(11,660,288)	(8,441,646)	3,218,642
Fund Balance - Beginning	8,620,524	8,620,524	8,620,524	-
Fund Balance - Ending	$ 1,634,236	$ (3,039,764)	$ 178,878	$ 3,218,642

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

Work in Progress at Justison Landing

City of Wilmington, Delaware
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 21,070,147	$ 20,100,193
Receivables, Net (Note 4)	11,956,812	84,949
Prepaid Items & Other Assets	-	318,281
Total Current Assets	33,026,959	20,503,423
Noncurrent Assets:		
Deferred Charges	1,282,106	53,859
Capital Assets, Net (Note 6)		
Land	3,656,612	-
Construction in Progress	8,782,733	163,418
Buildings & Improvements	3,894,336	40,906
Reservoirs and Water Filter Facilities	63,879,128	-
Water Lines	28,453,938	-
Wastewater Pump and Treatment Facilities	77,910,996	-
Sewer Lines	13,352,043	-
Vehicles, Machinery & Equipment	-	16,156,520
Total Noncurrent Assets	201,211,892	16,414,703
Total Assets	234,238,851	36,918,126
LIABILITIES		
Current Liabilities:		
Accounts Payable	11,190,439	2,396,297
Salaries and Benefits Payable	265,950	33,086
Due to Other Funds	-	5,281,898
Deferred Revenue	942,759	-
Accrued Interest Payable	915,376	124,061
Bonds Payable	6,539,773	420,941
Capital Leases	1,393,618	853,658
Compensated Absences	156,750	198,938
Claims Liabilities	-	5,371,119
Total Current Liabilities	21,404,665	14,679,998
Noncurrent Liabilities:		
Bonds Payable	124,013,244	6,310,420
Capital Leases	1,500,005	1,214,260
Compensated Absences	466,264	-
Claims Liabilities	-	10,477,511
Total Noncurrent Liabilities	125,979,513	18,002,191
Total Liabilities	147,384,178	32,682,189
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	102,115,411	8,336,282
Restricted for:		
Capital Projects	35,632,265	774,717
Unrestricted	(50,893,003)	(4,875,062)
Total Net Assets	$ 86,854,673	$ 4,235,937

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

City of Wilmington, Delaware

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
OPERATING REVENUES		
Charges for Services	$ 49,966,358	$ 22,707,527
Employee Contributions	-	451,892
Intergovernmental	1,439,862	-
Other	815,705	699,474
Total Operating Revenues	52,221,925	23,858,893
OPERATING EXPENSES		
Personal Services	9,630,491	1,959,983
Materials, Supplies and Contractual Services	28,300,614	8,579,528
Depreciation and Amortization	6,221,205	2,992,188
Claims Expense	-	10,086,979
Insurance Premiums	-	143,113
Total Operating Expenses	44,152,310	23,761,791
Operating Income	8,069,615	97,102
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	379,799	-
Interest Expense	(4,308,950)	(337,232)
Bond Issuance Expense	(100,753)	(8,443)
Gain on Sale of Assets	-	88,623
Total Non-Operating Revenues (Expenses):	(4,029,904)	(257,052)
Change in Net Assets	4,039,711	(159,950)
Total Net Assets - Beginning	82,814,962	4,395,887
Total Net Assets - Ending	$ 86,854,673	$ 4,235,937

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

City of Wilmington, Delaware
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

	Business-type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from Customers and Users	$ 49,295,863	$ -
Receipts from Interfund Services Provided	-	23,858,893
Payments to Suppliers	(25,971,509)	(23,371,835)
Payments to Employees	(9,095,188)	(1,966,535)
Net Cash Provided by (Used in) Operating Activities	14,229,166	(1,479,477)
Cash Flows from Noncapital Financing Activities		
Advances from (To) Other Funds	(2,779,357)	62,276
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,779,357)	62,276
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Capital Debt	63,125,296	690,000
Acquisition and Construction of Capital Assets	(21,599,037)	(1,945,719)
Principal Paid on Bonds	(27,331,585)	(787,781)
Interest Paid on Bonds	(2,890,240)	(346,218)
Principal Paid on Capital Leases	(1,353,379)	(830,004)
Interest Paid on Capital Leases	(229,735)	(140,687)
Bond Issuance Costs Capitalized	(481,031)	-
Proceeds from Sale of Capital Assets	-	88,623
Net Cash Provided by (Used in) Capital and Related Financing Activities	9,240,289	(3,271,786)
Cash Flows From Investing Activities:		
Interest Received on Unspent Bond Proceeds	379,799	-
Net Cash provided by investing activities	379,799	-
Net Increase (Decrease) in Cash and Cash Equivalents	21,069,897	(4,688,987)
Cash and Cash Equivalents - July 1, 2007	250	24,789,180
Cash and Cash Equivalents - June 30, 2008	$ 21,070,147	$ 20,100,193
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 8,069,615	$ 97,102
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	6,221,205	2,992,188
Changes in Assets and Liabilities:		
(Increase) in Receivables	(3,029,320)	-
(Decrease) in Prepaid Expenses	-	(141)
Increase in Accounts Payable	2,329,105	1,062,253
Increase in Compensated Absences	390,366	4,513
Increase (Decrease) in Accrued Salaries	144,937	(3,108)
Increase in Deferred Revenue	103,258	-
(Decrease) in Claims Liability	-	(5,632,284)
Net Cash Provided by (Used in) Operating Activities	$ 14,229,166	$ (1,479,477)

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

SEAL OF THE CITY OF WILMINGTON
DELAWARE

City of Wilmington

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Total Pension Funds	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 10,372,845	$ -
Receivables:		
Due from Governments	15,757	415,105
Securities Receivable	-	-
Accrued Interest Receivable	902,625	-
Total Receivables	918,382	415,105
Investments, at Fair Value:		
Money Market Mutual Funds	5,672,798	-
U.S. Government Obligations	12,955,538	-
U.S. Agencies - Government Guaranteed	120,134	-
U.S. Agencies - Other	19,382,364	-
Foreign Government Obligations	1,004,654	-
Corporate Bonds	30,168,367	-
Stocks	93,643,397	-
Other Mutual Funds	214,838	-
Total Investments	163,162,090	-
Total Assets	174,453,317	415,105
LIABILITIES		
Accounts Payable	105,757	3,040
Securities Payable	543,365	-
Salaries and Benefits Payable	5,887	35
Due to Governments	9,033,951	259,463
Compensated Absences	19,076	-
Liability for Stale-dated Pension Checks	178,646	-
Funds held in Escrow	-	152,567
Total Liabilities	9,886,682	415,105
Net Assets		
Held in Trust for Pension Benefits	$ 164,566,635	$ -

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

City of Wilmington, Delaware

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2008

	Total Pension Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 8,711,481
Paid by the State	
On-Behalf of the City	7,468,406
Employees	1,390,339
Federal Drug Subsidies & Other	35,365
Total Contributions	17,605,591
Investment Income (Loss)	
Interest	5,823,912
Net Depreciation in Fair Value	(14,531,231)
Total Investment Income (Loss)	(8,707,319)
Less: Investment Expense	(858,935)
Net Investment Income (Loss)	(9,566,254)
Total Additions	8,039,337
DEDUCTIONS	
Benefits Paid	18,768,910
Administrative Expenses	555,571
Total Deductions	19,324,481
Net Decrease in Plans' Net Assets	(11,285,144)
Net Assets - Beginning	175,851,779
Net Assets - Ending	$ 164,566,635

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

City of Wilmington, Delaware

Combining Statement of Net Assets
Discretely Presented Component Units
June 30, 2008

ASSETS	Brandywine Gateway Corporation	Christina Gateway Corporation	Rock Manor Golf Corporation	Wilmington UDAG Corporation	Wilmington Economic Development Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Total
Cash and Cash Equivalents	$ 77,801	$ 98,193	$ 30,169	$ 2,556,801	$ 621,864	$ 6,687,897	$ 173,679	$ 98,534	$ 10,344,938
Investments	-	-	-	-	-	10,863,560	-	-	10,863,560
Receivables, Net	-	2,440,309	32,636	4,550,567	570,347	814,691	43,204	14,844	8,466,598
Restricted Assets:									
Investments	-	-	-	-	-	2,481,434	-	-	2,481,434
Deferred Charges & Other Assets	-	-	-	30,652	23,132	838,673	46,301	-	938,758
Capital Assets, Net:									
Land	-	2,900,000	-	392,089	4,321	16,319,058	-	-	19,615,468
Construction in Progress	-	-	1,966,994	573,639	-	487,193	-	-	3,027,826
Building and Improvements	-	-	-	383,409	1,454,502	31,252,142	852,010	-	33,942,063
Vehicles, Machinery & Equipment	-	-	-	-	56,906	1,960,272	192,784	4,619	2,214,581
Total Assets	77,801	5,438,502	2,029,799	8,487,157	2,731,072	71,704,920	1,307,978	117,997	91,895,226
LIABILITIES									
Accounts Payable & Accrued Expenses	-	1,000	3,747	86,376	195,585	1,329,121	17,528	8,806	1,642,163
Salaries and Benefits Payable	-	-	-	-	-	114,062	107,617	-	221,679
Unerarned Revenue	-	-	-	-	-	99,914	8,520	-	108,434
Long-term Liabilities									
Due within One Year									
Bonds Payable	-	100,000	-	-	-	2,894,277	29,323	-	3,023,600
Capital Leases	-	-	-	-	-	-	10,433	-	10,433
Due in More than One Year									
Loans Payable	-	100,000	1,947,235	-	1,550,000	30,191,313	735,780	631,031	35,155,359
Capital Leases	-	-	-	-	-	-	45,267	-	45,267
Minority Interest	-	-	-	-	-	1,958,934	-	-	1,958,934
Total Liabilities	-	201,000	1,950,982	86,376	1,745,585	36,587,621	954,468	639,837	42,165,869
NET ASSETS									
Invested in Capital Assets Net of Related Debt	-	-	19,759	1,349,137	1,515,729	17,698,686	223,991	-	20,807,302
Restricted for:									
Debt Service	-	-	-	-	-	1,865,822	-	-	1,865,822
Unrestricted	77,801	5,237,502	59,058	7,051,644	(530,242)	15,552,791	129,519	(521,840)	27,056,233
Total Net Assets	$ 77,801	$ 5,237,502	$ 78,817	$ 8,400,781	$ 985,487	$ 35,117,299	$ 353,510	$ (521,840)	$ 49,729,357

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

City of Wilmington, Delaware

Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2008

		Program Revenues	Net (Expense) Revenues and Changes in Net Assets								
	Expenses	Charges for Services	Brandywine Gateway Corporation	Christina Gateway Corporation	Rock Manor Golf Corporation	Wilmington UDAG Corporation	Wilmington Economic Development Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Development District	Total
Brandywine Gateway Corporation	$ 4,391	$ -	$ (4,391)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,391)
Christina Gateway Corporation	8,031	-	-	(8,031)	-	-	-	-	-	-	(8,031)
Rock Manor Golf Corporation	105,070	12,500	-	-	(92,570)	-	-	-	-	-	(92,570)
Wilmington UDAG Corporation	618,505	462,443	-	-	-	(156,062)	-	-	-	-	(156,062)
Wilmington Economic Development Corporation	666,572	525,380	-	-	-	-	(141,192)	-	-	-	(141,192)
Wilmington Parking Authority	7,497,866	7,231,758	-	-	-	-	-	(266,108)	-	-	(266,108)
Downtown Visions	2,189,713	2,229,184	-	-	-	-	-	-	39,471	-	39,471
Riverfront Business Improvement District	278,904	311,689	-	-	-	-	-	-	-	32,785	32,785
	$ 11,369,052	$ 10,772,954	(4,391)	(8,031)	(92,570)	(156,062)	(141,192)	(266,108)	39,471	32,785	(596,098)
General Revenues											
Payments from the Primary Government			-	-	415,000	-	-	-	-	-	415,000
Investment Earnings			-	15,000	7,109	114,140	23,930	987,475	19,596	4,581	1,171,831
Other Revenues			-	131,990	9,821	739	-	73,024	-	13,469	229,043
Total General Revenues			-	146,990	431,930	114,879	23,930	1,060,499	19,596	18,050	1,815,874
Change in Net Assets			(4,391)	138,959	339,360	(41,183)	(117,262)	794,391	59,067	50,835	1,219,776
Net Assets - Beginning			82,192	5,098,543	(260,543)	8,441,964	1,102,749	34,322,908	294,443	(572,675)	48,509,581
Net Assets - Ending			$ 77,801	$ 5,237,502	$ 78,817	$ 8,400,781	$ 985,487	$ 35,117,299	$ 353,510	$ (521,840)	$ 49,729,357

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

1. Summary of Significant Accounting Policies

Pursuant to Title 22, Delaware Code, 1953, the City of Wilmington, Delaware (the City), was granted the rights to exercise all expressed and implied powers and authority of local self-government and home rule under Charter governed by the Delaware Constitution. The City operates under a Mayor-Council form of government.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has adopted all GASB Statements through No. 53. The significant policies of the City are described below.

A. Financial Reporting Entity

For financial reporting purposes, the City's primary government includes activities of all elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the City's legal entity. The City's reporting entity is also comprised of its component units, legally separate organizations for which the City's elected officials are financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government.

The City is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may also be financially accountable if an organization is fiscally dependent on the City regardless to whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Blended Component Unit

Wilmington Park Trust Commission (WPC) is a municipal trust. WPC was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington. WPC consists of three Commissioners: two appointed by the Mayor of the City of Wilmington, and the third is the Director of Parks and Recreation of the City. WPC is reflected as a blended component unit in the accompanying financial statements.

Discretely Presented Component Units

The component units' columns in the entity-wide financial statements include the financial data of the City's eight other component units. These units are reported in a separate column to emphasize that they are legally separate from the City's primary government operations.

Brandywine Gateway Corporation and Christina Gateway Corporation offer small business loans and other financial assistance within the City. The City appoints a majority of both governing bodies (most of whom are City officials), provides all executive, administrative, and support services, and maintains the books and records. The City has a significant influence over programs, projects, and activities of the Corporations. Brandywine Gateway plans to liquidate in FY2009.

Rock Manor Golf Corporation (Rock Manor) was organized for the purpose of assisting the City in the administration of the golf course operations of the Rock Manor Golf Course. The City appoints the Rock Manor's entire governing board. The City has a significant influence over programs, projects, and activities of the Corporation.

Wilmington UDAG Corporation (UDAG) was organized to enhance urban development and educational, charitable, and philanthropic purposes within the boundaries of the City. The City appoints the corporation's entire governing board (most of whom are City officials), and provides all executive, administrative and support services, and maintains the books and records. The City has a significant influence over programs, projects, and activities of the Corporation.

Wilmington Economic Development Corporation (WEDCO) is a separate legal entity, developed to assist the City in establishing economic development. The City funds a portion of WEDCO's operating expenditures. The City has a significant influence over programs, projects, and activities of the Corporation. The majority of the officers and directors are appointed by the Mayor.

Wilmington Parking Authority (WPA) owns and operates multistory and surface parking facilities within the boundaries of Wilmington. The Board of Directors of the WPA is appointed by the Mayor and confirmed by the Wilmington City Council. The authority operates within the boundaries of the City. Substantially all the WPA's outstanding revenue bonds are guaranteed by the City. The WPA is the general partner in 800 Garage Associates, L.P. and owns 80% interest in the limited partnership.

Wilmington Downtown Business Improvement District (WDBID) Management Company (d/b/a Downtown Visions) was organized to supplement City safety and cleaning service in the downtown business district. The City appoints the corporation's entire board. The corporation's services are funded by charges assessed on taxable property in the district at a rate approved by the City.

Riverfront Wilmington Business Improvement District (RWBID) was organized to supplement City safety and cleaning service in the Wilmington Riverfront area. The City appoints the corporation's entire board. The corporation's services are funded by charges assessed on taxable property in the district at a rate approved by the City. The corporation has a December 31 fiscal year end.

The financial information for the above component units is presented in the financial statements. Complete financial statements with accompanying notes pertaining to the individual component units can be obtained directly from their administrative offices:

Wilmington Park Trust Commission
22 South Heald Street
Wilmington, Delaware 19801

Rock Manor Golf Corporation
c/o City of Wilmington
City Treasurer
800 French Street
Wilmington, Delaware 19801

Wilmington Economic Development Corporation
100 West 10th Street
Wilmington, Delaware 19801

Brandywine Gateway Corporation
Christina Gateway Corporation, and
Wilmington UDAG Corporation
c/o City of Wilmington
Economic Development Department
800 French Street
Wilmington, Delaware 19801

Wilmington Parking Authority
625 North Orange Street
Wilmington, Delaware 19801

Wilmington Downtown Business Improvement District
409 Orange Street
Wilmington, Delaware 19801

Riverfront Wilmington Business Improvement District
800 South Madison Street
Wilmington, Delaware 19805

Related Organizations

Officials of the City's primary government appoint a voting majority of the governing board of the Wilmington Housing Partnership Corporation, the Wilmington Housing Authority, and the Hope Commission. Although the City appoints the majority of the governing board members, these members do not represent substantially the same governing body of the City. The City is not able to impose its will on the organizations and the organizations do not provide specific financial benefits or impose specific financial burdens to the City. Accordingly, the financial activities of the Wilmington Housing Partnership Corporation, the Wilmington Housing Authority, and the Hope Commission are not included in the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City (the primary government) and its component units. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net assets have been eliminated with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as offsetting internal balances and eliminated. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between government and business-type activities have not been eliminated. 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 relate to a given function or segment and amount of related 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, although the latter 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 non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

Effective July 1, 2001, the City adopted the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," as modified by GASB Statement No. 37. In 2006 the City implemented the GASB 34 requirement of reporting bridges, roads and infrastructure as capital assets.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds report only assets and liabilities as they do not have a measurement focus, but do use the accrual basis of accounting.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes, wage taxes, parking citations, and business licenses as available if they are collected within 60 days after year-end. Revenues for 2008 include property taxes levied principally on July 1, 2007, and collected prior to September 1, 2008. Other major revenue types considered measurable and "susceptible to" accrual include expenditure-reimbursement type grants and certain intergovernmental revenues. Governmental fund expenditures are recognized in the accounting period the liability is incurred, if measurable and payable from current available resources.

Expenses 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 expenses to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

> **The General Fund** is the City's primary operating fund. It accounts for all financial transactions of the City except those resources required to be accounted for in another fund. Revenues are derived principally from property taxes, municipal user taxes, employee wage taxes, and intergovernmental revenues. This fund accounts for expenditures for the general administrative

services of the City, parks and recreation, public safety, public works, licenses and inspections, real estate and housing, and debt service on general long-term obligations.

The Police Special Fund, a special revenue fund, is used to account for a special grant from the New Castle County government to be used for expanding police activities within the City of Wilmington.

The Commerce Fund, a special revenue fund, is used to account for the proceeds from the sale of the Port of Wilmington to the State of Delaware, debt service payments on the remaining Port debt, and certain economic development activities.

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds or other Governmental Fund Types.

The City reports the following major enterprise fund:

The Water and Sewer Fund reports City water and sewer utility operations that provide services financed primarily by user charges.

The City also reports the following fund types:

Internal Service Funds are used to account for goods or services provided by the City to other departments and funds or to other governmental units on a cost-reimbursement basis. The services accounted for in these funds include data processing, the motor vehicle pool, mail, mapping and graphics, duplication and reproduction, communications, word processing, self-insurance, workers' compensation, and health and welfare benefits.

Fiduciary Funds are used where the City holds various housing related assets in trust for others and reports the City's six pension trust funds and a pension healthcare trust fund.

Agency Funds account for housing related escrow, loans, and other assets held by the City in a custodial capacity (assets equal liabilities) and do not present results of operations or have a measurement focus.

All governmental and business-type activities and enterprise funds of the City follow Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

With limited exceptions, the effects of internal 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 various functions.

Amounts recorded as program revenues include a) charges to customers or applicants for materials, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources including all taxes are reported as general revenues.

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 Water and Sewer fund and internal service funds are charges to customers for sales and services. The Water and Sewer fund recognizes as operating revenues the portion of connection fees related to the cost to connect customers to the system. 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 an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

D. Assets, Liabilities and Fund Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities within one year from the date of acquisition.

The City and its component units invest all temporary cash surpluses except for funds managed and invested by outside custodians. These temporary investments consist of certificates of deposit, U.S. Government securities, and time deposits. It is the City's and its component units' policies that all repurchase agreements be secured with U.S. Government securities. It is also their policies to consider demand deposits and highly liquid investments with maturities of one year or less when purchased and not under management of custodians or restricted as "cash and cash equivalents." Accordingly, cash and cash equivalents do not include "pooled investments" and "restricted investments," discussed below, and therefore, the two latter categories are excluded from beginning and ending balances for cash and cash equivalents in the statements of cash flows.

Pooled Investments include pension investments pooled under management of outside custodians, are external in nature, and not considered highly liquid. These pooled investments consist of individual securities with identifiable street names, except for amounts invested in mutual funds as presented in Note 3.

Restricted Investments may occur in connection with various bond and trust agreements. Investments are deposited into restricted accounts for the purpose of paying debt service or constructing capital additions. Earnings from these three cash and investment categories discussed above are credited to their respective funds. An analysis of the cash and investments is presented in Note 3.

Investments are stated at fair value. Investments in the Fiduciary Funds are recorded at fair value as measured by quoted prices in an active market. The change for the fiscal year in the aggregate fair value of investments is reflected in the Statement of Changes in Fiduciary Net Assets as "Net Appreciation (Depreciation) in Fair Value."

Investment Policies

Primary Government - Pooled Cash - The City's investment policy for surplus cash and investments is governed by the State of Delaware's Constitution. The City is authorized to make direct investments in:

- Certificates of Deposits from financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or, to the extent not insured, collateralized by U.S. Government securities,
- U.S. Government securities,

- Obligations issued or guaranteed by any U.S. Government agency,
- Collateralized repurchase agreements with respect to a U.S. Government securities or U.S. Government agency securities and,
- Obligations of States, Counties or Cities with a rating of "A" or better.

The City is not authorized to invest in:

- Any speculative type investments,
- Corporate equities,
- Corporate debt securities.

Primary Government - Fiduciary Funds - Deposits and Investments - The investment policy for the City's Pension Trust Funds is in accordance with the Investment Policy Statement of the City of Wilmington Board of Pensions and Retirement. The Investment Policy Statement's general policy is to apply the prudent person rule. Investments are made as a prudent person would act, with discretion and intelligence, to seek reasonable income, preserve capital and avoid speculative investments. The City's Pension Trust Funds may be invested in domestic equities, international equities, fixed income securities, U.S. Government securities, U.S. Government agency securities, U.S. certificates of deposit, bankers' acceptances, commercial paper or alternate investments.

The Investment Policy Statement of the City of Wilmington Board of Pensions and Retirement delineates the following asset mix, intended to meet the Funds' investment objectives while limiting investment risk by assuring an acceptable level of diversification in the portfolio. Domestic equity exposure must be maintained between 45% and 65%. International equity exposure must be maintained at or below 10%. Fixed income exposure must be maintained between 30% and 50%. Exposure in alternate investments must be maintained at or below 5%. (Although authorized, the Board has chosen not to invest any funds in alternate investments.) The Policy emphasizes having adequate liquidity to permit benefit payments when due, while at the same time fostering growth in response to the Funds' long-term liabilities through asset allocation and investment guidelines. The Policy seeks to optimize diversification through asset allocation and certain other constraints.

Component Units - The Wilmington Park Trust Fund Commission (a blended component unit) has authority to invest in corporate equities and debt through a 1935 Act of the State Legislature. The Wilmington Parking Authority has authority to invest cash from operations and bond issues, and the assets of its pension funds under The Investment Policy Statement approved by its Board of Directors.

Receivables

Property Taxes are recorded as receivables at the time the tax is levied and billed on July 1 of each year and each quarter thereafter. The taxes become a lien when levied. Annual property taxes are due August 31. Penalty and interest on delinquent property taxes are recorded when imposed on September 15 at a nine percent (9%) penalty rate and an interest rate of one percent (1%) for the first three (3) months, one and one-half percent (1 ½%) for the second three (3) months, two and one-half percent (2 ½%) for the third three (3) months, and three percent (3%) for each month thereafter on the unpaid balance.

Water, Sewer, and Stormwater Customer Charges are recorded when billed except that an estimated amount is recorded for services rendered but not yet billed as of the close of the fiscal year. Generally, this estimate is based on actual billings made subsequent to year-end after giving effect to charges for the subsequent reporting period. Thereafter, interest and penalty on delinquent water and sewer charges are recorded when imposed - forty-five (45) days after the due date and each thirty days thereafter as long as the balance remains outstanding. Penalty and interest are charged at a nine percent (9%) penalty rate and

an interest rate of one percent (1%) for the first three (3) months, one and one-half percent (1 ½%) for the second three (3) months, two and one-half percent (2 ½%) for the third three (3) months, and three percent (3%) for each month thereafter on the unpaid balance.

Business License Fees are recorded when billed on January 1 of each year. Accounts become delinquent thirty (30) days after billing, at which time a one-time five percent (5%) penalty or a minimum of $5 is imposed. Thereafter, interest and penalty are assessed at a rate of three percent (3% each) per month.

Wage Taxes are recorded when paid. Wage taxes withheld by employers and remittable to the City at yearend are recorded as receivables. Receivables are also recorded on a calendar year basis when employers' payments are reconciled to submitted employee W-2 information due January 31. A $300 late filing fine is imposed after February 1. A one-time penalty of five percent (5%) or a minimum of $5 is imposed on receivables after February 1 with interest imposed at a rate of one and one-half percent (1 ½%) per month until paid.

Parking Citations are recorded at the time the citation is issued. Accounts become delinquent 21 days after issuance; penalties of $20 are added after 21 days, 45 days, and 90 days.

Revenues in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenue and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific evaluation as necessary.

Due to/Due from Other Funds which are recorded in the fund financial statements are the yearend outstanding balances of a variety of transactions between funds, including cash transactions, operating expenditures and transfers of resources to provide services, operating transfers, to construct assets and to service debt.

Due to/from Other Governments (or Component Units) primarily consist of amounts arising from transfer payments and amounts due from grantors. Certain revenues collected by the State and remitted to the City are recorded as derived revenue transactions; all amounts are remitted to the City within 60 days of yearend and are recorded as receivable.

Internal Balances are the residual balances outstanding between governmental activities and business-type activities as reported in the government-wide financial statements.

Inventories and Prepaid Items

Inventories are valued at cost using the perpetual method. The inventory is maintained for gasoline in the Motor Vehicle Fund. Significant prepayments to vendors are recorded as prepaid items and recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets are reported in the Government-wide and Proprietary Fund financial statements. The City has defined capital assets as assets with a minimum cost of $5,000 ($25,000 to $50,000 for land improvements, buildings, and infrastructure) and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Collections of art (primarily sculptures) are capitalized but not depreciated if they are preserved and not held for

investment. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the City and its component units are depreciated using the straight-line method over the estimated useful lives of the related assets. The City records six months of depreciation in the year the asset is acquired. The City and its component units generally use the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

Asset Class	Years
Streets & Signals	20 - 35
Buildings	50 - 60
Utility Plants and Lines	50 - 60
Machinery and Equipment	10 - 15
Vehicles	5 - 10

Deferred Revenue

Deferred revenue consists of revenues that have not met all requirements of revenue recognition. Deferred items primarily consist of reimbursement-type grants where costs have not yet been incurred; this includes instances where the City receives periodic advance funding, but has not expended the funds nor met all the criteria to claim the funds as revenue for the current fiscal period. In the fund financial statements, deferred revenue includes property taxes that are not available resources.

Compensated Absences

City employees are granted vacation, sick leave and compensatory time in varying amounts based on length of service and bargaining unit. A limited number of vacation, sick days, and compensatory time may be carried forward from year to year, and upon termination, employees are paid accumulated vacation, sick days, and compensatory time at the appropriate rates. Other than for Governmental Funds, the unpaid vested vacation, sick pay, and compensatory time liabilities have been accrued. In the Governmental Funds, (General Fund and Special Revenue Funds) compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate unpaid vacation, sick leave, and compensatory time at June 30 from future resources (typically, of the General Fund) rather than from currently available, expendable resources.

Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred items and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs 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, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Self-Insurance

The City is exposed to various risks of losses relating to general, automotive, police professional, public officials, a portion of property and casualty claims, workers' compensation, and employee health and accident claims. It is the policy of the City not to purchase commercial insurance to cover these risks because of its prohibitive cost. Instead, the City covers these claim settlements and judgments through Internal Service Funds.

The City does maintain commercial insurance coverage for property, special event, and certain other insurable losses. There has been no change in coverage during the past year. There has been no loss above insurance limits during the last three years.

The claims liabilities included in the Risk Management, Workers' Compensation and Health and Welfare Funds are based on the results of actuarial studies and include amounts for claims previously incurred, including both reported and unreported claims. Claims liabilities are calculated considering the effects of inflation, multi-year loss development trends, and other economic and social factors. It is the City's practice to obtain actuarial studies annually. Costs are charged back to other funds by these three internal service funds using various allocation methods.

Net Assets and Fund Equity

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net Assets are classified as "Invested in Capital Assets, Net of Related Debt," legally "Restricted" for a specific purpose, or "Unrestricted" and available for appropriation for the general purposes of the fund.

In the governmental fund financial statements, reservations of fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. "Designated" fund balance represents tentative plans for future use of financial resources and "Undesignated" fund balance indicates that portion of fund equity available for appropriation in future periods.

2. Stewardship, Compliance, and Accountability

A. Legally Adopted Governmental Fund Budgets

Governmental funds, for which budgets have been legally adopted for the year ended June 30, 2008, included the General, Commerce and non-major funds included on page 92. Special revenue funds adopt budgets equal to the expenditures available for reimbursement by grants.

All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary comparison schedules for the General, Police Special, and Commerce Funds are presented as part of the Basic Statements. Such comparison schedules for the non-major funds and more detail on General Fund expenditures are presented in the combining and individual fund financial statements and schedules section of this report.

B. Expenditures Over Appropriations

During the year ended June 30, 2008, all departments of the General Fund operated within the expenditure appropriations passed by City Council. There were three unbudgeted transfers: a $195,241 transferred to the Cable TV Fund in accordance with the City Code, $524,999 transferred to the Capital Projects Fund based on a 1999 Capital Budget that was to be funded by the General Fund as monies were expended, and a transfer for $945,996 to the Section 8 Housing Assistance Fund to fund a prior year adjustment (Note 17) required at the end of a federal grant program. All unbudgeted expenditures and transfers are included in a Reconciliation Ordinance submitted annually to City Council for their approval at the time the audited financial statements are also submitted to Council.

3. Deposits and Investments

The City pools surplus cash and investments of all funds for investment purposes with the City Treasurer. The City also separately pools pension funds with the City Treasurer. Pension funds are held by the City Treasurer and outside custodians; they are managed by the City Treasurer and outside investment managers.

	Primary Government	Pension Funds	Discretely Presented Component Units
Deposits			
Insured Deposits (FDIC)	$ 275,791	$ 340,083	$ 722,284
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	5,664,898	827,768	607,955
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	60,918,598	9,204,994	2,460,687
Uninsured and Uncollateralized	-	-	6,554,012
Total Deposits	$ 66,859,287	$ 10,372,845	$ 10,344,938
Investments			
Repurchase Agreements	$ -	$ -	$ 1,289,205
Money Market Mutual Funds	47,208,913	5,672,798	-
U.S. Government Obligations	258,872	12,955,538	10,510,009
U.S. Agencies - Government Guaranteed	-	120,134	-
U.S. Agencies - Other	-	19,382,364	1,545,780
Foreign Government Obligations	-	1,004,654	-
Corporate Bonds	-	30,168,367	-
Stock Equities	2,681,142	93,643,397	-
Mutual Funds	2,868,853	214,838	-
Total Investments	$ 53,017,780	$ 163,162,090	$ 13,344,994

Custodial Credit Risk – Deposits

Primary Government and Fiduciary Funds - Custodial credit risk for deposits exists when, in the event of a failure of a depository financial institution, the City may be unable to recover deposits or recover collateral deposits that are in the possession of an outside party. All City deposits are required by law to be federally insured or, to the extent not insured, collateralized by direct obligations of the United States of America.

Custodial Credit Risk – Investments

Primary Government and Fiduciary Funds - Custodial credit risk for investments exists when, in the event of a failure the counterparty to a transaction, a government may be unable to recover the value of investments or collateral securities that are in the possession of an outside party. The table below (the same table provides custodial credit risk and interest rate risk data) provides information about the custodial credit risk associated with the Fiduciary Funds' investments. The investments disclosed in the table are uninsured and uncollateralized and held by the City's brokerage firm or bank trust department which is also the counterparty for the securities. The government's investment policy calls for annual reviews of investment custodians and managers.

Interest Rate Risk

Fiduciary Funds - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Investment Policy Statement's policy with regards to interest rate risk is that the average duration of fixed income securities held shall never be more than nine months greater or less than the most recently published average duration of the Lehman Brothers Intermediate Government/Corporate Index. The City invests in various collateralized mortgage obligations classified as U.S. Government Agencies not explicitly guaranteed by the government; as of June 30, 2008, the portfolio included $6,881,620 of these securities. These securities are based on cash flows from interest payments on underlying mortgages and are sensitive to prepayments specifically during periods of declining interest rates. The following is a maturity schedule summarizing fixed income and short-term investments as of June 30, 2008.

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**< 1 year**	**1-4.9**	**5-9.9**	**10-19.9**	**> 20**
U.S. Treasuries	$ 12,955,538	$ 634,104	$ 7,402,124	$ 4,919,310	$ -	$ -
U.S. Govt. Agencies - Guaranteed	120,134	-	4,105	-	59,809	56,220
U.S. Govt. Agencies - Other	19,382,364	1,129,515	3,714,866	5,592,840	4,069,236	4,875,907
Foreign Gov'ts.	1,004,654	-	1,004,654	-	-	-
Corporate Bonds	30,168,367	2,259,796	19,411,774	5,430,471	2,445,889	620,437
Total	$ 63,631,057	$ 4,023,415	$31,537,523	$ 15,942,621	$ 6,574,934	$ 5,552,564

Credit Risk

The Investment Policy Statement requires that the average quality of fixed income investments in any fixed income manager's portfolio shall equal or exceed Moody's Aa or equivalent rating and the minimum quality of any single fixed income investment purchased or retained shall equal Moody's Baa or equivalent rating. As of June 30, 2008, the Benefit Trust Funds fixed income and short-term investments had the following risk characteristics.

Moody's Ratings or Comparable	Percent of Total Benefit Trust Funds	Market Value
AAA to A	17.29%	$ 30,168,367
Government	19.18%	33,462,690
	36.47%	$ 63,631,057

Concentration of Credit Risk

When investments are concentrated in one issuer (excluding the U.S. Government), this concentration presents a heightened risk of loss. As of June 30, 2008, there were no investments with a fair value in excess of 5% of the Funds' net assets invested in any one particular issue.

Foreign Currency Risk

The Pension Funds' exposure to foreign currency risk derives from its positions in foreign currency–denominated equity investments. All fixed income securities of foreign governments are denominated in U.S. dollars. The Funds' exposure to foreign currency risk is summarized as follows:

Currency	Fair Value in U.S. Dollars	Equities
Australian Dollar	$ 727,770	$ 727,770
Brazilian Real	466,118	466,118
British Pound	1,160,049	1,160,049
Danish Krone	258,602	258,602
Euro	5,551,520	5,551,520
Hong Kong Dollar	224,636	224,636
Japanese Yen	1,144,824	1,144,824
Swiss Franc	1,623,633	1,623,633
Thai Baht	186,557	186,557
Total in Foreign Denominated Investments	$ 11,343,709	$ 11,343,709

The Pension Funds' investment policy permits them to invest up to 10 % of total investments in foreign currency–denominated investments. The system's current position is 6.5 %.

Investment Commitments at June 30, 2008

The Pension Funds had no investment commitments at June 30, 2008.

The following provides a reconciliation between amounts disclosed in the above footnote and the amounts presented in the Statements of Net Assets.

	Primary Government	Fiduciary Funds	Component Units
Cash and Cash Equivalents	$ 66,859,287	$ 10,372,845	$ 10,344,938
Investments	53,017,780	163,162,090	13,344,994
	$ 119,877,067	$ 173,534,935	$ 23,689,932
Unrestricted	$ 119,877,067	$ -	$ 21,208,498
Restricted	-	-	2,481,434
Fiduciary Funds	-	173,534,935	-
	$ 119,877,067	$ 173,534,935	$ 23,689,932

4. Receivables

Primary Government

Receivables as of yearend for the Government's major and nonmajor funds (including applicable allowances for uncollectible accounts) are as follows (no differences exist between government-wide and fund basis receivables):

	Governmental Activities					Business-type Activities
	General	Capital Projects	Commerce	Non-Major Funds	Total Governmental	Water and Sewer
Receivables:						
Property Taxes	$ 2,734,008	$ -	$ -	$ -	$ 2,734,008	$ -
Wage Taxes	8,242,904	-	-	-	8,242,904	-
Parking & Redlight Citations	24,210,205	-	-	-	24,210,205	-
Business Licenses	1,602,433	-	-	-	1,602,433	-
Signs and Licenses	1,854,183	-	-	-	1,854,183	-
Other	1,424,782	-	-	111,802	1,536,584	-
Utility Billings	-	-	-	-	-	14,626,371
Notes - Current	-	3,812,500	2,291,194	1,600,000	7,703,694	-
Notes - Noncurrent	-	-	10,987,648	-	10,987,648	-
Gross Receivables	40,068,515	3,812,500	13,278,842	1,711,802	58,871,659	14,626,371
Less: Allowance for Uncollectibles	(27,745,400)	-	-	-	(27,745,400)	(2,669,559)
Net Total Receivables	$ 12,323,115	$ 3,812,500	$ 13,278,842	$ 1,711,802	$ 31,126,259	$ 11,956,812

Internal Service Fund receivables amounting to $84,949 are included in Governmental Activities receivables in the Statement of Net Assets.

Discretely Presented Component Units

Receivables as of year-end for the Component Units are as follows:

	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Wilmington Economic Development Corporation	Other Component Units	Total
Receivables:						
Accounts	$ -	$ -	$ 42,313	$ -	$ 100,678	$ 142,991
Mortgages and Loans	2,440,309	4,550,567	772,378	800,836	-	8,564,090
Less: Allowance for Uncollectibles	-	-	-	(230,489)	(9,994)	(240,483)
Net Total Receivables	$ 2,440,309	$ 4,550,567	$ 814,691	$ 570,347	$ 90,684	$ 8,466,598

5. Notes Receivable

A. Primary Government

On September 1, 1995, the City entered into an agreement with the Diamond State Port Corporation (DSPC), selling the assets of the Port of Wilmington. In exchange for the assets sold (net book value of $71.9 million), DSPC agreed to make payments to the City under deferred payment notes totaling $115.5 million over 30 years, discounted at 7% interest rate. The Agreement contains certain indemnification provisions under which the City may be liable to reimburse the DSPC for certain costs incurred. As a result, the City has recorded an environmental liability reserve account in the amount of $500,000. The note receivable at June 30, 2008, in the amount of $12,478,842 is included in the government-wide statement of net assets and governmental funds balance sheet; the current and non-current amounts are disclosed in the schedule in Note 4 and are accounted for as assets of the Commerce Fund.

As part of the economic development of the riverfront, the City of Wilmington and State of Delaware entered into a series of contracts the essence of which was to sell the former City Public Works Yard and surrounding properties to a developer. The City's proceeds from the transaction were $9,594,000 which was recognized as a gain in the Capital Projects Fund. The gain combined with State grants and City bond funds were reinvested in a new Public Works Yard. The City moved into the new Yard during 2007. As part of the transaction, the City recorded a $3,812,500 note receivable in the Capital Projects fund at June 30, 2008. The receivable is included in the statement of net assets and governmental funds balance sheet; in Note 4, the receivable is disclosed as a current amount due to the Capital Projects Fund. Under certain conditions, contingent payments are due the City if development reaches certain goals. These payments have not been included as part of the sale revenues, but will be recognized if and as the goals are met and payment becomes due and payable.

In August 2007 the City of Wilmington provided a line of construction funding to the Wilmington Housing Partnership Corporation up to a maximum of $2,000,000 outstanding at any one time. The funding is provided as part of the proceeds of a $4,000,000 line of credit with JP Morgan Chase further discussed in Note 8. The receivable at June 30, 2008, in the amount of $1,600,000 is included in the government-wide statement of net assets and governmental funds balance sheet. The amount is considered currently due and is disclosed in the receivable schedule in Note 4 as an asset of a non-major Special Revenue Fund.

6. Capital Assets

A. Primary Government

The capital asset activity for Governmental Activities for the year ended June 30, 2008 was as follows:

	June 30, 2007	Increases	Decreases	June 30, 2008
Governmental activities:				
Capital Assets not being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,183,107	-	-	1,183,107
Construction in Progress	1,615,605	3,169,733	(1,915,127)	2,870,211
Total Capital Assets not being Depreciated	26,888,893	3,169,733	(1,915,127)	28,143,499
Capital Assets being Depreciated:				
Buildings and Improvements	66,818,890	2,071,368	-	68,890,258
Parks and Recreation Faciltities	22,133,522	1,352,352	-	23,485,874
Streets and Street Signals	105,249,397	2,388,435	(859,495)	106,778,337
Vehicles, Equipment and Other	40,923,306	2,369,277	(837,634)	42,454,949
Total Capital Assets being Depreciated	235,125,115	8,181,432	(1,697,129)	241,609,418
Less Accumulated Depreciation For:				
Buildings and Improvements	(13,348,512)	(1,228,604)	-	(14,577,116)
Parks and Recreation Faciltities	(12,566,291)	(529,748)	-	(13,096,039)
Streets and Street Signals	(36,039,789)	(3,303,334)	859,495	(38,483,628)
Vehicles, Equipment and Other	(19,616,066)	(3,447,695)	837,634	(22,226,127)
Total Accumulated Depreciation	(81,570,658)	(8,509,381)	1,697,129	(88,382,910)
Total Capital Assets being Depreciated, Net	153,554,457	(327,949)	-	153,226,508
Governmental Activities Capital Assets, Net	$ 180,443,350	$ 2,841,784	$ (1,915,127)	$ 181,370,007

The capital asset activity for Business-type Activities for the year ended June 30, 2008 was as follows:

	June 30, 2007	Increases	Decreases	June 30, 2008
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	$ 3,656,612	$ -	$ -	$ 3,656,612
Construction in Progress	27,439,205	21,535,250	(40,191,722)	8,782,733
Total Capital Assets not being Depreciated	31,095,817	21,535,250	(40,191,722)	12,439,345
Capital Assets being Depreciated:				
Buildings and Improvements	4,014,780	576,751	(576,751)	4,014,780
Reservoirs and Water Filter Facilities	45,349,809	35,442,635	-	80,792,444
Water Lines	38,905,971	2,329,008	(487,612)	40,747,367
Wastewater Pump and Treatment Facilties	140,037,526	63,788	-	140,101,314
Sewer Lines	15,328,545	2,420,078	(506,679)	17,241,944
Total Capital Assets being Depreciated	243,636,631	40,832,260	(1,571,042)	282,897,849
Less Accumulated Depreciation For:				
Buildings and Improvements	(40,148)	(657,047)	576,751	(120,444)
Reservoirs and Water Filter Facilities	(15,787,523)	(1,125,795)	-	(16,913,318)
Water Lines	(11,511,100)	(1,269,941)	487,612	(12,293,429)
Wastewater Pump and Treatment Facilties	(59,347,599)	(2,842,717)	-	(62,190,316)
Sewer Lines	(4,070,875)	(325,705)	506,679	(3,889,901)
Total Accumulated Depreciation	(90,757,245)	(6,221,205)	1,571,042	(95,407,408)
Total Capital Assets being Depreciated, Net	152,879,386	34,611,055	-	187,490,441
Business-type Activities Capital Assets, Net	$ 183,975,203	$ 56,146,305	$ (40,191,722)	$ 199,929,786

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

Governmental Activities	
General Government	$ 895,837
Commerce	130,159
Real Estate and Housing	22,510
Public Works	4,825,831
Parks and Recreation	885,893
Public Safety	1,749,151
Total Depreciation Expense - Governmental Activities	$ 8,509,381
Business-type Activities	
Water/Sewer	$ 6,221,205
Total Depreciation Expense - Business-type Activities	$ 6,221,205

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2008. The programs include street paving, an emergency communications system, and a reservoir and other water and wastewater facilities.

Project	Spent-to-Date	Remaining Commitment
General Capital Projects	$ 15,794,683	$ 6,721,689
Reservoirs & Other Water and Wastewater Projects	26,906,191	9,559,470
Total	$ 42,700,874	$ 16,281,159

B. Component Units

Capital asset activity for the City's component units for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 19,579,858	$ 35,610	$ -	$ 19,615,468
Construction-In-Progress	1,579,220	2,260,333	(811,727)	3,027,826
Total Capital Assets Not Being Depreciated	21,159,078	2,295,943	(811,727)	22,643,294
Capital Assets Being Depreciated:				
Buildings and Improvements	58,480,641	1,569,426	(8,316)	60,041,751
Machinery and Equipment	3,170,349	635,740	-	3,806,089
Vehicles & Other Assets	160,408	72,965	-	233,373
Total Capital Assets Being Depreciated	61,811,398	2,278,131	(8,316)	64,081,213
Less Accumulated Depreciation For:				
Buildings	(24,626,474)	(1,719,196)	6,087	(26,339,583)
Machinery and Equipment	(1,204,080)	(281,489)	-	(1,485,569)
Vehicles & Other Assets	(78,000)	(21,417)	-	(99,417)
Total Capital Assets Being Depreciated, Net	35,902,844	256,029	(2,229)	36,156,644
Capital Assets, Net	$ 57,061,922	$ 2,551,972	$ (813,956)	$ 58,799,938

7. Interfund Balances and Transfers

Interfund balances arise primarily from the General Fund's role as receiver, investor, and disburser of cash. The payable from the Internal Service Funds (primarily the Motor Vehicle Fund) arises from vehicle purchases that will be collected through charges to the General and other funds. Interfund balances are expected to be repaid within one year.

The composition of interfund balances as of June 30, 2008, is as follows.

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 2,145,192
	Internal Service Funds	5,281,898
Total		$ 7,427,090

During the year the General Fund transferred $524,999 to the Capital Projects Fund as matching funds to a State project, $195,241 to the Cable Television Fund for capital projects, and a transfer for $945,996 to the Section 8 Housing Assistance Fund to fund a prior year adjustment (Note 17) required at the end of a federal grant program.

8. Line of Credit

On July 31, 2007, the City entered into a Line of Credit with JP Morgan Chase Bank in the amount of $4,000,000 with an expiration (due) date of July 31, 2010. The proceeds of the line are to be used to develop housing within the City. The funds will provide a line of construction financing of up to $2,000,000 to the Wilmington Housing Partnership (See Note 5) and will also enable housing projects managed by the City. The line supplements grants and internal funds used for land acquisition and housing construction. Draws on the line occur as construction activity occurs and repayments occur as housing is sold. The loan bears interest at the Adjusted London Interbank Offered Rate (LIBOR) plus 0.25%. The line of credit is classified as an other liability in the Special Projects Fund. An analysis of the activity of the credit line is presented below:

	Beginning Fiscal Year Liability	Draws	Repayments	Ending Fiscal Year Liability
2007 - 2008	$ -	$ 1,800,000	$ (200,000)	$ 1,600,000

9. Long-Term Debt – Primary Government

A. Changes in Long-Term Liabilities

The following is a summary of debt transactions of the City (primary government) for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 119,120,746	$ 39,097,500	$ (30,836,093)	$ 127,382,153	$ 10,566,008
Less: Deferred Amounts					
Premium on Debts Issued	2,885,707	1,075,678	(314,702)	3,646,683	367,067
Gain on Refunding	(2,390,292)	(91,061)	407,815	(2,073,538)	(377,485)
Total Bonds Payable	119,616,161	40,082,117	(30,742,980)	128,955,298	10,555,590
Capital Leases	2,897,922	-	(830,004)	2,067,918	853,658
Insurance Claims Payable	21,480,914	10,086,979	(15,719,263)	15,848,630	2,772,904
Compensated Absences	7,936,821	5,012,393	(5,489,619)	7,459,595	5,489,619
Other Post Employment Benefits Payable	-	3,731,022	(1,173,646)	2,557,376	-
Governmental Activity Long-Term Liabilities	$ 151,931,818	$ 58,912,511	$ (53,955,512)	$ 156,888,817	$ 19,671,771
Business-type Activities:					
Bonds Payable	$ 92,472,693	$ 63,125,296	$ (27,331,585)	$ 128,266,404	$ 6,449,393
Less: Deferred Amounts					
Premium on Debts Issued	2,313,376	1,351,871	(218,962)	3,446,285	294,277
Gain on Refunding	(1,394,460)	-	234,788	(1,159,672)	(203,897)
Total Bonds Payable	93,391,609	64,477,167	(27,315,759)	130,553,017	6,539,773
Capital Leases	4,247,003	-	(1,353,380)	2,893,623	1,393,618
Compensated Absences	232,648	547,116	(156,750)	623,014	156,750
Business-type Activity Long-Term Liabilities	$ 97,871,260	$ 65,024,283	$ (28,825,889)	$ 134,069,654	$ 8,090,141
Discretely Presented Component Units					
Rock Manor Golf Corporation	$ 325,559	$ 1,947,235	$ (325,559)	$ 1,947,235	$ -
Wilmington Economic Development Corporation	1,550,000	-	-	1,550,000	-
Wilmington Parking Authority	35,242,726	418,920	(2,576,056)	33,085,590	2,894,277
Christiana Gateway Corporation	-	300,000	(100,000)	200,000	100,000
Downtown Visions	650,041	679,250	(508,488)	820,803	157,211
Riverfront Business Improvement District	681,809	-	(50,778)	631,031	-
Component Units Long-Term Liabilities	$ 38,450,135	$ 3,345,405	$ (3,560,881)	$ 38,234,659	$ 3,151,488

B. General Obligation Bonds

The City of Wilmington issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General Fund revenues are used to satisfy general obligation bonds payable recorded in the governmental activities section of the government-wide statement of net assets, bonds issued on behalf of the Port of Wilmington are payable from payments made to the City by the State of Delaware as bonds part of the Sale agreement discussed in Note 5, and bonds recorded in the business-type activities section are payable from revenues of the Water & Sewer Fund. General obligation bonds are secured by the full faith and credit of the City. Bonds issued by the Wilmington Parking Authority (a discretely presented component unit) are guaranteed by the City in the event that resources of the Authority are insufficient to cover debt service on the bonds. The City is subject to the rules and regulations established by the Internal Revenue Code and the U.S. Treasury that, under certain conditions, may create an arbitrage rebate to be paid to the federal government. The City's debt service payments of $12,891,782 in 2008 were within the statutory debt limit of $23,136,969.

The following is a summary of general obligation bonds outstanding as of June 30, 2008:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2008
1993/2022	$ 68,305,000	Series of 1993B	3.9% - 5.1%	$ 15,055,000
1993/2013	1,938,000	Series of 1993 - WPA	4.50%	772,378
1993/2016	20,000,000	Series of 1993 - DNREC	3.25%	9,813,592
1998/2018	45,500,000	Series of 1998	3.6% - 5.25%	6,800,000
2000/2008	2,000,000	Series of 2000	70% of Prime Rate	32,500
2001/2012	22,165,000	Series of 2001	3.25% - 5.0%	2,755,000
2002/2023	34,780,000	Series of 2002	4.0% - 5.375%	5,530,000
2002/2025	11,000,000	Series of 2002 - DDWSRF	2.96%	10,526,565
2004/2022	12,945,000	Series of 2004B	2.0% -4.2%	12,675,000
2005/2016	18,785,000	Series of 2005	3.0% - 5.0%	15,110,000
2005/2028	13,700,000	Series of 2005C - DNREC (Only $10,370,712 drawn at June 30, 2008)	1.185%	10,370,712
2006/2025	46,465,000	Series of 2006A	3.25% - 5.0%	44,485,000
2006/2025	46,510,000	Series of 2007A	4.0% - 5.0%	46,310,000
2007/2028	2,548,501	Series of 2006 - DDWSRF (Only $158,063 drawn at June 30, 2008)	1.25%	158,063
2007/2028	3,185,000	Series of 2007 - DDWSRF (Only $39,747 drawn at June 30, 2008)	Current SRF Rate	39,747
2008/2028	75,215,000	Series of 2008A	3.0% - 5.0%	75,215,000
	Total General Obligation Bonds Payable			$ 255,648,557

Primary Government

On August 23, 2002, the City entered into a General Obligation Financing agreement with Delaware Drinking Water State Revolving Fund (DDWSRF) acting by and through the Delaware Department of Health and Social Services, Division of Public Health for $11,000,000. The net loan proceeds were used for costs associated with the City's Cool Spring Reservoir project. Cash draws were completed in 2007 and a final loan closing occurred. The loan bears an interest rate of 2.96%. Payments are due every six months, with a final payment due April 30, 2025. The loan is recorded in the Water and Sewer Fund.

On September 16, 2005, the City entered into a further General Obligation Financing agreement with Delaware Drinking Water State Revolving Fund (DDWSRF) for an amount not to exceed $13,700,000. The net loan proceeds supplement the 2002 loan for the costs associated with the City's Cool Spring Reservoir project; the 2002 loan will be fully utilized before draws on the 2005 loan begin. A final loan closing will occur at the end of the project. The loan bears an interest rate of 1.185%. Payments are due every six months, with a final payment due April 30, 2028. The loan is recorded in the Water and Sewer Fund.

On February 16, 2006, the City issued $17,725,000 of General Obligation Variable Rate Demand Bonds, Series of 2006B. The proceeds of the bonds were applied primarily to the new public works yard capital project of the City. Annual payments on the bonds occurred October 1, 2006 and 2007; a prefunding of $6,500,000 of the loan was made on April 1, 2008. The remaining $10,170,000 of bonds were defeased in June 2008 and were outstanding until paid off in August 2008. The variable interest rates were determined weekly by a remarketing agent and are set at the lowest interest rate that would cause the market value for the bonds to equal 100 percent of the principal amount under prevailing market conditions. Interest was paid monthly. Interest rates were between 3% and 4% during 2008. The City was required to pay quarterly remarketing and liquidity fees at an annual rate of 8.0 and 10.9 basis points on the outstanding principal amount.

On December 22, 2006, the City entered into a General Obligation Financing agreement with Delaware Drinking Water State Revolving Fund (DDWSRF) acting by and through the Delaware Department of Health and Social Services, Division of Public Health for an amount not to exceed $2,548,501. Coincident with this loan, the City also entered into a General Obligation Financing agreement with 21st Century Fund Drinking Water Management Account acting by and through the Delaware Department of Health and Social Services, Division of Public Health for an amount not to exceed $1,246,499. The net loan proceeds of both loans supplement other funding for the costs associated with the City's Porter Filter Plant upgrade project. Cash draws against the loans will be made periodically; as of June 30, $158,063 was outstanding on the DDWSRF loan. A final loan closing will occur at the end of the project. The loans bear an interest rate of 1.25%. Payments are due every six months, with final payments due July 31, 2028. The loans are recorded in the Water and Sewer Fund.

On March 30, 2007, the City entered into a General Obligation Financing agreement with Delaware Drinking Water State Revolving Fund (DDWSRF) acting by and through the Delaware Department of Health and Social Services, Division of Public Health for an amount not to exceed $3,185,000. The net loan proceeds supplement other funding for the costs associated with the City's water main upgrade projects. Cash draws against the loans will be made periodically; as of June 30, $39,747 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest rate based on the Fund's current interest rate at the time the loan is drawn down. Payments are due every six months, with final payments due March 31, 2028. The loan is recorded in the Water and Sewer Fund.

On May 31, 2007, the City issued $46,510,000 of General Obligation Bonds, Series of 2007A. The bonds mature in varying amounts between June 1, 2008, and June 1, 2023, and bear annual interest rates between 4.0% and 5.0%. The proceeds of the bonds were applied to advance refund bonds in Series 1998 and Series 2002.

On December 14, 2007, the City issued a Bond Anticipation Note Series 2007 in the amount of $18,665,000. The note was defeased in June 2008 and was paid on maturity July 14, 2008. The note's annual rate of interest was 3.5%. The proceeds of the note were applied to various capital projects including water and sewer projects.

On June 17, 2008, the City issued $75,215,000 of General Obligation Bonds, Series of 2008A. The bonds mature in varying amounts between December 1, 2008, and December 1, 2028, and bear annual interest rates between 3.0% and 5.0%. The proceeds of the bonds were applied to advance refund $3,310,000 of bonds in Series 1996B and $10,170,000 of bonds in Series 2006B, refund the Bond Anticipation Note Series 2007, and to provide funds for various capital projects including water and sewer projects.

Annual debt service requirements to maturity for general obligation bonds including the Delaware Water Drinking Fund are as follows:

	General Obligation Bonds			
Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2009	$ 10,566,008	$ 5,631,051	$ 6,449,393	$ 3,892,337
2010	12,130,345	5,222,103	7,500,465	3,748,518
2011	9,974,559	4,652,267	5,509,882	3,460,580
2012	6,502,033	4,302,868	5,704,700	3,173,582
2013	4,989,867	4,069,041	5,921,812	2,979,471
2014-2018	25,263,161	16,955,919	30,466,383	12,071,320
2019-2023	24,326,180	11,300,250	32,423,758	7,362,162
2024-2028	27,310,000	5,081,484	36,302,990	2,018,761
2029-3033	6,320,000	158,000	6,850,000	-
	127,382,153	$57,372,983	137,129,383	$ 38,706,731
Less: Funds Not Drawn	-		(8,862,979)	
Total	$127,382,153		$128,266,404	

Component Units

Annual debt service requirements to maturity for component units are as follows:

	Component Units' Debt Service Schedule					
Year Ending	Wilmington Economic Development Corporation		Wilmington Parking Authority		Riverfront Business Improvement District	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ -	$ -	$ 2,894,277	$ 1,384,729	$ 25,000	$ -
2010	-	-	2,380,574	1,283,271	25,000	-
2011	-	-	2,274,269	1,193,960	25,000	-
2012	-	-	2,154,248	1,112,783	25,000	-
2013	-	-	2,239,248	1,025,838	25,000	-
2014-2018	-	-	8,336,324	3,573,575	125,000	-
2019-2023	-	-	2,854,598	2,547,350	125,000	-
2024-2028	-	-	3,529,598	1,887,488	125,000	-
2029-2033	1,550,000	-	4,389,598	1,041,906	125,000	-
2021-2023	-	-	2,032,856	134,531	6,031	-
Total	$ 1,550,000	$ -	$ 33,085,590	$ 15,185,431	$ 631,031	$ -

Year Ending June 30	Rock Manor Golf Course Corporation		Christiana Gateway Corporation		Downtown Visions	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ -	$ 107,715	$ 100,000	$ 4,000	$ 29,323	$ 51,505
2010	-	107,715	100,000	2,000	28,472	49,512
2011	48,860	107,169	-	-	30,423	47,382
2012	100,876	103,466	-	-	23,143	45,762
2013	106,342	97,999	-	-	20,461	44,330
2014-2018	1,691,157	129,633	-	-	633,281	205,550
Total	$ 1,947,235	$ 653,697	$ 200,000	$ 6,000	$ 765,103	$ 444,041

C. Prior-Year Defeasance of Debt

In 2008 the City defeased part of its Series 1996B General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. An economic gain was realized on the transaction; the savings resulting from the transaction were calculated as:

Cash flow requirements of debt service on the old debt	$ 4,236,433
Cash flow requirements of debt service on the new debt	3,961,760
Net savings from refunding	$ 274,673

The City also defeased the 2007 Bond Anticipation Note in the amount of $18,665,000 in June 2008. The note was paid in full in July 2008 and was considered defeased as of June 30, 2008. No economic gain or loss was incurred.

At June 30, 2008, $74,530,000 of City of Wilmington bonds outstanding are considered defeased.

D. Conduit Debt Obligations

From time to time, the City has issued revenue bonds for the express purpose of providing capital financing to third parties that are not part of the City or its component units. Although the debt bears the City's name, the City has no obligation for this debt beyond the resources of the third party or the related project as provided for in the bonds. Because the City has no liability for this debt, it is not recorded in the City's financial statements. As of June 30, 2008, nine issues with debt of $47,952,869 remain outstanding.

E. Compensated Absences

The compensated absences liability, attributable to governmental activities will be liquidated by the City's governmental and internal service funds. In the past, approximately 92% has been paid by the General Fund and the remainder by other governmental and internal service funds.

10. Leases

A. Leases - Lessee

1. Capital Lease - Primary Government

The City has a Master Equipment Lease/Purchase Agreement with Wilmington Trust Company and PNC Bank N.A. The agreements allow the City to purchase equipment at an adjustable market rate of interest. The City records these transactions as capital leases and capital purchases of motor vehicles through its Motor Vehicle Fund (internal service) and water meters through the Water/Sewer Fund. As such, the present value of all future minimum lease payments has been recorded as a capital lease obligation on the statement of net assets. At June 30, 2008, the City has $7,135,643 of water meters and $4,400,332 of motor vehicles under lease with accumulated depreciation of $1,897,729 and $1,688,732, respectively.

As of June 30, 2008, payments under these capital leases are as follows:

Year Ending June 30	Water/ Sewer	Motor Vehicle
2009	$ 1,510,017	$ 947,226
2010	1,066,046	721,307
2011	500,981	566,026
Total Minimum Lease Payments	3,077,044	2,234,559
Less: Amount Representing Interest	(183,421)	(166,641)
Present Value of Lease Payments	$ 2,893,623	$ 2,067,918

2. Operating Leases - Lessor - Component Unit

The Wilmington Parking Authority leases space to commercial tenants at its Brandywine Gateway and Corporate Plaza facilities. All such leases are classified as operating leases. Rental income from these leases during fiscal 2008 was $113,878. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2008:

Year Ending June 30	Wilmington Parking Authority
2009	$ 125,239
2010	127,469
2011	103,380
2012	55,115
2013	6,000
2014 and thereafter	412,000
Total Minimum Future Rental Income	$ 829,203

11. Deferred Revenues

Governmental Funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In the government-wide statement, deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

		Governmental Fund Financial Statements	Government-wide Financial Statements
Unavailable Revenues			
General Fund			
Property and Wage Taxes	$ 2,154,639		
Permits and Other Revenues	2,898,301		
		$ 5,052,940	$ -
Commerce Fund			
Revenue on Notes Receivable		12,478,842	-
Unearned Revenues			
Capital Project Fund			
Unearned grant revenue		1,406,680	1,406,680
Non-Major Funds			
Unearned grant revenues			
Park Recreation Assistance		21,147	21,147
Community Development Block Grant		417,206	417,206
Section 8 Housing Assistance		38,044	38,044
Delaware Criminal Justice Planning		649,136	649,136
Special Project		1,713,641	1,713,641
		2,839,174	2,839,174
Total		$ 21,777,636	$ 4,245,854
Water & Sewer Fund			
Unearned service charges			$ 942,759

12. Fund Balance

General Fund

The General Fund had unreserved undesignated fund balance of $25,263,230 at June 30, 2008. Unreserved fund balance has been designated in the General Fund for specific purposes. Designations have been established as follows:

- Special Designations ($18,562,766):
  - $ 9,000,000 Increase Economic Development Strategic Fund
  - 5,000,000 Increase Housing Opportunities Fund
  - 2,000,000 Support of the Local Hospitals
  - 1,000,000 Estimated impact of one-time Wage Tax Refunds
  - 750,000 Decrease unfunded liability of Pension Healthcare Plan
  - 500,000 Support of the Hope Commission
  - 250,000 Increase Risk Management Catastrophic Reserve
  - 62,766 Support of Police Youth Intervention Program

- Budget Reserve Account ($15,200,256) was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. This is equal to 10% of $152,002,556 of FY2009 expenditures budgeted as of the end of June 30, 2008.

The City changed its fund balance accounts effective June 30, 2008 to eliminate all reserve accounts except the Budget Reserve Account. The method of calculating the reserve was also simplified to 10% of the General Fund budgeted expenditures for the following year as of the inception of that year.

Other Funds

The following fund has a reserved fund balance designated for specific purposes:

Non-major Fund	Wilmington Park Trust Commission (blended component)	Park Maintenance	$ 5,865,380

The unreserved funds balances for all special revenue funds amounting to $2,913,982 and all capital funds totaling $25,490,794 are designated to be used for subsequent years' expenditures for various grants, activities, and capital projects.

13. Self Insurance Funds

A. Risk Management

The City is self-insured for actuarially determined exposure of general liability, automotive liability, police professional liability, and public officials' liability. Resources are allocated to the Risk Management Fund (an Internal Service Fund) from the operating funds to provide for expected future payments on claims previously incurred, including both reported and unreported claims. The claims liability includes amounts for incremental claim adjustment expenses and estimates of subrogation. An actuarial valuation is performed on an annual basis. These amounts were not discounted and were adjusted by a risk margin calculated to provide a statistical confidence level of 80%.

For the year ended June 30, 2008, the Unpaid Claims liability increased due to an increase in the Incurred Claims amount. This increase was primarily caused by a fire at a City Parks facility. An analysis of claims liabilities recorded in the Risk Management Fund is presented below:

	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2006 - 2007	$ 4,599,674	$ 2,039,123	$ (1,139,123)	$ 5,499,674
2007 - 2008	5,499,674	3,326,944	(2,111,794)	6,714,824

B. Workers' Compensation

The City is also self-insured for workers' compensation. The City's compensation payments are calculated based upon the Workers' Compensation Law of the State of Delaware, a law significantly changed during 2007. Resources are allocated to the Workers' Compensation Fund (an Internal Service Fund) from operating funds to provide for expected future payments on claims previously incurred, including both reported and unreported claims. An actuarial valuation is performed on an annual basis. This valuation is not discounted and is adjusted by a risk margin calculated to provide a statistical confidence level of 80%. After changes to how workers compensation cases are handled including engaging a third party administrator and a complete review of open cases, the current year actuarial valuation resulted in a significant decrease in the estimate of liability. An analysis of claims liabilities recorded in the Workers' Compensation Fund is presented below:

	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2006 - 2007	$ 14,935,599	$ 2,861,842	$ (2,861,842)	$ 14,935,599
2007 - 2008	14,935,599	(4,274,164)	(2,393,477)	8,267,958

C. Health Insurance

The City is also self-insured under an employee health and welfare plan administered by Blue Cross/Blue Shield of Delaware. Resources are allocated to the Health and Welfare Fund (an Internal Service Fund) from the operating funds to provide for expected future payments on claims previously incurred including both reported and unreported claims. Blue Cross/Blue Shield of Delaware calculates the City's claims exposure annually. An analysis of claims liabilities recorded in the Health and Welfare Fund is presented below:

	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2006 - 2007	$ 1,703,929	$ 10,132,693	$ (10,790,981)	$ 1,045,641
2007 - 2008	1,045,641	11,034,199	(11,213,992)	865,848

14. Commitments and Contingencies

A. Grant Compliance

The City receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year

in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations become known. City officials do not expect any significant adjustment as a result of these examinations.

B. Litigation – Primary Government

The City has been identified as a potentially responsible party along with two other parties for environmental liabilities related to the contamination of Fox Point Park. Legal counsel has informed management that total cleanup costs for all responsible parties, is roughly estimated to be $7.9 million. The three potentially responsible parties are jointly and severally liable for the cleanup costs. However, it is also possible that the State of Delaware, which is conducting the cleanup, may not require a full payment, and the amount for which the City may ultimately be responsible is not yet determinable. Management does not believe that the City's ultimate liability will have a material effect on the City's financial position.

The City of Wilmington has filed for mediation and arbitration through the American Arbitration Association against New Castle County regarding, among other things, the proper amount of money that the County should pay to the City for the City's treatment of County sewage at the City's Wastewater Treatment Plant. The County has been a customer of the plant since its opening and its last agreement expired in 2007. The City seeks over $2.5 million in additional fees for FY2008 treatment services, to be adjusted annually thereafter by certain economic indices. The County has asserted a counterclaim in approximately the same amount on the theory that it has been overpaying the City for such services. The City is seeking additional remedies for the failure of the County to take certain actions which adversely affect the Wastewater Treatment Plant. Management is of the opinion that the outcome of this case will not have a material adverse effect on the City's financial position.

The City also is involved in numerous additional lawsuits arising in the ordinary course of business, including claims for property damage, personal injury and discriminatory personnel practices, and suits contesting the legality of certain rates and charges. Based on the advice of the City Solicitor, City management is of the opinion that the outcome of this pending litigation will not have a material adverse effect on the City's financial position at June 30, 2008.

C. Litigation – Component Unit

The U.S. Department of Justice has issued lodged a proposed consent decree to settle a complaint by the United States against WEDCO, a component unit. The proposed decree settles an environmental complaint related to cleanup costs at a former landfill site. The proposal calls for payments totaling $160,000 to be made to settle a complaint that originally had been made against multiple parties and totaled at least $3.6 million. Further information is available in WEDCO's separately issued statements.

15. Pension Trust Funds – Retirement Funds

A. Primary Government

Description of the Plans

The City of Wilmington covers substantially all full-time employees by one of its five single-employer plans, a plan of the Park Trust blended component, and Delaware's County and Municipal Police/Firefighter Pension Plan, a cost-sharing, multi-employer defined benefit pension plan discussed below. The City's current-year covered payroll and membership consisted of the following:

	Firefighters	Police	Nonuniformed Plan I	Nonuniformed Plan II	Nonuniformed Plan III
Number of Retirees & Beneficiaries Receiving Benefits	317	434	250	148	143
Number of Terminated Employees Entitled to Benefits	7	16	-	175	42
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	80	115	45	65	598
Current Year Annual Covered Payroll	$ 5,682,504	$ 9,301,002	$ 2,176,308	$ 3,031,218	$ 25,208,585

The City's current-year total payroll for all employees was $69,841,623.

With the exception of the component units, the City Council is responsible for setting benefits and contributions and amending plan provisions. The various plans are authorized according to provisions of Chapter 39 of the City Code. The funding policy and annual pension costs are presented in a schedule on page 75 of the Notes.

Cash and Investments

The Board of Pension and Retirement (Trustees) of the Pension Funds receives contributions from the City and State and is responsible for the funding policy. The City Treasurer is the custodian of the Funds' investment assets, effects disbursements from the Funds, and executes other transactions therein. The City Treasurer and outside custodians, both under the direction of the Board of Trustees, manage the Funds' investments. The Trustees have authorized certain cash and investments of the Funds to be pooled for investing by outside custodians. The Funds' portion is reported on the balance sheet as "pooled investments." Funds under outside management at June 30, 2008, represented 95% of all available funds. The investment policy of the funds is in accordance with the Objectives and Guidelines Statement and is adopted by the Trustees (Note 3).

As of June 30, 2008, the following individual plan had cash or investments in excess of 5% of the individual plan's net assets.

Plan	Name of Insitution	Investment Type	Amount
Fire Pension	Wilmington Trust Company	Certificates of Deposit	$ 2,850,000
Non-uniformed Plan III	Wilmington Trust Company	Certificates of Deposit	$ 1,868,720

Membership, Benefit and Contribution Provisions

A description of the individual plans including eligibility provisions, types of benefits, and contribution requirements is presented below in general terms on the following pages. The City Board of Pensions and Retirements, various boards of trustees, and the City Treasurer administer the single employer plans. Financial statements for the City Firefighters' and Police Pension Plans are available from the City Treasurer's Office, Louis L. Redding Building, 800 French Street, Wilmington, Delaware 19801. The State Board of Pension Trustees and the State Office of Pensions administer the multi-employer plan. Detailed information and financial statements and further information for Delaware's County and Municipal Police/Firefighters Pension Plan are available in the State of Delaware Code and from the State Board of Pension Trustees and Office of Pensions, Delaware Public Employees Retirement System, McArdle Building, 860 Silver Lake Blvd., Suite 1, Dover, Delaware, 19904-2402.

Member pension benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Plan administrative costs are paid from plan assets as approved by the Pension Trustees. Contributions to the pension plans by the State of Delaware on-behalf of the City are recorded as intergovernmental revenue in the City's fund and government-wide statements and as a pension expense. The contributions (Fire - $4,648,359; Police - $2,773,847; Plan I - $46,200) are included in the pension statements as separately presented component of City contributions to the trusts.

Separate pension fund financial statements have not been issued for the Non-Uniformed Pension plans, the Wilmington Park Trust Pension Fund; and the post-Retirement Healthcare Benefit Plan; accordingly, they are presented below as required by GASB Statement No. 34.

City of Wilmington
Statement of Fiduciary Net Assets
Pension Trust Funds

	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	Post - Retirement Healthcare Benefit
ASSETS					
Cash and Cash Equivalents	$ 46,743	$ 1,251	$ 2,648,770	$ -	$ 12,716
Receivables:					
Accrued Interest Receivable	42,742	76,223	197,996	-	22,799
Investments, at Fair Value:					
Money Market Mutual Funds	268,666	479,116	1,244,549	7,245	135,208
U.S. Government Obligations	609,913	1,087,670	2,825,329	-	400,760
U.S. Agencies - Government Guaranteed	5,836	10,408	27,035	-	-
U.S. Agencies - Other	856,701	1,527,772	3,968,535	-	1,747,574
Foreign Government Obligations	48,807	87,037	226,087	-	-
Corporate Bonds	1,435,300	2,559,598	6,648,802	-	623,401
Stocks	4,480,454	7,990,079	20,755,002	-	1,415,385
Other Mutual Funds	-	-	-	214,838	-
Total Investments	7,705,677	13,741,680	35,695,339	222,083	4,322,328
Due from Other Governments	-	-	-	-	15,757
Total Assets	7,795,162	13,819,154	38,542,105	222,083	4,373,600
LIABILITIES					
Accounts Payable	1,342	1,814	15,271	8,910	76,941
Securitites Payable	26,397	47,074	122,279	-	-
Salaries and Benefits Payable	574	1,183	2,982	-	-
Due to Other Governments	-	-	9,033,951	-	-
Compensated Absences	1,896	3,813	9,523	-	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-	-
Total Liabilities	69,120	62,401	9,192,459	8,910	76,941
Net Assets					
Held in Trust for Pension Benefits	$ 7,726,042	$ 13,756,753	$ 29,349,646	$ 213,173	$ 4,296,659

City of Wilmington, Delaware
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2008

	Plan I Non-Pension	Plan II Non-Pension	Plan III Non-Pension	Wilmington Park Pension	Post - Retirement Benefit
ADDITIONS					
Contributions:					
Paid Directly by the City	$ 503,792	$ -	$ 2,806,748	$ 7,462	$ 1,173,646
Paid by the State On-Behalf of the City	46,200	-	-	-	-
Employees	-	-	534,997	-	43,722
Federal Drug Subsidies & Other	-	-	-	-	35,365
Total Contributions	549,992	-	3,341,745	7,462	1,252,733
Investment Income (Loss)					
Investment Earnings	284,414	499,611	1,160,219	11,940	149,786
Net Depreciation in Fair Value	(739,500)	(1,299,028)	(2,750,564)	(21,982)	(467,969)
Total Investment Earnings	(455,086)	(799,417)	(1,590,345)	(10,042)	(318,183)
Less: Investment Expense	(44,478)	(78,132)	(165,436)	-	(14,405)
Net Investment Income (Loss)	(499,564)	(877,549)	(1,755,781)	(10,042)	(332,588)
Total Additions	50,428	(877,549)	1,585,964	(2,580)	920,145
DEDUCTIONS					
Benefits Paid	1,152,702	851,958	1,819,490	18,480	666,721
Administrative Expenses	47,380	81,348	210,277	3,138	54,150
Total Deductions	1,200,082	933,306	2,029,767	21,618	720,871
Net Increase (Decrease) in Plan Net Assets	(1,149,654)	(1,810,855)	(443,803)	(24,198)	199,274
Net Assets - Beginning	8,875,696	15,567,608	29,793,449	237,371	4,097,385
Net Assets - Ending	$ 7,726,042	$ 13,756,753	$ 29,349,646	$ 213,173	$ 4,296,659

Firefighters Pension Plan (Closed)

Plan Description and Eligibility: The Firefighters Pension Plan is a single-employer defined benefit plan that covers all firefighters employed by the City of Wilmington hired before August 1, 1991. The plan is split into two benefit groups: pre-1984 and 1984. The 1984 group includes firefighters hired after June 30, 1984 and pre–July 1, 1984, firefighters who opted to participate in the new plan. The pre-1984 group includes those hired prior to July 1, 1984 and not opting for the new plan.

Service Benefits: For pre-1984 group, 50% of final salary plus 2% of final earnings for each year of credited service beyond 20 years; for 1984 group, 50% of final earnings plus 2.5% of final earnings for each year of credited service beyond 20 years with a total benefit limit of 62.5% of final earnings.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years.

Retirement: Normal - 20 years of credited service. Early - for the 1984 group only, 15 years of credited service; benefit equal to 2.5% of final salary for each year of credited service reduced by 0.4% for each month benefits commence before normal retirement date.

Disability Benefits: Duty-related total disability - 75% of salary. Ordinary with 7 years of credited service, for the pre-1984 group 50% of salary and for the 1984 group a benefit equal to 2.5% of salary for each year of credited service times the vesting percentage.

Survivor Benefit: On death of a retiree, 50% of the pension the participant was receiving. For the pre-1984 group, this is a minimum of $1,344 monthly; if retiree has no surviving spouse, the benefit is payable to the sole surviving dependent parent.

Contributions: Employee - 6% of compensation.
Employer - actuarially determined.

Death Benefit: Duty - for the pre-1984 group, surviving spouse receives a lump sum equal to 100% of the final full-year salary and a pension of 50% of final annual salary until death or remarriage. Each child under the age of 18 shall receive $30 a month starting one year after the employee's death; there is a $90 family maximum and benefits discontinue at age 18. If the employee is not survived by a spouse, a pension equal to 50% is paid to the sole surviving dependent parent. For the 1984 group, benefits are the same except the amounts change to a lump sum of 50%, $50 a month per child with a maximum of $150 per family.

The following summarized activities for the plan over the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 4,686,914	100.0%	$ -
2004	4,923,603	100.0%	-
2005	4,755,418	100.0%	-
2006	4,584,666	100.0%	-
2007	5,317,764	100.0%	-
2008	4,962,169	100.0%	-

Police Pension Plan (Closed)

Plan Description and Eligibility: The Police Pension Plan is a single-employer defined benefit plan that covers all police officers employed by the City of Wilmington hired before August 1, 1991. The plan is split into two benefit groups: pre-1984 and 1984. The 1984 group includes police officers hired after June 30, 1984, and who previously opted to participate in the new plan. The pre-1984 group includes those hired prior to July 1, 1984, and not opting for the new plan.

Service Benefits: For the pre-1984 group, 50% of final salary plus 2% of final earnings for each year of credited service beyond 20 years; for the 1984 group, 50% of final earnings plus 2.5% of final earnings for each year of credited service beyond 20 years with a total benefit limit of 62.5% of final earnings.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years.

Retirement: Normal - 20 years of credited service. Early - for the 1984 group only, 15 years of credited service, benefit equal to 2.5% of final salary for each year of credited service reduced by 0.4% for each month benefits commence before normal retirement date.

Disability Benefits: Duty-related total disability - 75% of salary. Ordinary with 7 years of credited service, for the pre-1984 group, 50% of salary and for the 1984 group a benefit equal to 2.5% of salary for each year of credited service times the vesting percentage.

Survivor Benefit: On death of a retiree, 50% of the pension the participant was receiving. For the pre-1984 group, this is a minimum of $1,344 monthly; if retiree has no surviving spouse, the benefit is payable to the sole surviving dependent parent.

Contributions: Employee - 6% of compensation.
Employer - actuarially determined.

Death Benefit: Duty - for the pre-1984 group, surviving spouse receives a lump sum equal to 100% of the final full-year salary and a pension of 50% of final annual salary until death or remarriage. Each child under the age of 18 shall receive $30 a month starting one year after the employee's death; there is a $90 per month family maximum, and benefits discontinue at age 18. If the employee is not survived by a spouse, a pension equal to 50% is paid to the sole surviving dependent parent. For the 1984 group, benefits are the same except the amounts change to a lump sum of 50%, $50 a month per child with a maximum of $150 per month per family.

The following summarized activities for the plan for the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 4,387,021	100.0%	$ -
2004	5,195,626	100.0%	-
2005	5,989,169	100.0%	-
2006	5,813,130	100.0%	-
2007	7,594,204	100.0%	-
2008	6,679,870	100.0%	-

Nonuniformed Employees Plan I (Closed)

Plan Description and Eligibility: The Nonuniformed Employees Plan I is a single-employer defined benefit plan that covers all Nonuniformed City employees hired before July 1, 1979, who have not opted to convert to a later plan.

Service Benefits: 2½% of final average earnings (five consecutive years out of the last ten that produce the highest average) times years of service; benefit is not less than $1,000 or more than $4,500 annually.

Vesting / Retirement: 20 years of credited service; age 60 and 15 years of credited service; or age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as retirement reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed with 20 years of credited service or age 60 and 15 years of credited service; benefit to surviving spouse equal to 50% of retirement as if retirement commenced the day before death; payments continue until death or remarriage.

Contributions: Employee - none.
Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

The following summarized activities for the plan for the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 238,066	100.0%	$ -
2004	256,374	100.0%	-
2005	-	100.0%	-
2006	436,685	100.0%	-
2007	490,662	100.0%	-
2008	503,792	100.0%	-

Nonuniformed Employees Plan II (Closed)

Plan Description and Eligibility: The Nonuniformed Employees Plan II is a single-employer defined benefit plan that covers all nonuniformed City employees hired after June 30, 1979, and before January 1, 1991, employees hired before June 30, 1979, but not eligible for Plan I, employees who have opted to convert from Plan I, and not employees who have opted to convert to a later plan.

Service Benefits: 1.75% of final average earnings (five consecutive years out of the last ten that produce the highest average) times credited years of service (maximum 25 years) with a maximum benefit of $11,000; a credited year of service for every year with 1,500 hours of service.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years.

Retirement: Normal - Age 65 and 5 years of credited service. Early - retirement at age 60 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 60 and 5 years of credited service; benefit to surviving spouse equals to 50% of retirement as if retirement commenced the day before death (without reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - none.
Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

The following summarized activities for the plan for the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ -	100.0%	$ -
2004	-	100.0%	-
2005	257,768	100.0%	-
2006	-	100.0%	-
2007	48,456	100.0%	-
2008	-	100.0%	-

Nonuniformed Employees Plan III

Plan Description and Eligibility: The Nonuniformed Employees Plan III is a single-employer defined benefit plan that covers all Nonuniformed City employees hired after December 31, 1990, and employees who have opted to convert from Plan I or Plan II.

Service Benefits: 1.85% of final average earnings (five consecutive years out of the last ten that produce the highest average) times credited years of service (maximum 30 years); a credited year of service for every year with 1,500 hours of service after hire, buyback or December 31, 1990.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years. Contributions and interest are refunded for less than 5 years of credited service.

Retirement: Normal - Age 65 and 5 years of credited service; age plus years of service equal 85. Early - retirement at age 55 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 55 and 5 years of credited service; benefit to surviving spouse equal to 50% of retirement, if retirement commenced the day before death (without reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - 2% of compensation.
Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

The following summarized activities for the plan for the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 825,342	100.0%	$ -
2004	893,621	100.0%	-
2005	4,046,130	100.0%	-
2006	1,890,483	100.0%	-
2007	2,908,438	100.0%	-
2008	2,806,748	100.0%	-

Wilmington Parks Trust Commission Pension Plan

Plan Description and Eligibility: The Park Trust Commission Employees Plan III is a single-employer defined benefit plan that covers all Park Trust Commission employees.

Service Benefits: 1.75% of average monthly earnings multiplied by total years of service (maximum 25 years); a credited year of service for every year with 1,500 hours of service after hire, buyback or December 31, 1990.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years. Contributions and interest are refunded for less than 5 years of credited service.

Retirement: Normal - Age 65 and 5 years of credited service: age plus years of service, equal 85. Early - retirement at age 55 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 55 and 5 years of credited service; benefit to surviving spouse equal to 50% of retirement as if retirement commenced the day before death (without reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - 2% of compensation.
Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

The following summarized activities for the plan for the past six years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ -	100.0%	$ -
2004	1,619	100.0%	-
2005	59,852	100.0%	-
2006	7,311	100.0%	-
2007	7,462	100.0%	-
2008	7,462	100.0%	-

Delaware's County and Municipal Police and Firefighters' Pension Plan

Plan Description and Eligibility: The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System and managed by its Board of Trustees. The plan, which is the Delaware's County and Municipal Police and Firefighter Pension Plan, covers City police and firefighter employees hired on or after February 1, 1993. Benefit provisions of the plan are established under the provisions of the State law and may be amended by an act of the State legislature. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Ten-year historical trend and solvency test information has not been included in the City's basic financial statements. This information is included in the publically available Comprehensive Annual Financial Report of the Delaware Public Employees' Retirement System. This can be obtained from the Office of Pensions, 680 Silver Lake Boulevard, Dover, Delaware, 19904-2402 or website at www.delawarepensions.com.

Service Benefits: 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. The final monthly compensation is the monthly average of the highest three years of compensation.

Vesting: 10 years of credited service.

Retirement: Normal - Age 62 with 10 years of service; age 60 lus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits: Duty – Total Disability – 75% of final average compensation plus 10% for each dependent no to exceed 25% for all dependents. Duty – Partial Disability – Same as Service Benefits, subject to minimum 50% of final average compensation. Duty – Non-Duty – Same as Service Benefits.

Survivor Benefit: If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62.

Contributions: Employee – 7% of earnings in excess of $6,000.
Employer – determined annually by Board of Pension Trustees

The Employer contribution policy is set by State law and requires contributions by active members and by participating employers. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in FY2008 was 13.60% of covered payroll. The following summarized activities for the plan for the past six years.

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 1,028,760	100.0%	$ -
2004	1,093,249	100.0%	-
2005	1,325,960	100.0%	-
2006	1,631,263	100.0%	-
2007	1,858,712	100.0%	-
2008	2,005,109	100.0%	-

B. Component Units

The Wilmington Parking Authority has a noncontributory single-employer defined benefit pension plan covering substantially all of its employees. The annual required contribution was $138,403 for the year ended June 30, 2008. This contribution was computed using the aggregate cost method, assuming a 7% annual return on investments and 4.5% projected salary increases.

The City is neither trustee nor manager of the Wilmington Parking Authority's plan and has no legal responsibility to make contributions to the pension plan, and no City employee participates in the Authority's pension plan. Because the Authority's pension plan is not significant in comparison to the financial statements of the City, full pension disclosures for the Authority are not presented, but are presented in the Authority's financial statements.

16. Pension Trust Fund - Post-Retirement Healthcare Benefit Fund

The City under City Code Section 39-5, provides post-retirement health care benefits (the Retired City Employees Medical Program) to all active full-time employees eligible for a City pension, or retired uniformed service employees receiving a pension pursuant to the State "County and Municipal Pension" program as of January 1, 2000, and who meet certain eligibility requirements. Under certain conditions, spouses of retirees and employees receiving a disability pension are also covered. The Program pays not less than 80% of the blended rate up to a maximum of $8,000 for eligible retirees who are less than 65 years of age. The Program pays not less than 80% of the blended rate up to $2,000 for retirees who are 65 years or older. The blended rate is the average cost of medical coverage to the City for all active participants in the medical coverage program. Eligible retirees may participate in the dental program, but the retiree pays the full premium. Separate financial statements are not issued, but are included on pages 66 and 67 of the Notes. The funding policy and annual pension cost is included in a schedule on page 75 of the Notes. As of June 30, 2008, the plan has 1,255 eligible participants. Employer contributions recognized during 2008 were $1,173,646 and participant contributions were $43,722.

The City has implemented GASB No. 43 and 45 starting with the 2008 fiscal year. Through fiscal year 2007, the plan funded the actuarial determined contribution of the explicit liability. In fiscal year 2008,

Funding Policy and Annual Pension Cost

The following are the annual pension costs, actuarial methods, and assumptions of the City's single employer pension plans and employer healthcare plan, and the multi-employer plan administered by the Delaware Public Employees' Retirement System (6)

	Fire Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	Post - Retirement Healthcare Benefit	County & Municipal Police and Firefighters
Plan Type	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Multi-Employer
Annual Required (7/1/07-6/30/08) (1)								
Contribution	$4,962,169	$6,679,870	$ 503,792	$ -	$ 2,806,748	$ 7,462	$3,429,576	$ 2,005,109
Pension Cost	$4,962,169	$6,679,870	$ 503,792	$ -	$ 2,806,748	$ 7,462	$3,429,576 (5)	$ 2,005,109
Actuarial Valuation Date	July 1, 2006	July 1, 2006	July 1, 2006	July 1, 2006	July 1, 2006	July 1, 2007	July 1, 2006	June 30, 2008
Actuarial Cost Method	Aggregate Entry Age	Aggregate Entry Age	Aggregate Entry Age	Aggregate Entry Age	Aggregate Entry Age	Aggregate Entry Age	Projected Unit Cost	Entry Age Normal
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Open
Remaining Amortization Period (2)	22 years	22 years	22 years	22 years	22 years	22 years	29 years	10 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	5 Yr Smoothed Market
Actuarial Assumptions								
Investment Rate of Return	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Projected Salary Increases	5.50% (4)	5.50% (4)	5.50% (3)	5.00% (3)	5.50% (3)	5.00%	n/a	4.3%-15.7%
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	n/a
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None	n/a	Ad Hoc

(1) The actuarial valuation is done every other year. The last valuation completed was the July 1, 2007 valuation for the fscal year ended June 30, 20(The valuation calculates an Annual Required Contribution for each of the following two years; this may be recalculated to reflect significant changes in sta levels or salary increases. Actual contributions are based on the higher of percentage of pay (actual amounts may vary based on actual payroll) or level doll

(2) The amortization period remaining does not include amounts paid into the Fire Pension Plan and the Police Pension Fun for the Cost-of-Living Adjustment for each plan

(3) For employees under 30, 5.5%; 5% thereafter.

(4) Based on a sevice dependent scale

(5) The government-wide statements include the full pension cost as required by GASB Statement 45 on Other Post-Employment Benefits. The Water & Sewer Fu (an enterprise fund) contributes and records its pro-rata share of Annual Required Conribution. The governmental funds contribute and record only an actuarial determined amount based on the explicit subsidy cost. See further comments in Note 16 on the Post-Retirement Heathcare Benefit Fun

(6) Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, therefo actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the futu

the enterprise fund funded its full actuarial required contribution. The governmental funds continued to fund only the actuarial determined contribution of the explicit liability, but recognized the full actuarial required contribution in the government-wide financial statements and recorded a liability for unfunded contributions as of June 30.

The City has implemented GASB Statement 45 on Other Post-Employment Benefits (OPEB) starting with the 2008 fiscal year which is therefore considered the transition year. Required Supplementary Information on Funding Status and Progress is provided on page 78. The following summarized activities for the plan for the current (transition) year:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2008	$ 3,731,022	31.5%	$ 2,557,376

17. Prior Period Adjustment

At the end of a federal grant program and the subsequent return of unspent grant funds, it was determined that $945,996 had been erroneously recorded as accrued revenue. The fund balance of the Section 8 Housing Assistance Program has been restated as of the end of the prior year and a transfer made from the General Fund in the current year to fund the shortfall.

Rendition of Justison Landing

Pension Funding Status and Progress

In accordance with GASB Statements No. 27 and 45, the following required supplementary information is provided with regard to pension funding progress. The City plans have a valuation performed every two years, and the schedule presents the last three completed valuations covering six years. Information for only one year is presented for the Pension Healthcare Fund as it is the transition year. The multi-year employer plan has annual valuations.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll
	(1)	(2)	(2-1)	(1 / 2)	(5)	((2-1) / 5)
Firefighters						
7/1/2002	$ 33,415,101	$ 71,342,762	$ 37,927,661	46.8%	$ 5,930,087	639.6%
7/1/2004	35,988,659	78,282,035	42,293,376	46.0%	5,148,859	821.4%
7/1/2006	38,981,502	79,837,691	40,856,189	48.8%	5,251,464	778.0%
Police						
7/1/2002	$ 53,575,870	$ 98,707,703	$ 45,131,833	54.3%	$ 9,115,761	495.1%
7/1/2004	55,912,712	109,873,650	53,960,938	50.9%	8,687,036	621.2%
7/1/2006	63,439,079	119,177,885	55,738,806	53.2%	8,595,485	648.5%
Plan I Non-Uniformed						
7/1/2002	$ 10,414,621	$ 11,471,041	$ 1,056,420	90.8%	$ 2,448,504	43.1%
7/1/2004	8,845,811	11,567,327	2,721,516	76.5%	2,287,449	119.0%
7/1/2006	8,416,572	11,073,704	2,657,132	76.0%	2,011,227	132.1%
Plan II Non-Uniformed						
7/1/2002	$ 14,089,648	$ 9,867,213	$ (4,222,435)	142.8%	$ 9,202,060	-45.9%
7/1/2004	13,777,139	8,624,587	(5,152,552)	159.7%	2,694,348	-191.2%
7/1/2006	14,245,647	9,712,162	(4,533,485)	146.7%	2,801,288	-161.8%
Plan III Non-Uniformed						
7/1/2002	15,271,986	24,171,908	8,899,922	63.2%	19,908,621	44.7%
7/1/2004	17,836,771	35,491,489	17,654,718	50.3%	19,456,448	90.7%
7/1/2006	24,803,321	49,254,247	24,450,926	50.4%	23,296,416	105.0%
Park Trust						
7/1/2003	$ 173,772	$ 240,896	$ 67,124	72.1%	$ 91,031	73.7%
7/1/2005	220,810	176,218	(44,592)	125.3%	94,902	-47.0%
7/1/2007	237,371	183,067	(54,304)	129.7%	90,763	-59.8%
Pension Healthcare						
7/1/2007	$ 3,223,326	$ 36,600,382	$ 33,377,056	8.8%	$ 42,655,880	78.2%
Delaware's County & Municipal Police and Firefighters' Plan (multi-employer - in thousands of dollars)						
6/30/2006	$ 72,120	$ 72,832	$ 712	99.0%	$ 38,342	1.9%
6/30/2007	87,395	89,022	1,627	98.2%	45,059	3.6%
6/30/2008	102,423	103,911	1,488	98.6%	49,328	3.0%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

The General Fund is the general operating fund of the City of Wilmington. It is used to account for all financial resources except those required to be recorded in another fund.

The following budget and actual schedule presents General Fund activity at its lowest level of legal budgetary control – the department.

Budgetary Accounting Control

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General Fund, Commerce Fund, and certain Non-major Funds and, in addition, the annual appropriated Capital Budget is adopted. Unexpended appropriations in the operating budget of the General Fund lapse at year-end. Annual budgets are adopted on the basis that revenue estimates and/or accumulated unreserved fund balance are sufficient to fully fund appropriations. Budgets presented in these financial schedules include all amendments adopted during the year.

Budgets for the other Special Revenue Funds, which are non-major funds, are appropriated based on grant agreements with various State, Federal, and private agencies. Based on the duration of these agreements, budget appropriations often overlap the City's fiscal year and remain open until completion of the grant. Therefore, the Special Revenue Funds' actual results of operations also represent the Funds' final appropriations through June 30, 2008, with the unspent appropriations becoming the succeeding year's authorization. The Director of Finance has the authority to re-appropriate these unspent appropriations into the succeeding fiscal year. Consequently, the budgeted appropriations for Special Revenue Funds represent the City's final appropriations for the fiscal year supported by the corresponding grant revenues. Budgetary comparison schedules for non-major special revenue funds with legally adopted budgets are presented in the combining and individual fund financial statements and schedules section of this report.

Ninety (90) days prior to the commencement of a new fiscal year, the Mayor must submit to City Council a proposed operating budget. City Council reviews the budget, conducts hearings, and proposes changes in expenditure levels. City Council cannot modify the Mayor's estimates of revenues, but may propose changes in the tax levy in the amount necessary, in the Mayor's estimate, to balance total appropriations and estimated revenues. The annual budget may not be adopted until City Council has enacted required revenue measures.

Thirty (30) days prior to the commencement of a new fiscal year, the annual operating budget is enacted through legislation. Appropriations are legislated at the functional level. By legislative action, the annual appropriated budget may be amended. Budgetary transfers within a function at the expense category (e.g., personal services or travel, materials, supplies) may be made without legislative approval. Appropriation control is maintained through a budget-tracking process within the accounting system at both the functional and object levels.

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

Budgetary Accounting Control (continued)

The actual results of operations as compared to the City Council-adopted appropriations at the functional level are presented in the Schedule of Revenues, Expenditures and Changes in Fund Balances. Budget and Actual (GAAP Basis) is presented for the General Fund to provide a meaningful comparison of actual results with the budget.

Appropriations for the Capital Projects Fund that remain open and carry over to succeeding years until the related expenditures are made, modified or canceled are adopted on a multi-year basis. Appropriations for this fund are controlled on a project basis, and therefore, budgetary comparison schedules on an annual basis do not provide meaningful information and, accordingly, are not presented.

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	$ 1,287,045	$ 1,287,045	$ 1,308,396	$ (21,351)
Materials, Supplies and Equipment	1,930,022	4,410,022	2,439,710	1,970,312
Special Purpose	1,415,000	651,235	415,000	236,235
Debt Service	989,894	989,894	943,046	46,848
Office of the Mayor	5,621,961	7,338,196	5,106,152	2,232,044
Management and Budget				
Personal Services	425,970	425,970	457,325	(31,355)
Materials, Supplies and Equipment	74,025	74,025	67,873	6,152
Management and Budget	499,995	499,995	525,198	(25,203)
Office of Emergency Management				
Personal Services	51,055	51,055	63,628	(12,573)
Materials, Supplies and Equipment	96,726	96,726	124,895	(28,169)
Office of Emergency Management	147,781	147,781	188,523	(40,742)
Cultural Affairs				
Personal Services	255,179	255,179	260,672	(5,493)
Materials, Supplies and Equipment	506,975	516,975	553,638	(36,663)
Special Purpose	55,000	55,000	53,681	1,319
Cultural Affairs	817,154	827,154	867,991	(40,837)
Constituent Services				
Personal Services	408,446	408,446	414,010	(5,564)
Materials, Supplies and Equipment	207,055	214,555	167,242	47,313
Constituent Services	615,501	623,001	581,252	41,749
Mayor's Offices				
Personal Services	2,427,695	2,427,695	2,504,031	(76,336)
Materials, Supplies and Equipment	2,814,803	5,312,303	3,353,358	1,958,945
Special Purpose	1,470,000	706,235	468,681	237,554
Debt Service	989,894	989,894	943,046	46,848
Mayor's Offices	$ 7,702,392	$ 9,436,127	$ 7,269,116	$ 2,167,011
CITY COUNCIL				
City Council				
Personal Services	$ 455,251	$ 455,251	$ 454,868	$ 383
Materials, Supplies and Equipment	644,676	686,680	672,537	14,143
Special Purpose	170,000	174,195	173,148	1,047
Debt Service	6,850	6,850	6,850	-
City Council	1,276,777	1,322,976	1,307,403	15,573

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 571,313	$ 631,313	$ 634,731	$ (3,418)
Materials, Supplies and Equipment	104,986	73,465	57,634	15,831
City Clerk	676,299	704,778	692,365	12,413
Cable and Communication				
Personal Services	529,453	551,206	544,672	6,534
Materials, Supplies and Equipment	160,266	129,960	126,267	3,693
Debt Service	12,390	12,390	12,389	1
Cable and Communication	702,109	693,556	683,328	10,228
City Council Offices				
Personal Services	1,556,017	1,637,770	1,634,271	3,499
Materials, Supplies and Equipment	909,928	890,105	856,438	33,667
Special Purpose	170,000	174,195	173,148	1,047
Debt Service	19,240	19,240	19,239	1
City Council Offices	$ 2,655,185	$ 2,721,310	$ 2,683,096	$ 38,214
AUDIT				
Audit Department				
Personal Services	$ 400,884	$ 400,884	$ 403,636	$ (2,752)
Materials, Supplies and Equipment	208,454	208,454	198,248	10,206
Audit Department	$ 609,338	$ 609,338	$ 601,884	$ 7,454
LAW				
Law Department				
Personal Services	$ 1,989,079	$ 1,989,079	$ 1,987,565	$ 1,514
Materials, Supplies and Equipment	891,738	891,738	740,304	151,434
Law Department	$ 2,880,817	$ 2,880,817	$ 2,727,869	$ 152,948
FINANCE				
Finance Administrative				
Personal Services	$ 155,924	$ 155,924	$ 176,094	$ (20,170)
Materials, Supplies and Equipment	184,680	191,746	140,134	51,612
Debt Service	-	-	1,174	(1,174)
Finance Administrative	340,604	347,670	317,402	30,268
Earned Income Tax				
Personal Services	1,059,855	975,446	851,329	124,117
Materials, Supplies and Equipment	592,610	579,359	377,363	201,996
Earned Income Tax	1,652,465	1,554,805	1,228,692	326,113
Accounting				
Personal Services	746,970	777,001	784,351	(7,350)
Materials, Supplies and Equipment	173,512	173,541	152,731	20,810

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 293,234	$ 247,603	$ 249,689	$ (2,086)
Materials, Supplies and Equipment	126,215	130,287	135,586	(5,299)
Procurement and Records	419,449	377,890	385,275	(7,385)
Delinquent Accounts Division				
Personal Services	46,953	46,953	43,017	3,936
Materials, Supplies and Equipment	40,346	127,721	70,280	57,441
Delinquent Accounts Division	87,299	174,674	113,297	61,377
Central Cashier				
Personal Services	212,141	236,859	239,355	(2,496)
Materials, Supplies and Equipment	1,765,725	2,208,176	1,840,224	367,952
Central Cashier	1,977,866	2,445,035	2,079,579	365,456
Billing & Customer Service				
Personal Services	284,029	301,321	305,862	(4,541)
Materials, Supplies and Equipment	77,208	154,456	72,148	82,308
Billing & Customer Service	361,237	455,777	378,010	77,767
Finance Department				
Personal Services	2,799,106	2,741,107	2,649,697	91,410
Materials, Supplies and Equipment	2,960,296	3,565,286	2,788,466	776,820
Debt Service	-	-	1,174	(1,174)
Finance Department	$ 5,759,402	$ 6,306,393	$ 5,439,337	$ 867,056
PERSONNEL				
Personnel - Admin				
Personal Services	$ 192,762	$ 192,762	$ 209,253	$ (16,491)
Materials, Supplies and Equipment	208,529	208,529	181,289	27,240
Debt Service	4,666	4,666	3,062	1,604
Personnel - Admin	405,957	405,957	393,604	12,353
Human Resource and Services				
Personal Services	1,009,035	1,009,035	939,027	70,008
Materials, Supplies and Equipment	273,446	273,446	215,566	57,880
Human Resource and Services	1,282,481	1,282,481	1,154,593	127,888
Personnel Department				
Personal Services	1,201,797	1,201,797	1,148,280	53,517
Materials, Supplies and Equipment	481,975	481,975	396,855	85,120
Debt Service	4,666	4,666	3,062	1,604
Personnel Department	$ 1,688,438	$ 1,688,438	$ 1,548,197	$ 140,241
TREASURER				
Treasurer's Office				
Personal Services	$ 296,598	$ 304,898	$ 316,751	$ (11,853)
Materials, Supplies and Equipment	122,602	122,602	107,237	15,365

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PLANNING				
Planning				
Personal Services	$ 888,229	$ 894,629	$ 880,072	$ 14,557
Materials, Supplies and Equipment	413,789	441,289	433,072	8,217
Debt Service	224,189	233,589	224,061	9,528
Planning	$ 1,526,207	$ 1,569,507	$ 1,537,205	$ 32,302
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Materials, Supplies and Equipment	$ 277,383	$ 277,383	$ 206,002	$ 71,381
Debt Service	1,127,402	1,127,402	1,136,902	(9,500)
Real Estate and Housing - Admin	1,404,785	1,404,785	1,342,904	61,881
Real Estate and Housing - Rehabilitation				
Personal Services	154,072	154,072	128,801	25,271
Materials, Supplies and Equipment	206,982	206,982	154,678	52,304
Debt Service	69,086	69,086	69,027	59
Real Estate and Housing - Rehabilitation	430,140	430,140	352,506	77,634
Real Estate & Housing Department				
Personal Services	154,072	154,072	128,801	25,271
Materials, Supplies and Equipment	484,365	484,365	360,680	123,685
Debt Service	1,196,488	1,196,488	1,205,929	(9,441)
Real Estate & Housing Department	$ 1,834,925	$ 1,834,925	$ 1,695,410	$ 139,515
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 671,555	$ 671,555	$ 634,466	$ 37,089
Materials, Supplies and Equipment	645,973	653,518	628,287	25,231
Debt Service	987,437	992,737	947,408	45,329
Public Works - Admin	2,304,965	2,317,810	2,210,161	107,649
Street Maintenance				
Materials, Supplies and Equipment	542,862	552,219	596,006	(43,787)
Debt Service	3,430,281	3,430,281	3,238,124	192,157
Street Maintenance	3,973,143	3,982,500	3,834,130	148,370
Transportation/WILDOT				
Personal Services	1,052,119	1,052,119	1,089,478	(37,359)
Materials, Supplies and Equipment	1,414,353	1,262,308	798,573	463,735
Debt Service	893,826	893,827	853,446	40,381
Transportation/WILDOT	3,360,298	3,208,254	2,741,497	466,757

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 2,557,654	$ 2,557,654	$ 2,248,016	$ 309,638
Materials, Supplies and Equipment	1,491,408	1,447,408	1,277,192	170,216
Street Cleaning	4,049,062	4,005,062	3,525,208	479,854
Rubbish Collection				
Personal Services	2,505,965	2,505,965	2,748,325	(242,360)
Materials, Supplies and Equipment	3,608,259	2,644,759	2,991,348	(346,589)
Rubbish Collection	6,114,224	5,150,724	5,739,673	(588,949)
Property Maintenance				
Personal Services	363,274	363,274	272,653	90,621
Materials, Supplies and Equipment	1,539,992	1,691,991	1,528,822	163,169
Debt Service	335,591	335,591	337,570	(1,979)
Property Maintenance	2,238,857	2,390,856	2,139,045	251,811
Public Works Department				
Personal Services	7,150,567	7,150,567	6,992,938	157,629
Materials, Supplies and Equipment	9,242,847	8,252,203	7,820,228	431,975
Debt Service	5,647,135	5,652,436	5,376,548	275,888
Public Works Department	$ 22,040,549	$ 21,055,206	$ 20,189,714	$ 865,492
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 670,100	$ 670,100	$ 659,241	$ 10,859
Materials, Supplies and Equipment	248,544	263,462	273,288	(9,826)
Debt Service	2,172,571	2,189,571	2,152,231	37,340
Parks and Recreation - Admin	3,091,215	3,123,133	3,084,760	38,373
Park Maintenance				
Personal Services	1,761,853	1,761,853	1,511,272	250,581
Materials, Supplies and Equipment	1,254,833	1,423,915	1,588,512	(164,597)
Debt Service	491,511	491,511	466,346	25,165
Park Maintenance	3,508,197	3,677,279	3,566,130	111,149
Recreation				
Personal Services	509,269	509,269	521,865	(12,596)
Materials, Supplies and Equipment	370,880	370,880	270,008	100,872
Recreation	880,149	880,149	791,873	88,276

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 757,988	$ 757,988	$ 747,549	$ 10,439
Materials, Supplies and Equipment	418,064	418,064	267,826	150,238
Debt Service	26,968	26,968	10,019	16,949
William Hicks Anderson Center	1,203,020	1,203,020	1,025,394	177,626
Youth and Families				
Personal Services	934,808	934,808	985,609	(50,801)
Materials, Supplies and Equipment	407,788	407,788	344,027	63,761
Youth and Families	1,342,596	1,342,596	1,329,636	12,960
Parks and Recreation Department				
Personal Services	4,634,018	4,634,018	4,425,536	208,482
Materials, Supplies and Equipment	2,700,109	2,884,109	2,743,661	140,448
Debt Service	2,691,050	2,708,050	2,628,596	79,454
Parks and Recreation Department	$ 10,025,177	$ 10,226,177	$ 9,797,793	$ 428,384
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 3,103,442	$ 3,103,442	$ 2,870,130	$ 233,312
Materials, Supplies and Equipment	1,106,962	1,106,962	978,698	128,264
Special Purpose	223,887	223,887	223,887	-
Debt Service	38,730	38,730	38,730	-
License and Inspection	$ 4,473,021	$ 4,473,021	$ 4,111,445	$ 361,576
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 5,229,037	$ 5,667,936	$ 5,574,631	$ 93,305
Materials, Supplies and Equipment	741,910	747,610	732,079	15,531
Debt Service	377,318	377,318	386,278	(8,960)
Fire - Admin	6,348,265	6,792,864	6,692,988	99,876
Fire - Suppression				
Personal Services	13,544,072	13,969,072	13,794,524	174,548
Materials, Supplies and Equipment	1,864,183	1,901,081	853,724	1,047,357
Fire - Suppression	15,408,255	15,870,153	14,648,248	1,221,905
Fire - Prevention				
Personal Services	762,182	787,182	770,403	16,779
Materials, Supplies and Equipment	276,512	276,512	(208,471)	484,983
Fire - Prevention	1,038,694	1,063,694	561,932	501,762
Fire Department				
Personal Services	19,535,291	20,424,190	20,139,558	284,632
Materials, Supplies and Equipment	2,882,605	2,925,203	1,377,332	1,547,871
Debt Service	377,318	377,318	386,278	(8,960)
Fire Department	$ 22,795,214	$ 23,726,711	$ 21,903,168	$ 1,823,543

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 4,747,217	$ 5,502,917	$ 5,755,541	$ (252,624)
Materials, Supplies and Equipment	721,128	741,227	706,807	34,420
Debt Service	1,960	1,960	-	1,960
Police - Admin	5,470,305	6,246,104	6,462,348	(216,244)
Police - Patrol				
Personal Services	16,405,359	16,761,359	15,376,060	1,385,299
Materials, Supplies and Equipment	2,126,250	2,121,250	712,892	1,408,358
Debt Service	806,488	819,788	806,458	13,330
Police - Patrol	19,338,097	19,702,397	16,895,410	2,806,987
Police - Special Operations				
Personal Services	3,349,727	3,406,727	4,141,408	(734,681)
Materials, Supplies and Equipment	521,461	517,161	491,257	25,904
Police - Special Operations	3,871,188	3,923,888	4,632,665	(708,777)
Police - Support Services				
Personal Services	1,044,036	1,069,036	1,165,355	(96,319)
Materials, Supplies and Equipment	560,341	525,010	332,405	192,605
Police - Support Services	1,604,377	1,594,046	1,497,760	96,286
Police - Investigations				
Personal Services	7,346,885	7,503,885	8,427,797	(923,912)
Materials, Supplies and Equipment	720,136	695,636	299,624	396,012
Police - Investigations	8,067,021	8,199,521	8,727,421	(527,900)
Police - Communications				
Personal Services	2,926,237	2,990,237	2,815,071	175,166
Materials, Supplies and Equipment	1,218,514	1,706,444	939,022	767,422
Debt Service	151,440	151,440	151,319	121
Police - Communications	4,296,191	4,848,121	3,905,412	942,709
Police Operations				
Materials, Supplies and Equipment	530,600	606,331	568,887	37,444
Police Operations	530,600	606,331	568,887	37,444
Public Safety Director's Office				
Personal Services	50,000	50,000	-	50,000
Materials, Supplies and Equipment	100,000	85,371	84,032	1,339
Public Safety Director's Office	150,000	135,371	84,032	51,339
Police Department				
Personal Services	35,869,461	37,284,161	37,681,232	(397,071)
Materials, Supplies and Equipment	6,498,430	6,998,430	4,134,926	2,863,504
Debt Service	959,888	973,188	957,777	15,411
Police Department	$ 43,327,779	$ 45,255,779	$ 42,773,935	$ 2,481,844
Total Expenditures	$ 127,737,644	$ 132,211,249	$ 122,702,157	$ 9,509,092

CITY OF WILMINGTON, DELAWARE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

The Park Recreation Assistance Fund accounts for special park programs sponsored by the City of Wilmington. Monies designated for specific programs are contributed by the State of Delaware or private sources.

The Community Development Block Grant Fund accounts for the City's Community Development Block Grant from the United States Department of Housing and Urban Development. Monies are specifically designated to revitalize certain underdeveloped areas of the City, remove artificial barriers, and improve slum areas.

The Section 8 Housing Assistance Fund accounts for United States Department of Housing and Urban Development Grants designated to subsidize rents for low-income public housing agencies.

The Municipal Street Aid Fund accounts for an annual entitlement from the State of Delaware that is used for street lighting within the City.

The Home Partnership Program Fund accounts for United States Department of Housing and Urban Development Grants designated to carry out multi-year housing strategies through acquisition, rehabilitation, new construction of housing, and tenant-based rental assistance.

The Wilmington Park Trust Commission accounts for private funds received to finance the renovation and maintenance of parks, fountains, and other receptacles for water in the City of Wilmington.

The Delaware Criminal Justice Planning Fund accounts for grants from the State of Delaware and the federal government for specific local law enforcement-related programs such as training, consulting, counseling, drug enforcement, and equipment.

The Home for People with Aids (HOPWA) Grant Fund accounts for a United States Department of Housing & Urban Development Grant dedicated to providing living areas to individuals with AIDS.

The Cable Television Fund accounts for funding allocated by City Council to support equipment and capital needs of the cable and television division of City Council.

The Housing Opportunities Fund accounts for funding of the City's efforts to assure affordable housing in the City of Wilmington.

The Special Projects and Other Miscellaneous Special Revenue Funds account for various small grants received by the City. The monies are received from various government and private sources

City of Wilmington, Delaware

Combining Balance Sheet
Non-Major Governmental Funds - Special Revenue Funds
June 30, 2008

ASSETS	Park Recreation Assistance	Community Development Block Grant	Section 8 Housing Assistance	Municipal Street Aid	Home Partnership Program	Wilmington Park Trust Commission	Delaware Criminal Justice Planning	Home for People with AIDS Grant	Cable Television	Housing Opportunities	Special Projects Funds	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	$ -	$ 182,026	$ 38,644	$ 509,684	$ -	$ 4,404	$ -	$ -	$ 462,810	$ 1,880,167	$ 1,126,261	$ 4,203,996
Investments	-	-	-	-	-	5,938,519	-	-	-	-	-	5,938,519
Receivables, Net (Note 4)	-	102,357	-	-	-	-	-	-	-	-	1,609,445	1,711,802
Due from Other Governments	1,074,365	454,974	-	-	780,443	160,453	1,062,006	433,954	-	-	778,813	4,745,008
Total Assets	$ 1,074,365	$ 739,357	$ 38,644	$ 509,684	$ 780,443	$ 6,103,376	$ 1,062,006	$ 433,954	$ 462,810	$ 1,880,167	$ 3,514,519	$ 16,599,325
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	$ 142,963	$ 306,041	$ 600	$ 105,311	$ 265,000	$ 77,883	$ 147,084	$ 104,509	$ 55,182	$ -	$ 157,860	$ 1,362,433
Salaries and Benefits Payable	62,914	16,110	-	-	963	1,804	1,885	278	-	-	11,024	94,978
Due to Other Funds	847,341	-	-	-	514,480	158,309	263,901	329,167	-	-	31,994	2,145,192
Deferred Revenue	21,147	417,206	38,044	-	-	-	649,136	-	-	-	1,713,641	2,839,174
Other Liabilities	-	-	-	-	-	-	-	-	-	-	1,600,000	1,600,000
Total Liabilities	1,074,365	739,357	38,644	105,311	780,443	237,996	1,062,006	433,954	55,182	-	3,514,519	8,041,777
Fund Balances, Unreserved:												
Designated - Capital Projects	-	-	-	-	-	-	-	-	407,628	1,880,167	-	2,287,795
Designated - Public Works	-	-	-	404,373	-	-	-	-	-	-	-	404,373
Designated - Park Operations	-	-	-	-	-	5,865,380	-	-	-	-	-	5,865,380
Total Fund Balances	-	-	-	404,373	-	5,865,380	-	-	407,628	1,880,167	-	8,557,548
Total Liabilities and Fund Balances	$ 1,074,365	$ 739,357	$ 38,644	$ 509,684	$ 780,443	$ 6,103,376	$ 1,062,006	$ 433,954	$ 462,810	$ 1,880,167	$ 3,514,519	$ 16,599,325

City of Wilmington, Delaware

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds - Special Revenue Funds
For the Year Ended June 30, 2008

	Park Recreation Assistance	Community Development Block Grant	Section 8 Housing Assistance	Municipal Street Aid	Home Partnership Program	Wilmington Park Trust Commission	Delaware Criminal Justice Planning	Home for People with AIDS Grant	Cable Television	Housing Opportunities	Special Projects	Total Nonmajor Governmental Funds
REVENUES												
Intergovernmental	$1,333,129	$3,973,961	$ -	$1,255,251	$ 616,044	$ -	$ 853,788	$ 475,631	$ -	$ -	$ 1,588,018	$ 10,095,822
Program Revenue	85,311	514,745	388	-	-	-	-	-	-	-	12,838	613,282
Investment Earnings	-	-	212	-	-	(279,595)	-	-	-	-	-	(279,383)
Other/Private Contributions	-	-	-	-	-	100,231	-	-	-	-	658,501	758,732
Total Revenues	1,418,440	4,488,706	600	1,255,251	616,044	(179,364)	853,788	475,631	-	-	2,259,357	11,188,453
EXPENDITURES												
Current:												
General Governmental Services	-	-	-	-	-	-	-	-	-	-	360,486	360,486
Real Estate and Housing	-	4,488,706	600	-	616,044	-	-	475,631	-	419,833	221,731	6,222,545
Public Works	-	-	-	1,404,012	-	-	-	-	-	-	118,093	1,522,105
Parks and Recreation	1,418,440	-	-	-	-	366,880	-	-	-	-	195,991	1,981,311
Public Safety	-	-	-	-	-	-	853,788	-	-	-	1,216,512	2,070,300
Debt Service:												
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	12,838	12,838
Capital Outlays	-	-	-	-	-	17,895	-	-	286,468	-	133,706	438,069
Total Expenditures	1,418,440	4,488,706	600	1,404,012	616,044	384,775	853,788	475,631	286,468	419,833	2,259,357	12,607,654
Deficiency of Revenues Under Expenditures	-	-	-	(148,761)	-	(564,139)	-	-	(286,468)	(419,833)	-	(1,419,201)
Other Financing Sources												
Transfers in	-	-	945,996	-	-	-	-	-	195,241	-	-	1,141,237
Total Other Financing Sources	-	-	945,996	-	-	-	-	-	195,241	-	-	1,141,237
Net change in Fund Balances	-	-	945,996	(148,761)	-	(564,139)	-	-	(91,227)	(419,833)	-	(277,964)
Fund Balance - Beginning	-	-	-	553,134	-	6,429,519	-	-	498,855	2,300,000	-	9,781,508
Prior Period Adjustment	-	-	(945,996)	-	-	-	-	-	-	-	-	(945,996)
Fund Balance - Beginning	-	-	(945,996)	553,134	-	6,429,519	-	-	498,855	2,300,000	-	8,835,512
Fund Balance - Ending	$ -	$ -	$ -	$ 404,373	$ -	$ 5,865,380	$ -	$ -	$ 407,628	$ 1,880,167	$ -	$ 8,557,548

City of Wilmington, Delaware

Schedule of Revenues, Expenditures
Changes in Fund Balances - Budget and Actual
Non-Major Funds - Special Revenue Funds
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 1,418,440	$ 1,418,440	$ 1,418,440	$ -
Expenditures	1,418,440	1,418,440	1,418,440	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Commmunity Development Block Grant				
Revenues	$ 4,488,706	$ 4,488,706	$ 4,488,706	$ -
Expenditures	4,488,706	4,488,706	4,488,706	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Municipal Street Aid				
Revenues	$ 1,255,251	$ 1,404,012	$ 1,255,251	$ (148,761)
Expenditures	1,255,251	1,404,012	1,404,012	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (148,761)	$ (148,761)
Home Partnership Program				
Revenues	$ 616,044	$ 616,044	$ 616,044	$ -
Expenditures	616,044	616,044	616,044	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Home for People With Aids				
Revenues	$ 475,631	$ 475,631	$ 475,631	$ -
Expenditures	475,631	475,631	475,631	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -

CITY OF WILMINGTON, DELAWARE

INTERNAL SERVICE FUNDS

The Internal Service Funds account for certain services provided to operating departments of the City.

The primary services, accounted for in similarly named funds, include data processing, word processing, mail service, duplication and reproduction, mapping and graphics, motor vehicle, and communications. The costs of these funds are charged to the operating departments based on usage.

Additional internal service funds are as follows:

The Risk Management Fund accounts for the City's risk management efforts and includes an actuarially determined reserve under its self-insurance program. Under the self-insurance program, the City assumes the risk for general liability, automobile liability, police professional liability, public officials' liability, and certain property losses. The City pays insurance premiums to cover specific city-owned properties.

The Workers' Compensation Fund accounts for the administration and funding of the City's employee injury claims subject to the Workers' Compensation Laws of the State of Delaware. The City is completely self-insured for its workers' compensation exposure and starting in 1995, the City has contracted an actuary to determine those losses. The City reflects the liability in the Workers' Compensation Fund.

The Health and Welfare Fund accounts for the administration and funding of the City's employee health, life, and dental coverages in addition to an employee assistance program.

City of Wilmington, Delaware

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2008

	Data Processing	Word Processing	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
ASSETS											
Current Assets:											
Cash and Cash Equivalents	$ 335,677	$ 60,015	$ -	$ 16,023	$ 37,311	$ 150	$ 300	$ 10,009,728	$ 8,238,040	$ 1,402,949	$ 20,100,193
Receivables, Net (Note 4)	-	-	-	-	-	84,949	-	-	-	-	84,949
Prepaid Items and Other Assets	-	-	-	141	-	63,140	-	-	255,000	-	318,281
Total Current assets	335,677	60,015	-	16,164	37,311	148,239	300	10,009,728	8,493,040	1,402,949	20,503,423
Noncurrent Assets:											
Deferred Charges	35,328	-	-	-	-	12,645	5,886	-	-	-	53,859
Capital Assets, Net:											
Construction In Progress	163,418	-	-	-	-	-	-	-	-	-	163,418
Buildings and Improvements	31,223	-	-	-	-	-	9,683	-	-	-	40,906
Machinery and Equipment	2,740,434	-	28,449	-	-	473,953	1,264,735	192	-	-	4,507,763
Vehicles	-	-	-	-	-	11,648,757	-	-	-	-	11,648,757
Total Noncurrent Assets	2,970,403	-	28,449	-	-	12,135,355	1,280,304	192	-	-	16,414,703
Total Assets	3,306,080	60,015	28,449	16,164	37,311	12,283,594	1,280,604	10,009,920	8,493,040	1,402,949	36,918,126
LIABILITIES											
Current Liabilities:											
Accounts Payable	349,620	6,045	6,670	-	23,773	435,238	68,929	780,096	197,459	528,467	2,396,297
Salaries and Benefits Payable	10,287	4,561	1,158	1,158	3,010	-	4,915	2,012	4,419	1,566	33,086
Accrued Interest Payable	18,612	-	-	-	-	62,480	42,969	-	-	-	124,061
Due to Other Funds	-	-	17,321	-	-	4,753,595	510,982	-	-	-	5,281,898
Bonds Payable	190,434	-	-	-	-	160,952	69,555	-	-	-	420,941
Capital Lease	-	-	-	-	-	853,658	-	-	-	-	853,658
Claims Liability	-	-	-	-	-	-	-	2,111,794	2,393,477	865,848	5,371,119
Compensated Absences	58,899	49,409	3,300	15,006	10,528	-	22,040	9,484	23,204	7,068	198,938
Total Current Liabilities	627,852	60,015	28,449	16,164	37,311	6,265,923	719,390	2,903,386	2,618,559	1,402,949	14,679,998
Noncurrent Liabilities:											
Bonds Payable	2,678,228	-	-	-	-	3,070,978	561,214	-	-	-	6,310,420
Capital Lease	-	-	-	-	-	1,214,260	-	-	-	-	1,214,260
Claims Liability	-	-	-	-	-	-	-	4,603,030	5,874,481	-	10,477,511
Total Noncurrent Liabilities	2,678,228	-	-	-	-	4,285,238	561,214	4,603,030	5,874,481	-	18,002,191
Total Liabilities	3,306,080	60,015	28,449	16,164	37,311	10,551,161	1,280,604	7,506,416	8,493,040	1,402,949	32,682,189
NET ASSETS											
Invested in Capital Assets, Net of Related Debt	841,130	-	28,449	-	-	6,822,862	643,649	192	-	-	8,336,282
Restricted for:											
Capital Projects	774,717	-	-	-	-	-	-	-	-	-	774,717
Unrestricted	(1,615,847)	-	(28,449)	-	-	(5,090,429)	(643,649)	2,503,312	-	-	(4,875,062)
Total Net Assets	$ -	$ -	$ -	$ -	$ -	$ 1,732,433	$ -	$ 2,503,504	$ -	$ -	$ 4,235,937

City of Wilmington, Delaware

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2008

	Data Processing	Word Processing	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
OPERATING REVENUES											
Charges for Services	$2,631,174	$ 391,244	$ 335,947	$ 226,651	$ 341,161	$6,002,505	$ 1,314,200	$3,749,406	$(3,444,433)	$11,159,672	$22,707,527
Employee Contributions	-	-	-	-	-	-	-	-	-	451,892	451,892
Other	-	-	-	-	-	228,430	-	471,044	-	-	699,474
Total Operating Revenues	2,631,174	391,244	335,947	226,651	341,161	6,230,935	1,314,200	4,220,450	(3,444,433)	11,611,564	23,858,893
OPERATING EXPENSES											
Personal Services	583,657	273,138	75,645	75,194	170,008	-	284,240	120,142	290,087	87,872	1,959,983
Materials, Supplies, Equipment and Contractual Services	1,744,229	118,106	252,174	151,457	171,153	3,636,343	846,806	630,123	539,644	489,493	8,579,528
Depreciation and Amortization	255,307	-	8,128	-	-	2,583,725	144,900	128	-	-	2,992,188
Claims Expense	-	-	-	-	-	-	-	3,326,944	(4,274,164)	11,034,199	10,086,979
Insurance Premiums	-	-	-	-	-	-	-	143,113	-	-	143,113
Total Operating Expenses	2,583,193	391,244	335,947	226,651	341,161	6,220,068	1,275,946	4,220,450	(3,444,433)	11,611,564	23,761,791
Operating Income	47,981	-	-	-	-	10,867	38,254	-	-	-	97,102
NON-OPERATING REVENUES (EXPENSES)											
Interest Expense	(42,268)	-	-	-	-	(258,211)	(36,753)	-	-	-	(337,232)
Bond Issuance Costs	(5,713)	-	-	-	-	(1,229)	(1,501)	-	-	-	(8,443)
Gain on Sale of Assets	-	-	-	-	-	88,623	-	-	-	-	88,623
Total Non-Operating Revenues (Expenses)	(47,981)	-	-	-	-	(170,817)	(38,254)	-	-	-	(257,052)
Change in Net Assets	-	-	-	-	-	(159,950)	-	-	-	-	(159,950)
Total Net Assets - Beginning	-	-	-	-	-	1,892,383	-	2,503,504	-	-	4,395,887
Total Net Assets - Ending	$ -	$ -	$ -	$ -	$ -	$1,732,433	$ -	$2,503,504	$ -	$ -	$ 4,235,937

City of Wilmington, Delaware

Combining Statement of Cash Flows
Internal Service Funds
June 30, 2008

	Data Processing	Word Processing	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
Cash Flows From Operating Activities:											
Receipts from Customers and Users	$ 2,631,174	$ 391,244	$ 335,947	$ 226,651	$ 341,161	$ 6,230,935	$ 1,314,200	$ 4,220,450	$ (3,444,433)	$ 11,611,564	$ 23,858,893
Payments to Suppliers	(1,513,830)	(107,047)	(257,628)	(174,455)	(152,725)	(3,622,769)	(864,916)	(2,201,173)	(2,979,069)	(11,498,223)	(23,371,835)
Payments to Employees	(578,264)	(294,817)	(70,389)	(70,312)	(166,040)	-	(295,384)	(115,802)	(301,473)	(74,054)	(1,966,535)
Net Cash Provided by (Used in) Operating Activities	539,080	(10,620)	7,930	(18,116)	22,396	2,608,166	153,900	1,903,475	(6,724,975)	39,287	(1,479,477)
Cash Flows from Noncapital Financing Activities		-									
Advances From (To) Other Funds	-	-	(7,930)	-	-	(340,099)	410,305	-	-	-	62,276
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	(7,930)	-	-	(340,099)	410,305	-	-	-	62,276
Cash Flows from Capital and Related Financing Activities:											
Proceeds from Bonds	690,000	-	-	-	-	-	-	-	-	-	690,000
Acquisition and Construction of Capital Assets	(459,006)	-	-	-	-	(1,012,494)	(474,219)	-	-	-	(1,945,719)
Principal Paid on Bonds	(572,667)	-	-	-	-	(148,415)	(66,699)	-	-	-	(787,781)
Interest Paid on Bonds	(97,841)	-	-	-	-	(225,090)	(23,287)	-	-	-	(346,218)
Principal Paid on Capital Leases	-	-	-	-	-	(830,004)	-	-	-	-	(830,004)
Interest Paid on Capital Leases	-	-	-	-	-	(140,687)	-	-	-	-	(140,687)
Proceeds from Sale of Capital Assets	-	-	-	-	-	88,623	-	-	-	-	88,623
Net Cash Provided by (Used in) Capital and Related Financing Activities	(439,514)	-	-	-	-	(2,268,067)	(564,205)	-	-	-	(3,271,786)
Net Increase (Decrease) in Cash and Cash Equivalents	99,566	(10,620)	-	(18,116)	22,396	-	-	1,903,475	(6,724,975)	39,287	(4,688,987)
Cash and Cash Equivalents - July 1, 2007	236,111	70,635	-	34,139	14,915	150	300	8,106,253	14,963,015	1,363,662	24,789,180
Cash and Cash Equivalents - June 30, 2008	$ 335,677	$ 60,015	$ -	$ 16,023	$ 37,311	$ 150	$ 300	$ 10,009,728	$ 8,238,040	$ 1,402,949	$ 20,100,193
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:											
Operating Income	$ 47,981	$ -	$ -	$ -	$ -	$ 10,867	$ 38,254	$ -	$ -	$ -	97,102
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:											
Depreciation and Amortization	255,307	-	8,128	-	-	2,583,725	144,900	128	-	-	2,992,188
Changes in Assets and Liabilities:											
(Increase) in Prepaid Expenses	-	-	-	(141)	-	-	-	-	-	-	(141)
Increase (Decrease) in Accounts Payable	230,399	219	(2,826)	(20,416)	18,428	13,574	(23,682)	686,027	(51,641)	212,171	1,062,253
Increase (Decrease) in Compensated Absences	9,919	(11,812)	2,363	2,857	3,262	-	(6,695)	2,876	(4,734)	6,477	4,513
Increase (Decrease) in Accrued Salaries	(4,526)	973	265	(416)	706	-	1,123	(706)	(959)	432	(3,108)
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	1,215,150	(6,667,641)	(179,793)	(5,632,284)
Net Cash Provided by (Used In) Operating Activities	$ 539,080	$ (10,620)	$ 7,930	$ (18,116)	$ 22,396	$ 2,608,166	$ 153,900	$ 1,903,475	$ (6,724,975)	$ 39,287	$ (1,479,477)

CITY OF WILMINGTON, DELAWARE

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Retirement Funds

The following pension funds account for the City's pension plans in the following six pension funds:

Uniformed Plans	Non-Uniformed Plans
Fire Pension	Plan I
Police Pension	Plan II
	Plan III
	Park Trust

The Police and Fire Pension Funds represent the consolidated financial activity of the old and 1984 Police and Fire Pension Plans, respectively. Both funds include contributions from employees, the State of Delaware, and the City.

Non-Uniformed Plan I and Plan II represent the old and 1979 pension plans for non-uniformed employees and are noncontributory plans solely funded by the City. Both plans are closed.

In fiscal year 1991 and again in 2006, the City offered its active non-uniformed employees an option to transfer to Plan III. This plan is contributory for employees based on options taken. The City also contributes to the plan.

The Park Trust Commission Employees Plan is a single-employer defined benefit plan that covers all Park Trust Commission employees.

Post Retirement Benefit Fund

The Retiree Medical Program is a post-employment healthcare benefit program that provides post-retirement health care benefits to all employees who retire from the City on or after January 1, 2000, and meet certain eligibility requirements.

AGENCY FUNDS

The Escrow Loans and Grants Fund accounts for loans and grants received by the City from the U.S. Department of Housing and Urban Development and the State of Delaware on behalf of homeowners in the City. The City acts as an agent for these funds.

The Emergency Shelter Grant Fund accounts for United States Department of Housing and Urban Development grants to subgrantee agencies involved in shelter activities. The City acts as a conduit for the funds to reach these agencies.

City of Wilmington

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2008

	Fire Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	Total Retirement Funds	Post - Retirement Healthcare Benefit	Total Pension Funds
ASSETS									
Cash and Cash Equivalents	$ 4,411,993	$ 3,251,372	$ 46,743	$ 1,251	$ 2,648,770	$ -	$ 10,360,129	$ 12,716	$ 10,372,845
Receivables:									
Securities Receivable	-	-	-	-	-	-	-	-	-
Accrued Interest Receivable	204,919	357,946	42,742	76,223	197,996	-	879,826	22,799	902,625
Total Receivables	204,919	357,946	42,742	76,223	197,996	-	879,826	22,799	902,625
Investments, at Fair Value:									
Money Market Mutual Funds	1,288,061	2,249,953	268,666	479,116	1,244,549	7,245	5,537,590	135,208	5,672,798
U.S. Government Obligations	2,924,107	5,107,759	609,913	1,087,670	2,825,329	-	12,554,778	400,760	12,955,538
U.S. Agencies - Government Guaranteed	27,980	48,875	5,836	10,408	27,035	-	120,134	-	120,134
U.S. Agencies - Other	4,107,282	7,174,500	856,701	1,527,772	3,968,535	-	17,634,790	1,747,574	19,382,364
Foreign Government Obligations	233,992	408,731	48,807	87,037	226,087	-	1,004,654	-	1,004,654
Corporate Bonds	6,881,257	12,020,009	1,435,300	2,559,598	6,648,802	-	29,544,966	623,401	30,168,367
Stocks	21,480,634	37,521,843	4,480,454	7,990,079	20,755,002	-	92,228,012	1,415,385	93,643,397
Other Mutual Funds	-	-	-	-	-	214,838	214,838	-	214,838
Total Investments	36,943,313	64,531,670	7,705,677	13,741,680	35,695,339	222,083	158,839,762	4,322,328	163,162,090
Due from Governments	-	-	-	-	-	-	-	15,757	15,757
Total Assets	41,560,225	68,140,988	7,795,162	13,819,154	38,542,105	222,083	170,079,717	4,373,600	174,453,317
LIABILITIES									
Accounts Payable	576	903	1,342	1,814	15,271	8,910	28,816	76,941	105,757
Securities Payable	126,554	221,061	26,397	47,074	122,279	-	543,365	-	543,365
Salaries and Benefits Payable	574	574	574	1,183	2,982	-	5,887	-	5,887
Due to Governments	-	-	-	-	9,033,951	-	9,033,951	-	9,033,951
Compensated Absences	1,920	1,924	1,896	3,813	9,523	-	19,076	-	19,076
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	178,646	-	178,646
Total Liabilities	175,050	301,801	69,120	62,401	9,192,459	8,910	9,809,741	76,941	9,886,682
Net Assets									
Held in Trust for Pension & OPEB Benefits	$ 41,385,175	$67,839,187	$ 7,726,042	$13,756,753	$29,349,646	$ 213,173	$160,269,976	$ 4,296,659	$164,566,635

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Asset
Pension Trust Funds
For the Year Ended June 30, 2008

	Fire Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	Total Retirement Funds	Post - Retirement Healthcare Benefit	Total Pension Funds
ADDITIONS									
Contributions:									
City									
Paid Directly by the City	$ 313,810	$ 3,906,023	$ 503,792	$ -	$ 2,806,748	$ 7,462	$ 7,537,835	$ 1,173,646	$ 8,711,481
Paid by the State									
On-Behalf of the City	4,648,359	2,773,847	46,200	-	-	-	7,468,406	-	7,468,406
Employees	281,730	529,890	-	-	534,997	-	1,346,617	43,722	1,390,339
Federal Drug Subsidies & Other	-	-	-	-	-	-	-	35,365	35,365
Total Contributions	5,243,899	7,209,760	549,992	-	3,341,745	7,462	16,352,858	1,252,733	17,605,591
Investment Income (Loss)									
Investment Earnings	1,410,363	2,307,579	284,414	499,611	1,160,219	11,940	5,674,126	149,786	5,823,912
Net Depreciation in Fair Value	(3,333,404)	(5,918,784)	(739,500)	(1,299,028)	(2,750,564)	(21,982)	(14,063,262)	(467,969)	(14,531,231)
Total Investment Earnings	(1,923,041)	(3,611,205)	(455,086)	(799,417)	(1,590,345)	(10,042)	(8,389,136)	(318,183)	(8,707,319)
Less: Investment Expense	(200,492)	(355,992)	(44,478)	(78,132)	(165,436)	-	(844,530)	(14,405)	(858,935)
Net Investment Income (Loss)	(2,123,533)	(3,967,197)	(499,564)	(877,549)	(1,755,781)	(10,042)	(9,233,666)	(332,588)	(9,566,254)
Total Additions	3,120,366	3,242,563	50,428	(877,549)	1,585,964	(2,580)	7,119,192	920,145	8,039,337
DEDUCTIONS									
Benefits Paid	6,175,116	8,084,443	1,152,702	851,958	1,819,490	18,480	18,102,189	666,721	18,768,910
Administrative Expenses	74,518	84,760	47,380	81,348	210,277	3,138	501,421	54,150	555,571
Total Deductions	6,249,634	8,169,203	1,200,082	933,306	2,029,767	21,618	18,603,610	720,871	19,324,481
Net Increase (Decrease) in Plan Net Assets	(3,129,268)	(4,926,640)	(1,149,654)	(1,810,855)	(443,803)	(24,198)	(11,484,418)	199,274	(11,285,144)
Net Assets - Beginning	44,514,443	72,765,827	8,875,696	15,567,608	29,793,449	237,371	171,754,394	4,097,385	175,851,779
Net Assets - Ending	$ 41,385,175	$ 67,839,187	$ 7,726,042	$ 13,756,753	$ 29,349,646	$ 213,173	$ 160,269,976	$ 4,296,659	$ 164,566,635

City of Wilmington, Delaware

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2008

	Balance at June 30, 2007	Additions	Deductions	Balance at June 30, 2008
ESCROW LOANS AND GRANTS				
ASSETS				
Cash and Cash Equivalents	$ 9,883	$ -	$ 9,883	$ -
Due from Other Governmental Agencies	-	209,206	-	209,206
Total Assets	$ 9,883	$ 209,206	$ 9,883	$ 209,206
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
Funds Held in Escrow	9,883	223,958	81,274	152,567
Due to Governments	-	56,639	-	56,639
				-
Total Liabilities	$ 9,883	$ 280,597	$ 81,274	$ 209,206
EMERGENCY SHELTER GRANT				
ASSETS				
Due from Federal Government	$ 141,740	$ 64,159	$ -	$ 205,899
Total Assets	$ 141,740	$ 64,159	$ -	$ 205,899
LIABILITIES				
Accounts Payable	$ 7,806	$ 99,197	$ 103,963	$ 3,040
Accrued Wages and Fringes	53	-	18	35
Due to Governments	133,881	106,490	37,547	202,824
Total Liabilities	$ 141,740	$ 205,687	$ 141,528	$ 205,899
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 9,883	$ -	$ 9,883	$ -
Due from Governments	141,740	273,365	-	415,105
Total Assets	$ 151,623	$ 273,365	$ 9,883	$ 415,105
LIABILITIES				
Accounts Payable	$ 7,806	$ 99,197	$ 103,963	$ 3,040
Accrued Wages and Fringes	53	-	18	35
Due to Governments	133,881	163,129	37,547	259,463
Funds Held in Escrow	9,883	223,958	81,274	152,567
Total Liabilities	$ 151,623	$ 486,284	$ 222,802	$ 415,105

CITY OF WILMINGTON, DELAWARE

STATISTICAL SECTION
(Unaudited)

This part of the City of Wilmington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 103

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 108

These schedules contain information to help the reader assess the City's most consistent year-to-year revenue source, the property tax.

Debt Capacity 112

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 116

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

Operating Information 118

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 services it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The City implemented GASB 34 in in phases starting in 2002 and implemented the final provisions with regard to infrastructure in 2006; schedules presenting government-wide information include information beginning in 2002 unless otherwise explained.

SEAL OF THE CITY OF WILMINGTON
DELAWARE

Table I

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	$ 31,108,977	$ 29,844,049	$ 46,418,603	$ 29,495,222	$ 44,920,136	$ 72,981,412	$ 77,387,019
Restricted	9,718,750	12,574,298	18,881,357	18,550,295	47,553,927	37,550,546	32,130,891
Unrestricted	13,921,976	10,890,569	19,257,293	47,765,158	37,510,699	42,222,663	39,978,018
Total Governmental Activities Net Assets	$ 54,749,703	$ 53,308,916	$ 84,557,253	$ 95,810,675	$ 129,984,762	$ 152,754,621	$ 149,495,928
BUSINESS-TYPE ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	$ 64,050,844	$ 71,695,507	$ 81,489,353	$ 83,342,256	$ 82,303,094	$ 99,552,941	$ 102,115,411
Restricted	-	-	-	-	13,216,350	13,216,350	35,632,265
Unrestricted	16,996,490	7,139,685	177,269	(8,916,359)	(22,727,559)	(29,954,329)	(50,893,003)
Total Business-type Activities Net Assets	$ 81,047,334	$ 78,835,192	$ 81,666,622	$ 74,425,897	$ 72,791,885	$ 82,814,962	$ 86,854,673
PRIMARY GOVERNMENT							
Invested in Capital Assets, Net of Related Debt	$ 95,159,821	$ 101,539,556	$ 127,907,956	$ 112,837,478	$ 127,223,230	$ 172,534,353	$ 179,502,430
Restricted	9,718,750	12,574,298	18,881,357	18,550,295	60,770,277	50,766,896	67,763,156
Unrestricted	30,918,466	18,030,254	19,434,562	38,848,799	14,783,140	12,268,334	(10,914,985)
Total Primary Government Net Assets	$ 135,797,037	$ 132,144,108	$ 166,223,875	$ 170,236,572	$ 202,776,647	$ 235,569,583	$ 236,350,601

Note: The first year available for presentations of net assets is 2002.
Governmental activities infrastructure was not fully included in net assets until June 30, 2006.
Net assets for 2004 and 2005 are as restated in 2006 to reflect additions of infrastructure and other items; the main net effect was to add $19,442,011 to governmental activities net assets to 2004 and reduce business activities by $7,520,427 for 2005.
Net assets for 2007 are as restated in 2008 to record less revenue than anticipated when a grant ended.

Table II

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008
EXPENSES							
Governmental Activities:							
General Government	$ 34,331,721	$ 34,206,686	$ 27,860,683	$ 33,731,581	$ 17,908,626	$ 21,059,597	$ 22,779,627
Commerce	3,482,407	2,722,144	1,906,066	2,112,027	2,541,506	1,678,227	7,022,739
Real Estate and Housing	7,870,595	8,080,851	8,108,654	9,058,065	7,178,124	6,554,301	7,427,235
Public Works	12,453,280	16,807,245	14,338,205	14,583,093	16,916,066	18,308,616	21,562,949
Parks and Recreation	5,341,614	6,305,699	8,559,178	7,311,483	7,805,055	9,641,670	11,460,259
Public Safety	46,868,653	47,597,878	48,632,268	65,426,116	65,487,887	74,738,935	74,915,049
Interest on Long-Term Debt	6,711,160	7,701,464	5,502,044	6,116,357	7,473,268	5,342,897	4,569,496
Total Governmental Activities Expenses	117,059,430	123,421,967	114,907,098	138,338,722	125,310,532	137,324,243	149,737,354
Business-type Activities:							
Water/Sewer	34,847,458	39,011,421	35,987,710	38,501,176	42,614,504	46,666,607	48,562,013
Total Business-Type Activities Expenses	34,847,458	39,011,421	35,987,710	38,501,176	42,614,504	46,666,607	48,562,013
Total Primary Government Expenses	$ 151,906,888	$ 162,433,388	$ 150,894,808	$ 176,839,898	$ 167,925,036	$ 183,990,850	$ 198,299,367
PROGRAM REVENUES							
Governmental Activities:							
Charges for Services:							
General Government	$ 3,719,035	$ 8,836,198	$ 8,929,547	$ 9,312,768	$ 8,304,184	$ 7,129,053	$ 7,137,885
Commerce	-	-	-	-	-	-	1,360
Real Estate and Housing		-	-	-	735,375	1,000	527,971
Public Works	1,919	9,140	6,194	19,329	29,839	217,669	263,071
Parks and Recreation	1,010,552	2,509,403	-	-	78,494	-	85,311
Public Safety	7,202,081	6,964,442	6,516,985	8,034,678	9,209,946	12,085,150	11,609,610
Operating Grants and Contributions	9,031,393	9,062,321	11,751,700	24,244,134	26,298,656	19,969,298	18,322,960
Capital Grants and Contributions	4,674,657	1,986,087	2,300,217	5,211,389	11,066,220	8,135,550	1,639,225
Total Governmental Activities Revenues	25,639,637	29,367,591	29,504,643	46,822,298	55,722,714	47,537,720	39,587,393
Business-type Activities:							
Charges for Services:							
Water	34,631,018	38,799,279	37,917,607	38,632,385	40,980,492	51,143,730	52,221,925
Operating Grants and Contributions	-	-	1,901,533	148,493	-	-	-
Total Business-type Activities Revenues	34,631,018	38,799,279	39,819,140	38,780,878	40,980,492	51,143,730	52,221,925
Total Primary Government Revenues	$ 60,270,655	$ 68,166,870	$ 69,323,783	$ 85,603,176	$ 96,703,206	$ 99,627,446	$ 91,809,318

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS

Governmental Activities:							
Taxes							
Property Taxes	$ 26,088,116	$ 28,598,639	$ 29,068,010	$ 28,417,535	$ 30,403,939	$ 30,323,434	$ 30,268,835
Income Taxes	44,096,406	40,625,407	44,270,947	47,348,120	54,791,274	52,786,285	54,438,848
Other Taxes	8,825,894	3,262,024	8,400,361	9,313,482	6,158,544	5,940,697	4,978,122
Lodging & Natural Gas Taxes	-	-	-	-	-	1,303,322	1,227,140
Investment Earnings	3,430,624	2,649,356	2,857,460	3,113,915	5,268,048	6,523,991	3,471,478
Payments from Component Units	275,000	275,000	275,000	275,000	275,000	275,000	500,000
Other Revenues including Capital Asset Sales Gains	2,302,762	3,040,798	1,840,997	1,583,993	11,614	10,002,069	-
Grants, Entitlements, and Contributions not Restricted to Specific Programs	11,997,471	14,162,365	10,496,006	11,472,394	6,853,486	10,401,584	12,006,845
Transfers	-	-	-	-	-	(5,000,000)	-
Total Governmental Activities	97,016,273	92,613,589	97,208,781	101,524,439	103,761,905	112,556,382	106,891,268
Business-type Activities:							
Investment Earnings	-	-	-	-	-	500,000	379,799
Transfers	-	-	-	-	-	5,000,000	-
Other Revenues including Capital Asset Sales Gains	(1,000,000)	(2,000,000)	(1,000,000)	-	-	45,954	-
Total Business-type Activities	(1,000,000)	(2,000,000)	(1,000,000)	-	-	5,545,954	379,799
Total Primary Government	$ 96,016,273	$ 90,613,589	$ 96,208,781	$ 101,524,439	$ 103,761,905	$ 118,102,336	$ 107,271,067
CHANGE IN NET ASSETS							
Governmental Activities	$ 5,596,480	$ (1,440,787)	$ 11,806,326	$ 10,008,015	$ 34,174,087	$ 22,769,859	$ (3,258,693)
Business-type Activities	(1,216,440)	(2,212,142)	2,831,430	279,702	(1,634,012)	10,023,077	4,039,711
Total Primary Government	$ 4,380,040	$ (3,652,929)	$ 14,637,756	$ 10,287,717	$ 32,540,075	$ 32,792,936	$ 781,018

Note: The first year available for presentations of net assets is 2002.
Governmental activities infrastructure was not fully included in net assets until June 30, 2006.
Net assets for 2004 and 2005 are as restated in 2006 to reflect additions of infrastructure and other items;
the net effect was to add $16,108,901 of net assets to 2004.
Net assets for 2007 are as restated in 2008 to record $945,996 less revenue than anticipated when a grant ended.

Table III

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND										
Unreserved, reported in:										
Undesignated	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	25,263,230
Encumbrances	-	-	-	-	-	-	-	-	-	$ 1,008,833
Special Designations	-	-	-	-	-	-	-	20,378,110	5,500,000	18,562,766
Permanent Investment Reserves	880,804	1,498,300	2,835,512	4,281,764	3,283,362	9,434,759	12,440,414	15,661,377	19,880,198	-
Budget Reserve Account	17,093,130	10,838,626	9,706,536	11,152,791	10,154,389	16,305,786	19,311,440	22,004,929	26,223,749	15,200,256
Total General Fund	$ 17,973,934	$ 12,336,926	$ 12,542,048	$ 15,434,555	$ 13,437,751	$ 25,740,545	$ 31,751,854	$ 58,044,416	$ 51,603,947	$ 60,035,085
ALL OTHER GOVERNMENTAL FUNDS										
Reserved, reported in:										
Park Operations	$ -	$ -	$ 5,375,816	$ 5,050,276	$ 4,884,615	$ 5,396,359	$ 5,396,359	$ 5,911,539	$ 6,429,519	$ 5,865,380
Unreserved, reported in:										
Special Revenue Funds	-	-	-	5,399,098	7,689,683	13,484,998	12,786,316	16,913,148	16,627,586	2,913,982
Capital Projects Funds	14,014,469	5,330,105	(548,079)	13,825,180	7,520,107	609,248	(2,674,890)	23,757,025	13,934,737	25,490,794
Total All Other Governmental Funds	$ 14,014,469	$ 5,330,105	$ 4,827,737	$ 24,274,554	$ 20,094,405	$ 19,490,605	$ 15,507,785	$ 46,581,712	$ 36,991,842	$ 34,270,156

Table IV

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 23,564,697	$ 22,744,851	$ 22,716,220	$ 26,088,116	$ 28,598,639	$ 29,068,010	$ 28,417,535	$ 30,289,277	$ 30,227,452	$ 30,503,671
Wage Taxes	35,184,760	34,649,986	38,557,371	41,225,538	37,369,184	41,030,254	43,801,665	51,536,049	47,836,558	49,791,625
Net Profit	2,088,700	2,608,936	1,288,704	3,014,110	3,256,223	3,240,693	3,546,455	3,541,769	4,093,904	4,599,819
Franchise	1,711,664	1,576,913	1,451,078	2,066,036	1,840,354	2,431,540	2,689,238	2,841,710	2,044,715	1,814,216
Real Estate Transfer	3,150,781	2,694,184	2,336,701	4,235,821	3,262,024	6,033,039	6,021,220	5,663,155	5,940,697	4,978,122
Head Taxes	3,353,649	2,634,739	3,299,688	2,524,037	2,573,858	2,500,666	2,433,334	2,239,433	2,154,655	2,420,998
Lodging & Natural Gas	-	-	-	-	-	2,367,322	3,292,262	495,389	1,303,322	1,227,140
Intergovernmental	16,366,478	13,565,758	14,249,138	20,462,343	20,412,105	16,758,565	25,839,008	52,478,305	40,398,789	31,908,829
Licenses and Permits	2,578,393	2,867,953	2,710,586	2,575,989	2,811,199	2,479,805	4,174,056	4,395,440	4,597,081	4,380,848
Fines and Forfeitures	2,284,145	2,049,087	1,992,739	4,142,057	3,394,601	2,783,406	2,818,007	3,705,122	4,512,276	5,422,146
Charges for Services	1,117,251	1,154,005	1,368,606	4,085,950	4,745,897	5,125,897	4,561,492	4,865,271	4,512,407	6,241,932
Investment Earnings	2,739,961	3,400,027	2,962,419	3,430,624	2,649,356	2,857,460	3,113,915	5,268,048	6,523,991	3,471,478
Other	3,527,436	3,825,361	3,515,498	719,603	660,709	1,333,567	1,303,121	-	-	-
Total Revenues	97,667,915	93,771,800	96,448,748	114,570,224	111,574,149	118,010,224	132,011,308	167,318,968	154,145,847	146,760,824
EXPENDITURES										
General Government	17,152,463	15,004,184	15,328,398	15,221,564	14,495,849	13,439,612	14,639,238	18,008,485	20,628,512	21,400,596
Commerce	-	-	-	3,281,376	2,575,276	1,810,417	1,236,442	1,746,783	1,613,148	6,892,580
Real Estate and Housing	6,181,177	6,652,541	6,741,099	7,564,299	7,956,163	7,935,627	8,863,045	7,157,916	6,567,453	6,712,025
Public Works	10,975,927	10,160,894	12,229,271	14,092,783	14,583,648	11,570,411	14,065,151	13,380,676	15,202,695	16,346,719
Parks and Recreation	7,440,123	7,416,208	7,251,154	5,850,726	7,032,067	6,390,136	7,449,084	7,164,413	9,155,818	9,148,917
Public Safety	39,238,255	43,291,315	44,820,879	53,278,040	54,110,914	50,891,648	64,731,825	66,443,211	74,677,708	74,088,201
Pensions and Retirement	5,155,435	6,241,575	4,028,643	-	-	-	-	-	-	
Debt Service:										
Principal	5,336,199	5,320,342	4,730,061	7,963,411	9,156,620	8,660,870	9,574,847	11,490,624	11,649,630	12,490,844
Interest	3,336,915	3,904,631	3,732,657	4,713,784	5,820,204	5,502,554	4,611,213	4,818,692	6,173,566	5,059,028
Capital Outlay - Capital Projects	16,127,369	12,801,482	7,432,548	3,757,293	6,655,980	7,664,015	9,495,688	18,274,564	29,855,631	9,936,079
Total Expenditures	110,943,863	110,793,172	106,294,710	115,723,276	122,386,721	113,865,290	134,666,533	148,485,364	175,524,161	162,074,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,275,948)	(17,021,372)	(9,845,962)	(1,153,052)	(10,812,572)	4,144,934	(2,655,225)	18,833,604	(21,378,314)	(15,314,165)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	-	-	-	2,984,528	3,338,894	2,054,060	1,813,433	1,579,114	10,002,069	500,000
Bond Anticipation Notes	-	-	-	-	-	4,500,000	1,350,000	-	-	
Bond Anticipation Note Repayment	-	-	-	-	-	-	(4,500,000)	-	-	
Bonds Issued	31,234,543	-	-	18,775,000	-	-	21,311,195	34,155,000	27,356,540	34,100,000
Premium on Debt Issued	-	-	-	491,355	-	-	777,555	1,365,925	883,112	1,061,991
Current Refunding	-	-	-	16,109,522	-	-	-	-	-	
Payment to Refunded Bond Escrow Agent	-	-	-	(16,135,121)	-	-	(17,191,175)	-	(27,893,746)	(13,692,378)
Transfers In	2,902,852	6,108,857	4,626,243	1,240,187	2,348,388	3,051,615	-	645,992	8,859,255	1,666,236
Transfers Out	(1,094,367)	(3,408,857)	(426,243)	(40,187)	(73,388)	(2,051,615)	-	(645,992)	(13,859,255)	(1,666,236)
Total Other Financing Sources (Uses)	33,043,028	2,700,000	4,200,000	23,425,284	5,613,894	7,554,060	3,561,008	37,100,039	5,347,975	21,969,613
Net Change in Fund Balances	19,767,080	(14,321,372)	(5,645,962)	22,272,232	(5,198,678)	11,698,994	905,783	55,933,643	(16,030,339)	6,655,448
Prior Period Adjustments	-	-	-	-	(978,275)	-	-	2,556,183	-	-
Net Change in Fund Balances	$ 19,767,080	$ (14,321,372)	$ (5,645,962)	$ 22,272,232	$ (6,176,953)	$ 11,698,994	$ 905,783	$ 58,489,826	$ (16,030,339)	$ 6,655,448
Debt Service as a Percentage of Noncapital Expenditures	9.15%	9.41%	8.56%	11.32%	12.94%	13.34%	11.33%	12.53%	12.24%	7.26% (A)

Notes Within expenditures of 1999 to 2008, departments have been reclassified to their current categories for comparative purposes.
(A) Excldues $6,500,000 of Principal Debt Service for bonds prefunded.

Table V

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate[1]
	Residential Property	Commercial / Industrial	Public Utilities	Other			
2008	$ 997,955,800	$ 2,406,394,910	$ 123,900,000	$ 236,342,000	$ 1,403,978,865	$ 2,360,613,845	$1.3969
2007	985,955,800	2,390,860,410	125,594,500	237,787,300	1,414,647,350	2,325,550,660	1.3969
2006	986,012,500	2,336,804,824	137,639,800	239,301,300	1,406,173,892	2,293,584,532	1.3969
2005	966,441,600	2,336,804,824	137,516,600	272,381,300	1,409,994,116	2,303,150,208	1.3067
2004	963,910,000	2,351,743,885	137,476,200	55,157,325	1,408,520,233	2,099,767,177	1.3067
2003	960,662,500	2,302,888,985	143,009,600	55,052,025	1,391,041,380	2,070,571,730	1.3067
2002	959,498,000	2,344,793,585	142,824,900	54,781,025	1,411,496,580	2,090,400,930	1.3067
2001	958,485,800	2,382,349,285	146,315,200	55,180,725	1,450,839,124	2,091,491,886	1.3067
2000	585,693,367	1,414,582,677	74,355,319	35,481,828	n/a	2,110,113,191	1.0819
1999	583,621,605	1,409,578,899	74,092,303	35,356,319	n/a	2,102,649,126	1.0819

Source: New Castle County Board of Taxable Assessment

Notes: Property in the city is assessed at ESTIMATED actual value; therefore, the assessed values are equal to actual value.
[1] Tax rate per $100 of assessed value.

Table VI

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(per $100 of Assessed Value)
LAST TEN FISCAL YEARS
(Unaudited)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City of Wilmington Direct Rates										
City	$1.0819	$ 1.0819	$ 1.0819	$1.3067	$1.3067	$1.3067	$1.3067	$1.3969	$1.3969	$1.3969
School District	1.0253	1.0253	1.0253	1.0870	1.0870	1.0870	1.0870	1.0870	1.0870	1.0870
New Castle County	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580
Total Direct Tax Rate	$2.2652	$ 2.2652	$ 2.2652	$ 2.5517	$ 2.5517	$ 2.5517	$2.5517	$2.6419	$2.6419	$2.6419

Sources: City of Wilmington, Revenue Division

Notes: The city's basic property tax rate may be increased by majority vote of the thirteen City Council members.
Real property was taxed at 100% of the assessed value of the property.
Overlapping rates are those of State, Local and County governments that apply to property owners within the City of Wilmington.

Table VII

PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
(Unaudited)

	1999			2008		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
BPG Office Partners VIII. LLC	$ -		-	$ 102,656,000	1	2.73%
Bank of America (formerly MBNA) and Related Entities	80,173,970	3	3.80%	86,565,600	2	2.30%
Delmarva Power & Light	89,202,701	2	4.30%	80,923,200	3	2.15%
MacQuarie BDN Christina	-		-	59,472,000	4	1.58%
Hercules Incorporated	58,559,299	4	2.80%	58,084,300	5	1.54%
E.I. Du Pont Nemours & Company	116,457,415	1	5.60%	52,839,800	6	1.40%
1201 Market Street LLC	-		-	51,775,000	7	1.38%
B&R 919, LLC	-		-	42,389,100	8	1.13%
Hub Properties Trust	36,072,400	7	1.70%	31,120,000	9	0.83%
Verizon	47,721,200	6	2.30%	27,706,000	10	0.74%
222 Delaware Partners, LP				27,609,000	11	0.73%
Rodney Square Investors, L.P.	27,054,360	8	1.30%	27,054,360	12	0.72%
100 West Tenth Street Corp	23,112,398	10	1.10%	-		-
Bassett Partners L.P.	51,775,000	5	2.50%	-		-
Tatten Partners	25,592,900	9	1.20%	-		-
Ruebstein Company, LP	16,023,400	11	0.80%	-		-
Arden MB Partners. LLC	14,500,000	12	0.70%	-		-
Wilmington Saving Fund Society	12,606,899	13	0.60%	-		-
Totals	$ 598,851,942		28.70%	$ 648,194,360		17.23%

Source: City of Wilmington's Revenue Division

Table VIII

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Tax Levy[1] for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 30,426,934	$ 29,066,946	95.5%	n/a	29,066,946	95.5%
2007	29,760,304	28,873,327	97.0%	$ 749,055	29,622,382	99.5%
2006	29,408,355	28,611,393	97.3%	756,355	29,367,748	99.9%
2005	28,718,484	26,965,293	93.9%	1,719,305	28,684,598	99.9%
2004	28,086,411	23,480,668	83.6%	4,582,263	28,062,931	99.9%
2003	28,737,675	27,107,949	94.3%	1,605,703	28,713,652	99.9%
2002	28,247,996	24,596,758	87.1%	3,648,960	28,245,718	99.9%
2001	22,571,945	22,099,308	97.9%	456,964	22,556,272	99.9%
2000	22,744,851	21,377,849	94.0%	1,351,737	22,729,586	99.9%
1999	23,564,697	22,599,984	95.9%	950,966	23,550,950	99.9%

Source: City of Wilmington, Finance Department

Note: [1] For presentation purposes, the City considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.

Table IX

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Bonds Anticipation Notes	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2008	$ 127,382,153	$ 2,067,918	$ -	$ 128,266,404	$ 2,893,623	$ 260,610,098	9.30%	$ 3,499
2007	119,120,746	2,897,922	-	92,472,693	4,247,003	218,738,364	8.26%	3,002
2006	130,717,406	3,930,893	-	87,509,007	5,549,470	227,706,776	8.90%	3,125
2005	105,855,333	2,408,836	-	65,564,656	4,977,886	178,806,711	8.15%	2,461
2004	109,638,038	2,777,856	-	69,938,279	2,195,627	184,549,800	8.43%	2,545
2003	118,395,331	3,071,784	-	72,192,162	159,122	193,818,399	9.05%	2,637
2002	127,607,476	4,872,516	-	77,626,099	296,309	210,402,400	10.09%	2,867
2001	114,702,493	5,415,912	5,294,094	67,303,058	485,846	193,201,403	9.37%	2,647
2000	121,203,954	5,377,286	2,017,333	72,608,006	643,627	201,850,206	10.40%	2,781
1999	129,939,128	3,983,184	-	78,277,775	444,617	212,644,704	11.43%	2,930

Source: City of Wilmington's Treasurer's Office and Delaware Department of Labor

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See Schedule XIII on page 116 for population data.

This ratio uses population data from the prior calendar year.

Table X

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities			Business-type Activities	
Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds	Percentage of Actual Taxable Value of Property[1]	Per Capita[2]	General Bonded Debt Outstanding General Obligation Bonds	Ratio of Annual For Services[3]
2008	$ 127,382,153	5.40%	$1,710.29	$ 128,266,404	40.7%
2007	119,120,746	5.12%	1,634.57	92,472,693	55.3%
2006	130,717,406	5.70%	1,793.70	87,509,008	46.8%
2005	105,855,333	6.80%	1,457.18	65,019,423	59.4%
2004	109,638,038	5.22%	1,512.19	55,763,675	68.0%
2003	118,395,331	5.72%	1,610.76	60,374,152	64.3%
2002	127,607,476	6.10%	1,738.52	64,985,741	53.3%
2001	114,702,493	5.48%	1,571.27	67,788,904	55.4%
2000	121,203,954	5.74%	1,669.89	73,251,633	50.5%
1999	129,939,128	6.18%	1,790.24	58,224,151	65.5%

Source: City of Wilmington's Treasurer's Office

Note:
[1] See Schedule V on page 108 for Actual Taxable Value of Property data.
[2] See Schedule XIII on page 116 for population data.
This ratio uses population data from the prior calendar year.
[3] See Schedule II on page 104 for Business-type Charges for Services.

Table XI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County debt	$ 289,805,000	15%	$ 44,340,165
Various School Districts	356,882,326	16%	55,673,643
Subtotal - Overlapping Debt			100,013,808
City of Wilmington Direct Debt	127,382,153	100%	127,382,153
Totals			$ 227,395,961

Source: City of Wilmington Treasurer's Office

Table XII

CITY OF WILMINGTON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating Budget	$ 77,440,937	$ 79,330,994	$ 83,597,208	$ 79,979,957	$ 87,421,961	$ 88,029,760	$ 92,182,803	$ 104,480,969	$ 120,349,099	$ 132,211,249
Debt Limit	13,552,164	13,882,924	14,629,511	13,996,492	15,298,843	15,405,208	16,131,991	18,284,170	21,061,092	23,136,969
Total Net Debt Applicable to Limit	8,673,114	9,224,973	8,462,718	12,677,195	9,238,483	8,310,947	8,720,315	9,076,566	11,921,182	12,891,782
Legal Debt Margin	$ 4,879,050	$ 4,657,951	$ 6,166,793	$ 1,319,297	$ 6,060,360	$ 7,094,261	$ 7,411,676	$ 9,207,604	$ 9,139,910	$ 10,245,187
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	64.00%	66.00%	58.00%	91.00%	60.00%	54.00%	54.00%	50.00%	57.00%	56.00%

Note: The City is limited to the issuance of general obligation debt provided that the payments of principal and interest in the fiscal year do not exceed 17.5% of the annual operating budget of that fiscal year. The limitation excludes amounts issued for Water and Sewer purposes.

Table XIII

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Population	Personal Income	Per Capita Income	Employment	Unemployment Rate	Median Age	Median Household Effective Buying Income
2008	74,480	$ 2,801,724,587	37,617	30,344	6.3%	34.8	$39,251
2007	72,876	2,648,682,593	36,345	31,112	3.5%	33.7	40,778
2006	72,876	2,200,928,076	35,116	33,371	4.6%	33.7	40,778
2005	72,644	2,193,921,444	30,201	31,843	6.3%	34.1	35,116
2004	72,503	2,189,663,103	30,201	32,748	6.4%	33.7	31,499
2003	73,503	2,142,612,450	29,150	32,165	5.3%	36.9	36,064
2002	73,400	2,085,954,600	28,419	32,667	5.9%	36.3	36,084
2001	73,000	2,061,520,000	28,240	35,517	5.0%	35.5	37,489
2000	72,582	1,940,407,188	26,734	34,291	4.4%	35.3	35,037
1999	72,582	1,860,784,734	25,637	32,733	4.5%	35.1	32,092

Sources: Population, medial age and median household effective buying income provided by Delaware Online.
The employment and unemployed data provided by the City of Wilmington, Office of Management and Budget.
Per Capita Income is derived from the Delaware Department of Labor

Note: The unemployment rate is an adjusted annual average.

Table XIV

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	Calendar Year 1999			Calendar Year 2008		
Taxpayer	Employees	Rank	Percentage of Total [2] Employment	Employees	Rank	Percentage of Total [2] Employment
Christiana Care Health Services	5,500	4	2.16%	9,985	1	3.55%
E.I. Du Pont Nemours & Company	12,500	2	4.92%	8,867	2	3.15%
Bank of America (MBNA)	11,000	3	4.33%	8,590	3	3.05%
State of Delaware	17,200	1	6.77%	7,400	4	2.63%
Chase Manhattan Bank	1,200	20	0.47%	5,700	5	2.02%
AstraZeneca Inc.	2,800	8	1.10%	4,751	6	1.69%
University of Delaware	5,138	5	2.02%	4,002	7	1.42%
A.I. Dupont Institute	-	-	0.00%	2,700	8	0.96%
Christina School District	2,800	7	1.10%	2,300	9	0.82%
Wilmington Trust Corp	2,500	9	0.98%	2,162	10	0.77%
Walgreen's, Inc	-	0	0.00%	1,998	11	0.71%
Red Clay School District	2,000	11	0.79%	1,860	12	0.66%
PNC Financial Services Group	-	-	0.00%	1,721	13	0.61%
Total County/Municipal Government	1,200	21	0.47%	1,615	14	0.57%
Delmarva Power/Pepco	2,200	10	0.87%	1,483	15	0.53%
Brandywine School District	1,700	13	0.67%	1,482	16	0.53%
Colonial School District	1,400	16	0.55%	1,400	17	0.50%
AIG Marketing	-	-	0.00%	1,372	18	0.49%
Dade Behring, Inc	-	-	0.00%	1,367	19	0.49%
General Motors	2,600	8	1.02%	1,300	20	0.46%
AMB-Delaware	-	-	0.00%	1,250	21	0.44%
City of Wilmington	1,200	19	0.47%	1,200	22	0.43%
Chrysler Corp	3,100	6	1.22%	-	-	0.00%
Bank One Card Services	1,400	17	0.55%	-	-	0.00%
First USA Bank	1,900	12	0.75%	-	-	0.00%
Sears, Roebuck & Co.	1,200	13	0.47%	-	-	0.00%
DuPont Merck Pharmaceuticals	1,700	14	0.67%	-	-	0.00%
St. Francis Hospital	1,500	15	0.59%	-	-	0.00%
Totals	83,738		32.94%	74,505		26.48%

Sources: City of Wilmington Department of Economic Development

Note: [1] Employment in the Wilmington Metropolitan area.
[2] Total employment in New Castle County.

Table XV

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Mayor's Office	42.50	43.00	41.00	43.00	33.00	45.00	45.00	46.00	61.00	60.00
City Council	26.00	26.00	27.00	27.00	26.00	25.00	29.00	29.00	29.00	29.00
Audit	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Law	18.00	18.00	18.00	19.00	18.00	19.00	20.00	20.00	21.00	23.00
Finance	100.00	100.00	101.00	101.00	101.00	68.00	69.00	67.00	60.00	68.00
Personnel	19.00	19.00	20.00	20.00	21.00	21.00	21.00	21.00	22.00	22.00
Treasurer	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Planning	12.00	12.00	14.00	14.00	10.00	10.00	10.00	11.00	11.00	12.00
Real Estate and Housing	23.00	23.00	24.00	24.00	24.00	21.00	21.00	20.00	16.00	17.00
Parks and Recreation	50.50	50.00	50.00	47.00	52.00	52.00	52.00	52.00	53.00	54.00
Public Safety										-
Police	347.00	347.00	344.00	344.00	344.00	368.00	377.00	386.00	407.00	429.00
Fire	175.00	175.00	176.00	176.00	176.00	176.00	176.00	176.00	177.00	177.00
Municipal Court	-	-	-		-	-	-	-	-	-
License and Inspection	29.00	29.00	33.00	31.00	35.00	36.00	37.00	39.00	44.00	45.00
Public Works	206.00	206.00	212.00	212.00	212.00	212.00	212.00	212.00	228.00	231.00
Totals	**1,060.00**	**1,060.00**	**1,072.00**	**1,070.00**	**1,063.00**	**1,064.00**	**1,080.00**	**1,091.00**	**1,141.00**	**1,179.00**

Sources: City of Wilmington Office of Management and Budget

Note: Budgeted Positions at the end of the fiscal year.

Table XVI

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Physical Arrests/Charges	n/a	n/a	n/a	n/a	13,567	12,473	13,456	10,230	9,534	6,155
Police Calls - Incident	129,331	120,886	131,344	132,614	133,124	127,417	125,665	n/a	126,614	110,177
Police Calls - Administrative	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	114,000	261,462
Fire/EMS Calls	14,880	15,271	15,112	15,466	15,807	15,301	15,902	15,124	16,596	15,584
Inspections	221	353	636	363	505	710	1,121	778	1,710	614
Parking Violations Issued	100,435	79,356	102,684	88,559	62,959	54,081	52,708	68,719	72,990	87,327
Building Permits Issued	75	49	49	95	55	58	58	46	4,250	2,848
Health and Welfare										
Meals served-Summer	n/a	n/a	n/a	454,392	206,610	215,180	207,599	231,189	252,706	294,708
Meals served-Evening	n/a	n/a	n/a	40,372	272,840	185,109	332,509	n/a	77,092	71,928
Emergency Shelter	757	992	1,173	938	1,059	326	268	329	911	443
HOPWA (Housing) *	n/a	290	939	225	765	595	1,075	352	474	126
Water										
Water Production (millions of gallons)	8,406	7,577	8,101	8,033	7,776	7,983	7,918	7,201	6,877	6,830
Water Sold (millions of gallons)	6,192	7,074	4,780	n/a	5,228	7,222	6,925	6,032	5,933	5,419
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	n/a	n/a	n/a	74.83	67.96	87.95	81.56	78.48	82.43	71.60
Landfill										
Annual Tons of Refuse	n/a	n/a	33,505	43,137	43,613	43,376	42,897	41,689	42,500	37,837

Sources: Various City of Wilmington Departments.

Notes: Quantifiable and meaningful operating indicators are not available for all functions.
n/a = Not available
* = Housing for Persons with AIDS

Table XVII

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police Patrol Units	306	304	302	300	298	306	309	320	320	320
Paramedic Units	3	3	3	3	3	3	3	3	3	3
Highways, Streets, and Bridges										
Roads & Streets (miles)	147	147	147	147	147	147	147	147	147	147
Health and Welfare										
Buses	2	2	2	2	2	2	2	2	2	2
Water										
Production Capacity (millions of gallons per day)	40	40	40	40	40	40	40	40	40	40
Wastewater										
Watewater Treatment Capacity (millions of gallons per day)	95	95	100	100	105	105	105	105	105	105

Sources: Various City of Wilmington departments.

Note: Quantifiable and meaningful capital asset indicators are not available for all functions.
n/a = Not available