Wilmington

In the middle of it all

Comprehensive Annual Financial Report

For the Year ended

June 30, 2009

City of Wilmington, Delaware
James M. Baker, Mayor

CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PREPARED BY THE DEPARTMENT OF FINANCE

CITY OF WILMINGTON, DELAWARE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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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 17, 2009

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, 2009.

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, 2009, 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, 2009, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America. 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.

The Honorable Mayor and Members of City Council
December 17, 2009

Economic Condition and Outlook

Looking Forward in City Government. The Fiscal Year 2010 operating budget represents a 2.8% increase over the fiscal year 2009 budget. The FY 2010 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 2010 budget reflects the following:

- The Fiscal Year (FY) 2010 operating budget expenditures total **$145,605,707** – up $3,969,335 or 2.8% from FY 2009. However, it is important to note that this increase occurred only after having to absorb over $6 million in costs for the operations of the now defunct Commerce Fund. In addition to having to offset the $6 million in Commerce Fund expenses, other mandatory cost increases in areas such as police compensatory time, landfill fees, and litigation costs put greater pressure on the budget. Together, those cost increases, in conjunction with an $8 million decline in revenues, necessitated further reductions during the budget process that totaled over $9 million, affecting nearly every department and cost category in the City.

- The City Treasurer, working closely with the City's Actuary, developed a plan that allowed the City to amortize an 18% increase to the pension funding targets caused by the recent sharp declines in the pension investment portfolios. By doing so, the City avoided an additional increase to pension costs of over $1 million.

- The federal Byrne Grant has allowed the City to maintain several Police Department programs in FY 2010 which otherwise would have been eliminated due to budget constraints. These include the Camera Watch program, Child Development Community Policing (CDCP), and a comprehensive weapons upgrade and replacement program. With the grant support, the nearly $990,000 total cost of these three programs was able to be transferred out of the General Fund.

- The City is following through on its $15 million commitment to the Upstairs Fund urban renewal program on Market Street (of which the Queen Theater project is a part). Interest expense of $747,500 has been added to the Economic Development Office's debt service budget, reflecting the use of a special drawdown, interest-only loan that will be fixed out in later years through a capital bond issuance. Projected revenues of $739,329 resulting from the program will nearly offset the additional debt service cost in FY 2010. If not for the Upstairs Fund Program special borrowing, total Debt Service in the General Fund (before the merge with the Commerce Fund) would have decreased by $493,000 in FY 2010.

- Staffing decreased by a net total of just under 20.5 Full-Time Equivalent (FTE) positions. Changes that added 14 FTEs were more than offset by nearly 34.5 other FTE reductions.
    - The 14 FTE additions are in the Office of Economic Development and the Finance Department. Nine positions in the Office of Economic Development that were formerly funded out of the now defunct Commerce Fund were moved into the General Fund.
    - Also, five of the six positions added mid-FY 2009 in the Finance Department to enhance collections was carried over into FY 2010. The nearly 34.5 FTE reductions are spread across several departments.

- In the Police Department, one Youth Intervention Specialist was transferred to the federal Byrne Grant.
- In the Fire Department, eight firefighter positions were eliminated due to layoffs needed to offset the cost of the Firefighters union's salary increase demands.
- Public Works eliminated two vacant positions related to the suspended Street Cut Program, along with another vacant Administrative Clerk position.
- In the Parks Department, five vacancies, a Public Health Advocate, an Administrative Coordinator, and three Mechanics were eliminated.
- L&I eliminated a vacant Mechanical Code Enforcement Supervisor and a vacant Code Enforcement Inspector.
- Lastly, the reallocation among the General, Water/Sewer, and Special Funds of various split-funded positions in the Real Estate & Housing and Finance Departments resulted in a net decrease of 0.48 FTE.

Factors Affecting Financial Condition

Jobs. The City of Wilmington has established a business incentive program supported by a Strategic Fund which was introduced in 2002, has recruited or retained 26 businesses, providing almost 6,000 jobs. Streamlined review processes, tax abatements, and aggressive Brownfield redevelopment programs spurred $2 billion investment in business and residential development since 2002. Even with the economic challenges now facing it, Wilmington has been able to maintain a positive momentum toward its goal to be recognized as a World Class City.

Local Economy. The Office of Economic Development's mission in conjunction with the Delaware Small Business Development Center ("SBDC"), the Wilmington Economic Development Corporation ("WEDCO"), and the local Small Business Development Administration ("SBA") is working to achieve a diversified local economy for the City of Wilmington by supporting the growth of commerce and industry to increase job opportunities and improve the quality of life for Wilmington residents and visitors. Emphasis is given to business attraction and retention, site selection and development assistance, inter-departmental and multi-agency project management, economic research and development, and small and minority business development. To achieve its mission, the Office has:

- Funded a $2.5 million relocation and installation project for new storm water management facilities in South Wilmington to provide capacity for over 100 acres of land on south and eastern sides of the Christina River.

- Completed a Seven-block utility upgrade on N. Market Street to accommodate future residential and retail development, and a change to two-way traffic.

- Provided funding for a $9 million project to elevate S. Market Street out of the flood plain and to accommodate the redevelopment of over 50 acres of Riverfront property to the east of the Christina River.

- Completion of two development parcels of the Justison Landing residential complex, adding 335 new residential units and 27,000 square feet of retail space.

- The newly established Upstairs Program seeded with $15.5 million of General Obligation Bond proceeds provides gap financing to spur comprehensive renovations of historic buildings and

reduce second and third story vacancies in the Market Street historic district. Initial $15 million in financing has been awarded for work to be completed by the end of 2010.

- The City of Wilmington, Officials from Italy, the State of Delaware and the local Italian-American community have signed a new trade and cultural agreement with a consortium of Italian mountain towns and communities and to open a new Italian trade and cultural center at the Wilmington Riverfront and have signed a lease with Pettinaro Company to operate the IMDA Italia Trade and Cultural Center at the Shipyard Shops. The new center will promote the importation of high-quality Italian foods, crafts, goods and cultural services to the United States. IMDA Italia is a privately held company affiliated with the National Union of Mountain Municipalities, Communities and Authorities (UNCEM). IMDA Italia is building a trade and cultural network through its new Wilmington headquarters among local officials, universities, associations, companies and individuals whose common trait is their love for or interest in Italy. The opening of the IMDA Italia Trade and Cultural Center and the arrival of Italian goods into Wilmington follows the June 2007 signing of a Memorandum of Understanding between UNCEM and the City of Wilmington to promote cultural and commercial exchanges between the citizens of Wilmington, all of Delaware and the Italian mountain areas.

- The City of Wilmington has initiated the South Wilmington Water Main Cleaning & Lining Project. The City of Wilmington has hired a specialized contractor to thoroughly clean and lines the water main below South Market Street. After cleaning the water main, a new cement mortar lining will be placed inside the water main, which will restore its flow and carrying capacity of water. This project is very important for fire protection in the community. The project is expected to be complete by December 2009.

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 is collaborating with the Wilmington Housing Authority (WHA) on an innovative project that would modernize and improve one of the WHA's existing neighborhood public housing complexes, and solve the City's need for a new fire station to replace Station #5 on Gilpin Avenue, the oldest and smallest firehouse in the City. The plan would enable the WHA to demolish and rebuild Lincoln Towers at 1625 Gilpin Avenue, creating a new residential complex that would also incorporate a new City fire station into the design. The WHA will apply for a grant from the U.S. Department of Housing and Urban Development for $10 million. The City's fire station portion of the project would require $4 to $5 million in capital funds. In addition, the City is applying for $5 million funding through a Federal Stimulus grant. If all funding is secured in a timely manner, City and WHA officials estimate the a new Lincoln Towers and new City fire station could be completed by the summer of 2012.

- The Department of Real Estate and Housing has been awarded $5.2 million under the *American Recovery and Reinvestment Act (ARRA)* funding formula for public housing authority capital needs. The Department of Real Estate and Housing has identified Obsolete WHA Units as the biggest priority for FY 2010 including the demolition of 146 vacant units in the Riverside development. These funds will be used to complete the demolition as well as the renovation of an additional 100 long-term vacant units at various WHA developments and scattered sites.

- The Office of Economic Development seeks to expand cultural and tourist amenities in the Downtown and Riverfront areas and make Wilmington a regional entertainment destination. Major projects in this area include:
    - The Peterson Wildlife refuge, a $16.5 million, 212 acre wildlife refuge and educational center located on the Christina River, near Frawley Stadium
    - The $21 million redevelopment of the Queen Theater into a live music venue and broadcast radio station operated by World Café Live and WXPN
    - The Delaware Children's Museum, a 37,000 square foot educational facility on the Wilmington Riverfront that is estimated to attract over 135,000 visitors annually
    - The planned South Wilmington Storm Water Utility, which will also serve as an open space and recreational amenity for the entire City
    - A $205 million expansion and renovation of the Christiana Care Health System's 10 acre Wilmington Campus, expected to be completed in five years:

Relevant financial policies. The City of Wilmington has balanced the budgets and practiced prudent financial planning in order to provide and the maintain the quality of life that our residents expect for their tax dollars. The City has established a Purchase Review Committee and Capital Project Committee to review of all capital projects, all projects included in the existing capital program, and the rules and procedures governing capital expenditures. These periodic reviews will evaluate the projects in the Capital Program. In conjunction with this comprehensive review, ongoing comprehensive capital planning, management, and financing processes were established to address funding for the sewer system.

The Mayor's main objective in managing this crisis was to be assured that everyone would have a role in balancing the budget, including every City employee and administrator, every community group or individual receiving some type of government funding, and every citizen. This burden would be shared and the following issues would be addressed:

- Avoid balancing the budget by laying-off City employees.

- The budget was not be balanced simply by reducing people or programs by an amount equal to the projected deficit.

- The budget had to be balanced through a combination of a reduction in expenditures, revenue increases, and the continuation of the aggressive delinquent collections process.

- All Department Heads were to pursue all Federal stimulus funds that could help ease the City's financial struggles.

- Avoid using the Budget Reserve account, the City's "Rainy Day Fund" to balance the FY 2010 budget.

- To continue to promote business and residential growth because these actions help sustain government services and strengthen the City's financial base. We did not want to abandon the people and programs that helped create or retain thousands of new jobs and new homeownership opportunities in the past eight years.

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Major Initiatives. Wilmington Mayor James M. Baker wants to update Wilmington's City Code to ensure that businesses operating in the City are properly licensed, and that their employees are held

accountable for tax obligations by paying taxes on a timely and consistent basis. The Mayor is asking City Council to approve four ordinances which do not impose any new taxes but strengthen the City's tax code, resulting in better enforcement of tax collection rules and procedures and producing millions of more tax dollars each year. In summary, the ordinances would:

- Require general contractors to register and monitor all of their sub-contractors to ensure they are properly licensed in the City.

- Require the principals of an "S" corporation to pay an earned income tax on all income earned on business conducted within the City. "S" Corporations are entities that elect to pass corporate income, losses, deductions and credit through to their shareholders for federal tax purposes.

- Require Wilmington-based businesses to withhold city wage tax on all employees whose employment base is inside the City at 100%.

- Require licensed real estate agents, brokers and appraisers who establish a secondary business entity for their real estate-related activities to obtain a Wilmington business license for each entity, but would not require the real estate agents, brokers or appraisers to pay a business license fee for the secondary entity.

- Establish a head tax incentive exemption program that encourages businesses to expand or re-locate to the City by offering a five-year abatement of head tax on certain employees over the original FTE (full-time employees) base at the time of the approved application. The City's head tax is currently $10.00 monthly per employee for every employee over five. The head tax monthly rate will increase to $15.00 beginning January 1, 2010.

- The City expects to see a $3-4 million increase in yearly tax collections through the adoption of the proposed Ordinances and resulting changes in City tax code.

- The City of Wilmington and the State of Delaware are teaming up to compel citizens who have unpaid parking tickets and red light violations in Wilmington to pay their delinquent fines before they can register their motor vehicles anywhere in the State. The new collection program will begin immediately and be fully implemented early in 2010. Under the new State and City "vehicle registration hold" agreement for the collection of delinquent traffic ticket and red light violations, the City will receive 65% of revenue collected, and the State will receive 27%. The remaining 8% of revenue will go to ACS, a company that currently manages other outstanding traffic and red light debt collection systems for the City of Wilmington. The new "vehicle registration hold" collection process is expected to produce millions in revenue for the City and State. The program will be managed by the City of Wilmington's Department of Finance and the Division of Motor Vehicles for the State of Delaware.

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, 2008. The City of Wilmington has received this prestigious award for twenty-three 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, 2009. 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,

James M. Jones
Director of Finance

Winston L. Robinson
Senior Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

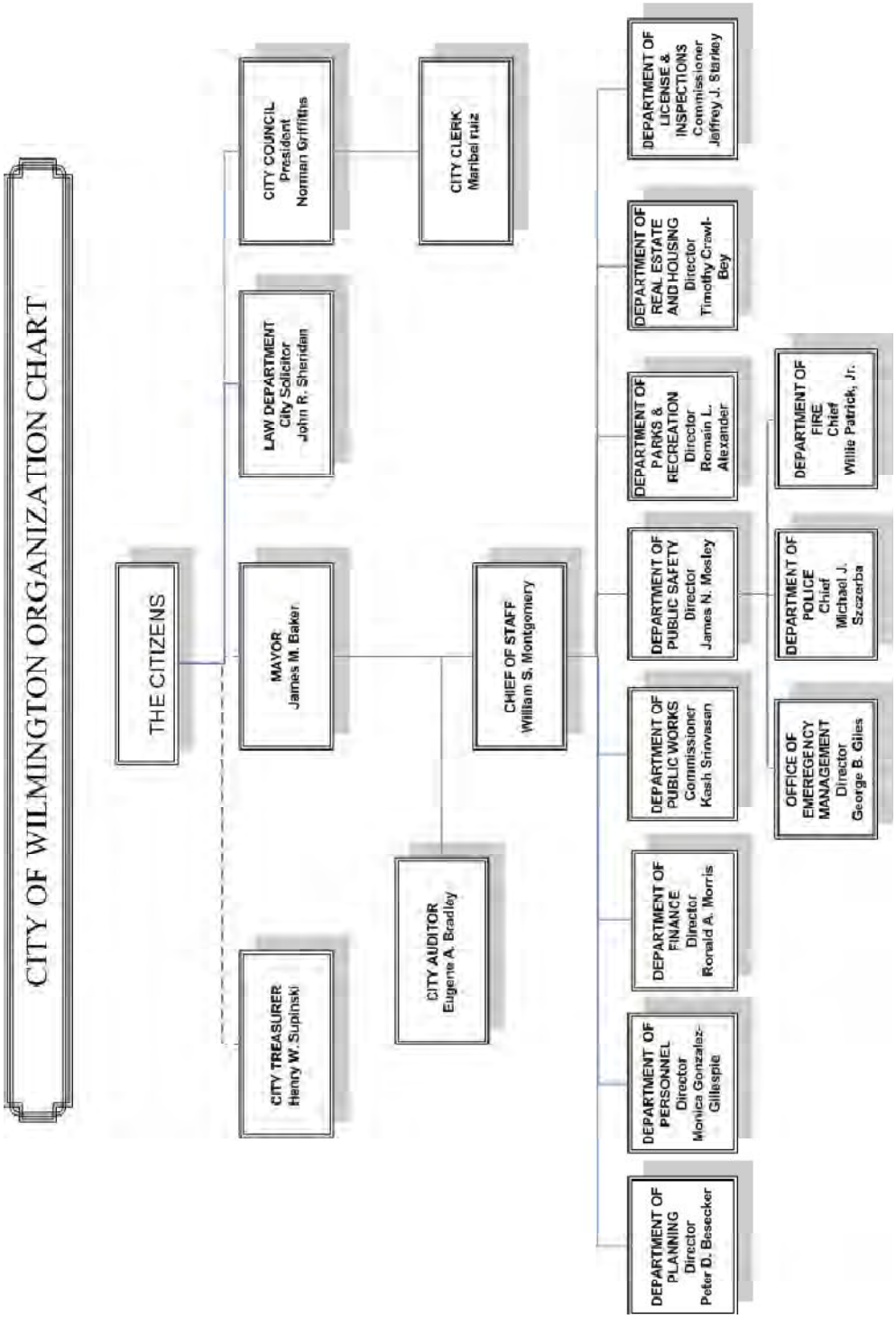
City of Wilmington Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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
THE CITIZENS
CITY TREASURER
Henry W. Supinski
MAYOR
James M. Baker
LAW DEPARTMENT
City Solicitor
John R. Sheridan
CITY COUNCIL
President
Norman Griffiths
CITY AUDITOR
Eugene A. Bradley
CHIEF OF STAFF
William S. Montgomery
CITY CLERK
Maribel ruiz
DEPARTMENT OF PLANNING
Director
Peter D. Besecker
DEPARTMENT OF PERSONNEL
Director
Monica Gonzalez-Gillespie
DEPARTMENT OF FINANCE
Director
Ronald A. Morris
DEPARTMENT OF PUBLIC WORKS
Commissioner
Kash Srinvasan
DEPARTMENT OF PUBLIC SAFETY
Director
James N. Mosley
DEPARTMENT OF PARKS & RECREATION
Director
Romain L. Alexander
DEPARTMENT OF REAL ESTATE AND HOUSING
Director
Timothy Crawl-Bey
DEPARTMENT OF LICENSE & INSPECTIONS
Commissioner
Jeffrey J. Starkey
OFFICE OF EMEREGENCY MANAGEMENT
Director
George B. Giles
DEPARTMENT OF POLICE
Chief
Michael J. Szczerba
DEPARTMENT OF FIRE
Chief
Willie Patrick, Jr.

City of Wilmington
Listing of Principal Officials
June 30, 2009

Executive

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

City Council

President	Norman D. Griffiths
1st District	Charles Potter, Jr.
2nd District	Ernest Congo, II
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	Stephen L. Martelli
Council Person at Large	Michael A. Brown, Sr.
Council Person at Large	Loretta Walsh
Council Person at Large	Justen A. Wright
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

Wilmington City Council Members
105th Session

Council President Norman D. Griffiths

The Wilmington City Council is the legislative body of the City of Wilmington. Its 13-member leadership includes the Council President, eight district Council members representing different geographical districts within the city, and four Council Members-at-Large.

District 1

Charles Potter, Jr.

District 2

Ernest "Trippi" Congo II

District 3

Stephanie T. Bolden

District 4

Hanifa G.N. Shabazz

District 5
Samuel Prado

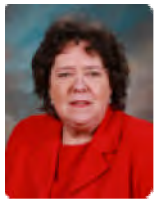
District 6
Kevin F. Kelley, Sr.

District 7
Paul F. Ignudo, Jr.

District 8
Stephen L. Martelli

At-Large
Michael A. Brown, Sr.

At-Large
Charles "Bud" Freel



At-Large
Loretta Walsh

At-Large
Justen A. Wright

McBride Shopa & company P.A.

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
Cameron B. McDonald, 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 CPAs
Private Companies Practice Section
Delaware Society of CPAs

Certified Public Accountants

270 Presidential Drive
Wilmington, DE 19807
(302) 656-5500
(302) 656-8024 Fax

37212 Rehoboth Avenue Ext.
Rehoboth Beach, DE 19971
(302) 227-4872
(302) 227-4873 Fax

www.mcbrideshopa.com

Report of Independent Auditors

The Honorable Mayor, James M. Baker 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, 2009, 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 Christina Gateway Corporation, the Wilmington Downtown Business Improvement District and the Riverfront Wilmington Business Improvement District which represent 7.7% and 23.4%, 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 0.7% 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 opinions.

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Delaware Best in the Business 2008

Delaware Best in the Business 2009

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, 2009, the respective changes in financial position and cash flows, thereof, where applicable, and the respective budgetary comparisons for the General Fund, the Housing Opportunities Fund and the Commerce Fund 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 17, 2009, 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 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 non-major 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 17, 2009

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2009

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, 2009. 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 $214,750,248 (net assets), a decrease of $21,600,353 from the previous year; net assets for the prior year. The net assets of governmental activities decreased $21,753,220 from the prior year, while the net assets from business activities increased $152,867.

- Discretely presented component units reported net assets of $48,512,478, a decrease of $1,139,078 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 $68,973,875, a decrease of $25,331,366 from previous year. The Fund Balance reported is (see page 20 for detail breakdown) as: Nonspendable Fund Balance of $8,257,304; Restricted Fund balance of $21,463,882; Committed Fund Balance of $29,340,639; and an Unassigned Fund Balance totaling $9,912,050.

- The Capital Projects Fund had a restricted fund balance in the amount of $15,956,134 to fund current and future City capital improvements.

- The Housing Opportunities Fund had a committed fund balance in the amount of $5,378,951 to fund affordable housing in the City.

- The Commerce Fund Balance has $864,050 of restricted fund balance and $8,793,057 of committed fund balance for current and future economic development activities.

Long-Term Debt

- The City's total net general obligation debt decreased to $246,928,938 at June 30, 2009, a decrease of $8,719,619. After the issuance of bonds in FY2008, water and sewer projects had a net decrease in debt of $2,050,147 and governmental capital projects had a net decrease in debt of $6,669,472.

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 (liquidated in 2009), 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, Housing Opportunities, Commerce 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 80.

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 84.

Statistical Section. The City provides certain informational and statistical schedules that begin on page 103.

Financial Analysis of the Government as a Whole

Net Assets. A year-to-year comparison of net assets is as follows:

City of Wilmington's Net Assets as of June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other Assets	$120,880,415	$148,512,570	$ 10,335,353	$ 34,309,065	$131,215,768	$182,821,635
Capital Assets	181,206,218	181,370,007	219,698,175	199,929,786	400,904,393	381,299,793
Total Assets	302,086,633	329,882,577	230,033,528	234,238,851	532,120,161	564,121,428
Long Term Liabilities	150,458,549	156,888,817	130,441,463	134,069,654	280,900,012	290,958,471
Other Liabilities	23,885,376	23,497,832	12,584,525	13,312,524	36,469,901	36,810,356
Total Liabilities	174,343,925	180,386,649	143,025,988	147,382,178	317,369,913	327,768,827
Net Assets:						
Invest in Capital Assets, Net of Related Debt	75,133,657	77,387,019	109,256,602	102,115,411	184,390,259	179,502,430
Restricted	21,463,882	32,130,891	19,441,751	35,632,265	40,905,633	67,763,156
Unrestricted	31,145,169	39,978,018	(41,690,813)	(50,893,003)	(10,545,644)	(10,914,985)
Total Net Assets	$127,742,708	$149,495,928	$ 87,007,540	$ 86,854,673	$214,750,248	$236,350,601

The largest component of City's net assets, $184,390,259, 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 $4,887,829 is caused primarily by the acquisition of capital assets being greater than the depreciation in net capital assets as the City invests in its infrastructure. Restricted net assets in the amount of $40,905,633 represent resources that are subject to a City of Wilmington charter provision or enabling legislation as to how they may be used; these decreased $26,857,523 primarily due to the use of bond funds for capital projects. The unrestricted net assets of governmental activities decreased by $8,832,849 due to declining revenues caused by the general economic slowdown. Unrestricted net assets of business-type activities increased by $9,202,190 due in part to principal payments of debt.

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 decreased $21,600,353 over the course of this year's operations. The net assets of governmental activities decreased $21,753,220, and the net assets of business-type activities increased by $152,867.

City of Wilmington's Changes in Net Assets
Year Ended June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program Revenues:						
Charges for Services	$ 20,617,190	$ 19,625,208	$ 49,521,563	$ 50,782,063	$ 70,138,753	$ 70,407,271
Operating Grants & Contributions	17,706,081	18,322,960	-	-	17,706,081	18,322,960
Capital Grants & Contributions	1,841,887	1,639,225	3,499,193	1,439,862	5,341,080	3,079,087
General Revenues:						
Total Taxes	94,210,033	90,912,945	-	-	94,210,033	90,912,945
Investment Earnings	1,168,607	3,471,478	313,311	379,799	1,481,918	3,851,277
Other Revenues	11,257,780	12,506,845	-	-	11,257,780	12,506,845
Total Revenues	146,801,578	146,478,661	53,334,067	52,601,724	200,135,645	199,080,385
EXPENSES						
General Government	26,059,767	22,779,627	-	-	26,059,767	22,779,627
Economic Development	9,454,881	7,022,739	-	-	9,454,881	7,022,739
Real Estate and Housing	8,156,663	7,427,235	-	-	8,156,663	7,427,235
Public Works	22,601,418	21,562,949	-	-	22,601,418	21,562,949
Parks and Recreation	10,027,975	11,460,259	-	-	10,027,975	11,460,259
Public Safety	86,901,639	74,915,049	-	-	86,901,639	74,915,049
Interest on Long Term Debt	5,352,455	4,569,496	-	-	5,352,455	4,569,496
Water/Sewer	-	-	53,181,200	48,562,013	53,181,200	48,562,013
Total Expenses	168,554,798	149,737,354	53,181,200	48,562,013	221,735,998	198,299,367
Change in Net Assets	$ (21,753,220)	$ (3,258,693)	$ 152,867	$ 4,039,711	$ (21,600,353)	$ 781,018

Governmental Activities

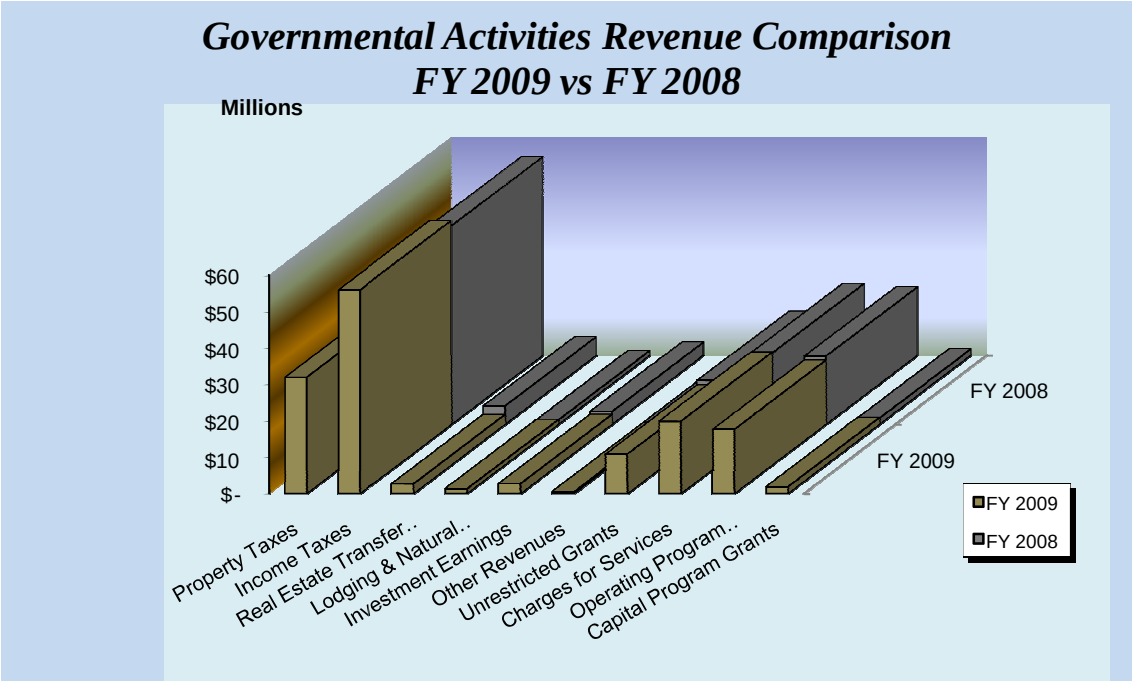
Revenues of governmental activities for fiscal year 2009 increased from 2008 by $322,917. The primary reason for this net increase was the increase in wage and net profit taxes more than offsetting the reduction of investment earnings from the prior year. The key revenue elements are discussed later in the fund statement comparisons.

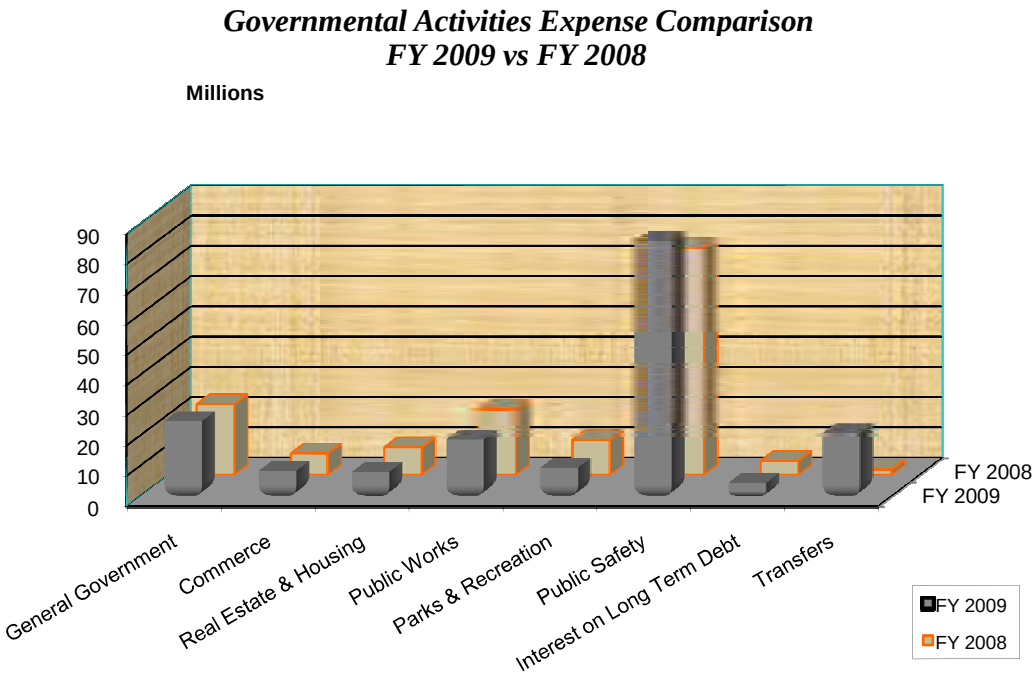
Expenses and transfers of governmental activities for fiscal 2009 increased by $18,817,444 compared to 2008. The largest factor in this increase was the settlement of union contracts with most unions in 2009. These contracts paid for increases for work performed in 2008 (retroactive pay) as well as 2009; this impacted Public Safety (Police and Fire) more than any other area. 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 2009 as compared to fiscal year 2008.

Business-type Activities

Net assets of the business-type activities increased by $152,867 for the current fiscal year primarily due to increase in charges for services. Detail explanations of the variance are contained in the financial analysis of the City's Funds - Proprietary Funds section on page 9.


Governmental Activities Revenue Comparison
FY 2009 vs FY 2008
Millions
$60
$50
$40
$30
$20
$10
$-
FY 2008
FY 2009
Property Taxes
Income Taxes
Real Estate Transfer…
Lodging & Natural…
Investment Earnings
Other Revenues
Unrestricted Grants
Charges for Services
Operating Program…
Capital Program Grants
FY 2009
FY 2008


Governmental Activities Expense Comparison
FY 2009 vs FY 2008
Millions
90
80
70
60
50
40
30
20
10
0
FY 2008
FY 2009
General Government
Commerce
Real Estate & Housing
Public Works
Parks & Recreation
Public Safety
Interest on Long Term Debt
Transfers
FY 2009
FY 2008

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported fund balances of $68,973,875. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with implementing GASB 54:

- $8,257,304 is recorded as Unspendable primarily due to long term receivables;
- $21,463,882 is recorded as Restricted; $16,820,184 for capital projects, $4,554,207 for park operations, and $89,491 for other purposes;
- $29,340,639 is recorded as Committed; $14,560,571 for the Budget Reserve Account, $5,378,951 for Affordable Housing, $8,793,057 for Economic Development, and $608,060 for other purposes, and
- $9,912,050 is the remaining fund balances, thus these are Unassigned.

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:

- $8,257,304 is recorded as Unspendable primarily due to a long term receivable;
- $14,560,571 is recorded as Committed for the Budget Reserve Account. The Budget Reserve Account is held in the event of adverse economic conditions or public emergency and can be used with the approval of a majority of the thirteen members of City Council; and
- $9,912,050 is recorded as Unassigned for purposes to be identified at a later date.

The schedule on the following page presents General Fund revenues and expenditures for 2009 compared to budget and 2008.

The revenues for fiscal year 2009 decreased $1,276,455 compared to the prior fiscal year. Primary factors in these results are:

- Intergovernmental Revenue decreased by $1,161,075 compared to 2008. This was caused in part by the reduction in revenues from corporate filing fees.
- Investment Earnings decreased by $1,629,239 based on lower rates and smaller investable balances.
- Wage Taxes increased by $2,054,044 and Net Profit Taxes decreased by $539,972 compared to 2008. Declines caused by the recent economic downturn were more than offset by the innovative collection techniques and audit efforts of the Wage Division of the Finance Department.
- Property Taxes increased by $1,408,187. This increase was caused in part by the active review of the property assessments of New Castle County and the resultant additions to the tax roll; and in part to collection efforts on delinquent accounts also contributed to the increase in tax revenues.
- Real Estate Transfer taxes fell by $2,309,126 due to a slowdown in the housing market.
- Fines and Forfeitures increased by $973,116 compared to 2008 primarily due to increases in red-light citation collections supplemented by the second year of an instant ticket effort by the Department of Licenses and Inspections.

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

	2008 Actual	2009 Actual	Variance Positive (Negative)	Final Budget	2009 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 30,503,671	$ 31,911,858	$ 1,408,187	$ 32,568,875	$ 31,911,858	$ (657,017)
Wage	49,791,625	51,845,669	2,054,044	51,337,658	51,845,669	508,011
Net Profit	4,599,819	4,059,847	(539,972)	3,940,000	4,059,847	119,847
Franchise	1,814,216	2,006,557	192,341	2,405,866	2,006,557	(399,309)
Real Estate Transfer	4,978,122	2,668,996	(2,309,126)	7,152,313	2,668,996	(4,483,317)
Head	2,420,998	2,787,027	366,029	2,186,000	2,787,027	601,027
Lodging & Natural Gas	1,227,140	1,306,744	79,604	1,378,000	1,306,744	(71,256)
Intergovernmental	19,475,251	18,314,176	(1,161,075)	21,464,631	18,314,176	(3,150,455)
Licenses and Permits	4,380,848	4,382,137	1,289	4,483,900	4,382,137	(101,763)
Fines and Forfeitures	5,422,146	6,395,262	973,116	6,225,000	6,395,262	170,262
Charges for Services	4,861,265	4,149,612	(711,653)	4,543,931	4,149,612	(394,319)
Investment Earnings	3,324,430	1,695,191	(1,629,239)	4,250,000	1,695,191	(2,554,809)
Total Revenues	132,799,531	131,523,076	(1,276,455)	141,936,174	131,523,076	(10,413,098)
Expenditures:						
General Governmental Services:						
Mayor's office	7,269,116	7,183,874	85,242	7,623,327	7,183,874	439,453
City Council	2,683,096	2,766,303	(83,207)	2,886,689	2,766,303	120,386
Audit	601,884	647,853	(45,969)	680,619	647,853	32,766
Law	2,727,869	2,837,106	(109,237)	3,100,181	2,837,106	263,075
Finance	5,439,337	7,742,815	(2,303,478)	8,922,010	7,742,815	1,179,195
Personnel	1,548,197	1,776,445	(228,248)	2,014,646	1,776,445	238,201
Treasurer	423,988	458,458	(34,470)	461,126	458,458	2,668
Planning	1,537,205	1,735,963	(198,758)	1,915,960	1,735,963	179,997
Real Estate and Housing	1,695,410	2,595,853	(900,443)	2,685,661	2,595,853	89,808
Public Works	20,189,714	20,046,742	142,972	22,746,745	20,046,742	2,700,003
Parks and Recreation	9,797,793	10,057,011	(259,218)	10,632,153	10,057,011	575,142
Public Safety:					-	
Licenses and Inspection	4,111,445	4,623,515	(512,070)	4,997,792	4,623,515	374,277
Fire	21,903,168	25,392,171	(3,489,003)	24,952,958	25,392,171	(439,213)
Police	42,773,935	52,981,517	(10,207,582)	49,974,494	52,981,517	(3,007,023)
Total Expenditures	122,702,157	140,845,626	(18,143,469)	143,594,361	140,845,626	2,748,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,097,374	(9,322,550)	(19,419,924)	(1,658,187)	(9,322,550)	(7,664,363)
Other Financing Sources (Uses)						
Proceeds from Capital Asset Sales	-	3,812,500	3,812,500	-	3,812,500	3,812,500
Transfers out	(1,666,236)	(21,795,110)	(20,128,874)	(14,000,000)	(21,795,110)	(7,795,110)
Total Other Financing Sources (Uses)	(1,666,236)	(17,982,610)	(16,316,374)	(14,000,000)	(17,982,610)	(3,982,610)
Net Change in Fund Balances	$ 8,431,138	$ (27,305,160)	$ (35,736,298)	$ (15,658,187)	$ (27,305,160)	$ (11,646,973)

The current year's expenditures and transfers increased by $39,218,339 compared to fiscal year 2008 spending levels. The increases resulted from a combination of one-time transfers, union settlements, and the termination of the Commerce Fund in its previous form.

- General Governmental expenditures for 2009, which were 15% of General Fund expenditures, experienced an increase of $2,916,846 compared to the 2008 results. Increases primarily related to added support for the Finance Department for the continuing revenue collection efforts. Additional resources were required to provide the technical expertise for research and development for the audit and collection efforts.

- Public Works, 12% of General Fund expenditures, saw expenditures decreased by $142,972 versus 2008. In part, this represents the net of reduced electricity costs due to a State grant being offset by costs of the union settlement.

- Parks and Recreation, 6% of General Fund expenditures, had expenditure increases of $259,218. This primarily reflected the increase in personnel costs related the settlement of union contracts.

- Licenses and Inspections, 3% of General Fund expenditures, had expenditure increases of $512,070. This primarily reflected the increase in personnel costs related the settlement of union contracts.

- Fire expenditures, which represented 16% of the City's General Fund expenditures, experienced an increase of $3,489,003 related to the settlement of union contracts and the prior year workers compensation credit.

- Police expenditures, which represented 33% of the City's General Fund expenditures, increased by $10,207,582. Again, much of this increase was the result of the union settlements but part ($2,986,240) was from the increase from the 2008 workers compensation credit to normal expenditure levels.

- Transfers out in FY2009 were primarily related to one-time transfers: $9,000,000 to support economic development incentives to employers, $5,000,000 to support affordable housing, and $6,545,433 to terminate the Commerce Fund in its current form. The remainder of $1,249,677 related to cable television, capital costs and special revenue grants compared to similar transfers of $1,666,236 in FY2008.

Other Major Funds – Comparison to Prior Year.

The City Council authorized funding the Housing Opportunities Fund with an additional $5,000,000. This fund will assist in the development of providing affordable housing in the City of Wilmington in part with the Wilmington Housing Partnership Corporation.

Proprietary Funds

Water/Sewer Fund - Comparison to Prior Year

The operation of the Business-type activities increased the City's net assets by $152,867. Compared to 2008, the Water/Sewer System's charges for services in fiscal year 2009 increased by $798,831 or 1.5%.

- Sewer Service Charges to New Castle County increased 5.6% from $16,677,751 to $17,610,381; this included a preliminary settlement with the County related to negotiating a new contract for one that expired in June 2008.

- Other user charges (primarily direct user charges) decreased by marginally from $35,544,174 to $35,410,375.

- Intergovernmental Revenue (state and federal capital grants) increased from $1,439,862 to $3,499,193.

- The Water and Sewer Fund is recording Investment Earnings of $313,311 versus $379,799 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 2008 results, total expenses increased by $4,619,187 or 9.5%. The largest portions of this increase was from higher repair and engineering costs of $1,593,816, increased interest costs of $1,226,095, and greater depreciation of $581,215.

General Fund Budgetary Highlights

The City adopted the fiscal year 2009 budget on May 15, 2008, 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 $141,936,174 of revenues, $143,594,361 of expenditures before other financing uses, and $14,000,000 in transfers to other funds. The original expenditures were increased by $1,657,989 from a combination of encumbrance carryovers from FY2008 and a December budget amendment to increase collection and audit efforts by the Finance Department. The actual results were revenues before other financing sources (uses) of $10,413,098 under budget, expenditures of $2,748,735 under budget, and transfers out and other revenue sources of $3,982,610 over budget.

- Property taxes were $657,017 lower than budget. This consists of the effects of an adverse effect of tax exemptions, which were partially offset by enhanced collection efforts.

- Wage Tax revenues, representing 39% of General Fund Tax revenues, were over the budget by $508,011. Declines caused by the recent economic downturn were more than offset by the innovative collection techniques and audit efforts of the Wage Division of the Finance Department.

- Net Profit Taxes exceeded the budget by $119,847. Improved collection efforts by the Wage Tax Division are primarily responsible for the increase in this revenue source.

- Real Estate Transfer Taxes were under the budget by $4,483,317 due to the economic slowdown.

- Intergovernmental revenues were under the budget by $3,150,455. Part of the decrease came from a reduction in state shared corporate filing fees received from the State of Delaware.

- Investment earnings decreased by $2,554,809 compared to budget due to lower interest rates and lower balances of unspent bond funds and other investable amounts.

- Mayor's Office expenditures were under budget by $439,453 due primarily to unspent contingency funds of $192,159 and lower debt service expenditures of $131,266.

- Fire expenditures were over budget by $439,213 due primarily to the cost of union settlements.

- Police expenditures were over budget by $3,007,023. This was also due primarily the cost of union settlements, increased compensatory time costs, and increased overtime.

- There were five unbudgeted transfers: a $275,422 transferred to the Cable TV Fund in accordance with the City Code, $451,767 transferred to the Park Recreation Assistance Fund, $435,924 was transferred to the Delaware Criminal Justice Fund, $146,504 was transferred to the Special Revenue Fund, and $6,545,433 was transferred to the Commerce Fund to implement the change in fund status.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2009, the City had invested $400,904,393, net of accumulated depreciation, in a broad range of capital assets. The following table presents 2009 asset balances compared to 2008 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	
	2009	2008	2009	2008	2009	2008
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	2,749,965	2,870,211	15,021,014	8,782,733	17,770,979	11,652,944
Buildings & Improvements	51,625,349	54,313,142	7,548,995	3,894,336	59,174,344	58,207,478
Parks & Recreation Facilities	10,800,022	10,389,835	-	-	10,800,022	10,389,835
Streets & Signals	70,057,854	68,294,709	-	-	70,057,854	68,294,709
Water Reservoirs, Facilities & Water Lines	-	-	103,867,358	92,333,064	103,867,358	92,333,064
Wastewater Facilities & Sewer Lines	-	-	89,604,196	91,263,041	89,604,196	91,263,041
Vehicles, Equipment & Other	20,699,740	20,228,822	-	-	20,699,740	20,228,822
Totals	$ 181,206,218	$ 181,370,007	$ 219,698,175	$ 199,929,786	$ 400,904,393	$ 381,299,793

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

Governmental Activities:

- Capital Improvements were primarily focused on streets and signals ($5,139,507 invested) and in vehicle acquisitions and other equipment ($3,901,695 invested).

Business-type Activities:

- Water Treatment Facilities and Reservoirs added $10,660,381 as extensive landscaping and auxiliary structures were added to the recently renovated Cool Spring reservoir and Hoopes Dam and Porter Treatment plant had on-going improvements.
- Water Lines added $3,626,393 as the City has increased its efforts to reline or replace aging water lines.
- 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 $246,928,938. Of this amount, $120,712,681 comprises debt related to Governmental activities and $126,216,257 is supported by Business-Type activities.

- On May 22, 2009, the City issued $15,500,000 of General Obligation Bond Anticipation Notes, Series of 2009B. The Notes will mature on June 30, 2011. The proceeds of the Notes will be used to fund infrastructure and improvements under a program known as the Upstairs District Improvement Fund. Amounts are drawn down as needed; the amount outstanding at June 30, 2009, is $3,882,000 at an interest rate of 4.5%.

- On December 11, 2008, the City entered into financing agreements with the Delaware Drinking Water State Revolving Fund to finance $18,975,000 in upgrades to the Brandywine Water Filter Plant and $5,000,000 in upgrades to the City's water mains. Amounts are drawn down as needed; there were no amounts drawn down during 2009.

- On June 9, 2009, the City entered into a financing agreement with the State of Delaware related to the federal American Recovery and Reinvestment Act of 2009 to finance $8,900,000 of energy conservation projects in its water distribution system; half would be in long-term debt and the other half is expected to be forgiven as a capital grant. Amounts are drawn down as needed; there were no amounts drawn down during 2009.

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 9 to the financial statements.

City of Wilmington's Outstanding Debt
General Obligations Bonds

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	$ 120,712,681	$ 127,382,153	$ 126,216,257	$ 128,266,404	$ 246,928,938	$ 255,648,557

Economic Factors and 2009 Budgets and Rates

The City of Wilmington's unemployment rate of 6.3% was essentially holding constant while per capita income continued to grow. The City's diversified service economy continued to be vibrant and the movement of employers to the riverfront was expected to continue and this activity was expected to produce increased wage taxes and and continue a strong trend in real estate transfer taxes and building permit fees. The state and federal courts in downtown Wilmington continue to draw legal firms and services to the downtown area. The City moved into its new Public Works Yard only a year ago and was still settling in to efficiently using this facility.

The growth in expenditure budgets was expected to be in part from increased citizen demands and in part from the expected settlement of union contracts (all of which were expired and in negotiations). The Cool Spring Reservoir Park was expected to open within the year and the Upstairs Fund to support continued downtown resurgence was in the early stages. The South Walnut Street area had seen its first major change in years with the opening of Shoprite and this area was being looked at with great interest as the potential home to a major entity and at the potential to hosting a modern office complex.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2009. The City's budget addresses economic development, public safety, and infrastructure needs.

The property tax rate was unchanged while added taxable reassessments increased the taxable base. Tax and service charge rates primarily stayed unchanged in fiscal year 2009. The sewer services contract with New Castle County expired in June of 2007; this has been subject to both negotiations and binding arbitration.

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 James M. Jones, Director of Finance, and 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.

COOL SPRING NEIGHBORHOOD

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Assets
June 30, 2009

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 71,243,751	$ 250	$ 71,244,001	$ 19,736,543
Receivables, Net (Note 4)	28,114,160	13,484,704	41,598,864	8,261,143
Internal Balances	4,685,535	(4,685,535)	-	-
Due from Other Governments	11,747,169	-	11,747,169	-
Deferred Charges & Other Assets	5,089,800	1,535,934	6,625,734	799,236
Restricted Assets:				
Investments	-	-	-	1,854,741
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	2,749,965	15,021,014	17,770,979	914,553
Buildings & Improvements	51,625,349	7,548,995	59,174,344	34,382,408
Parks & Recreation Facilities	10,800,022	-	10,800,022	-
Streets & Street Signals	70,057,854	-	70,057,854	-
Water & Sewer Systems	-	193,471,554	193,471,554	-
Vehicles, Equipment, and Other	20,699,740	-	20,699,740	2,019,292
Total Assets	302,086,633	230,033,528	532,120,161	87,583,384
LIABILITIES				
Accounts Payable & Accrued Expenses	11,621,197	11,423,546	23,044,743	1,373,044
Salaries and Benefits Payable	4,164,568	218,220	4,382,788	260,151
Unearned Revenue	2,090,454	942,759	3,033,213	147,880
Other Liabilities	6,009,187	-	6,009,187	-
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	12,174,795	7,696,770	19,871,565	2,534,118
Capital Leases	667,936	1,012,158	1,680,094	11,625
Claims Liabilities	3,983,846	-	3,983,846	-
Compensated Absences	5,604,895	558,139	6,163,034	-
Other Post Employment Benefits Payable	1,390,763	-	1,390,763	-
Due in More Than One Year:				
Bonds Payable	110,121,427	120,715,720	230,837,147	32,767,824
Capital Leases	535,807	458,676	994,483	33,523
Claims Liabilities	10,202,669	-	10,202,669	-
Compensated Absences	2,208,273	-	2,208,273	-
Other Post Employment Benefits Payable	3,568,108	-	3,568,108	-
Minority Interest	-	-	-	1,942,741
Total Liabilities	174,343,925	143,025,988	317,369,913	39,070,906
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	75,133,657	109,256,602	184,390,259	20,975,295
Restricted for:				
Debt Service	-	-	-	1,854,741
Capital Projects	16,820,184	19,441,751	36,261,935	-
Park Operations & Other	4,643,698	-	4,643,698	-
Unrestricted	31,145,169	(41,690,813)	(10,545,644)	25,682,442
Total Net Assets	$ 127,742,708	$ 87,007,540	$ 214,750,248	$ 48,512,478

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, 2009

		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	$ 26,059,767	$ 7,438,126	$ -	$ -	$ (18,621,641)	$ -	$ (18,621,641)	$ -
Commerce	9,454,881	30,893	152,783	-	(9,271,205)	-	(9,271,205)	-
Real Estate and Housing	8,156,663	39,798	4,754,796	-	(3,362,069)	-	(3,362,069)	-
Public Works	22,601,418	254,077	1,353,705	1,841,887	(19,151,749)	-	(19,151,749)	-
Parks and Recreation	10,027,975	-	1,097,299	-	(8,930,676)	-	(8,930,676)	-
Public Safety	86,901,639	12,854,296	10,347,498	-	(63,699,845)	-	(63,699,845)	-
Interest on Long-term Debt	5,352,455	-	-	-	(5,352,455)	-	(5,352,455)	-
Total Governmental Activities	168,554,798	20,617,190	17,706,081	1,841,887	(128,389,640)	-	(128,389,640)	-
Business-type Activities:								
Water/Sewer	53,181,200	49,521,563	-	3,499,193	-	(160,444)	(160,444)	-
Total Primary Governments	$ 221,735,998	$ 70,138,753	$ 17,706,081	$ 5,341,080	(128,389,640)	(160,444)	(128,550,084)	-
Component Units:								
Christina Gateway Corporation	$ 107,086	$ -	$ -	$ -	-	-	-	(107,086)
Rock Manor Golf Corporation	187,146	65,944	-	213,360	-	-	-	92,158
Wilmington UDAG Corporation	1,590,315	331,933	-	-	-	-	-	(1,258,382)
Wilmington Economic Development Corporation	411,895	315,327	-	-	-	-	-	(96,568)
Wilmington Parking Authority	8,100,648	7,378,647	-	-	-	-	-	(722,001)
Downtown Visions	2,348,675	2,380,755	-	-	-	-	-	32,080
Riverfront Business Improvement District	322,319	352,741	-	-	-	-	-	30,422
Total Component Units	$ 13,068,084	$ 10,825,347	$ -	$ 213,360	-	-	-	(2,029,377)
	General Revenues:							
	Taxes:							
	Property Taxes, Levied for General Purposes				32,690,788	-	32,690,788	-
	Income Taxes				57,543,505	-	57,543,505	-
	Real Estate Transfer				2,668,996	-	2,668,996	-
	Lodging & Natural Gas Taxes				1,306,744	-	1,306,744	-
	Investment Earnings				1,168,607	313,311	1,481,918	878,435
	Other Revenues including Capital Asset Gains				500,000	-	500,000	11,864
	Grants, Entitlements, and Contributions not Restricted to Specific Programs				10,757,780	-	10,757,780	-
	Total General Revenues				106,636,420	313,311	106,949,731	890,299
	Changes in Net Assets				(21,753,220)	152,867	(21,600,353)	(1,139,078)
	Net Assets - Beginning				149,495,928	86,854,673	236,350,601	49,651,556
	Net Assets - Ending				$ 127,742,708	$ 87,007,540	$ 214,750,248	$ 48,512,478

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2009

	General	Capital Projects	Housing Opportunities	Commerce	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 13,640,634	$ 18,817,820	$ 5,387,876	$ 9,780,776	$ 957,865	$ 48,584,971
Investments	-	-	-	-	4,586,269	4,586,269
Receivables, Net (Note 4)	26,638,579	-	-	-	1,448,306	28,086,885
Due from Other Funds	13,802,097	-	-	-	-	13,802,097
Due from Component Unit	334,404	-	-	-	-	334,404
Due from Other Governments	7,248,102	-	-	-	4,164,663	11,412,765
Prepaid Items & Other Assets	294,828	-	-	-	2,795,245	3,090,073
TOTAL ASSETS	$ 61,958,644	$ 18,817,820	$ 5,387,876	$ 9,780,776	$ 13,952,348	$109,897,464
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 3,950,144	$ 2,105,569	$ 8,925	$ 123,669	$ 1,545,713	$ 7,734,020
Salaries and Benefits Payable	4,138,370	-	-	-	-	4,138,370
Due to Other Funds	-	-	-	-	2,320,540	2,320,540
Due to Component Unit	213,360	-	-	-	-	213,360
Deferred Revenue	18,718,411	756,117	-	-	1,334,337	20,808,865
Other Liabilities	2,208,434	-	-	-	3,500,000	5,708,434
Total Liabilities	29,228,719	2,861,686	8,925	123,669	8,700,590	40,923,589
Fund Balances:						
Nonspendable						
Long-term Note Receivable	7,962,476	-	-	-	-	7,962,476
Other Purposes	294,828	-	-	-	-	294,828
Restricted						
Capital Projects	-	15,956,134	-	864,050	-	16,820,184
Park Operations	-	-	-	-	4,554,207	4,554,207
Other Purposes	-	-	-	-	89,491	89,491
Committed						
Budget Reserve Account	14,560,571	-	-	-	-	14,560,571
Affordable Housing	-	-	5,378,951	-	-	5,378,951
Economic Development	-	-	-	8,793,057	-	8,793,057
Other Purposes	-	-	-		608,060	608,060
Unassigned	9,912,050	-	-	-	-	9,912,050
Total Fund Balances	32,729,925	15,956,134	5,378,951	9,657,107	5,251,758	68,973,875
Total Liabilities and Fund Balances	$ 61,958,644	$ 18,817,820	$ 5,387,876	$ 9,780,776	$ 13,952,348	$109,897,464

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, 2009

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)		$ 68,973,875
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 $17,081,179 of internal service fund assets accounted for in the following line.		164,125,039
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.		4,071,570
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.		18,718,411
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	$ (7,672,558)	
Other Post Employment Benefit (OPEB) Liability	(4,958,871)	
Accrued Interest on Long Term Debt	(931,293)	
Deferred Amounts - Bond Issuance Costs	1,398,449	
Deferred Amounts - Bond Premium	(3,213,430)	
Deferred Amounts - Advance Refunding Difference	1,624,538	
Bonds and Notes Payable	(114,393,022)	(128,146,187)
Total Net Assets of Governmental Activities (Page 18)		$ 127,742,708

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, 2009

	General	Capital Projects	Housing Opportunities	Commerce	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$31,911,858	$ -	$ -	$ -	$ -	$ 31,911,858
Wage	51,845,669	-	-	-	-	51,845,669
Net Profit	4,059,847	-	-	-	-	4,059,847
Franchise	2,006,557	-	-	-	-	2,006,557
Real Estate Transfer	2,668,996	-	-	-	-	2,668,996
Head	2,787,027	-	-	-	-	2,787,027
Lodging & Natural Gas	1,306,744	-	-	-	-	1,306,744
Intergovernmental	18,314,176	1,841,887	-	2,062,505	9,759,405	31,977,973
Licenses and Permits	4,382,137	-	-	-	-	4,382,137
Fines and Forfeitures	6,395,262	-	-	-	-	6,395,262
Charges for Services	4,149,612	-	-	30,893	430,078	4,610,583
Investment Earnings (Loss)	1,695,191	-	-	523,237	(1,056,132)	1,162,296
Total Revenues	131,523,076	1,841,887	-	2,616,635	9,133,351	145,114,949
EXPENDITURES						
Current:						
General Governmental Services	23,472,269	1,810,884	-	-	492,209	25,775,362
Commerce	-	-	-	9,324,722	-	9,324,722
Real Estate and Housing	560,238	1,466,903	-	-	5,520,482	7,547,623
Public Works	15,835,696	1,981,408	-	-	2,176,033	19,993,137
Parks and Recreation	7,537,431	762,248	-	-	1,812,743	10,112,422
Public Safety	81,726,495	1,542,604	1,501,216	-	1,741,883	86,512,198
Debt Service:		-				
Principal Retirement	7,237,468	-	-	2,897,480	-	10,134,948
Interest and Fiscal Charges	4,476,029	-	-	843,636	33,248	5,352,913
Capital Outlays	-	-	-	-	74,990	74,990
Total Expenditures	140,845,626	7,564,047	1,501,216	13,065,838	11,851,588	174,828,315
Deficiency of Revenues Under Expenditures	(9,322,550)	(5,722,160)	(1,501,216)	(10,449,203)	(2,718,237)	(29,713,366)
OTHER FINANCING SOURCES (USES)						
Proceeds from						
Capital Asset Sales	3,812,500	(3,812,500)	-	500,000	-	500,000
Bonds Issued	-	-	-	3,882,000	-	3,882,000
Transfers In	-	-	5,000,000	15,545,432	1,249,678	21,795,110
Transfers Out	(21,795,110)	-	-	-	-	(21,795,110)
Total Other Financing Sources (Uses)	(17,982,610)	(3,812,500)	5,000,000	19,927,432	1,249,678	4,382,000
Net Change in Fund Balances	(27,305,160)	(9,534,660)	3,498,784	9,478,229	(1,468,559)	(25,331,366)
Fund Balance - Beginning	60,035,085	25,490,794	1,880,167	178,878	6,720,317	94,305,241
Fund Balance - Ending	$32,729,925	$15,956,134	$ 5,378,951	$ 9,657,107	$ 5,251,758	$ 68,973,875

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, 2009

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)		$ (25,331,366)
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	$ 4,649,853	
Depreciation expense	(5,533,981)	(884,128)
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	$ (2,056,194)	
Property and Other Taxes	2,416,919	
Fees and Fines	825,904	1,186,629

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	$ (3,882,000)	$ 10,134,948	
Issuance Costs & Similar Items	-	(181,580)	
Net Adjustment	(3,882,000)	9,953,368	6,071,368

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	$ (411,899)	
Other Post Employment Benefit (OPEB) Liability	(2,401,495)	
Accrued Interest on Long-Term Debt	182,038	(2,631,356)
The net revenue of internal service funds is reported with governmental activities.		(164,367)
Change in net assets of governmental activities (page 19)		$ (21,753,220)

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, 2009

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 32,568,875	$ 32,568,875	$ 31,911,858	$ (657,017)
Wage	51,337,658	51,337,658	51,845,669	508,011
Net Profit	3,940,000	3,940,000	4,059,847	119,847
Franchise	2,405,866	2,405,866	2,006,557	(399,309)
Real Estate Transfer	7,152,313	7,152,313	2,668,996	(4,483,317)
Head	2,186,000	2,186,000	2,787,027	601,027
Lodging & Natural Gas	1,378,000	1,378,000	1,306,744	(71,256)
Intergovernmental	21,464,631	21,464,631	18,314,176	(3,150,455)
Licenses and Permits	4,483,900	4,483,900	4,382,137	(101,763)
Fines and Forfeitures	6,225,000	6,225,000	6,395,262	170,262
Charges for Services	5,043,931	4,543,931	4,149,612	(394,319)
Investment Earnings	4,250,000	4,250,000	1,695,191	(2,554,809)
Total Revenues	142,436,174	141,936,174	131,523,076	(10,413,098)
Expenditures:				
General Governmental Services:				
Mayor's Office	7,786,169	7,623,327	7,183,874	439,453
City Council	2,861,689	2,886,689	2,766,303	120,386
Audit	673,871	680,619	647,853	32,766
Law	3,000,181	3,100,181	2,837,106	263,075
Finance	7,386,897	8,922,010	7,742,815	1,179,195
Personnel	2,000,933	2,014,646	1,776,445	238,201
Treasurer	461,126	461,126	458,458	2,668
Planning	1,908,460	1,915,960	1,735,963	179,997
Real Estate and Housing	2,685,661	2,685,661	2,595,853	89,808
Public Works	22,614,984	22,746,745	20,046,742	2,700,003
Parks and Recreation	10,488,212	10,632,153	10,057,011	575,142
Public Safety:				
Licenses and Inspection	4,925,318	4,997,792	4,623,515	374,277
Fire	24,951,144	24,952,958	25,392,171	(439,213)
Police	49,891,727	49,974,494	52,981,517	(3,007,023)
Total Expenditures	141,636,372	143,594,361	140,845,626	2,748,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	799,802	(1,658,187)	(9,322,550)	(7,664,363)
Other Financing Sources (Use)				
Gain on Sale of Capital Assets	-	-	3,812,500	3,812,500
Transfer Out	-	(14,000,000)	(21,795,110)	(7,795,110)
Total Other Financing Sources (Use)	-	(14,000,000)	(17,982,610)	(3,982,610)
Net Change in Fund Balances	799,802	(15,658,187)	(27,305,160)	(11,646,973)
Fund Balance - Beginning	60,035,085	60,035,085	60,035,085	-
Fund Balance - Ending	$ 60,834,887	$ 44,376,898	$ 32,729,925	$ (11,646,973)

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
Housing Opportunities
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures:				
Materials, Supplies and Equipment	1,501,216	1,501,216	1,501,216	-
Total Expenditures	1,501,216	1,501,216	1,501,216	-
Deficiency of Revenues Under Expenditures	(1,501,216)	(1,501,216)	(1,501,216)	-
Other Financing Sources				
Transfer In	-	5,000,000	5,000,000	-
Total Other Financing Sources	-	5,000,000	5,000,000	-
Net Change in Fund Balances	(1,501,216)	3,498,784	3,498,784	-
Fund Balance - Beginning	1,880,167	1,880,167	1,880,167	-
Fund Balance - Ending	$ 378,951	$ 5,378,951	$ 5,378,951	$ -

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, 2009

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Intergovernmental	$ 2,332,098	$ 2,338,409	$ 2,062,505	$ (275,904)
Investment Earnings	500,000	500,000	523,237	23,237
Other	-	30,780	30,893	113
Total Revenues	2,832,098	2,869,189	2,616,635	(252,554)
Expenditures:				
Personal Services	794,272	794,272	758,945	35,327
Materials, Supplies and Equipment	455,905	6,732,077	7,462,169	(730,092)
Debt Service	4,083,917	4,031,744	3,741,116	290,628
Special Purpose	1,126,000	1,108,500	1,103,608	4,892
Total Expenditures	6,460,094	12,666,593	13,065,838	(399,245)
Deficiency of Revenues Under Expenditures	(3,627,996)	(9,797,404)	(10,449,203)	(651,799)
Other Financing Sources				
Proceeds from Capital Asset Sales	-	-	500,000	500,000
Bonds Issued	-	3,882,000	3,882,000	-
Transfers In	-	9,000,000	15,545,432	6,545,432
Total Other Financing Sources	-	12,882,000	19,927,432	7,045,432
Net Change in Fund Balances	(3,627,996)	3,084,596	9,478,229	6,393,633
Fund Balance - Beginning	178,878	178,878	178,878	-
Fund Balance - Ending	$ (3,449,118)	$ 3,263,474	$ 9,657,107	$ 6,393,633

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

ECONOMIC DEVELOPMENT AT WORK–SHOPRITE COMING TO SOUTH WILMINGTON

REVITALIZATION PROJECTS AT WORK FOR DOWNTOWN WILMINGTON

City of Wilmington, Delaware

Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 250	$ 18,072,511
Receivables, Net (Note 4)	13,484,704	27,275
Prepaid Items & Other Assets	-	255,000
Total Current Assets	13,484,954	18,354,786
Noncurrent Assets:		
Deferred Charges	1,535,934	45,525
Capital Assets, Net (Note 6)		
Land	3,656,612	-
Construction in Progress	15,021,014	305,415
Buildings & Improvements	7,548,995	38,408
Reservoirs and Water Filter Facilities	73,104,057	-
Water Lines	30,763,301	-
Wastewater Pump and Treatment Facilities	75,156,917	-
Sewer Lines	14,447,279	-
Vehicles, Machinery & Equipment	-	16,737,356
Total Noncurrent Assets	221,234,109	17,126,704
Total Assets	234,719,063	35,481,490
LIABILITIES		
Current Liabilities:		
Accounts Payable	10,348,806	2,676,008
Salaries and Benefits Payable	218,220	26,198
Due to Other Funds	4,685,535	6,796,022
Deferred Revenue	942,759	-
Accrued Interest Payable	1,074,740	66,516
Bonds Payable	7,696,770	517,540
Capital Leases	1,012,158	667,936
Compensated Absences	558,139	140,610
Claims Liabilities	-	3,983,846
Total Current Liabilities	26,537,127	14,874,676
Noncurrent Liabilities:		
Bonds Payable	120,715,720	5,796,768
Capital Leases	458,676	535,807
Claims Liabilities	-	10,202,669
Total Noncurrent Liabilities	121,174,396	16,535,244
Total Liabilities	147,711,523	31,409,920
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	109,256,602	10,170,348
Restricted for:		
Capital Projects	19,441,751	607,220
Unrestricted	(41,690,813)	(6,705,998)
Total Net Assets	$ 87,007,540	$ 4,071,570

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, 2009

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
OPERATING REVENUES		
Charges for Services		
Sewer Charges to New Castle County	$ 17,610,381	$ -
Water & Sewer Charges to Direct Users	31,125,315	-
Other Charges for Services	-	30,097,743
Employee Contributions	-	728,865
Intergovernmental	3,499,193	-
Other	785,867	50,617
Total Operating Revenues	53,020,756	30,877,225
OPERATING EXPENSES		
Personal Services	9,796,464	2,030,364
Materials, Supplies and Contractual Services	31,418,551	10,550,215
Depreciation and Amortization	6,330,387	2,795,034
Claims Expense	-	15,127,362
Insurance Premiums	-	182,895
Total Operating Expenses	47,545,402	30,685,870
Operating Income	5,475,354	191,355
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	313,311	-
Interest Expense	(5,635,798)	(351,449)
Bond Issuance Expense	-	(8,335)
Gain on Sale of Assets	-	4,062
Total Non-Operating Revenues (Expenses):	(5,322,487)	(355,722)
Change in Net Assets	152,867	(164,367)
Total Net Assets - Beginning	86,854,673	4,235,937
Total Net Assets - Ending	$ 87,007,540	$ 4,071,570

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, 2009

	Business-type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from Customers and Users	$ 51,492,864	$ -
Receipts from Interfund Services Provided	-	30,877,225
Payments to Suppliers	(32,260,184)	(27,227,234)
Payments to Employees	(9,909,069)	(2,111,081)
Net Cash Provided by (Used in) Operating Activities	9,323,611	1,538,910
Cash Flows from Noncapital Financing Activities		
Advances from Other Funds	4,372,224	1,514,424
Net Cash Provided by Noncapital Financing Activities	4,372,224	1,514,424
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Capital Debt	4,099,982	-
Acquisition and Construction of Capital Assets	(26,039,293)	(3,393,502)
Principal Paid on Bonds	(6,150,129)	(417,053)
Interest Paid on Bonds	(5,566,814)	(324,277)
Principal Paid on Capital Leases	(1,422,789)	(864,175)
Interest Paid on Capital Leases	-	(86,071)
Proceeds from Sale of Capital Assets	-	4,062
Net Cash Provided by (Used in) Capital and Related Financing Activities	(35,079,043)	(5,081,016)
Cash Flows From Investing Activities:		
Interest Received on Unspent Bond Proceeds	313,311	-
Net Cash provided by Investing Activities	313,311	-
Net (Decrease) in Cash and Cash Equivalents	(21,069,897)	(2,027,682)
Cash and Cash Equivalents - July 1, 2008	21,070,147	20,100,193
Cash and Cash Equivalents - June 30, 2009	$ 250	$ 18,072,511
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Operating Income	$ 5,475,354	$ 191,355
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	6,330,387	2,795,034
Changes in Assets and Liabilities:		
(Increase) in Receivables	(1,527,892)	-
Decrease in Prepaid Expenses	-	141
Increase (Decrease) in Accounts Payable	(841,633)	279,710
(Decrease) in Compensated Absences	(64,875)	(58,327)
(Decrease) in Accrued Salaries	(47,730)	(6,888)
(Decrease) in Claims Liability	-	(1,662,115)
Net Cash Provided by (Used in) Operating Activities	$ 9,323,611	$ 1,538,910

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, 2009

	Total Pension Funds	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 11,881,377	$ 1,757,489
Receivables:		
Due from Governments	608,263	382,143
Accrued Interest Receivable	769,705	-
Total Receivables	1,377,968	382,143
Investments, at Fair Value:		
Money Market Mutual Funds	5,741,605	-
U.S. Government Obligations	12,096,442	-
U.S. Agencies - Government Guaranteed	102,178	-
U.S. Agencies - Other	13,578,421	-
Foreign Government Obligations	1,014,999	-
Corporate Bonds	33,175,915	-
Stocks	64,266,924	-
Other Mutual Funds	116,781	-
Total Investments	130,093,265	-
Total Assets	143,352,610	2,139,632
LIABILITIES		
Accounts Payable	89,434	93,476
Salaries and Benefits Payable	17,536	-
Due to Governments	6,310,286	174,194
Compensated Absences	23,072	-
Liability for Stale-dated Pension Checks	178,645	-
Funds held in Escrow	-	1,871,962
Total Liabilities	6,618,973	2,139,632
Net Assets		
Held in Trust for Pension Benefits	$ 136,733,637	$ -

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, 2009

	Total Pension Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 8,927,442
Paid by the State	
On-Behalf of the City	7,554,786
Employees	1,626,620
Federal Drug Subsidies & Other	26,492
Total Contributions	18,135,340
Investment Income (Loss)	
Interest	5,410,279
Net Depreciation in Fair Value	(30,908,416)
Total Investment Income (Loss)	(25,498,137)
Less: Investment Expense	(671,132)
Net Investment Income (Loss)	(26,169,269)
Total Additions	(8,033,929)
DEDUCTIONS	
Benefits Paid	19,179,924
Administrative Expenses	619,145
Total Deductions	19,799,069
Net Decrease in Plans' Net Assets	(27,832,998)
Net Assets - Beginning	164,566,635
Net Assets - Ending	$ 136,733,637

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, 2009

ASSETS	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	$ 125,494	$ 30,618	$ 1,659,484	$ 565,409	$ 5,225,041	$ 232,379	$ 91,075	$ 7,929,500
Investments	-	-	-	-	11,807,043	-	-	11,807,043
Receivables, Net	2,250,000	166,457	4,584,086	478,900	713,845	44,907	22,948	8,261,143
Restricted Assets:								
Investments	-	-	-	-	1,854,741	-	-	1,854,741
Deferred Charges & Other Assets	-	-	-	23,925	728,400	46,911	-	799,236
Capital Assets, Net:								
Land	2,900,000	-	392,089	4,321	16,319,058	-	-	19,615,468
Construction in Progress	-	-	573,639	-	340,914	-	-	914,553
Building and Improvements	-	2,111,645	370,189	1,414,055	29,779,761	706,758	-	34,382,408
Vehicles, Machinery & Equipment	-	-	-	46,185	1,640,558	289,843	42,706	2,019,292
Total Assets	5,275,494	2,308,720	7,579,487	2,532,795	68,409,361	1,320,798	156,729	87,583,384
LIABILITIES								
Accounts Payable & Accrued Expenses	1,000	2,720	395,754	80,584	878,588	3,040	11,358	1,373,044
Salaries and Benefits Payable	-	-	-	-	124,032	136,119	-	260,151
Unerarned Revenue	-	-	-	-	100,860	8,520	38,500	147,880
Long-term Liabilities								
Due within One Year								
Bonds Payable	100,000	-	-	-	2,380,574	28,544	25,000	2,534,118
Capital Leases	-	-	-	-	-	11,625	-	11,625
Due in More than One Year								
Bonds Payable	-	2,132,235	-	1,550,000	27,810,569	708,168	566,852	32,767,824
Capital Leases	-	-	-	-	-	33,523	-	33,523
Minority Interest	-	-	-	-	1,942,741	-	-	1,942,741
Total Liabilities	101,000	2,134,955	395,754	1,630,584	33,237,364	929,539	641,710	39,070,906
NET ASSETS								
Invested in Capital Assets Net of Related Debt	-	19,759	1,335,917	1,515,729	17,889,149	214,741	-	20,975,295
Restricted for:								
Debt Service	-	-	-	-	1,854,741	-	-	1,854,741
Unrestricted	5,174,494	154,006	5,847,816	(613,518)	15,428,107	176,518	(484,981)	25,682,442
Total Net Assets	$ 5,174,494	$ 173,765	$ 7,183,733	$ 902,211	$ 35,171,997	$ 391,259	$ (484,981)	$ 48,512,478

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, 2009

	Expenses	Program Revenues Charges for Services	Christina Gateway Corporation	Rock Manor Golf Corporation	Wilmington UDAG Corporation	Wilmington Economic Development Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Total
Christina Gateway Corporation	$ 107,086	$ -	$ (107,086)	$ -	$ -	$ -	$ -	$ -	$ -	$ (107,086)
Rock Manor Golf Corporation	187,146	65,944	-	(121,202)	-	-	-	-	-	(121,202)
Wilmington UDAG Corporation	1,590,315	331,933	-	-	(1,258,382)	-	-	-	-	(1,258,382)
Wilmington Economic Development Corporation	411,895	315,327	-	-	-	(96,568)	-	-	-	(96,568)
Wilmington Parking Authority	8,100,648	7,378,647	-	-	-	-	(722,001)	-	-	(722,001)
Downtown Visions	2,348,675	2,380,755	-	-	-	-	-	32,080	-	32,080
Riverfront Business Improvement District	322,319	352,741	-	-	-	-	-	-	30,422	30,422
	$ 13,068,084	$ 10,825,347	(107,086)	(121,202)	(1,258,382)	(96,568)	(722,001)	32,080	30,422	(2,242,737)
General Revenues										
Payments from the Primary Government			-	213,360	-	-	-	-	-	213,360
Investment Earnings			44,078	-	41,334	13,292	771,559	5,669	2,503	878,435
Other Revenues			-	2,790	-	-	5,140	-	3,934	11,864
Total General Revenues			44,078	216,150	41,334	13,292	776,699	5,669	6,437	1,103,659
Change in Net Assets			(63,008)	94,948	(1,217,048)	(83,276)	54,698	37,749	36,859	(1,139,078)
Net Assets - Beginning			5,237,502	78,817	8,400,781	985,487	35,117,299	353,510	(521,840)	49,651,556
Net Assets - Ending			$ 5,174,494	$ 173,765	$ 7,183,733	$ 902,211	$ 35,171,997	$ 391,259	$ (484,981)	$ 48,512,478

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. 56. 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 seven other active component units. These units are reported in a separate column to emphasize that they are legally separate from the City's primary government operations.

Christina Gateway Corporation and Brandywine 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 was liquidated in FY2009 and has no reported activity.

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 and
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

Wilmington Parking Authority
625 North Orange 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 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 2009 include property taxes levied principally on July 1, 2008, and collected prior to September 1, 2009. 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 Housing Opportunities Fund, a special revenue fund, is used to account for a funding of the City's efforts to assure affordable housing in 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.

Pension Trust Funds are used where the City holds various housing related assets in trust for others and reports the City's six pension retirement 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 ($10 minimum) and interest is imposed on October 1st at the 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 ($10 minimum) 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; this penalty becomes part of the base fee. Thereafter, interest and penalty are each assessed at a rate of one and one-half percent (1 ½ %) 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 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; in certain circumstances penalties of 5% per month may be applied.

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 for a total penalty of $60.

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, 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, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposed determined by a formal action by City Council ordinance or resolution. This included the Budget Reserve Account.

Assigned – Amounts that are designated as committed by the Mayor but are not spendable until a budget ordinance is passed by City Council.

Unassigned – All amounts not included in other spendable classifications.

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, 2009, 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, 2009, expenditures of the Fire and Police departments of the General Fund exceeded budget by $439,213 and $3,007,023, respectively, primarily due to union settlements, overtime, and compensatory payments. There were five unbudgeted transfers: a $275,422 transferred to the Cable TV Fund in accordance with the City Code, $451,767 transferred to the Park Recreation Assistance Fund, $435,924 was transferred to the Delaware Criminal Justice Fund, $146,504 was transferred to the Special Revenue Fund, and $6,545,433 was transferred to the Commerce Fund to implement the fund change further discussed in Note 12. The Commerce Fund had deficit of $399,245 caused by the $800,000 forgiveness of a loan to WEDCO. 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)	$ 571,869	$ 767,569	$ 963,703
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	5,404,206	1,496,170	797,613
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	60,537,636	9,617,638	1,200,409
Uninsured and Uncollateralized	-	-	4,970,004
Total Deposits	$ 66,513,711	$ 11,881,377	$ 7,931,729
Investments			
Repurchase Agreements	$ -	$ -	$ 1,289,205
Money Market Mutual Funds	3,469,383	5,741,605	-
U.S. Government Obligations	264,261	12,096,442	8,852,026
U.S. Agencies - Government Guaranteed	-	102,178	-
U.S. Agencies - Other	-	13,578,421	3,505,809
Foreign Government Obligations	-	1,014,999	-
Corporate Bonds	-	33,175,915	-
Stock Equities	-	64,266,924	-
Mutual Funds	2,754,135	116,781	-
Total Investments	$ 6,487,779	$ 130,093,265	$ 13,647,040

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 Barclays Capital Intermediate Government/Credit 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, 2009, the portfolio included $13,578,421 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, 2009.

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**< 1 year**	**1-4.9**	**5-9.9**	**10-19.9**	**> 20**
U.S. Treasuries	$ 12,096,442	$ 127,154	$ 6,575,867	$ 5,393,421	$ -	$ -
U.S. Govt. Agencies - Guaranteed	102,178	-	-	-	3,141	99,037
U.S. Govt. Agencies - Other	13,578,421	355,702	2,431,278	5,380,548	898,179	4,512,714
Foreign Gov'ts.	1,014,999	-	1,014,999	-	-	-
Corporate Bonds	33,175,915	1,521,088	16,120,643	10,242,262	4,141,248	1,150,674
Total	$ 59,967,955	$ 2,003,944	$26,142,787	$ 21,016,231	$ 5,042,568	$ 5,762,425

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, 2009, 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	23.14%	$ 33,175,915
Government	18.69%	26,792,040
	41.83%	$ 59,967,955

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, 2009, 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	$ 507,932	$ 507,932
Brazilian Real	622,164	622,164
British Pound	498,819	498,819
Danish Krone	262,039	262,039
Euro	3,727,154	3,727,154
Hong Kong Dollar	58,857	58,857
Japanese Yen	901,478	901,478
Swiss Franc	1,226,301	1,226,301
Thai Baht	135,067	135,067
Total in Foreign Denominated Investments	$ 7,939,811	$ 7,939,811

The Pension Funds' investment policy permits them to invest up to 10 % of total benefit trust funds in foreign currency–denominated investments. The system's current position is 5.5 %.

Investment Commitments at June 30, 2009

The Pension Funds had no investment commitments at June 30, 2009.

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

	Primary Government	Fiduciary Funds	Component Units
Cash and Cash Equivalents	$ 66,513,711	$ 11,881,377	$ 7,931,729
Investments	6,487,779	130,093,265	13,647,040
	$ 73,001,490	$ 141,974,642	$ 21,578,769
Unrestricted	$ 71,244,001	$ -	$ 18,820,891
Restricted	-	-	2,757,878
Fiduciary Funds	1,757,489	141,974,642	-
	$ 73,001,490	$ 141,974,642	$ 21,578,769

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	$ 2,422,856	$ -	$ -	$ -	$ 2,422,856	$ -
Wage Taxes	11,373,501	-	-	-	11,373,501	-
Parking & Redlight Citations	25,443,037	-	-	-	25,443,037	-
Business Licenses	1,609,510	-	-	-	1,609,510	-
Signs and Licenses	3,417,692	-	-	-	3,417,692	-
Other	1,967,268	-	-	-	1,967,268	791,542
Utility Billings	-	-	-	-	-	15,082,721
Notes - Current	2,460,172	-	-	1,448,306	3,908,478	-
Notes - Noncurrent	7,962,476	-	-	-	7,962,476	-
Gross Receivables	56,656,512	-	-	1,448,306	58,104,818	15,874,263
Less: Allowance for Uncollectibles	(30,017,933)	-	-	-	(30,017,933)	(2,389,559)
Net Total Receivables	$ 26,638,579	$ -	$ -	$ 1,448,306	$ 28,086,885	$ 13,484,704

Internal Service Fund receivables amounting to $27,275 are included in Governmental Activities receivables in the Statement of Net Assets.

Discretely Presented Component Units

Receivables as of yearend 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	$ -	$ -	$ 56,186	$ -	$ 240,372	$ 296,558
Mortgages and Loans	2,250,000	4,584,086	657,659	720,564	-	8,212,309
Less: Allowance for Uncollectibles	-	-	-	(241,664)	(6,060)	(247,724)
Net Total Receivables	$ 2,250,000	$ 4,584,086	$ 713,845	$ 478,900	$ 234,312	$ 8,261,143

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 note receivable at June 30, 2009, in the amount of $10,422,648 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 General 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 of which the City recorded a receivable of $3,812,500 as it was due shortly after yearend. The gain combined with State grants and City bond funds were reinvested in a new Public Works Yard opened in 2007. After a series of unanticipated delays, the $3,812,500 was received during 2009; on payment, management decided to recognize the Gain on Sale in the General Fund and this portion of the Gain in the Capital Fund was reduced. Under certain conditions, additional contingent payments are due the City if development reaches certain goals. These contingent 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, 2009, in the amount of $1,300,000 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 governmental Fund.

6. Capital Assets

A. Primary Government

The capital asset activity for Governmental Activities for the year ended June 30, 2009 was as follows:

	June 30, 2008	Increases	Decreases	June 30, 2009
Governmental activities:				
Capital Assets not being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,183,107	-	-	1,183,107
Construction in Progress	2,870,211	141,997	(262,243)	2,749,965
Total Capital Assets not being Depreciated	28,143,499	141,997	(262,243)	28,023,253
Capital Assets being Depreciated:				
Buildings and Improvements	68,890,258	2,042,926	(3,580,262)	67,352,922
Parks and Recreation Faciltities	23,485,874	978,787	-	24,464,661
Streets and Street Signals	106,778,337	5,139,507	(1,739,771)	110,178,073
Vehicles, Equipment and Other	42,454,949	3,901,695	(2,229,217)	44,127,427
Total Capital Assets being Depreciated	241,609,418	12,062,915	(7,549,250)	246,123,083
Less Accumulated Depreciation For:				
Buildings and Improvements	(14,577,116)	(1,150,457)	-	(15,727,573)
Parks and Recreation Faciltities	(13,096,039)	(568,600)	-	(13,664,639)
Streets and Street Signals	(38,483,628)	(3,376,362)	1,739,771	(40,120,219)
Vehicles, Equipment and Other	(22,226,127)	(3,233,594)	2,032,034	(23,427,687)
Total Accumulated Depreciation	(88,382,910)	(8,329,013)	3,771,805	(92,940,118)
Total Capital Assets being Depreciated, Net	153,226,508	3,733,902	(3,777,445)	153,182,965
Governmental Activities Capital Assets, Net	$ 181,370,007	$ 3,875,899	$ (4,039,688)	$ 181,206,218

The capital asset activity for Business-type Activities for the year ended June 30, 2009 was as follows:

	June 30, 2008	Increases	Decreases	June 30, 2009
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	$ 3,656,612	$ -	$ -	$ 3,656,612
Construction in Progress	8,782,733	25,908,146	(19,669,865)	15,021,014
Total Capital Assets not being Depreciated	12,439,345	25,908,146	(19,669,865)	18,677,626
Capital Assets being Depreciated:				
Buildings and Improvements	4,014,780	3,931,531	-	7,946,311
Reservoirs and Water Filter Facilities	80,792,444	10,660,381	-	91,452,825
Water Lines	40,747,367	3,626,393	(842,324)	43,531,436
Wastewater Pump and Treatment Facilties	140,101,314	85,910	-	140,187,224
Sewer Lines	17,241,944	1,451,561	(302,959)	18,390,546
Total Capital Assets being Depreciated	282,897,849	19,755,776	(1,145,283)	301,508,342
Less Accumulated Depreciation For:				
Buildings and Improvements	(120,444)	(276,872)	-	(397,316)
Reservoirs and Water Filter Facilities	(16,913,318)	(1,435,450)	-	(18,348,768)
Water Lines	(12,293,429)	(1,421,749)	947,043	(12,768,135)
Wastewater Pump and Treatment Facilties	(62,190,316)	(2,839,991)	-	(65,030,307)
Sewer Lines	(3,889,901)	(356,325)	302,959	(3,943,267)
Total Accumulated Depreciation	(95,407,408)	(6,330,387)	1,250,002	(100,487,793)
Total Capital Assets being Depreciated, Net	187,490,441	13,425,389	104,719	201,020,549
Business-type Activities Capital Assets, Net	$ 199,929,786	$39,333,535	$ (19,565,146)	$ 219,698,175

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

Governmental Activities	
General Government	$ 1,117,678
Commerce	130,159
Real Estate and Housing	16,601
Public Works	4,591,051
Parks and Recreation	897,465
Public Safety	1,576,059
Total Depreciation Expense - Governmental Activities	$ 8,329,013
Business-type Activities	
Water/Sewer	$ 6,330,387
Total Depreciation Expense - Business-type Activities	$ 6,330,387

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2009. 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	$ 14,465,314	$ 8,344,381
Reservoirs & Other Water and Wastewater Projects	6,129,333	30,540,489
Total	$ 20,594,647	$ 38,884,870

B. Component Units

Capital asset activity for the City's component units for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 19,615,468	$ -	$ -	$ 19,615,468
Construction-In-Progress	3,027,826	140,435	(2,253,708)	914,553
Total Capital Assets Not Being Depreciated	22,643,294	140,435	(2,253,708)	20,530,021
Capital Assets Being Depreciated:				
Buildings and Improvements	60,041,751	2,316,325	-	62,358,076
Machinery and Equipment	3,806,089	81,430	(136,905)	3,750,614
Vehicles & Other Assets	233,373	-	(16,652)	216,721
Total Capital Assets Being Depreciated	64,081,213	2,397,755	(153,557)	66,325,411
Less Accumulated Depreciation For:				
Buildings	(26,339,583)	(1,718,625)	82,540	(27,975,668)
Machinery and Equipment	(1,485,569)	(355,834)	-	(1,841,403)
Vehicles & Other Assets	(99,417)	(7,223)	-	(106,640)
Total Capital Assets Being Depreciated, Net	36,156,644	316,073	(71,017)	36,401,700
Capital Assets, Net	$ 58,799,938	$ 456,508	$ (2,324,725)	$ 56,931,721

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, 2009, is as follows.

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 2,320,540
	Internal Service Funds	6,796,022
	Enterprise Fund	4,685,535
Total		$ 13,802,097

During FY 2009, there were five unbudgeted transfers: a $275,422 transferred to the Cable TV Fund in accordance with the City Code, $451,767 transferred to the Park Recreation Assistance Fund, $435,924 was transferred to the Delaware Criminal Justice Fund, $146,504 was transferred to the Special Revenue Fund, and $6,545,433 was transferred to the Commerce Fund to implement the fund change further discussed in Note 12.

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 interest rate at June 30 was 6.25%. 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
2008 - 2009	$ 1,600,000	$ 2,200,000	$ (300,000)	$ 3,500,000

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, 2009:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 127,382,153	$ 3,882,000	$ (10,551,472)	$ 120,712,681	$ 12,144,881
Less: Deferred Amounts					
Premium on Debts Issued	3,646,683	-	(367,066)	3,279,617	371,932
Gain on Refunding	(2,073,538)	-	377,462	(1,696,076)	(342,018)
Total Bonds Payable	128,955,298	3,882,000	(10,541,076)	122,296,222	12,174,795
Capital Leases	2,067,918	-	(864,175)	1,203,743	667,936
Insurance Claims Payable	15,848,630	15,127,362	(16,789,477)	14,186,515	3,983,846
Compensated Absences	7,459,595	5,604,895	(5,251,322)	7,813,168	5,604,895
Other Post Employment Benefits Payable	2,557,376	3,822,091	(1,420,596)	4,958,871	1,390,763
Governmental Activity Long-Term Liabilities	$ 156,888,817	$ 28,436,348	$ (34,866,646)	$ 150,458,519	$ 23,822,235
Business-type Activities:					
Bonds Payable	$ 128,266,404	$ 4,099,982	$ (6,150,129)	$ 126,216,257	$ 7,804,729
Less: Deferred Amounts					
Premium on Debts Issued	3,446,285	-	(294,277)	3,152,008	(294,508)
Gain on Refunding	(1,159,672)	-	203,897	(955,775)	186,549
Total Bonds Payable	130,553,017	4,099,982	(6,240,509)	128,412,490	7,696,770
Capital Leases	2,893,623	-	(1,422,789)	1,470,834	1,012,158
Compensated Absences	623,014	594,687	(659,562)	558,139	558,139
Business-type Activity Long-Term Liabilities	$ 134,069,654	$ 4,694,669	$ (8,322,860)	$ 130,441,463	$ 9,267,067
Discretely Presented Component Units					
Rock Manor Golf Corporation	$ 1,947,235	$ 185,000	$ -	$ 2,132,235	$ -
Wilmington Economic Development Corporation	1,550,000	-	-	1,550,000	-
Wilmington Parking Authority	33,085,590	-	(2,894,447)	30,191,143	2,380,574
Christiana Gateway Corporation	200,000	-	(100,000)	100,000	100,000
Downtown Visions	820,803	-	(38,943)	781,860	40,169
Riverfront Business Improvement District	631,031	-	(39,179)	591,852	-
Component Units Long-Term Liabilities	$ 38,234,659	$ 185,000	$ (3,072,569)	$ 35,347,090	$ 2,520,743

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 $ 11,713,497 in 2009 were within the statutory debt limit of $ 15,865,516. .

The following is a summary of general obligation bonds outstanding as of June 30, 2009:

Issue/ Maturity	Original Issue	Description	Interest Rates	Outstanding June 30, 2009
1993/2022	$ 68,305,000	Series of 1993B	3.9% - 5.1%	$ 9,070,000
1993/2013	1,938,000	Series of 1993 - WPA	4.50%	657,659
1993/2016	20,000,000	Series of 1993 - DNREC	3.25%	8,793,673
2001/2012	22,165,000	Series of 2001	3.25% - 5.0%	2,245,000
2002/2023	34,780,000	Series of 2002	4.0% - 5.375%	5,480,000
2002/2025	11,000,000	Series of 2002 - DDWSRF	2.96%	10,042,102
2004/2022	12,945,000	Series of 2004B	2.0% -4.2%	12,545,000
2005/2016	18,785,000	Series of 2005	3.0% - 5.0%	13,990,000
2005/2028	13,700,000	Series of 2005C - DNREC (Only $12,206,852 drawn at June 30, 2009)	1.185%	12,206,852
2006/2025	46,465,000	Series of 2006A	3.25% - 5.0%	44,135,000
2006/2025	46,510,000	Series of 2007A	4.0% - 5.0%	46,310,000
2007/2028	3,795,000	Series of 2006 - DDWSRF (Only $275,032 drawn at June 30, 2009)	1.25%	275,032
2007/2028	3,185,000	Series of 2007 - DDWSRF (Only $2,186,620 drawn at June 30, 2009)	Current SRF Rate	2,186,620
2008/2028	75,215,000	Series of 2008A	3.0% - 5.0%	75,110,000
2009/2011	15,500,000	Series of 2009B - Bond Anticipation Note (Only $3,882,000 drawn at June 30, 2009)	Bank Commercial Rate 0.5%	3,882,000
		Total General Obligation Bonds Payable		$ 246,928,938

Primary Government

On September 16, 2005, the City entered into a 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 an earlier 2002 loan for the costs associated with the City's Cool Spring Reservoir project; the 2002 loan was fully utilized before draws began on the 2005 loan. 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 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. At the request of the State, the full loan is now through the Revolving Fund (DDWSRF). The net loan proceeds 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, $275,032 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest rate of 1.25%. Payments are due every six months, with final payments due July 31, 2028. The loan is 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, $2,186,620 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 (1.25% at June 30). 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 22, 2009, the City issued $15,500,000 of General Obligation Bond Anticipation Notes, Series of 2009B. The Notes were issued to a local bank, draws will be requested as needed, mature on June 30, 2011, and bear an annual interest rate equal to 0.5% higher than the bank's commercial interest rate. The proceeds of the Notes will be used to fund infrastructure and improvements by owners of buildings in the Downtown Market Street area under a program known as the Upstairs District Improvement Fund. The Fund in essence makes grants as "gap" funding to qualifying owners; if the owners do not fulfill the terms of the grant for a specified period, all or part of the funds must be returned to the City. These notes are taxable under IRS regulations. The amount outstanding at June 30, 2009, is $3,882,000 at an interest rate of 4.5%. The loan activity is recorded in the Commerce Fund.

The City has entered into General Obligation Financing agreements with Delaware Drinking Water State Revolving Fund (DDWSRF) acting through the Delaware Department of Health and Social Services, Division of Public Health, but loan amounts have not yet drawn down and thus are not included in the schedule of outstanding debt. The programs related to each loan must be start construction within one year of the agreement date. A final loan closing will occur at the end of the project. The loans bear 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 a term of twenty years. The loans supplement other funding for the costs for the projects specified and are recorded in the Water and Sewer Fund.

- A DDWSRF agreement dated December 11, 2008, for an amount not to exceed $18,975,000 is related to costs associated with upgrades to the City's Brandywine Water Filter Plant.
- A DDWSRF agreement dated December 11, 2008, for an amount not to exceed $5,000,000 is related to costs associated with upgrades to the City's water mains.

On June 9, 2009, the City entered into a General Obligation Financing agreement from funds available from the federal American Recovery and Reinvestment Act of 2009 acting through the Delaware

Department of Health and Social Services, Division of Public Health for an amount not to exceed $8,900,000. Loan amounts have not yet been drawn down by the City thus are not included in the schedule of outstanding debt. The net loan proceeds will supplement other funding for the costs associated with the City's water distribution system and Green project related to energy conservation. A portion of the loan will be forgiven under the provisions of the Act; the City anticipates 50% of the loan to be forgiven. The project must start construction by January 1, 2010, and 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 May 1, 2031. The loan is recorded in the Water and Sewer Fund.

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

	General Obligation Bonds			
Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2010	$ 12,144,905	$ 5,599,294	$ 7,804,705	$ 5,274,662
2011	25,474,559	5,349,767	5,563,012	4,994,224
2012	6,502,034	4,302,868	5,759,414	4,796,980
2013	4,989,866	4,069,041	5,978,157	4,592,077
2014	5,159,137	3,852,445	6,193,250	4,376,897
2015-2019	24,574,474	15,792,096	30,607,265	18,321,724
2020-2024	24,800,706	11,399,309	34,201,039	11,995,949
2025-2029	28,685,000	3,704,419	36,120,912	4,209,302
	132,330,681	$ 54,069,239	132,227,754	$ 58,561,815
Less: Funds Not Drawn	(11,618,000)		(6,011,497)	
Total	$120,712,681		$126,216,257	

Component Units

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

Year Ending June 30	Component Units' Debt Service Schedule					
	Wilmington Economic Development Corporation		Wilmington Parking Authority		Riverfront Business Improvement District	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ -	$ -	$ 2,380,574	$ 1,283,271	$ 25,000	$ -
2011	-	-	2,274,100	1,193,960	25,000	-
2012	-	-	2,154,248	1,112,783	25,000	-
2013	-	-	2,239,248	1,025,838	25,000	-
2014	-	-	2,349,248	922,606	25,000	-
2015-2019	-	-	6,512,995	3,204,856	125,000	-
20120-2024	-	-	2,974,598	2,429,300	125,000	-
2025-2029	-	-	3,684,598	1,733,838	125,000	-
2030-2034	1,550,000	-	4,589,598	848,969	91,852	-
2035-2023	-	-	1,031,936	45,281	-	-
Total	$ 1,550,000	$ -	$ 30,191,143	$ 13,800,702	$ 591,852	$ -

Year Ending June 30	Rock Manor Golf Course Corporation		Christiana Gateway Corporation		Downtown Visions	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ -	$ 61,195	$ 100,000	$ 2,000	$ 28,544	$ -
2011	29,384	61,020	-	-	30,423	-
2012	60,047	59,566	-	-	23,143	-
2013	61,793	57,820	-	-	20,461	-
2014	63,590	56,023	-	-	15,991	-
2015-2018	1,917,421	22,800	-	-	618,150	-
Total	$ 2,132,235	$ 318,424	$ 100,000	$ 2,000	$ 736,712	$ -

C. Prior-Year Defeasance of Debt

At June 30, 2009, $22,050,000 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, 2009, nine issues with debt of $47,598,582 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. Capital Lease – Lessee - 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, 2009, the City has $4,940,718 of water meters and $3,300,372 of motor vehicles under lease with accumulated depreciation of $1,378,214 and $1,787,383, respectively.

As of June 30, 2009, payments under these capital leases are as follows:

Year Ending June 30	Water/ Sewer	Motor Vehicle
2010	$ 1,174,779	$ 732,201
2011	363,077	544,615
Total Minimum Lease Payments	1,537,856	1,276,816
Less: Amount Representing Interest	(67,022)	(73,073)
Present Value of Lease Payments	$ 1,470,834	$ 1,203,743

B. 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 2009 was $146,342. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2009:

Year Ending June 30	Wilmington Parking Authority
2010	$ 145,598
2011	129,622
2012	102,135
2013	105,018
2014	30,936
2014 and thereafter	406,000
Total Minimum Future Rental Income	$ 919,309

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	$ 4,571,558		
Permits and Other Revenues	3,724,205		
Revenue on Notes Receivable	10,422,648		
		$ 18,718,411	$ -
Unearned Revenues			
Capital Project Fund			
Unearned grant revenue		756,117	756,117
Non-Major Funds			
Unearned grant revenues			
Park Recreation Assistance		212,303	212,303
Section 8 Housing Assistance		16,672	16,672
Delaware Criminal Justice Planning		295,980	295,980
Special Project		809,382	809,382
		1,334,337	1,334,337
Total		$ 20,808,865	$ 2,090,454
Water & Sewer Fund			
Unearned service charges			$ 942,759

12. Fund Balance

As of these financial statements, the City has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account.

Assigned – Amounts that are designated as committed by the Mayor but are not spendable until a budget ordinance is passed by City Council.

Unassigned – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet of Governmental Funds (page 20). As noted in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund had Unassigned Fund Balance of $9,912,050 at June 30, 2009. Noncurrent notes receivable of $7,962,476 related to the Port are considered Nonspendable Fund Balance as are $294,828 of prepaid items.

The General Fund has Committed Funds consisting of the Budget Reserve Account of $14,560,571. The Budget Reserve Account 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 $145,605,707 of FY2010 expenditures budgeted as of the end of June 30, 2009.

Other Major Funds

The Capital Project Fund has Restricted Funds of $15,956,134 at June 30, 2009 consisting primarily of unspent bond funds. The Commerce Fund had Restricted Funds of $864,050 consisting of unspent bond funds used for infrastructure incentives and Committed Funds of $8,793,057 to fulfill the City's economic incentive programs. The Housing Opportunities Fund has Committed Funds of $5,378,951 to fulfill the City's affordable housing programs.

Other Funds

The following fund has a Restricted Fund Balance designated for specific purposes:

Non-major Fund	Wilmington Park Trust Commission (blended component)	Park Maintenance	$ 4,554,207

The remaining Special Revenue Funds Restricted Fund Balance of $89,491 relates to a grant and the Committed Funds of $608,060 relate to cable television and internal capital and related programs.

As of June 30, 2009, the City has $2,985,693 of encumbrances of operating funds in major and nonmajor funds that rolled over into the next fiscal year.

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%. 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
2007 - 2008	$ 5,499,674	$ 3,326,944	$ (2,111,794)	$ 6,714,824
2008 - 2009	6,714,824	566,027	(2,387,378)	4,893,473

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
2007 - 2008	$ 14,935,599	$ (4,274,164)	$ (2,393,477)	$ 8,267,958
2008 - 2009	8,267,958	2,285,453	(2,844,011)	7,709,400

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
2007 - 2008	$ 1,045,641	$ 11,034,199	$ (11,213,992)	$ 865,848
2008 - 2009	865,848	14,663,260	(13,945,466)	1,583,642

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 was required by the Delaware Department of Natural Resources and Environmental Control (DNREC) to be included as a co-permittee on the Post-Closure Permit for the Pigeon Point Landfill operated by the Delaware Solid Waste Authority (DSWA). In 2009 the City requested that it be removed as a co-permittee since the City has no control over the facility and DSWA is contractually and statutorily responsible for the Landfill. 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 was also required by Delaware Department of Natural Resources and Environmental Control (DNREC) to participate in an investigation of stabilized sewage sludge from the wastewater treatment plant while on City property. Until recently, the plant's operator (Veolia) paid a subcontractor to manage the City's biosolids and the City believes that title to the sludge passed to the subcontractor. The City has appealed to the Environmental Appeals Board as it believes the responsibility rests solely with the subcontractor. 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 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 and a slightly higher amount for FY2009, to be adjusted thereafter annually 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. In arbitration, the City was awarded and the County paid $500,000 with additional amounts subject to continuing negotiation. 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, 2009.

C. Litigation – Component Unit

In June 2008 a consent decree was issued by the US Department of Justice to settle a complaint by the United States against WEDCO. As of June 30, 2009, the amount of $40,000 was payable to the United States government after the property is sold. 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 of the retirement plans (Park Trust is included in Plan I) and the healthcare plan consisted of the following:

	Firefighters	Police	Non-Uniformed Plan I	Non-Uniformed Plan II	Non-Uniformed Plan III	Post Retirement Healthcare Benefit
Number of Retirees & Beneficiaries Receiving Benefits	314	435	246	144	144	207
Number of Terminated Employees Entitled to Benefits	0	22	0	185	110	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	80	116	43	61	628	1126
Current Year Annual Covered Payroll	$ 4,838,319	$ 8,385,568	$154,551	$682,296	$ 27,715,995	$ 64,850,293

The City's current-year total payroll for all employees was $75,809,763.

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 76 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, 2009, 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, 2009, 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	TD Bank, N.A.	Certificates of Deposit	$ 3,313,934
Non-uniformed Plan III	TD Bank, N.A.	Certificates of Deposit	$ 3,903,630

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 - $4,709,376; Police - $2,801,028; Plan I - $44,382) 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
As of June 30, 2009

	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	$ 46,217	$ 11	$ 4,392,178	$ -	$ 16,070
Receivables:					
Accrued Interest Receivable	34,078	62,670	160,157	-	20,485
Investments, at Fair Value:					
Money Market Mutual Funds	233,839	429,994	1,098,819	79,361	521,753
U.S. Government Obligations	522,538	960,872	2,455,444	-	609,406
U.S. Agencies - Government Guaranteed	4,648	8,547	21,841	-	-
U.S. Agencies - Other	548,894	1,009,335	2,579,289	-	1,512,015
Foreign Government Obligations	46,173	84,903	216,963	-	-
Corporate Bonds	1,477,237	2,716,424	6,941,644	-	701,604
Stocks	2,879,940	5,295,792	13,533,049	-	956,772
Other Mutual Funds	-	-	-	116,781	-
Total Investments	5,713,269	10,505,867	26,847,049	196,142	4,301,550
Due from Other Governments	-	-	-	-	608,263
Total Assets	5,793,564	10,568,548	31,399,384	196,142	4,946,368
LIABILITIES					
Accounts Payable	2,434	2,845	20,773	8,910	51,684
Salaries and Benefits Payable	-	-	-	17,536	-
Due to Other Governments	-	-	6,310,286	-	-
Compensated Absences	2,307	2,307	11,536	-	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-	-
Total Liabilities	43,652	13,669	6,351,048	26,446	51,684
Net Assets					
Held in Trust for Pension Benefits	$ 5,749,912	$ 10,554,879	$ 25,048,336	$ 169,696	$ 4,894,684

City of Wilmington, Delaware
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	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	$ 355,122	$ -	$ 2,994,895	$ 17,536	$ 1,420,596
Paid by the State On-Behalf of the City	44,382	-	-	-	-
Employees	-	-	614,719	-	170,891
Federal Drug Subsidies & Other	-	-	-	-	26,492
Total Contributions	399,504	-	3,609,614	17,536	1,617,979
Investment Income (Loss)					
Investment Earnings	245,793	438,329	1,201,932	5,301	206,660
Net Depreciation in Fair Value	(1,482,250)	(2,643,331)	(6,866,299)	(47,250)	(349,752)
Total Investment Earnings	(1,236,457)	(2,205,002)	(5,664,367)	(41,949)	(143,092)
Less: Investment Expense	(31,940)	(56,959)	(147,957)	-	(13,665)
Net Investment Income (Loss)	(1,268,397)	(2,261,961)	(5,812,324)	(41,949)	(156,757)
Total Additions	(868,893)	(2,261,961)	(2,202,710)	(24,413)	1,461,222
DEDUCTIONS					
Benefits Paid	1,055,207	852,653	1,871,342	17,820	814,902
Administrative Expenses	52,030	87,260	227,258	1,244	48,295
Total Deductions	1,107,237	939,913	2,098,600	19,064	863,197
Net Increase (Decrease) in Plan Net Assets	(1,976,130)	(3,201,874)	(4,301,310)	(43,477)	598,025
Net Assets - Beginning	7,726,042	13,756,753	29,349,646	213,173	4,296,659
Net Assets - Ending	$ 5,749,912	$ 10,554,879	$ 25,048,336	$ 169,696	$ 4,894,684

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
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%	-
2009	5,023,195	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
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%	-
2009	6,626,502	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
2004	$ 256,374	100.0%	$ -
2005	-	100.0%	-
2006	436,685	100.0%	-
2007	490,662	100.0%	-
2008	503,792	100.0%	-
2009	355,122	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
2004	$ -	100.0%	$ -
2005	257,768	100.0%	-
2006	-	100.0%	-
2007	48,456	100.0%	-
2008	-	100.0%	-
2009	-	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: Effective July 1, 2008, 2.0% of final average earnings (five consecutive years out of the last ten that produce the highest average) times credited years of service (maximum 35 years); a credited year of service for every year with 1,500 hours of service after hire, buyback or December 31, 1990. Previously, this was 1.85% of final average earnings with a maximum service of 30 years.

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
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%	-
2009	2,994,895	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
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%	-
2009	17,536	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 plus 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 not 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 FY2009 was 13.82% 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
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%	-
2009	2,372,977	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 $181,323 for the year ended June 30, 2009. 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.

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								
(7/1/08-6/30/09) (1)								
Contribution	$5,023,195	$6,626,502	$ 355,122	$ -	$ 3,138,555	$ 17,536	$1,420,596	$ 2,372,977
Pension Cost	$5,023,195	$6,626,502	$ 355,122	$ -	$ 3,138,555	$ 17,536	$1,420,596 (5)	$ 2,372,977
Actuarial Valuation Date	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 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)	21 years	21 years	21 years	21 years	21 years	21 years	28 years	9 years
Asset Valuation Method	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	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, 2008 valuation for the fiscal year ended June 30, 2008. The valuation calculates an Annual Required Contribution for each of the following two years; this may be recalculated to reflect significant changes in staff 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 dollar.

(2) The amortization period remaining does not include amounts paid into the Fire Pension Plan and the Police Pension Fund 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 Fund (an enterprise fund) contributes and records its pro-rata share of Annual Required Conribution. The governmental funds contribute and record only an actuarially determined amount based on the explicit subsidy cost. See further comments in Note 16 on the Post-Retirement Heathcare Benefit Fund.

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

16. Pension Trust Fund - Post-Retirement Healthcare Benefit Fund (Other Post Employment Benefits – OPEB)

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 $4,000 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 76 of the Notes.

The eligible participants and membership are listed on page 65. Employer contributions recognized during 2009 were $1,420,596 and participant contributions were $170,891.

The City has implemented GASB No. 43 and 45 starting with the 2008 fiscal year. The City's funding policy is for its governmental activities to fund at least the actuarial determined Annual Required Contribution (ARC) of the explicit liability and the City's business-activities fund its full ARC. The City recognizes the full ARC in the government-wide financial statements and recorded a liability for unfunded contributions as of June 30, 2009.

Annual OPEB Cost and Net OPEB Obligations

The City's annual OPEB cost is calculated based on the Annual Required Contribution actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities over a period of thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated as part of the net OPEB obligations. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City net OPEB obligation:

	Total	Governmental Activities	Business-type Activites
Net OPEB Obligation at June 30, 2008	$ 2,557,376	$ 2,557,376	$ -
Annual Required Contribution	3,566,759	3,096,896	469,863
Adjustment to Annual Required Contribution	255,332	255,332	-
Annual OPEB Cost	3,822,091	3,352,228	469,863
Less: Employer Contributions	(1,420,596)	(950,733)	(469,863)
Net OPEB Obligation at June 30, 2009	$ 4,958,871	$ 4,958,871	$ -

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 80. The City's annual OPEB cost, following summarized activities for the plan for the transition year and current 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
2009	3,822,091	37.2%	4,958,871

17. Subsequent Events

On September 1, 2009, the City has entered into a General Obligation Financing agreement with Delaware Water Pollution Control Revolving Fund (DWPCRF) acting by and through the Delaware Department of Natural Resources and Environmental Control, Division of Water Resources for an amount not to exceed $2,800,000. The program must start construction by December 31, 2009. The interest rate will be 2% and is due in twenty years.

On August 20, 2009, the City Council approved a new collective bargaining agreement with the American Federation of State, County, and Municipal Employees Union AFL-CIO Local 1102 covering the fiscal years 2008, 2009, and 2010. The costs of any additional compensation (retroactive payments) related to fiscal years 2008 and 2009 were included in the 2009 expenditures.

A VIEW OF RODNEY SQUARE

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 the Pension Healthcare Fund is presented for the transition and subsequent year. The multi-year employer plan and Pension Healthcare Fund have 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						
7/1/2004	$ 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%
7/1/2008	45,725,133	83,260,017	37,534,884	54.9%	4,838,319	775.8%
Police						
7/1/2004	$ 55,912,712	$ 109,873,650	$ 53,960,938	50.9%	$ 8,687,536	621.2%
7/1/2006	63,439,079	119,177,885	55,738,806	53.2%	8,595,485	648.5%
7/1/2008	75,328,966	130,259,946	54,930,980	57.8%	8,385,569	655.1%
Plan I Non-Uniformed						
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%
7/1/2008	8,593,765	10,218,256	1,624,491	84.1%	154,551	1051.1%
Plan II Non-Uniformed						
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%
7/1/2008	15,301,793	13,395,511	(1,906,282)	114.2%	682,296	-279.4%
Plan III Non-Uniformed						
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%
7/1/2008	32,645,945	61,337,975	28,692,030	53.2%	27,715,995	103.5%
Park Trust						
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%
7/1/2009	169,696	195,116	25,420	87.0%	75,075	33.9%
Pension Healthcare						
7/1/2007	$ 3,223,326	$ 36,600,382	$ 33,377,056	8.8%	$ 58,409,524	57.1%
7/1/2008	4,916,523	50,167,044	45,250,521	9.8%	64,850,293	69.8%
Delaware's County & Municipal Police and Firefighters' Plan (multi-employer - in thousands of dollars)						
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%
6/30/2009	119,712	122,573	2,861	97.7%	55,478	5.2%

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, 2009, 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, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	$ 1,352,550	$ 1,352,550	$ 1,410,714	$ (58,164)
Materials, Supplies and Equipment	1,585,933	1,602,782	1,409,667	193,115
Special Purpose	998,360	796,169	590,776	205,393
Debt Service	1,464,562	1,464,562	1,288,344	176,218
Office of the Mayor	5,401,405	5,216,063	4,699,501	516,562
Management and Budget				
Personal Services	459,206	459,206	493,900	(34,694)
Materials, Supplies and Equipment	87,580	87,580	65,124	22,456
Management and Budget	546,786	546,786	559,024	(12,238)
Office of Emergency Management				
Personal Services	55,030	55,030	62,717	(7,687)
Materials, Supplies and Equipment	196,911	199,411	314,211	(114,800)
Debt Service	-	-	44,950	(44,950)
Office of Emergency Management	251,941	254,441	421,878	(167,437)
Cultural Affairs				
Personal Services	273,357	273,357	280,070	(6,713)
Materials, Supplies and Equipment	586,207	606,207	591,815	14,392
Special Purpose	61,200	61,200	55,960	5,240
Cultural Affairs	920,764	940,764	927,845	12,919
Constituent Services				
Personal Services	439,675	439,675	424,297	15,378
Materials, Supplies and Equipment	225,598	225,598	151,329	74,269
Constituent Services	665,273	665,273	575,626	89,647
Mayor's Offices				
Personal Services	2,579,818	2,579,818	2,671,698	(91,880)
Materials, Supplies and Equipment	2,682,229	2,721,578	2,532,146	189,432
Special Purpose	1,059,560	857,369	646,736	210,633
Debt Service	1,464,562	1,464,562	1,333,294	131,268
Mayor's Offices	$ 7,786,169	$ 7,623,327	$ 7,183,874	$ 439,453
CITY COUNCIL				
City Council				
Personal Services	$ 483,702	$ 483,902	$ 475,589	$ 8,313
Materials, Supplies and Equipment	575,217	578,718	542,483	36,235
Special Purpose	265,500	329,174	330,716	(1,542)
Debt Service	4,418	4,418	4,404	14
City Council	1,328,837	1,396,212	1,353,192	43,020

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 607,068	$ 606,868	$ 647,384	$ (40,516)
Materials, Supplies and Equipment	125,446	95,671	62,202	33,469
City Clerk	732,514	702,539	709,586	(7,047)
Cable and Communication				
Personal Services	621,553	621,553	603,864	17,689
Materials, Supplies and Equipment	153,436	141,036	82,735	58,301
Debt Service	25,349	25,349	16,926	8,423
Cable and Communication	800,338	787,938	703,525	84,413
City Council Offices				
Personal Services	1,712,323	1,712,323	1,726,837	(14,514)
Materials, Supplies and Equipment	854,099	815,425	687,420	128,005
Special Purpose	265,500	329,174	330,716	(1,542)
Debt Service	29,767	29,767	21,330	8,437
City Council Offices	$ 2,861,689	$ 2,886,689	$ 2,766,303	$ 120,386
AUDIT				
Audit Department				
Personal Services	$ 425,968	$ 425,968	$ 426,003	$ (35)
Materials, Supplies and Equipment	247,903	254,651	221,850	32,801
Audit Department	$ 673,871	$ 680,619	$ 647,853	$ 32,766
LAW				
Law Department				
Personal Services	$ 2,182,251	$ 2,182,251	$ 2,195,911	$ (13,660)
Materials, Supplies and Equipment	817,930	917,930	641,195	276,735
Law Department	$ 3,000,181	$ 3,100,181	$ 2,837,106	$ 263,075
FINANCE				
Finance Administrative				
Personal Services	$ 168,358	$ 168,358	$ 192,058	$ (23,700)
Materials, Supplies and Equipment	228,798	184,116	146,691	37,425
Debt Service	-	-	5,169	(5,169)
Finance Administrative	397,156	352,474	343,918	8,556
Earned Income Tax				
Personal Services	1,134,371	1,328,619	1,365,806	(37,187)
Materials, Supplies and Equipment	970,454	1,896,154	1,136,625	759,529
Earned Income Tax	2,104,825	3,224,773	2,502,431	722,342
Accounting				
Personal Services	824,281	824,281	849,517	(25,236)
Materials, Supplies and Equipment	316,958	313,976	226,558	87,418
Accounting	1,141,239	1,138,257	1,076,075	62,182

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 315,536	$ 315,536	$ 268,948	$ 46,588
Materials, Supplies and Equipment	197,743	221,743	128,093	93,650
Procurement and Records	513,279	537,279	397,041	140,238
Delinquent Accounts Division				
Personal Services	50,348	50,401	55,691	(5,290)
Materials, Supplies and Equipment	179,685	393,983	352,599	41,384
Delinquent Accounts Division	230,033	444,384	408,290	36,094
Central Cashier				
Personal Services	293,152	296,708	289,077	7,631
Materials, Supplies and Equipment	2,406,421	2,562,172	2,355,218	206,954
Central Cashier	2,699,573	2,858,880	2,644,295	214,585
Billing & Customer Service				
Personal Services	252,404	278,771	303,409	(24,638)
Materials, Supplies and Equipment	48,388	87,192	67,356	19,836
Billing & Customer Service	300,792	365,963	370,765	(4,802)
Finance Department				
Personal Services	3,038,450	3,262,674	3,324,506	(61,832)
Materials, Supplies and Equipment	4,348,447	5,659,336	4,413,140	1,246,196
Debt Service	-	-	5,169	(5,169)
Finance Department	$ 7,386,897	$ 8,922,010	$ 7,742,815	$ 1,179,195
PERSONNEL				
Personnel - Admin				
Personal Services	$ 207,813	$ 207,813	$ 199,843	$ 7,970
Materials, Supplies and Equipment	220,284	219,784	174,661	45,123
Debt Service	31,458	31,458	-	31,458
Personnel - Admin	459,555	459,055	374,504	84,551
Human Resource and Services				
Personal Services	1,130,797	1,130,797	1,052,216	78,581
Materials, Supplies and Equipment	410,581	424,794	331,744	93,050
Debt Service	-	-	17,981	(17,981)
Human Resource and Services	1,541,378	1,555,591	1,401,941	153,650
Personnel Department				
Personal Services	1,338,610	1,338,610	1,252,059	86,551
Materials, Supplies and Equipment	630,865	644,578	506,405	138,173
Debt Service	31,458	31,458	17,981	13,477
Personnel Department	$ 2,000,933	$ 2,014,646	$ 1,776,445	$ 238,201
TREASURER				
Treasurer's Office				
Personal Services	$ 311,718	$ 311,718	$ 325,794	$ (14,076)
Materials, Supplies and Equipment	149,408	149,408	132,664	16,744
Treasurer's Office	$ 461,126	$ 461,126	$ 458,458	$ 2,668

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PLANNING				
Planning				
Personal Services	$ 1,011,682	$ 1,011,682	$ 951,758	$ 59,924
Materials, Supplies and Equipment	553,055	560,555	440,481	120,074
Debt Service	343,723	343,723	343,724	(1)
Planning	$ 1,908,460	$ 1,915,960	$ 1,735,963	$ 179,997
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	$ 55,010	$ 55,010	$ 54,981	$ 29
Materials, Supplies and Equipment	237,338	237,338	238,788	(1,450)
Debt Service	1,878,008	1,878,008	1,909,497	(31,489)
Real Estate and Housing - Admin	2,170,356	2,170,356	2,203,266	(32,910)
Real Estate and Housing - Rehabilitation				
Personal Services	129,341	129,341	137,287	(7,946)
Materials, Supplies and Equipment	134,015	134,015	129,183	4,832
Debt Service	251,949	251,949	126,117	125,832
Real Estate and Housing - Rehabilitation	515,305	515,305	392,587	122,718
Real Estate & Housing Department				
Personal Services	184,351	184,351	192,268	(7,917)
Materials, Supplies and Equipment	371,353	371,353	367,971	3,382
Debt Service	2,129,957	2,129,957	2,035,614	94,343
Real Estate & Housing Department	$ 2,685,661	$ 2,685,661	$ 2,595,853	$ 89,808
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 931,691	$ 931,691	$ 797,794	$ 133,897
Materials, Supplies and Equipment	873,722	873,722	748,542	125,180
Debt Service	1,219,537	1,219,537	934,509	285,028
Public Works - Admin	3,024,950	3,024,950	2,480,845	544,105
Street Maintenance				
Materials, Supplies and Equipment	610,092	610,092	541,603	68,489
Debt Service	2,542,301	2,542,301	1,926,043	616,258
Street Maintenance	3,152,393	3,152,393	2,467,646	684,747
Transportation/WILDOT				
Personal Services	1,116,959	1,116,959	1,147,815	(30,856)
Materials, Supplies and Equipment	1,477,937	1,554,007	612,943	941,064
Debt Service	1,006,701	1,006,701	923,754	82,947
Transportation/WILDOT	3,601,597	3,677,667	2,684,512	993,155

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 2,693,541	$ 2,693,541	$ 2,754,949	$ (61,408)
Materials, Supplies and Equipment	1,776,475	1,755,538	1,340,825	414,713
Street Cleaning	4,470,016	4,449,079	4,095,774	353,305
Rubbish Collection				
Personal Services	2,746,161	2,746,161	3,036,377	(290,216)
Materials, Supplies and Equipment	3,201,197	3,248,834	2,854,346	394,488
Rubbish Collection	5,947,358	5,994,995	5,890,723	104,272
Property Maintenance				
Personal Services	364,555	364,555	292,911	71,644
Materials, Supplies and Equipment	1,789,055	1,818,046	1,707,591	110,455
Debt Service	265,060	265,060	426,740	(161,680)
Property Maintenance	2,418,670	2,447,661	2,427,242	20,419
Public Works Department				
Personal Services	7,852,907	7,852,907	8,029,846	(176,939)
Materials, Supplies and Equipment	9,728,478	9,860,239	7,805,850	2,054,389
Debt Service	5,033,599	5,033,599	4,211,046	822,553
Public Works Department	$ 22,614,984	$ 22,746,745	$ 20,046,742	$ 2,700,003
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 689,618	$ 689,618	$ 609,590	$ 80,028
Materials, Supplies and Equipment	352,477	356,612	303,970	52,642
Debt Service	2,000,526	2,000,526	1,947,222	53,304
Parks and Recreation - Admin	3,042,621	3,046,756	2,860,782	185,974
Park Maintenance				
Personal Services	2,015,689	2,015,689	2,001,835	13,854
Materials, Supplies and Equipment	1,452,435	1,572,619	1,229,739	342,880
Debt Service	527,539	527,539	521,533	6,006
Park Maintenance	3,995,663	4,115,847	3,753,107	362,740
Recreation				
Personal Services	528,677	528,677	568,582	(39,905)
Materials, Supplies and Equipment	409,630	409,630	420,434	(10,804)
Debt Service	45,221	45,221	-	45,221
Recreation	983,528	983,528	989,016	(5,488)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 790,526	$ 790,526	$ 844,081	$ (53,555)
Materials, Supplies and Equipment	445,016	465,016	419,833	45,183
Debt Service	81,421	81,421	50,825	30,596
William Hicks Anderson Center	1,316,963	1,336,963	1,314,739	22,224
Youth and Families				
Personal Services	726,619	726,619	741,430	(14,811)
Materials, Supplies and Equipment	422,818	422,440	397,937	24,503
Youth and Families	1,149,437	1,149,059	1,139,367	9,692
Parks and Recreation Department				
Personal Services	4,751,129	4,751,129	4,765,518	(14,389)
Materials, Supplies and Equipment	3,082,376	3,226,317	2,771,913	454,404
Debt Service	2,654,707	2,654,707	2,519,580	135,127
Parks and Recreation Department	$ 10,488,212	$ 10,632,153	$ 10,057,011	$ 575,142
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 3,346,609	$ 3,346,609	$ 3,269,963	$ 76,646
Materials, Supplies and Equipment	1,304,467	1,376,941	1,079,311	297,630
Special Purpose	246,049	246,049	246,049	-
Debt Service	28,193	28,193	28,192	1
License and Inspection	$ 4,925,318	$ 4,997,792	$ 4,623,515	$ 374,277
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 5,753,141	$ 5,753,141	$ 5,638,067	$ 115,074
Materials, Supplies and Equipment	1,264,101	1,270,201	651,124	619,077
Debt Service	548,596	629,596	435,269	194,327
Fire - Admin	7,565,838	7,652,938	6,724,460	928,478
Fire - Suppression				
Personal Services	14,051,357	14,051,357	15,906,480	(1,855,123)
Materials, Supplies and Equipment	2,171,534	2,086,248	1,559,795	526,453
Fire - Suppression	16,222,891	16,137,605	17,466,275	(1,328,670)
Fire - Prevention				
Personal Services	862,449	862,449	900,114	(37,665)
Materials, Supplies and Equipment	299,966	299,966	301,322	(1,356)
Fire - Prevention	1,162,415	1,162,415	1,201,436	(39,021)
Fire Department				
Personal Services	20,666,947	20,666,947	22,444,661	(1,777,714)
Materials, Supplies and Equipment	3,735,601	3,656,415	2,512,241	1,144,174
Debt Service	548,596	629,596	435,269	194,327
Fire Department	$ 24,951,144	$ 24,952,958	$ 25,392,171	$ (439,213)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 5,772,164	$ 5,772,164	$ 6,505,448	$ (733,284)
Materials, Supplies and Equipment	934,614	830,105	614,512	215,593
Debt Service	8,258	8,258	29,385	(21,127)
Police - Admin	6,715,036	6,610,527	7,149,345	(538,818)
Police - Patrol				
Personal Services	20,097,782	20,102,286	19,445,055	657,231
Materials, Supplies and Equipment	2,255,913	2,255,913	2,503,752	(247,839)
Debt Service	555,866	555,866	530,053	25,813
Police - Patrol	22,909,561	22,914,065	22,478,860	435,205
Police - Special Operations				
Personal Services	3,579,927	3,638,189	4,857,111	(1,218,922)
Materials, Supplies and Equipment	376,149	364,949	370,532	(5,583)
Police - Special Operations	3,956,076	4,003,138	5,227,643	(1,224,505)
Police - Support Services				
Personal Services	1,210,172	1,210,172	1,311,705	(101,533)
Materials, Supplies and Equipment	1,190,989	1,205,989	941,632	264,357
Police - Support Services	2,401,161	2,416,161	2,253,337	162,824
Police - Investigations				
Personal Services	8,248,496	8,248,496	10,062,904	(1,814,408)
Materials, Supplies and Equipment	749,392	749,392	649,557	99,835
Police - Investigations	8,997,888	8,997,888	10,712,461	(1,714,573)
Police - Communications				
Personal Services	3,055,851	3,055,851	3,290,306	(234,455)
Materials, Supplies and Equipment	899,700	894,700	912,861	(18,161)
Debt Service	265,246	265,246	265,175	71
Police - Communications	4,220,797	4,215,797	4,468,342	(252,545)
Police Operations				
Materials, Supplies and Equipment	571,208	696,918	601,967	94,951
Police Operations	571,208	696,918	601,967	94,951
Public Safety Director's Office				
Personal Services	20,000	20,000	10,878	9,122
Materials, Supplies and Equipment	100,000	100,000	78,684	21,316
Public Safety Director's Office	120,000	120,000	89,562	30,438
Police Department				
Personal Services	41,984,392	42,047,158	45,483,407	(3,436,249)
Materials, Supplies and Equipment	7,077,965	7,097,966	6,673,497	424,469
Debt Service	829,370	829,370	824,613	4,757
Police Department	$ 49,891,727	$ 49,974,494	$ 52,981,517	$ (3,007,023)
Total Expenditures	$ 141,636,372	$ 143,594,361	$ 140,845,626	$ 2,748,735

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 Police Special Fund accounts for a special grant from the New Castle County government to be used for expanding police activities within the City of Wilmington.

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 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, 2009

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	Police Special	Home for People with AIDS Grant	Cable Television	Special Projects	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	$ -	$ -	$ 38,862	$ 108,713	$ -	$ 18	$ -	$ -	$ -	$ 608,060	$ 202,212	$ 957,865
Investments	-	-	-	-	-	4,586,269	-	-	-	-	-	4,586,269
Receivables, Net (Note 4)	-	102,358	-	-	-	8,800	-	-	-	-	1,337,148	1,448,306
Due from Other Governments	910,612	451,363	-	-	829,842	11,458	695,322	-	497,649	-	768,417	4,164,663
Prepaid Items & Other Assets	-	-	-	-	-	-	-	-	-	-	2,795,245	2,795,245
Total Assets	$ 910,612	$ 553,721	$ 38,862	$ 108,713	$ 829,842	$ 4,606,545	$ 695,322	$ -	$ 497,649	$ 608,060	$ 5,103,022	$13,952,348
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	$ 30,076	$ 293,854	$ -	$ 19,222	$ 160,067	$ 12,856	$ 158,594	$ -	$ 121,721	$ -	$ 749,323	$ 1,545,713
Due to Other Funds	668,233	259,867	22,190	-	669,775	39,482	240,748	-	375,928	-	44,317	2,320,540
Deferred Revenue	212,303	-	16,672	-	-	-	295,980	-	-	-	809,382	1,334,337
Other Liabilities	-	-	-	-	-	-	-	-	-	-	3,500,000	3,500,000
Total Liabilities	910,612	553,721	38,862	19,222	829,842	52,338	695,322	-	497,649	-	5,103,022	8,700,590
Fund Balances, Unreserved:												
Restricted	-	-	-	89,491	-	4,554,207	-	-	-	-	-	4,643,698
Committed	-	-	-	-	-	-	-	-	-	608,060	-	608,060
Total Fund Balances	-	-	-	89,491	-	4,554,207	-	-	-	608,060	-	5,251,758
Total Liabilities and Fund Balances	$ 910,612	$ 553,721	$ 38,862	$ 108,713	$ 829,842	$ 4,606,545	$ 695,322	$ -	$ 497,649	$ 608,060	$ 5,103,022	$13,952,348

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, 2009

	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	Police Special	Home for People with AIDS Grant	Cable Television	Special Projects	Total Nonmajor Governmental Funds
REVENUES												
Intergovernmental	$ 927,212	$3,028,475	$ 21,372	$1,353,705	$ 996,014	$ -	$ 963,364	$ -	$ 681,916	$ -	1,787,347	$ 9,759,405
Program Revenue	-	39,798	-	-	-	-	-	-	-	-	-	39,798
Investment Earnings (Loss)	-	-	218	-	-	(1,056,350)	-	-	-	-	-	(1,056,132)
Other/Private Contributions	40,660	-	-	-	-	111,834	(293,975)	-	-	-	531,761	390,280
Total Revenues	967,872	3,068,273	21,590	1,353,705	996,014	(944,516)	669,389	-	681,916	-	2,319,108	9,133,351
EXPENDITURES												
Current:												
General Governmental Services	-	57,293	-	-	-	-	997	-	-	-	433,919	492,209
Real Estate and Housing	-	3,010,980	21,590	-	996,014	-	-	-	681,916	-	809,982	5,520,482
Public Works	-	-	-	1,668,587	-	-	-	-	-	-	507,446	2,176,033
Parks and Recreation	1,419,639	-	-	-	-	366,657	-	-	-	-	26,447	1,812,743
Public Safety	-	-	-	-	-	-	1,104,316	42,936	-	-	594,631	1,741,883
Debt Service:												
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	33,248	33,248
Capital Outlays	-	-	-	-	-	-	-	-	-	74,990	-	74,990
Total Expenditures	1,419,639	3,068,273	21,590	1,668,587	996,014	366,657	1,105,313	42,936	681,916	74,990	2,405,673	11,851,588
Deficiency of Revenues Under Expenditures	(451,767)	-	-	(314,882)	-	(1,311,173)	(435,924)	(42,936)	-	(74,990)	(86,565)	(2,718,237)
Other Financing Sources												
Transfers in	451,767	-	-	-	-	-	435,924	-	-	275,422	86,565	1,249,678
Total Other Financing Sources	451,767	-	-	-	-	-	435,924	-	-	275,422	86,565	1,249,678
Net change in Fund Balances	-	-	-	(314,882)	-	(1,311,173)	-	(42,936)	-	200,432	-	(1,468,559)
Fund Balance - Beginning	-	-	-	404,373	-	5,865,380	-	42,936	-	407,628	-	6,720,317
Fund Balance - Ending	$ -	$ -	$ -	$ 89,491	$ -	$ 4,554,207	$ -	$ -	$ -	$ 608,060	$ -	$ 5,251,758

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, 2009

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 967,872	$ 967,872	$ 967,872	$ -
Expenditures	967,872	967,872	1,419,639	451,767
Excess Revenues Over Expenditures	$ -	$ -	$ (451,767)	$ (451,767)
Commmunity Development Block Grant				
Revenues	$ 3,068,273	$ 3,068,273	$ 3,068,273	$ -
Expenditures	3,068,273	3,068,273	3,068,273	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Municipal Street Aid				
Revenues	$ 1,353,705	$ 1,668,587	$ 1,353,705	$ (314,882)
Expenditures	1,353,705	1,668,587	1,668,587	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (314,882)	$ (314,882)
Home Partnership Program				
Revenues	$ 996,014	$ 996,014	$ 996,014	$ -
Expenditures	996,014	996,014	996,014	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Home for People With AIDS				
Revenues	$ 681,916	$ 681,916	$ 681,916	$ -
Expenditures	681,916	681,916	681,916	-
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, 2009

	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	$ -	$ 57,810	$ -	$ 20,578	$ 22,122	$ 150	$ 300	$ 7,566,665	$ 7,736,932	$ 2,667,954	$18,072,511
Receivables, Net (Note 4)	-	-	-	-	-	27,275	-	-	-	-	27,275
Prepaid Items and Other Assets	-	-	-	-	-	-	-	-	255,000	-	255,000
Total Current assets	-	57,810	-	20,578	22,122	27,425	300	7,566,665	7,991,932	2,667,954	18,354,786
Noncurrent Assets:											
Deferred Charges	29,569	-	-	-	-	11,424	4,532	-	-	-	45,525
Capital Assets, Net:											
Construction In Progress	305,415	-	-	-	-	-	-	-	-	-	305,415
Buildings and Improvements	29,070	-	-	-	-	-	9,338	-	-	-	38,408
Machinery and Equipment	2,886,704	-	20,320	-	-	468,395	1,655,819	56,555	-	-	5,087,793
Vehicles	-	-	-	-	-	11,649,563	-	-	-	-	11,649,563
Total Noncurrent Assets	3,250,758	-	20,320	-	-	12,129,382	1,669,689	56,555	-	-	17,126,704
Total Assets	3,250,758	57,810	20,320	20,578	22,122	12,156,807	1,669,989	7,623,220	7,991,932	2,667,954	35,481,490
LIABILITIES											
Current Liabilities:											
Accounts Payable	261,465	7,608	4,491	3,438	14,269	601,058	209,824	220,472	270,008	1,083,375	2,676,008
Salaries and Benefits Payable	-	13,802	3,872	4,161	-	-	4,363	-	-	-	26,198
Accrued Interest Payable	17,528	-	-	-	-	43,999	4,989	-	-	-	66,516
Due to Other Funds	266,382	-	9,594	-	-	5,667,073	852,973	-	-	-	6,796,022
Bonds Payable	246,707	-	-	-	-	198,701	72,132	-	-	-	517,540
Capital Lease	-	-	-	-	-	667,936	-	-	-	-	667,936
Claims Liability	-	-	-	-	-	-	-	1,051,112	1,349,092	1,583,642	3,983,846
Compensated Absences	25,156	36,400	2,363	12,979	7,853	-	36,627	5,771	12,524	937	140,610
Total Current Liabilities	817,238	57,810	20,320	20,578	22,122	7,178,767	1,180,908	1,277,355	1,631,624	2,667,954	14,874,676
Noncurrent Liabilities:											
Bonds Payable	2,433,520	-	-	-	-	2,874,167	489,081	-	-	-	5,796,768
Capital Lease	-	-	-	-	-	535,807	-	-	-	-	535,807
Claims Liability	-	-	-	-	-	-	-	3,842,361	6,360,308	-	10,202,669
Total Noncurrent Liabilities	2,433,520	-	-	-	-	3,409,974	489,081	3,842,361	6,360,308	-	16,535,244
Total Liabilities	3,250,758	57,810	20,320	20,578	22,122	10,588,741	1,669,989	5,119,716	7,991,932	2,667,954	31,409,920
NET ASSETS											
Invested in Capital Assets, Net of Related Debt	1,148,182	-	20,320	-	-	7,841,347	1,103,944	56,555	-	-	10,170,348
Restricted for:											
Capital Projects	607,220	-	-	-	-	-	-	-	-	-	607,220
Unassigned	(1,755,402)	-	(20,320)	-	-	(6,273,281)	(1,103,944)	2,446,949	-	-	(6,705,998)
Total Net Assets	$ -	$ -	$ -	$ -	$ -	$ 1,568,066	$ -	$ 2,503,504	$ -	$ -	$ 4,071,570

City of Wilmington, Delaware

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	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	$ 3,095,700	$ 440,611	$ 345,865	$ 257,322	$ 335,688	$ 5,802,689	$ 1,410,636	$ 890,738	$ 3,364,028	$ 14,154,466	$ 30,097,743
Employee Contributions	-	-	-	-	-	-	-	-	-	728,865	728,865
Other	-	-	-	-	-	-	-	50,617	-	-	50,617
Total Operating Revenues	3,095,700	440,611	345,865	257,322	335,688	5,802,689	1,410,636	941,355	3,364,028	14,883,331	30,877,225
OPERATING EXPENSES											
Personal Services	618,888	279,938	75,263	72,536	177,876	-	314,753	117,172	293,500	80,438	2,030,364
Materials, Supplies, Equipment and Contractual Services	1,998,967	160,673	262,473	184,786	157,812	3,538,867	865,694	2,456,235	785,075	139,633	10,550,215
Depreciation and Amortization	368,849	-	8,129	-	-	2,202,924	208,728	6,404	-	-	2,795,034
Claims Expense	-	-	-	-	-	-	-	(1,821,351)	2,285,453	14,663,260	15,127,362
Insurance Premiums	-	-	-	-	-	-	-	182,895	-	-	182,895
Total Operating Expenses	2,986,704	440,611	345,865	257,322	335,688	5,741,791	1,389,175	941,355	3,364,028	14,883,331	30,685,870
Operating Income	108,996	-	-	-	-	60,898	21,461	-	-	-	191,355
NON-OPERATING REVENUES (EXPENSES)											
Interest Expense	(103,236)	-	-	-	-	(228,106)	(20,107)	-	-	-	(351,449)
Bond Issuance Costs	(5,760)	-	-	-	-	(1,221)	(1,354)	-	-	-	(8,335)
Gain on Sale of Assets	-	-	-	-	-	4,062	-	-	-	-	4,062
Total Non-Operating Revenues (Expenses)	(108,996)	-	-	-	-	(225,265)	(21,461)	-	-	-	(355,722)
Change in Net Assets	-	-	-	-	-	(164,367)	-	-	-	-	(164,367)
Total Net Assets - Beginning	-	-	-	-	-	1,732,433	-	2,503,504	-	-	4,235,937
Total Net Assets - Ending	$ -	$ -	$ -	$ -	$ -	$ 1,568,066	$ -	$ 2,503,504	$ -	$ -	$ 4,071,570

City of Wilmington, Delaware

Combining Statement of Cash Flows
Internal Service Funds
June 30, 2009

	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	$ 3,095,700	$ 440,611	$345,865	$ 257,322	$335,688	$ 5,802,689	$ 1,410,636	$ 941,355	$ 3,364,028	$ 14,883,331	$ 30,877,225
Payments to Suppliers	(2,087,122)	(155,342)	(266,429)	(182,183)	(167,316)	(3,373,047)	(738,834)	(3,193,029)	(3,541,438)	(13,522,494)	(27,227,234)
Payments to Employees	(662,918)	(287,474)	(71,709)	(70,584)	(183,561)	-	(286,683)	(128,622)	(323,698)	(95,832)	(2,111,081)
Net Cash Provided by (Used in) Operating Activities	345,660	(2,205)	7,727	4,555	(15,189)	2,429,642	385,119	(2,380,296)	(501,108)	1,265,005	1,538,910
Cash Flows from Noncapital Financing Activities		-									
Advances From (To) Other Funds	266,382	-	(7,727)	-	-	913,478	342,291	-	-	-	1,514,424
Net Cash Provided by (Used in) Capital and Related Financing Activities	266,382	-	(7,727)	-	-	913,478	342,291	-	-	-	1,514,424
Cash Flows from Capital and Related Financing Activities:											
Proceeds from Bonds	-	-	-	-	-	-	-	-	-	-	-
Acquisition and Construction of Capital Assets	(654,964)	-	-	-	-	(2,077,358)	(598,413)	(62,767)	-	-	(3,393,502)
Principal Paid on Bonds	(188,435)	-	-	-	-	(159,062)	(69,556)	-	-	-	(417,053)
Interest Paid on Bonds	(104,320)	-	-	-	-	(160,516)	(59,441)	-	-	-	(324,277)
Principal Paid on Capital Leases	-	-	-	-	-	(864,175)	-	-	-	-	(864,175)
Interest Paid on Capital Leases	-	-	-	-	-	(86,071)	-	-	-	-	(86,071)
Proceeds from Sale of Capital Assets	-	-	-	-	-	4,062	-	-	-	-	4,062
Net Cash Provided by (Used in) Capital and Related Financing Activities	(947,719)	-	-	-	-	(3,343,120)	(727,410)	(62,767)	-	-	(5,081,016)
Net Increase (Decrease) in Cash and Cash Equivalents	(335,677)	(2,205)	-	4,555	(15,189)	-	-	(2,443,063)	(501,108)	1,265,005	(2,027,682)
Cash and Cash Equivalents - July 1, 2008	335,677	60,015	-	16,023	37,311	150	300	10,009,728	8,238,040	1,402,949	20,100,193
Cash and Cash Equivalents - June 30, 2009	$ -	$ 57,810	$ -	$ 20,578	$ 22,122	$ 150	$ 300	$ 7,566,665	$ 7,736,932	$ 2,667,954	$ 18,072,511
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:											
Operating Income	$ 108,996	$ -	$ -	$ -	$ -	$ 60,898	$ 21,461	$ -	$ -	$ -	191,355
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:											
Depreciation and Amortization	368,849	-	8,129	-	-	2,202,924	208,728	6,404	-	-	2,795,034
Changes in Assets and Liabilities:											
Decrease in Prepaid Expenses	-	-	-	141	-	-	-	-	-	-	141
Increase (Decrease) in Accounts Payable	(88,155)	1,562	(2,179)	3,438	(9,504)	165,820	140,895	(559,624)	72,549	554,908	279,710
Increase (Decrease) in Compensated Absences	(33,743)	(13,008)	(937)	(2,027)	(2,675)	-	14,587	(3,713)	(10,680)	(6,131)	(58,327)
Increase (Decrease) in Accrued Salaries	(10,287)	9,241	2,714	3,003	(3,010)	-	(552)	(2,012)	(4,419)	(1,566)	(6,888)
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	(1,821,351)	(558,558)	717,794	(1,662,115)
Net Cash Provided by (Used In) Operating Activities	$ 345,660	$ (2,205)	$ 7,727	$ 4,555	$ (15,189)	$ 2,429,642	$ 385,119	$ (2,380,296)	$ (501,108)	$ 1,265,005	$ 1,538,910

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.

The Sills/Moyer Education Foundation Fund accounts for capital funds held for the benefit of the Sills/Moyer Education Foundation, Inc. for the construction of the Evelyn & James H. Sills Community Development Center.

City of Wilmington

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2009

	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	$ 4,376,231	$ 3,050,670	$ 46,217	$ 11	$ 4,392,178	$ -	$ 11,865,307	$ 16,070	$ 11,881,377
Receivables:									
Accrued Interest Receivable	178,701	313,614	34,078	62,670	160,157	-	749,220	20,485	769,705
Investments, at Fair Value:									
Money Market Mutual Funds	1,226,087	2,151,752	233,839	429,994	1,098,819	79,361	5,219,852	521,753	5,741,605
U.S. Government Obligations	2,739,836	4,808,346	522,538	960,872	2,455,444	-	11,487,036	609,406	12,096,442
U.S. Agencies - Government Guaranteed	24,371	42,771	4,648	8,547	21,841	-	102,178	-	102,178
U.S. Agencies - Other	2,878,024	5,050,864	548,894	1,009,335	2,579,289	-	12,066,406	1,512,015	13,578,421
Foreign Government Obligations	242,093	424,867	46,173	84,903	216,963	-	1,014,999	-	1,014,999
Corporate Bonds	7,745,625	13,593,381	1,477,237	2,716,424	6,941,644	-	32,474,311	701,604	33,175,915
Stocks	15,100,450	26,500,921	2,879,940	5,295,792	13,533,049	-	63,310,152	956,772	64,266,924
Other Mutual Funds	-	-	-	-	-	116,781	116,781	-	116,781
Total Investments	29,956,486	52,572,902	5,713,269	10,505,867	26,847,049	196,142	125,791,715	4,301,550	130,093,265
Due from Governments	-	-	-	-	-	-	-	608,263	608,263
Total Assets	34,511,418	55,937,186	5,793,564	10,568,548	31,399,384	196,142	138,406,242	4,946,368	143,352,610
LIABILITIES									
Accounts Payable	1,051	1,737	2,434	2,845	20,773	8,910	37,750	51,684	89,434
Salaries and Benefits Payable	-	-	-	-	-	17,536	17,536	-	17,536
Due to Governments	-	-	-	-	6,310,286	-	6,310,286	-	6,310,286
Compensated Absences	4,615	2,307	2,307	2,307	11,536	-	23,072	-	23,072
Liability for Stale-dated Pension Checks	45,425	77,339	38,911	8,517	8,453	-	178,645	-	178,645
Total Liabilities	51,091	81,383	43,652	13,669	6,351,048	26,446	6,567,289	51,684	6,618,973
Net Assets									
Held in Trust for Pension & OPEB Benefits	$ 34,460,327	$ 55,855,803	$ 5,749,912	$ 10,554,879	$ 25,048,336	$ 169,696	$ 131,838,953	$ 4,894,684	$ 136,733,637

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2009

	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	$ 313,819	$ 3,825,474	$ 355,122	$ -	$ 2,994,895	$ 17,536	$ 7,506,846	$ 1,420,596	$ 8,927,442
Paid by the State									
On-Behalf of the City	4,709,376	2,801,028	44,382	-	-	-	7,554,786	-	7,554,786
Employees	319,563	521,447	-	-	614,719	-	1,455,729	170,891	1,626,620
Federal Drug Subsidies & Other	-	-	-	-	-	-	-	26,492	26,492
Total Contributions	5,342,758	7,147,949	399,504	-	3,609,614	17,536	16,517,361	1,617,979	18,135,340
Investment Income (Loss)									
Investment Earnings	1,228,795	2,083,469	245,793	438,329	1,201,932	5,301	5,203,619	206,660	5,410,279
Net Depreciation in Fair Value	(7,106,359)	(12,413,175)	(1,482,250)	(2,643,331)	(6,866,299)	(47,250)	(30,558,664)	(349,752)	(30,908,416)
Total Investment Earnings	(5,877,564)	(10,329,706)	(1,236,457)	(2,205,002)	(5,664,367)	(41,949)	(25,355,045)	(143,092)	(25,498,137)
Less: Investment Expense	(153,129)	(267,482)	(31,940)	(56,959)	(147,957)	-	(657,467)	(13,665)	(671,132)
Net Investment Income (Loss)	(6,030,693)	(10,597,188)	(1,268,397)	(2,261,961)	(5,812,324)	(41,949)	(26,012,512)	(156,757)	(26,169,269)
Total Additions	(687,935)	(3,449,239)	(868,893)	(2,261,961)	(2,202,710)	(24,413)	(9,495,151)	1,461,222	(8,033,929)
DEDUCTIONS									
Benefits Paid	6,149,430	8,418,570	1,055,207	852,653	1,871,342	17,820	18,365,022	814,902	19,179,924
Administrative Expenses	87,483	115,575	52,030	87,260	227,258	1,244	570,850	48,295	619,145
Total Deductions	6,236,913	8,534,145	1,107,237	939,913	2,098,600	19,064	18,935,872	863,197	19,799,069
Net Increase (Decrease) in Plan Net Assets	(6,924,848)	(11,983,384)	(1,976,130)	(3,201,874)	(4,301,310)	(43,477)	(28,431,023)	598,025	(27,832,998)
Net Assets - Beginning	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
Net Assets - Ending	$ 34,460,327	$ 55,855,803	$ 5,749,912	$ 10,554,879	$ 25,048,336	$ 169,696	$ 131,838,953	$ 4,894,684	$ 136,733,637

City of Wilmington, Delaware

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2009

	Balance at June 30, 2008	Additions	Deductions	Balance at June 30, 2009
ESCROW LOANS AND GRANTS				
ASSETS				
Cash and Cash Equivalents	$ -	$ 38,095	$ -	$ 38,095
Due from Other Governmental Agencies	209,206	162,615	208,048	163,773
Total Assets	$ 209,206	$ 200,710	$ 208,048	$ 201,868
LIABILITIES				
Accounts Payable	$ -	$ 49,300	$ -	$ 49,300
Funds Held in Escrow	152,567	162,616	162,615	152,568
Due to Governments	56,639	-	56,639	-
				-
Total Liabilities	$ 209,206	$ 211,916	$ 219,254	$ 201,868
EMERGENCY SHELTER GRANT				
ASSETS				
Due from Federal Government	$ 205,899	$ 12,471	$ -	$ 218,370
Total Assets	$ 205,899	$ 12,471	$ -	$ 218,370
LIABILITIES				
Accounts Payable	$ 3,075	$ 44,176	$ 3,075	$ 44,176
Due to Governments	202,824	-	28,630	174,194
Total Liabilities	$ 205,899	$ 44,176	$ 31,705	$ 218,370
SILLS / MOYER EDUCATION FUND				
ASSETS				
Cash and Cash Equivalents	$ -	$ 2,214,673	$ 495,279	$ 1,719,394
Total Assets	$ -	$ 2,214,673	$ 495,279	$ 1,719,394
LIABILITIES				
Funds Held in Escrow	$ -	$ 2,214,673	$ 495,279	$ 1,719,394
Total Liabilities	$ -	$ 2,214,673	$ 495,279	$ 1,719,394
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ -	$ 2,252,768	$ 495,279	$ 1,757,489
Due from Governments	415,105	175,086	208,048	382,143
Total Assets	$ 415,105	$ 2,427,854	$ 703,327	$ 2,139,632
LIABILITIES				
Accounts Payable	$ 3,075	$ 93,476	$ 3,075	$ 93,476
Due to Governments	259,463	-	85,269	174,194
Funds Held in Escrow	152,567	2,377,289	657,894	1,871,962
Total Liabilities	$ 415,105	$ 2,470,765	$ 746,238	$ 2,139,632

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 105

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 110

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

Debt Capacity 114

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 118

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 120

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 EIGHT FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
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	$ 75,133,657
Restricted	9,718,750	12,574,298	18,881,357	18,550,295	47,553,927	37,550,546	32,130,891	21,463,882
Unrestricted	13,921,976	10,890,569	19,257,293	47,765,158	37,510,699	42,222,663	39,978,018	31,145,169
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	$ 127,742,708
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	$ 109,256,602
Restricted	-	-	-	-	13,216,350	13,216,350	35,632,265	19,441,751
Unassigned	16,996,490	7,139,685	177,269	(8,916,359)	(22,727,559)	(29,954,329)	(50,893,003)	(41,690,813)
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	$ 87,007,540
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	$ 184,390,259
Restricted	9,718,750	12,574,298	18,881,357	18,550,295	60,770,277	50,766,896	67,763,156	40,905,633
Unassigned	30,918,466	18,030,254	19,434,562	38,848,799	14,783,140	12,268,334	(10,914,985)	(10,545,644)
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	$ 214,750,248

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 EIGHT FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009
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	$ 26,059,767
Commerce	3,482,407	2,722,144	1,906,066	2,112,027	2,541,506	1,678,227	7,022,739	9,454,881
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	8,156,663
Public Works	12,453,280	16,807,245	14,338,205	14,583,093	16,916,066	18,308,616	21,562,949	22,601,418
Parks and Recreation	5,341,614	6,305,699	8,559,178	7,311,483	7,805,055	9,641,670	11,460,259	10,027,975
Public Safety	46,868,653	47,597,878	48,632,268	65,426,116	65,487,887	74,738,935	74,915,049	86,901,639
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	5,352,455
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	168,554,798
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	53,181,200
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	53,181,200
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	$ 221,735,998
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	$ 7,438,126
Commerce	-	-	-	-	-	-	1,360	30,893
Real Estate and Housing		-	-	-	735,375	1,000	527,971	39,798
Public Works	1,919	9,140	6,194	19,329	29,839	217,669	263,071	254,077
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	12,854,296
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	17,706,081
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	1,841,887
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	40,165,158
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	53,020,756
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	53,020,756
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	$ 93,185,914

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	$ 32,690,788
Income Taxes	44,096,406	40,625,407	44,270,947	47,348,120	54,791,274	52,786,285	54,438,848	57,543,505
Other Taxes	8,825,894	3,262,024	8,400,361	9,313,482	6,158,544	5,940,697	4,978,122	2,668,996
Lodging & Natural Gas Taxes	-	-	-	-	-	1,303,322	1,227,140	1,306,744
Investment Earnings	3,430,624	2,649,356	2,857,460	3,113,915	5,268,048	6,523,991	3,471,478	1,168,607
Payments from Component Units	275,000	275,000	275,000	275,000	275,000	275,000	500,000	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	10,757,780
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	106,636,420
Business-type Activities:								
Investment Earnings	-	-	-	-	-	500,000	379,799	313,311
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	313,311
Total Primary Government	$ 96,016,273	$ 90,613,589	$ 96,208,781	$ 101,524,439	$ 103,761,905	$ 118,102,336	$ 107,271,067	$ 106,949,731
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)	$ (21,753,220)
Business-type Activities	(1,216,440)	(2,212,142)	2,831,430	279,702	(1,634,012)	10,023,077	4,039,711	152,867
Total Primary Government	$ 4,380,040	$ (3,652,929)	$ 14,637,756	$ 10,287,717	$ 32,540,075	$ 32,792,936	$ 781,018	$ (21,600,353)

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,987,648	$ 7,962,476
Other Purposes	-	4,477	-	958	192,901	314,797	200,000	250,000	1,633	294,828
Committed										-
Special Designations	-	-	5,399,098	-	-	-	20,378,110	5,500,000	18,562,766	-
Budget Reserve Account	9,338,962	9,765,396	10,035,457	13,436,793	25,547,644	31,437,057	37,466,306	46,352,802	15,200,256	14,560,571
Uassigned										
Other Purposes	2,997,964	-	-	-	-	-	-	-	15,282,782	9,912,050
Total General Fund	$ 12,336,926	$ 9,769,873	$ 15,434,555	$ 13,437,751	$ 25,740,545	$ 31,751,854	$ 58,044,416	$ 52,102,802	$ 60,035,085	$ 32,729,925
ALL OTHER GOVERNMENTAL FUNDS										
Restricted										
Capital Projects Funds	$ 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	$ 16,820,184
Park Operations	-	5,375,816	5,050,276	4,884,615	5,396,359	5,763,979	5,911,539	6,429,519	5,865,380	4,554,207
Other Purposes	-	-	-	7,689,683	13,484,998	12,418,696	6,395,446	5,208,207	447,309	89,491
Committed										
Affordable Housing	-	-	-	-	-	-	-	2,300,000	1,880,167	5,378,951
Economic Development	-	-	5,399,098	-	-	-	10,517,702	8,620,524	178,878	8,793,057
Other Purposes	-	-	-	-	-	-	-	-	407,628	608,060
Total All Other Governmental Funds	$ 5,330,105	$ 4,827,737	$ 24,274,554	$ 20,094,405	$ 19,490,605	$ 15,507,785	$ 46,581,712	$ 36,492,987	$ 34,270,156	$ 36,243,950

Notes: The components of fund balances for 2000 to 2008 have been restated for comparative purposes after the implementation of GASB 54 (see Note 1).

Table IV

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 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	$ 31,911,858
Wage Taxes	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	51,845,669
Net Profit	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	4,059,847
Franchise	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	2,006,557
Real Estate Transfer	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	2,668,996
Head Taxes	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	2,787,027
Lodging & Natural Gas	-	-	-	-	2,367,322	3,292,262	495,389	1,303,322	1,227,140	1,306,744
Intergovernmental	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	31,977,973
Licenses and Permits	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	4,382,137
Fines and Forfeitures	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	6,395,262
Charges for Services	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	4,610,583
Investment Earnings	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	1,162,296
Other	3,825,361	3,515,498	719,603	660,709	1,333,567	1,303,121	-	-	-	-
Total Revenues	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	145,114,949
EXPENDITURES										
General Government	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	25,775,362
Commerce	-	-	3,281,376	2,575,276	1,810,417	1,236,442	1,746,783	1,613,148	6,892,580	9,324,722
Real Estate and Housing	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	7,547,623
Public Works	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	19,993,137
Parks and Recreation	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	10,112,422
Public Safety	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	86,512,198
Pensions and Retirement	6,241,575	4,028,643	-	-	-	-	-	-		
Debt Service:										
Principal	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	10,134,948
Interest	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	5,352,913
Capital Outlay - Capital Projects	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	74,990
Total Expenditures	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	174,828,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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)	(29,713,366)
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	500,000
Bond Anticipation Notes	-	-	-	-	4,500,000	1,350,000	-	-	-	-
Bond Anticipation Note Repayment	-	-	-	-	-	(4,500,000)	-	-	-	-
Bonds Issued	-	-	18,775,000	-	-	21,311,195	34,155,000	27,356,540	34,100,000	3,882,000
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	6,108,857	4,626,243	1,240,187	2,348,388	3,051,615	-	645,992	8,859,255	1,666,236	21,795,110
Transfers Out	(3,408,857)	(426,243)	(40,187)	(73,388)	(2,051,615)	-	(645,992)	(13,859,255)	(1,666,236)	(21,795,110)
Total Other Financing Sources (Uses)	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	4,382,000
Net Change in Fund Balances	(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	(25,331,366)
Prior Period Adjustments	-	-	-	(978,275)	-	-	2,556,183	-	-	-
Net Change in Fund Balances	$ (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	$ (25,331,366)
Debt Service as a Percentage of Noncapital Expenditures	9.41%	8.56%	11.32%	12.94%	13.34%	11.33%	12.53%	12.24%	11.54%	8.86%

Notes: Within expenditures of 2000 to 2008, departments have been reclassified to their current categories for comparative purposes.

Table V

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

Fiscal Year Ended June 30	Real Property: Residential Property	Real Property: Commercial / Industrial	Personal Property: Public Utilities	Personal Property: Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate[1]
2009	$ 1,065,908,110	$ 2,394,501,500	$ 110,443,800	$ 227,199,692	$ 1,422,057,150	$ 2,375,995,952	$1.3969
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	1.0819
2000	585,693,367	1,414,582,677	74,355,319	35,481,828	n/a	2,110,113,191	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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City of Wilmington Direct Rates										
City	$ 1.0819	$ 1.0819	$1.3067	$ 1.3067	$1.3067	$1.3067	$1.3969	$1.3969	$1.3969	$1.3969
School District	1.0253	1.0253	1.0870	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	$ 2.5517	$ 2.5517	$2.5517	$2.5517	$2.6419	$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)

	2000			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
BPG Office Partners VIII. LLC	$ -		-	$ 105,571,700	1	2.78%
Delmarva Power & Light	89,616,802	2	4.30%	82,768,900	2	2.18%
Bank of America (formerly MBNA)	-		-	78,568,900	3	-
MacQuarie BDN Christina	-		-	59,471,900	4	1.57%
D C L Leasing partnerts LPL	58,559,299	4	2.80%	58,084,300	5	1.53%
E.I. Du Pont Nemours & Company	94,266,090	1	5.60%	52,839,800	6	1.39%
1201 Market Street LLC	-		-	51,775,000	7	1.36%
Hub Properties Trust	36,072,400	9	1.70%	31,152,500	8	0.82%
222 Delaware Partners, LP				27,608,600	9	0.73%
Rodney Square Investors, L.P.	27,054,360	10	1.30%	27,054,400	10	0.71%
100 West Tenth Street Corp	22,636,598	12	1.10%	22,386,600	11	-
TRC One Rodney Square, LLC	-		-	15,113,600	12	0.40%
Tatten Partners	25,592,900	11	1.20%	-		-
Barrow Street Hen Partnerships	36,341,700	8	0.80%	-		-
Verizon	49,034,622	7	2.30%	-		0.00%
Bassett Partners L.P.	51,775,000	6	2.50%	-		-
Brandywine Partners	53,917,150	5	0.70%	-		-
and Related Entities	83,292,788	3	3.80%	-		0.00%
Totals	$ 628,159,709		28.10%	$ 612,396,200		13.47%

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
2009	$ 31,088,741	$ 29,468,658	94.8%	n/a	$ 29,468,658	94.8%
2008	30,426,934	29,066,946	95.5%	$ 610,677	29,066,946	95.5%
2007	29,760,304	28,873,327	97.0%	743,287	29,616,614	99.5%
2006	29,408,355	28,611,393	97.3%	775,234	29,386,627	99.9%
2005	28,718,484	26,965,293	93.9%	1,749,378	28,714,671	100.0%
2004	28,086,411	23,480,668	83.6%	4,569,297	28,049,965	99.9%
2003	28,737,675	27,107,949	94.3%	1,598,840	28,706,789	99.9%
2002	28,247,996	24,596,758	87.1%	3,614,613	28,211,371	99.9%
2001	22,571,945	22,099,308	97.9%	440,324	22,539,632	99.9%
2000	22,744,851	21,377,849	94.0%	1,367,002	22,744,851	100.0%

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]
2009	$ 120,712,681	$ 1,203,743	$ -	$ 126,216,257	$ 1,470,789	$ 249,603,470	8.61%	$ 3,352
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

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 118 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]
2009	$ 120,712,681	5.08%	$1,621.33	$ 126,216,257	42.0%
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%

Source: City of Wilmington's Treasurer's Office

Note:
[1] See Schedule V on page 110 for Actual Taxable Value of Property data.
[2] See Schedule XIII on page 118 for population data.
This ratio uses population data from the prior calendar year.
[3] See Schedule II on page 106 for Business-type Charges for Services.

Table XI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County debt	$ 359,570,000	15%	$ 55,014,210
Various School Districts	359,703,193	16%	56,113,698
Subtotal - Overlapping Debt			111,127,908
City of Wilmington Direct Debt	120,712,681	100%	120,712,681
Totals			$ 231,840,589

Source: City of Wilmington Treasurer's Office

Table XII

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Budget	$ 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	$ 157,594,361
Debt Service Limit	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	27,579,013
Total Net Debt Service Applicable to Limit	9,224,973	8,462,718	12,677,195	9,238,483	8,310,947	8,720,315	9,076,566	11,921,182	11,772,993	11,713,497
Legal Debt Service Margin	$ 4,657,951	$ 6,166,793	$ 1,319,297	$ 6,060,360	$ 7,094,261	$ 7,411,676	$ 9,207,604	$ 9,139,910	$ 11,363,976	$ 15,865,516
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	66.00%	58.00%	91.00%	60.00%	54.00%	54.00%	50.00%	57.00%	51.00%	42.00%

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
2009	74,453	$ 2,800,708,924	37,617	28,575	12.7%	37.5	$39,251
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

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 2000			Calendar Year 2009		
Taxpayer	Employees	Rank	Percentage of Total [2] Employment	Employees	Rank	Percentage of Total [2] Employment
E.I. Du Pont Nemours & Company	12,900	2	5.08%	8,100	1	2.88%
State of Delaware	17,200	1	6.77%	7,400	2	2.63%
Bank One Card Services	3,200	6	1.26%	7,000	5	2.49%
Christiana Care Health Services	5,600	4	2.20%	7,000	4	2.49%
Bank of America (MBNA)	10,400	3	4.09%	7,000	3	2.49%
Chase Manhattan Bank	1,800	16	0.71%	6,000	6	2.13%
University of Delaware	5,100	5	2.01%	4,036	7	1.43%
A.I. Dupont Institute	1,900	15	0.75%	2,797	8	0.99%
Christina School District	2,800	9	1.10%	2,641	9	0.94%
AstraZeneca Inc.	2,800	10	1.10%	2,500	10	0.89%
Wilmington Trust Corp	2,500	11	0.98%	2,297	11	0.82%
Walgreen's, Inc			0.00%	2,000	12	0.71%
Red Clay School District	2,000	13	0.79%	1,860	13	0.66%
PNC Financial Services Group			0.00%	1,500	15	0.53%
Total County/Municipal Government			0.00%	1,500	14	0.53%
Delmarva Power/Pepco	2,100	12	0.83%	1,483	16	0.53%
Brandywine School District	1,700	17	0.67%	1,482	17	0.53%
Colonial School District	1,400	20	0.55%	1,400	18	0.50%
City of Wilmington			0.00%	1,196	19	0.42%
St. Francis Hospital	1,500	18	0.59%	1,100	20	0.39%
Sears, Roebuck & Co.	1,500	19	0.59%			0.00%
DuPont Merck Pharmaceuticals	1,900	14	0.75%			0.00%
General Motors	2,900	8	1.14%			0.00%
Chrysler Corp	3,100	7	1.22%			0.00%
Totals	84,300		33.18%	70,292		24.98%

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Mayor's Office	43.00	41.00	43.00	33.00	45.00	45.00	46.00	61.00	60.00	60.00
City Council	26.00	27.00	27.00	26.00	25.00	29.00	29.00	29.00	29.00	29.00
Audit	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Law	18.00	18.00	19.00	18.00	19.00	20.00	20.00	21.00	23.00	23.00
Finance	100.00	101.00	101.00	101.00	68.00	69.00	67.00	60.00	68.00	70.00
Personnel	19.00	20.00	20.00	21.00	21.00	21.00	21.00	22.00	22.00	23.00
Treasurer	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Planning	12.00	14.00	14.00	10.00	10.00	10.00	11.00	11.00	12.00	12.00
Real Estate and Housing	23.00	24.00	24.00	24.00	21.00	21.00	20.00	16.00	17.00	17.00
Parks and Recreation	50.00	50.00	47.00	52.00	52.00	52.00	52.00	53.00	54.00	58.00
Public Safety									-	-
Police	347.00	344.00	344.00	344.00	368.00	377.00	386.00	407.00	429.00	431.00
Fire	175.00	176.00	176.00	176.00	176.00	176.00	176.00	177.00	177.00	180.00
Municipal Court	-	-		-	-	-	-	-	-	-
License and Inspection	29.00	33.00	31.00	35.00	36.00	37.00	39.00	44.00	45.00	46.00
Public Works	206.00	212.00	212.00	212.00	212.00	212.00	212.00	228.00	231.00	235.00
Totals	**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**	**1,196.00**

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Physical Arrests/Charges	n/a	n/a	n/a	13,567	12,473	13,456	10,230	9,534	6,155	n/a
Police Calls - Incident	120,886	131,344	132,614	133,124	127,417	125,665	n/a	126,614	110,177	n/a
Police Calls - Administrative	n/a	n/a	n/a	n/a	n/a	n/a	n/a	114,000	261,462	n/a
Fire/EMS Calls	15,271	15,112	15,466	15,807	15,301	15,902	15,124	16,596	15,584	16,976
Inspections	353	636	363	505	710	1,121	778	1,710	614	1,802
Parking Violations Issued	79,356	102,684	88,559	62,959	54,081	52,708	68,719	72,990	87,327	79,262
Building Permits Issued	49	49	95	55	58	58	46	4,250	2,848	
Health and Welfare										
Meals served-Summer	n/a	n/a	454,392	206,610	215,180	207,599	231,189	252,706	294,708	325,381
Meals served-Evening	n/a	n/a	40,372	272,840	185,109	332,509	n/a	77,092	71,928	120,631
Emergency Shelter	992	1,173	938	1,059	326	268	329	911	443	354
HOPWA (Housing) *	290	939	225	765	595	1,075	352	474	126	169
Water										
Water Production (millions of gallons)	7,577	8,101	8,033	7,776	7,983	7,918	7,201	6,877	6,830	6,720
Water Sold (millions of gallons)	7,074	4,780	n/a	5,228	7,222	6,925	6,032	5,933	5,419	5,069
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	n/a	n/a	74.83	67.96	87.95	81.56	78.48	82.43	71.60	69.32
Landfill										
Annual Tons of Refuse	n/a	33,505	43,137	43,613	43,376	42,897	41,689	42,500	37,837	29,727

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police Patrol Units	304	302	300	298	306	309	320	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	100	100	105	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