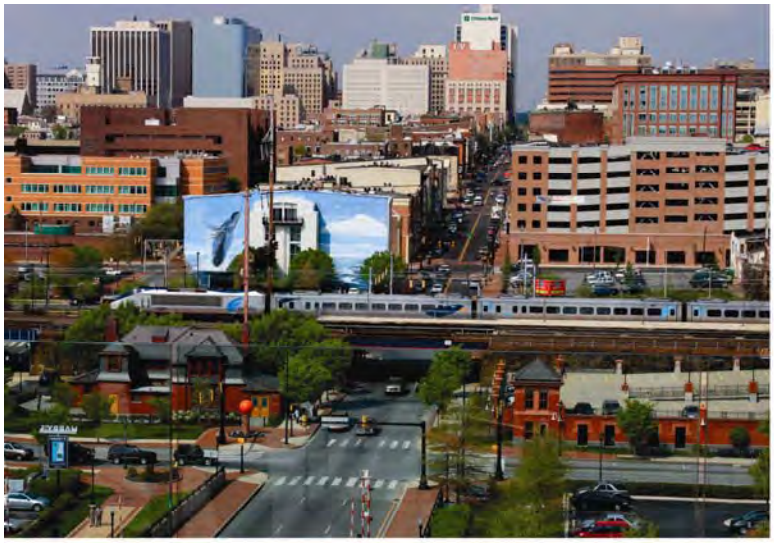


wilmington

Comprehensive Annual Financial Report

For the Year ended

June 30, 2011

City of Wilmington, Delaware
James M. Baker, Mayor

CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by the Department of Finance
James M. Jones, Director of Finance

SEAL OF THE CITY OF WILMINGTON
DELAWARE

CITY OF WILMINGTON, DELAWARE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION
Letter of Transmittal iii
GFOA Certificate of Achievement for Excellence in Financial Reporting xiii
Organizational Chart xiv
Listing of Principal Officials xv

FINANCIAL SECTION
Report of Independent Auditors 1
Management's Discussion and Analysis 3
Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Assets 18
Statement of Activities 19
Fund Financial Statements:
Balance Sheet – Governmental Funds 20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities 23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Fund General Fund 25
Statement of Fund Net Assets – Proprietary Funds 28
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds 29
Statement of Cash Flows – Proprietary Funds 30
Statement of Fiduciary Net Assets 32
Statement of Changes in Fiduciary Net Assets – Pension Trust Funds 33
Combining Statement of Net Assets – Discretely Presented Component Units 34
Combining Statement of Activities – Discretely Presented Component Units 35
Notes to Financial Statements 36

TABLE OF CONTENTS
(continued)

	Page
Required Supplementary Information:	
Pension Funding Status and Progress	82
Combining and Individual Fund Financial Statements and Schedules:	
General Fund	84
Schedule of Expenditures by Department – Budget and Actual	86
Non-Major Governmental Funds – Special Revenue Funds	93
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	96
Internal Service Funds	97
Combining Statement of Fund Net Assets	98
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	99
Combining Statement of Cash Flows	100
Fiduciary Funds	101
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	102
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	103
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	104

STATISTICAL SECTION	Table	Page
Government-wide Net Assets Information:		
Net Assets by Component	I	107
Changes in Net Assets	II	108
Governmental Fund Information:		
Fund balances of Governmental Funds	III	110
Changes in Fund Balances of Governmental Funds	IV	111
Assessed Value and Estimated Actual Value of Taxable Property	V	112
Direct and Overlapping Property Tax Rates	VI	113
Principal Property Taxpayers	VII	114
Property Tax Levies and Collections	VIII	115
Ratios of Outstanding Debt by Type	IX	116
Ratios of General Bonded Debt Outstanding	X	117
Direct and Overlapping Governmental Activities Debt	XI	118
Legal Debt Margin Information	XII	119
Demographic and Economic Statistics	XIII	120
Principal Employers	XIV	121
Full-Time Equivalent City Government Employees	XV	122
Operating Indicators by Function	XVI	123
Capital Asset Statistics by Function	XVII	124

City of Wilmington
James M. Baker, Mayor

Louis L. Redding City/County Building
800 N. French Street
Wilmington, Delaware 19801-3537

www.WilmingtonDE.gov

December 27, 2011

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, 2011.

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 BDO USA, LLP, 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, 2011, 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, 2011, 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.

Wilmington
In the middle of it all
Printed on 100% recycled paper.

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 the 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, Water/Sewer Fund, and certain Non-Major Governmental Funds. Ninety 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 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 level (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 appropriations and the cause of these variances.

Economic Condition and Outlook

Looking Forward in City Government. The Fiscal Year 2012 operating budget represents a 5.6% decrease over the fiscal year 2011 budget. The FY 2012 budget continues to focus on the direct City services most important to the citizens such as public safety, public works, code enforcement, and parks and recreation.

The fiscal year 2012 budget reflects the following:

- The FY 2012 operating budget expenditures total $139,337,086 – down $8,277,105 or 5.6% from FY 2011. It is important to note that this large budget reduction was obtained even with the City absorbing almost $3.2 million in uncontrollable cost increases for pensions, employee healthcare, contractual salary steps, and retiree healthcare. To balance the budget, the staffing and MS&E reductions made in mid-year FY 2011 were carried forward. But those reductions alone were not enough. Deeper cuts had to be made in FY 2012 that affected nearly every department's operations and programs.

- Staffing decreased by a net total of 46 Full-Time Equivalent (FTE) positions, for a savings of $3.64 million. Of those positions, 28 were deleted in the mid-year FY 2011 budget amendment that carried into FY 2012. During the FY 2012 budget process, an additional decrease of 18 FTEs was obtained by the elimination of certain vacancies and the transfer of other positions into grant and internal service funds. Of special note is the federal SAFER firefighting grant. This grant not only allowed the transfer of five firefighter positions out of the General Fund, but also enabled the Fire Department to expand its authorized strength by eight, saving $500,000 in salaries, benefits, and overtime.

- As part of the actions necessary to help balance the budget, no allowance was made for any Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about $1.7 million. However, anniversary-based salary step increases for all eligible employees will continue.

- Changes in deployment, operations, and work rules, especially actions taken in the Fire Department that affect minimum manning, have enabled overtime to be slashed by 39%, or over $1.6 million. Overtime in Public Works, Police and Fire is down $114,500, $327,788, and $1,178,000 respectively.

- An in-depth analysis of the City's most pressing capital needs resulted in a greatly consolidated and more efficiently sized FY 2012 Capital Budget. The bond issuance to fund the Capital Budget occurred in the November, resulting in only one semi-annual debt service payment in FY 2012. This, coupled with a smaller sized issuance, will result in debt service savings of over $1.3 million.

- The partial restoration of the State's Municipal Street Aid grant, used by the City to cover the costs of street lighting, will offset almost $900,000 in electricity costs.

- The Finance Department's Plan for Change revenue collection initiatives continue to evolve and mature. Through the renegotiation of many of its contractual agreements with consultants and service providers, the Department has been able to reduce its commission-related expenses by almost $830,000.

- Community service organization grants, scholarships, donations, and other special purpose support have been greatly reduced, and in some cases completely eliminated, for a total savings of almost $324,500 (reduced by $207,000 in the Mayor's Office and $117,500 in City Council).

- Because of the anticipated funding of a comprehensive street re-paving program in the FY 2012 Capital Budget, operating funds in the Public Works Department needed for street repairs and filling potholes were reduced by over $222,000.

- Due to the fiscal crisis, City sponsored special events continue to be scaled back or eliminated altogether, a notable example being the elimination of $125,000 of City funding for the 4th of July festival. In addition, the City will continue its expanded effort to charge fees for outside-sponsored events and parades to defray costly support services related to setup, police security, and cleanup.

Factors Affecting Financial Condition

Jobs. The City of Wilmington's business incentive program supported by a Strategic Fund continues to develop new strategies to attract and retain businesses within City limits. The City is working to revitalize the processes and provide incentives to new and existing business. The Riverfront Development District has played a very strategic role in maintaining the City's tax base and attracting new businesses to relocate into Wilmington.

The first phase of the mayor's expenditure reduction plan produced a $3.64 million savings from the reduction of forty (46) full-time positions. The plan also called for a reduction in overtime from the Police and Fire Departments that is expected to produce a $4 million savings and no cost of living salary increases.

The Human Resources Department was successful in reducing the workers compensation medical payments by 33% by introducing and enforcing standard procedures with employees, developing modified duty program and partnering with a third party payer. They were able to reduce lost time from injuries and extended illnesses by managing the return to work process through the integration of Medical Dispensary personnel, Human Resources staff, and department supervisors which resulted in a financial gain for the City.

The Public Works Department secured a Guaranteed Energy Performance Contract with Honeywell that resulted in:

- 26% reduction in energy consumption.
- Has produced over $200,000 in Solar Renewable Energy Credit Income with $300,000 as the projected income for FY 2012.
- Produced 800 kilowatts of renewable energy generation, this accounts for 10% of the City's base load.
- Provided the City an Average Net Annual Savings of electrical costs of more than $600,000.

Local Economy. The City of Wilmington is the largest city in the State of Delaware. The City is the headquarters of many major corporations such as Bank of America a leading financial service company and Chase & Co., ING Direct USA, the nation's largest Internet bank and AAA Mid-Atlantic are located within the City's Riverfront District. The Office of Economic Development main focus is to provide support to the residents thru job creation. This directive is achievable thru the City's emphasis on 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. The City maintains strong relationships with the Riverfront Development Corporation, Department of the Environment, Department of Transportation, and the Delaware Small Business Association. For fiscal year 2011, some of the City of Wilmington's successes were:

- The City of Wilmington greeted a new restaurant - Vinoteca 902. This is the second Downtown Wilmington restaurant owned and operated by nationally televised chef Julio Lazzarini and his partner Ivelisse Lazzarini. The partners also own Orillas Tapas Bar & Restaurant at 409 N. Market Street. Vinoteca 902 features "Medi-Latino" cuisine—an original fusion of Mediterranean, Caribbean, and Latin flavors created by Chef Julio and first debuted at the 2010 National Restaurant Association Show in Chicago this past Spring. The restaurant boasts a fantastic wine list, with over 60 wines by the glass.

- The City of Wilmington continues to celebrate a restaurant renaissance by hosting a ribbon-cutting for another downtown business: DiMeo's Pizzaiuoli Napulitani at 831 N. Market Street that specializes in authentic Neapolitan-style pizza. While best known for their signature pizza menu, which includes 22 different varieties as well as the option to "create-your-own," DiMeo's also features a tantalizing selection of strombolis, paninis, salads, cheese steaks, pasta dishes, and desserts. DiMeo's is a welcome addition to Downtown Wilmington's dining scene. Aside from dining in the 60-seat restaurant, DiMeo's offers delivery and catering services.

- The City of Wilmington welcomed to the Wilmington Riverfront the Asnan Sushi Bar and Asian Cuisine. The restaurant is on the ground floor of the Residences of Christina Landing on the Wilmington Riverfront's unique high-rise waterfront communities. Asnan Sushi Bar and Asian Cuisine is owned and operated by Wilmington resident and native Indonesian Rissa Asnan. In addition to a tantalizing array of Japanese Sushi, the restaurant's menu features several Indonesian specialties, including satay, curries, and Indonesian noodle soup a fresh and innovative cuisine. This new restaurant perfectly complements the sophisticated urban vibe of Wilmington's Riverfront."

- The recently completed Lincoln Building in the 300 block of Market Street is an outstanding historical piece of architecture. Shipley Lofts is an artist communal living space fully leased with 28 artists living downtown. The 400 Block of Market Street will see the east side of the block, known as the Dry Goods project that was completely renovated in the latter part of FY 2011.

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 were designed to increase the City's revenue base and stabilize areas of the City:

- The City of Wilmington created a program called the Upstairs Program in fiscal year 2010. The program was seeded with $15.5 million of General Obligation Bond proceeds to provide financing renovations of historic buildings and reduce second and third story vacancies in the

Market Street historic district. With the initial investment of $15.5 million of General Obligation Bond proceeds leveraging over $60 million in private sector investment, the fund has already produced 35 new residential units, eight new retail outfits, and seven new office spaces across six renovated buildings. Another 13 buildings (containing 17 residential units and nine retail/office units) are currently under construction and expected to be complete in 2012.

- The largest success of the Upstairs redevelopment fund to date is the $25 million renovation of the 45,000 square-foot Queen Theatre on the corner of 5th and Market Streets. The Queen Theatre was vacant for over 50 years, but is now home to World Café Live at the Queen and WXPN, a live music venue and radio station that opened April 1, 2011. The City's $3 million investment in the project and the venue's anticipated role as a catalyst for future economic development were recently featured in an article by the New York Times. The Queen expects to draw approximately 100,000 people to an estimated 350-400 shows a year, and employs approximately 100 full and part-time employees, World Café Live at the Queen is a major success in the revitalization effort to make downtown Wilmington a cultural, dining, and entertainment destination.

- The City Planning Commission cleared the way for a proposed movie theater multiplex on Wilmington's Riverfront by approving a request by the Penn Cinema Corporation for the conditional approval of a major subdivision plan titled "Penn Cinema" located at 401 South Madison Street. The result of this subdivision will be to establish a developable parcel proposed to be used as a cinema; the remainder of the parcel will continue to contain a portion of the South Madison Street right-of-way. The proposed movie theater multiplex also cleared a hurdle on November 10 when the Zoning Board of Adjustment approved a zoning code variance allowing Penn Cinema Corporation to build the movie complex with fewer than the minimum required number of parking spaces. The Zoning Board also granted permission for the project to be built within the flood plain. The development of the multiplex is still contingent upon the successful acquisition of the property by the developer.

- The Lincoln Towers, formerly an outdated public housing building in Wilmington, Delaware, will mark the start of a new energy efficient "green" apartment community that will offer affordable housing to seniors age 62 and older with a variety of incomes, as well as a new

home to the Wilmington Fire Department Station #5. The newly constructed Lincoln Towers will feature 80 one-bedroom and eight two-bedroom apartments. The new Fire Station #5 will feature the latest firefighting amenities and will serve as home to the Wilmington Fire Department's Engine Company #5 and its 16 firefighters as well as four Battalion Chiefs. The new firehouse will also have additional space for reserve fire apparatus. The project will be funded by a grant from to the American Recovery and Reinvestment Act program, Low Income Housing Tax Credits allocated from Delaware State Housing Authority; WHA Replacement Housing Factor Funds; Tax-exempt bonds issued by the City of Wilmington; HOME funds provided by the City of Wilmington, and Federal Home Loan Bank Funds. The project is expected to be completed by the summer of 2012.

- A $210 million 337,000 square footage expansion and renovation of the Christiana Care Health System's 10-acre Wilmington Campus is expected to be completed in FY 2014. The City expects to receive an economic boost from the expected 575 new jobs upon completion of this project.

Relevant financial policies. The City of Wilmington balanced the budgets and practiced prudent financial planning in order to provide and maintain the quality of life that our residents expect for their tax dollars.

The Mayor's main objective in managing this crisis was to ensure that everyone had a role in balancing the budget. This burden would be shared and the following issues would be addressed:

- Everyone had to 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 had to be a shared burden.

- Every effort was made to avoid the laying off of City employees in order to balance the budget. This would lead to an unnecessary disruption of service provided to citizens. Past experience has shown us that layoffs are costly, time consuming, and seldom achieve their intended purpose.

- Continued avoidance of using the Budget Reserve account (the City's "Rainy Day Fund") to balance the FY 2012 Budget. With the uncertain scope and duration of the world fiscal crisis, we will need those reserves to get through the next few years.

- Finally, it was necessary that we strive to preserve the progress and prosperity experienced by the City prior to the economic downturn. As best it could, the FY 2012 Budget was 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 over the last decade.

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 review ordinances which that will strengthen the City's tax code, resulting in better enforcement of tax collection rules and procedures and will produce millions more tax dollars each year. The ordinances would support the following efforts:

- The City of Wilmington continues to collaborate with the Wilmington Housing Authority (WHA) on an innovative project to modernize and improve one of the WHA's existing neighborhood public housing complexes, and resolve a City 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 requires a $4 to $5 million infusion of 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 City expects to add to the entertainment and cultural offerings at the Wilmington Riverfront. The Penn Cinema announced this year that it will build a $25 million, 14-screen movie theater complex, featuring a four-story IMAX theater. Anticipated to open in 2012, the theater will have 3-D digital screens and high-definition feeds for live broadcasts of events, such as professional sports, plays, and concerts. The theater is expected to create five full-time and 145 part-time jobs, and is estimated to draw 700,000 people a year.

- The City is working with Capital One to secure a site that would bring a potential 500 jobs to the City between 2012 -2013.

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, 2010. This was the 25th consecutive year that the City of Wilmington has received this prestigious award. 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 annual financial report continues to meet the Certificate of Achievement Program's 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, 2011. 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, BDO USA, LLP. 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

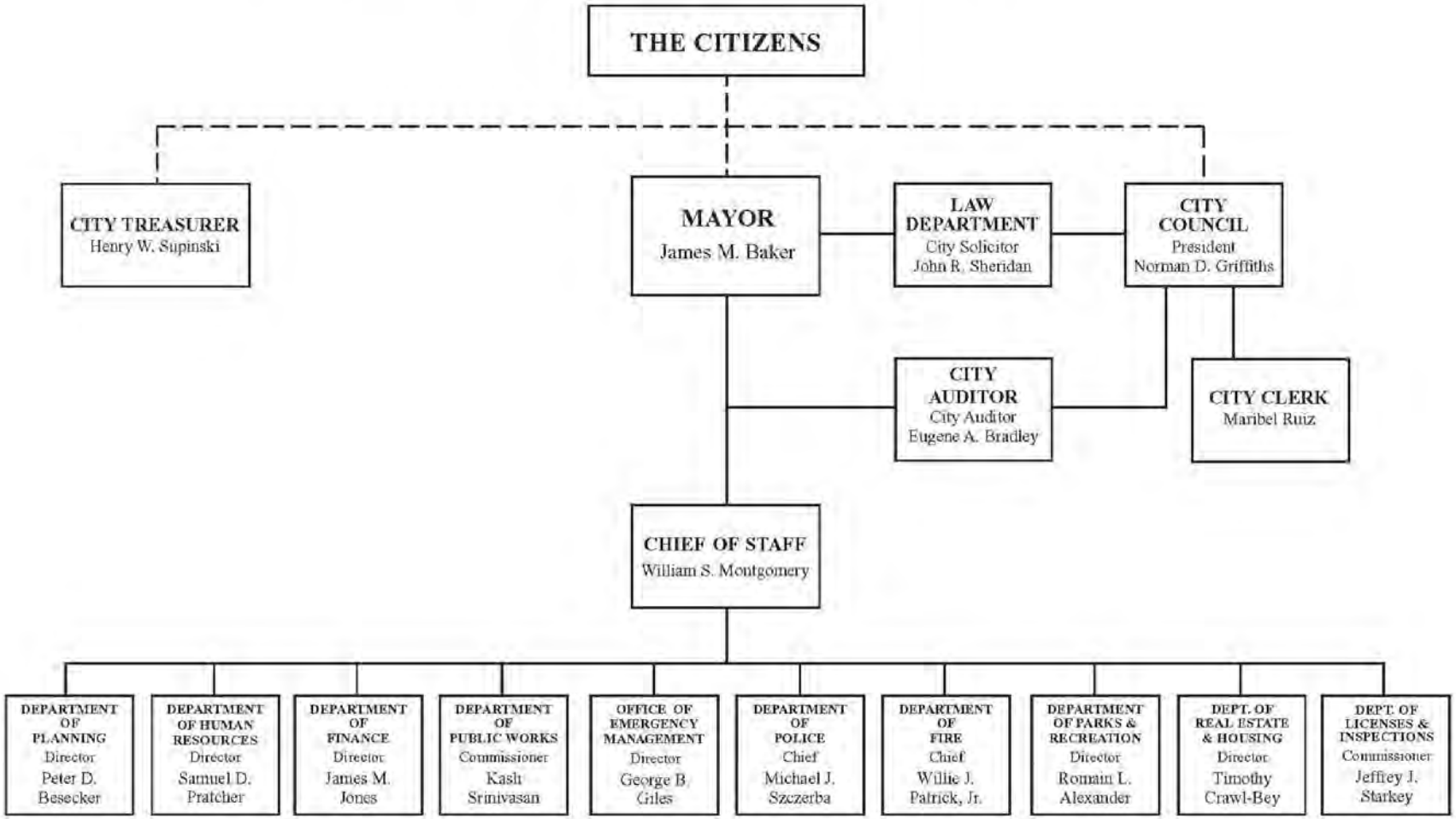
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



CityOrg2011
Revised 07.14.11

City of Wilmington
Listing of Principal Officials
June 30, 2011

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	Eric D. Robinson
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	Charles M. Freel
Council Person at Large	Loretta Walsh
Council Person at Large	Justen A. Wright

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	Samuel D. Pratcher
Finance	James M. Jones
Public Works	Kash Srinivasan
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.

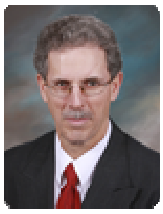
District 1
Charles Potter, Jr.

District 2
Ernest "Trippi" Congo II

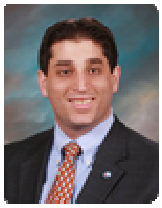
District 3
Eric D. Robinson

District 4
Hanifa G.N. Shabazz

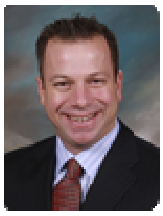
District 5
Samuel Prado



District 6
Kevin F. Kelley, Sr.



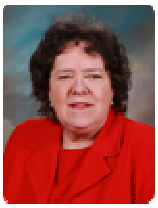
District 7
Paul F. Ignudo, Jr.



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

Tel: 302-656-5500
Fax: 302-656-8024
www.bdo.com

270 Presidential Drive
Wilmington, DE 19807

Independent Auditor's Report

To the Honorable Mayor 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 (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following component units: Christina Gateway Corporation, Wilmington Downtown Business Improvement District and Riverfront Wilmington Business Improvement District which represent 8.3% and 25.4% of assets and revenues respectively, of the aggregate discretely presented component units. We also 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 2.3% and 0.7% of assets and revenues respectively, of the aggregate remaining fund information. The financial statements of the Christina Gateway Corporation, Wilmington Downtown Business Improvement District, Riverfront Wilmington Business Improvement District, and Wilmington Park Trust Commission 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 Christina Gateway Corporation, Wilmington Downtown Business Improvement District, Riverfront Wilmington Business Improvement District, and Wilmington Park Trust Commission is based upon 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 basic 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

In accordance with *Government Auditing Standards,* we have also issued a report dated December 27, 2011 on our consideration of the City's internal control over financial reporting and 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 on 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Pension Funding Status and Progress on pages 3-15 and page 82, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provided any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BDO USA, LLP

December 27, 2011
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2011

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, 2011. We encourage readers to consider the information presented 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 $208,182,531 (net assets), an increase of $10,462,361 from the previous year. The net assets of governmental activities decreased $2,267,366 from the prior year, while the net assets from business activities increased $12,729,727.

- Discretely presented component units reported net assets of $48,392,227, a decrease of $233,068 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 $64,269,608 an increase of $4,894,575 from previous year. The Fund Balance reported is: Nonspendable Fund Balance of $7,320,344; Restricted Fund Balance of $15,951,987; Committed Fund Balance of $24,059,606; and an Unassigned Fund Balance totaling $16,937,671 (see page 20 for detail breakdown).

- The Housing Strategic Fund had a committed fund balance in the amount of $2,219,614 to fund affordable housing in the City.

- The Economic Strategic Fund had a combined fund balance of $7,956,396 consisting of $1,270,669 of restricted fund balance and $6,685,727 of committed fund balance for current and future economic development activities.

- The Capital Projects Fund had a restricted fund balance in the amount of $10,030,825 to fund current and future City capital improvements.

- The Other Governmental Funds have a combined fund balance of $6,261,393 consisting of $5,470,837 of restricted fund balance and $790,556 of committed fund balance.

Long-Term Debt

- The City's total net general obligation debt increased to $257,290,767 at June 30, 2011, an increase of $4,965,012. After the issuance of bonds in FY2011, water and sewer projects had a net increase in debt of $7,031,052 and governmental capital projects had a net decrease in debt of $2,066,040.

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, 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: Christina Gateway Corporation, Rock Manor Golf Corporation, Wilmington UDAG Corporation, Wilmington Economic Development Corporation, Wilmington Parking Authority, Wilmington Downtown Business Improvement District (Downtown Visions), and the Riverfront Wilmington Business Improvement District.

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 Strategic (formerly Housing Opportunities) Fund, Economic Strategic (formerly 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. The Enterprise fund reports activities that provide supplies and services to the general public – water, sewer, and stormwater management 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 Police 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 82.

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 86.

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 105.

Financial Analysis of the Government as a Whole

Net Assets. A year-to-year comparison of net assets as restated (see Note 16) is as follows:

	Governmental Activities		Business-type Activities		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Current and other Assets	$ 107,620,065	$ 109,591,471	$ 5,538,301	$ 2,819,258	$ 113,158,366	$ 112,410,729
Capital Assets	184,727,530	185,488,801	250,305,136	235,511,169	435,032,666	420,999,970
Total Assets	292,347,595	295,080,272	255,843,437	238,330,427	548,191,032	533,410,699
Long Term Liabilities	162,334,061	161,032,961	142,534,069	136,003,036	304,868,130	297,035,997
Other Liabilities	19,455,888	21,222,299	15,684,483	17,432,233	35,140,371	38,654,532
Total Liabilities	181,789,949	182,255,260	158,218,552	153,435,269	340,008,501	335,690,529
Net Assets:						
Invest in Capital Assets, Net of Related Debt	82,271,522	81,867,549	112,071,075	110,672,786	194,342,597	192,540,335
Restricted	5,470,837	4,970,647	-	-	5,470,837	4,970,647
Unrestricted	22,815,287	25,986,816	(14,446,190)	(25,777,628)	8,369,097	209,188
Total Net Assets	$ 110,557,646	$ 112,825,012	$ 97,624,885	$ 84,895,158	$ 208,182,531	$ 197,720,170

The largest component of City's net assets, $194,342,597, 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) as restated of $1,802,262 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. The unrestricted net assets of governmental activities decreased by $3,171,529 after the restatement due primarily to recording the increase in Other Post Employment Benefit liabilities. Unrestricted net assets of business-type activities increased by $11,331,438 due primarily to capital grants and in part to the receipt of state revolving loan payments in the year after the assets were acquired.

Changes in Net Assets. A schedule of a comparison of year-to-year changes in activity is on the following page. The combined net assets of the City increased $10,462,361, over the course of this year's operations. The net assets of governmental activities decreased $2,267,366, and the net assets of business-type activities increased by $12,729,727.

City of Wilmington's Changes in Net Assets
Year Ended June 30, 2011

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues:						
Charges for Services	$ 23,909,670	$ 24,051,851	$ 58,346,241	$ 52,217,917	$ 82,255,911	$ 76,269,768
Operating Grants & Contributions	20,569,251	19,236,629	-	-	20,569,251	19,236,629
Capital Grants & Contributions	1,908,256	1,103,155	9,092,105	572,410	11,000,361	1,675,565
General Revenues:						
Total Taxes	98,193,036	95,789,670	-	-	98,193,036	95,789,670
Investment Earnings	1,287,448	1,708,886	15,000	131,228	1,302,448	1,840,114
Other Revenues	11,897,908	13,243,382	-	-	11,897,908	13,243,382
Total Revenues	157,765,569	155,133,573	67,453,346	52,921,555	225,218,915	208,055,128
EXPENSES						
General Government	29,488,557	34,104,340	-	-	29,488,557	34,104,340
Real Estate and Housing	9,558,053	11,672,335	-	-	9,558,053	11,672,335
Public Works	23,033,197	22,616,689	-	-	23,033,197	22,616,689
Parks and Recreation	9,423,690	11,098,603	-	-	9,423,690	11,098,603
Public Safety	82,913,341	86,039,994	-	-	82,913,341	86,039,994
Interest on Long Term Debt	5,616,097	4,519,308	4,423,310	5,506,710	10,039,407	10,026,018
Water/Sewer	-	-	50,300,309	49,527,227	50,300,309	49,527,227
Total Expenses	160,032,935	170,051,269	54,723,619	55,033,937	214,756,554	225,085,206
Change in Net Assets	$ (2,267,366)	$ (14,917,696)	$ 12,729,727	$ (2,112,382)	$ 10,462,361	$ (17,030,078)

Governmental Activities

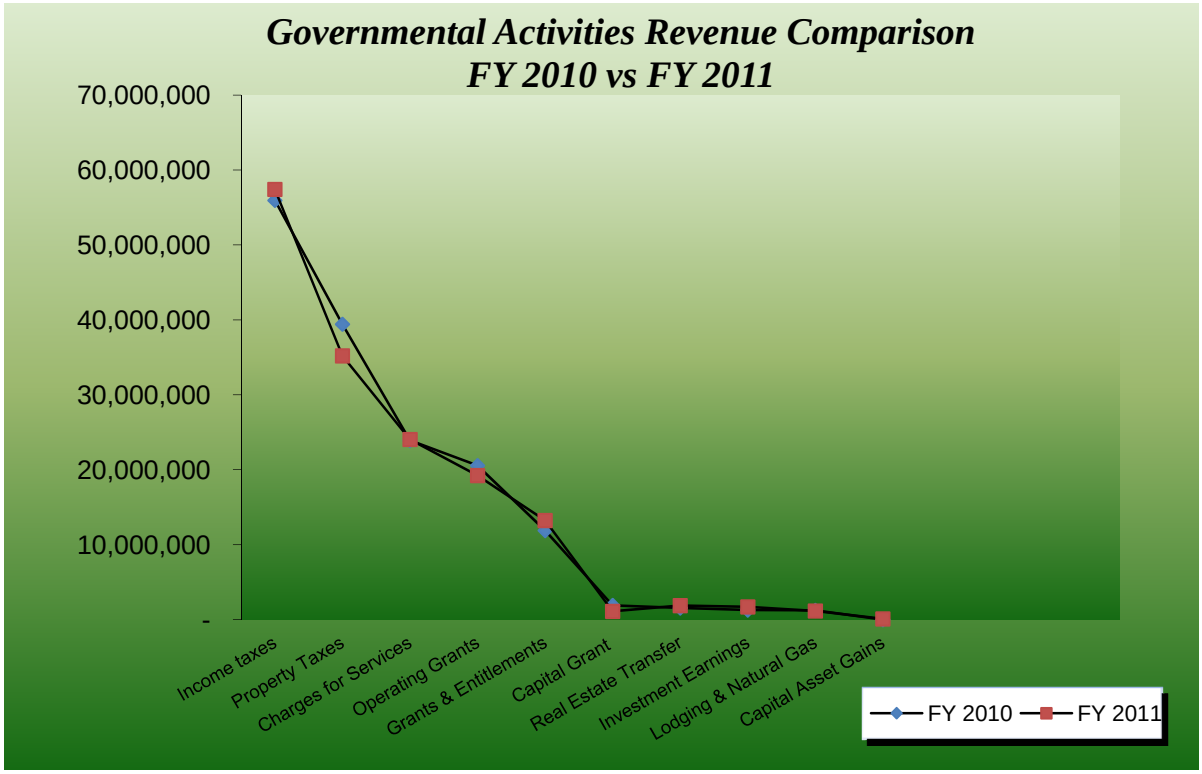
Revenues of governmental activities for fiscal year 2011 increased from 2010 by $2,631,996. The primary reason for this net increase was the increase in property taxes and grants more than offsetting the reduction in wage taxes from the prior year. The key revenue elements are discussed later in the fund statement comparisons.

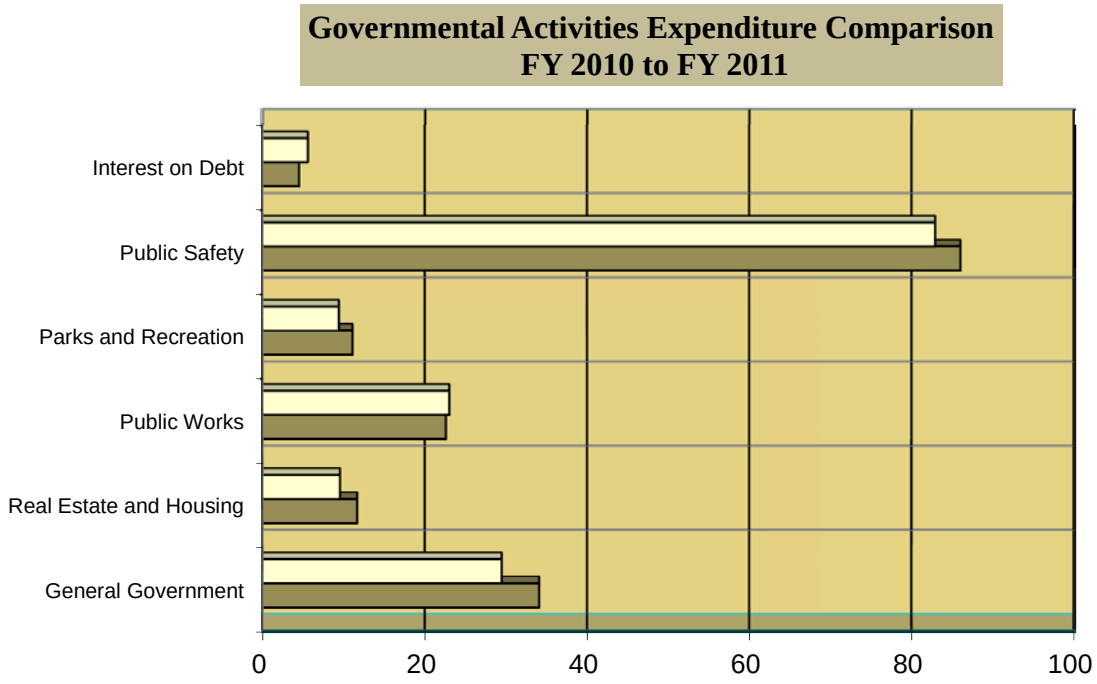
Expenses and transfers of governmental activities for fiscal 2011 decreased by $10,018,334 compared to 2010 primarily due to a 2010 refunding of bonds that reduced principal payments in 2011. Key cost elements are discussed later in the fund statement comparison.

The charts on the following page depict a comparative view of the revenues and expenses of the governmental activities for fiscal year 2011 as compared to fiscal year 2010.

Business-type Activities

Net assets of business-type activities increased by $12,729,727 for the current fiscal year primarily due to increased capital grants and the effect of rate increases on utility charges. Detail explanations of the variance are contained in the financial analysis of the City's Funds - Proprietary Funds section on page 12.





	General Government	Real Estate and Housing	Public Works	Parks and Recreation	Public Safety	Interest on Debt
2011 Actual	29,488,557	9,558,053	23,033,197	9,423,690	82,913,341	5,616,097
2010 Actual	34,104,340	11,672,335	22,616,689	11,098,603	86,039,994	4,519,308

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported fund balances of $64,269,608. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with GASB 54:

- $6,500,000 is recorded as Nonspendable due to an advance to the Motor Vehicle Fund;
- $15,951,987 is recorded as Restricted; $11,301,494 for capital projects, $4,650,493 for park operations;
- $24,059,606 is recorded as Committed; $13,933,709 for the Budget Reserve Account, $2,219,614 for Affordable Housing, $6,685,727 for Economic Development, $1,220,556 for other purposes; and
- $16,937,671 is the remaining fund balance, thus this is classified as Unassigned.

Governmental Funds

General Fund – Comparison to Prior Year.

The General Fund is the City's chief operating fund. At June 30 the fund balance composition included:

- $6,500,000 is recorded as Nonspendable due to an advance to the Motor Vehicle Fund;
- $13,933,709 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;
- $430,000 is recorded as Committed for Other Purposes which consist of encumbrances; and
- $16,937,671 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 2011 compared to budget and 2010.

The revenues for fiscal year 2011 increased $914,009 compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes increased by $3,788,955. This reported increase is attributed primarily to the 10% increase in the property tax rate imposed in FY 2011 and diligent collection efforts in a down economy.

- Wage Taxes decreased by $2,413,930 and Net Profit Taxes increased by $124,659 compared to 2010. The decrease in revenues was due to audit and collection activity restrained by discussions about the taxability of certain items applicable to small business owners and investors.

- Intergovernmental Revenue decreased by $1,798,706 compared to 2010. This was primarily caused by decreased revenues collected from the Port of Wilmington debt service payments and a reduction in pension contributions from the State of Delaware caused by reduced taxes on insurance premiums.

- Licenses and Permits decreased by $501,385 due primarily to reduced building permits.

- Charges for Services increased by $594,253 from a wide mix of small sources including vacant property registration, towing fees, and rentals.

- Fines and Forfeitures increased by $1,115,165 compared to 2010 primarily due to increases in parking citation revenues produced by the City of Wilmington and the State of Delaware cooperative collection efforts to compel violators to pay parking tickets and red light violations before they can register their motor vehicles anywhere in the State. The program is managed by the City of Wilmington's Department of Finance and the Division of Motor Vehicles for the State of Delaware.

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

	2010 Actual	2011 Actual	Variance Positive (Negative)	Final Budget	2011 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 35,398,064	$ 39,187,019	$ 3,788,955	$ 39,152,150	$ 39,187,019	$ 34,869
Wage	54,146,338	51,732,408	(2,413,930)	55,075,387	51,732,408	(3,342,979)
Net Profit	4,693,460	4,818,119	124,659	5,440,000	4,818,119	(621,881)
Franchise	1,775,266	1,771,473	(3,793)	1,764,550	1,771,473	6,923
Real Estate Transfer	1,883,389	1,561,633	(321,756)	2,052,313	1,561,633	(490,680)
Head	3,178,931	3,665,320	486,389	3,686,000	3,665,320	(20,680)
Lodging & Natural Gas	1,161,077	1,244,958	83,881	1,290,500	1,244,958	(45,542)
Intergovernmental	20,677,856	18,879,150	(1,798,706)	19,339,903	18,879,150	(460,753)
Licenses and Permits	4,489,246	3,987,861	(501,385)	4,390,677	3,987,861	(402,816)
Fines and Forfeitures	7,583,731	8,698,896	1,115,165	9,622,514	8,698,896	(923,618)
Charges for Services	4,180,949	4,775,202	594,253	4,219,033	4,775,202	556,169
Investment Earnings	781,356	541,633	(239,723)	500,000	541,633	41,633
Total Revenues	139,949,663	140,863,672	914,009	146,533,027	140,863,672	(5,669,355)
Expenditures:						
General Governmental Services:						
Mayor's office	11,380,316	8,420,466	2,959,850	10,603,227	8,420,466	2,182,761
City Council	2,607,419	2,402,626	204,793	2,419,675	2,402,626	17,049
Audit	686,137	708,260	(22,123)	701,543	708,260	(6,717)
Law	2,850,396	2,890,737	(40,341)	3,068,353	2,890,737	177,616
Finance	8,191,122	9,917,369	(1,726,247)	10,720,917	9,917,369	803,548
Personnel	1,767,195	1,767,378	(183)	1,856,305	1,767,378	88,927
Treasurer	443,059	414,476	28,583	433,162	414,476	18,686
Planning	1,480,363	1,470,955	9,408	1,541,910	1,470,955	70,955
Real Estate and Housing	999,591	1,212,734	(213,143)	1,225,112	1,212,734	12,378
Public Works	20,530,321	20,004,119	526,202	25,268,689	20,004,119	5,264,570
Parks and Recreation	8,948,371	7,702,527	1,245,844	8,259,868	7,702,527	557,341
Public Safety:						
Licenses and Inspection	4,274,848	4,255,229	19,619	4,418,047	4,255,229	162,818
Fire	23,809,236	23,398,577	410,659	23,571,137	23,398,577	172,560
Police	52,775,848	50,242,692	2,533,156	49,864,693	50,242,692	(377,999)
Total Expenditures	140,744,222	134,808,145	5,936,077	143,952,638	134,808,145	9,144,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	(794,559)	6,055,527	6,850,086	2,580,389	6,055,527	3,475,138
Other Financing Sources (Uses)						
Bonds issued	28,594,479	-	(28,594,479)	-	-	-
Bond Premiums	3,042,569	-	(3,042,569)	-	-	-
Bond Payments to Escrow Agent	(31,529,965)	-	31,529,965	-	-	-
Transfers in	-	1,125,422	1,125,422	1,125,422	1,125,422	-
Transfers out	(997,943)	(424,075)	573,868	(97,135)	(424,075)	(326,940)
Total Other Financing Sources (Uses)	(890,860)	701,347	1,592,207	1,028,287	701,347	(326,940)
Net Change in Fund Balances	$ (1,685,419)	$ 6,756,874	$ 8,442,293	$ 3,608,676	$ 6,756,874	$ 3,148,198

The current year's expenditures and transfers decreased by $5,936,077 compared to fiscal year 2010 spending levels. The decrease resulted primarily from reduced debt service in 2011. Through mid-year efforts, the City was able to reduce 2011 controllable expenditures to address anticipated increases in uncontrollable expenditures.

- General Governmental Services expenditures for 2011, which were 21% of General Fund expenditures, experienced a decrease of $1,413,740. This was primarily due to savings from the 2010 debt refunding $2,338,977 and many smaller savings offset by the inclusion of $1,460,914 in parking enforcement costs in the Finance Department that were previously in Police.

- Real Estate and Housing, 1% of General Fund expenditures, incurred year-to-year expenditure increases of $213,143 primarily due to increased debt service payments.

- Public Works, 15% of General Fund expenditures, saw expenditures decrease by $526,202 versus 2010 again primarily due to debt service payments. Several significant expenditures changes netted against each other: examples include street lighting electricity savings of $678,798 and landfill and recycling program net increases of $691,366.

- Parks and Recreation, 6% of General Fund expenditures, had reduced expenditures of $1,245,844 through a combination of reductions of $341,826 in debt service, reduced temporary agency and consultants' costs of $92,869, and $308,945 in personnel cost savings.

- Fire expenditures, which represented 17% of the City's General Fund expenditures, experienced a decrease of $410,659 due primarily to $148,373 in debt service payments and $248,705 savings reduction in worker compensation and general liability costs.

- Police expenditures, which represented 37% of the City's General Fund expenditures, decreased by $2,533,156. Part of the decrease $1,460,914 came from the transfer of parking enforcement staff and costs to the Finance Department. Part also came from decreased insurance costs of $2,630,875 offset by higher motor vehicle costs of $261,110, and the remainder from personnel service costs.

- Transfers out in FY2011 were $424,075 as compared to transfers of $997,943 in FY2010. The transfers in 2011 include $326,940 to the cable television fund; $97,135 for the City's Fed-up program. The transfers in FY2010 included several one-time transfers to the Housing and Economic Strategic Funds.

Other Major Funds – Comparison to Prior Year.

Housing Strategic Fund disbursements have declined slightly from $1,386,535 to $963,098 as activity focused more on capital grants to support local housing. As total expenditures declined from $7,711,248 to $1,955,786, the primary focus of the Economic Strategic Fund remained the Upstairs Fund program aimed at revitalizing the Market St. area by providing support for residential renovations on the floors above street-level businesses.

Although Capital Projects Fund expenditures only decreased $2,504,336 as compared to FY2010, street and signal improvement activity decreased $1,292,319 to $3,002,576 due to lower levels of street paving while park improvements also decreased by $820,992 to $873,096 activity shifted to smaller projects.

Proprietary Funds

Water/Sewer Funds – Comparison to Prior Year

The operation of the Business-type activities increased the City's net assets by $12,729,727 versus a decrease of $2,112,382 in 2010. The major contributors to this positive change were the $8,519,695 increase in capital grants compared to the prior year and a 19% increase in user fees.

- Sewer Service Charges to New Castle County increased $928,723 or 5.6 % from 2010.
- Direct User Charges for water and sewer increased by $5,985,102 primarily as the result of a 19% rate increase. Stormwater fees were down $1,263,904 as the result of a 19 % rate increase was significantly offset and more by successful rate determination appeals that included several years and an allowance for doubtful accounts related to state and federal agencies that are not paying these fees; collection efforts are on-going with these agencies. Other items primarily solar and rental related increased by $478,401.
- Capital Grant and Contribution revenue increased from $572,410 to $9,092,105. Half of this related to a federal ARRA program and the remainder from a variety of state and federal grants.
- Compared to fiscal year 2010 results, total expenses decreased by $310,318 or 0.6%. This small change was the result of several significant factors including decreased interest costs of $1,083,400 due to the 2010 refunding and a delayed bond offering, offset by increased personnel costs of $654,795 and increased depreciation of $477,038.

General Fund Budgetary Highlights

The City adopted the fiscal year 2011 budget on May 13, 2010, 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 $146,533,027 of revenues, $143,952,638 of expenditures before other financing uses, and $97,135 in transfers to other funds. The original expenditures and transfers out were decreased by $3,564,418 primarily through major mid-year budget amendments. The actual results were revenues before other financing sources (uses) of $5,669,355 under budget, expenditures of $9,144,493 under budget, and transfers out and other revenue sources of $326,940 over budget.

- Property Taxes were essentially on target at $34,869 higher than budget.
- Wage Tax revenues, representing 39% of General Fund Tax revenues, were under the budget by $3,342,979. The decrease in revenues was due to audit and collection activity restrained by discussions about the taxability of certain items applicable to small business owners and investors.
- Net Profit Taxes were under the budget by $621,881. Revenues from local law firms are variable and slowed during FY2011.
- Real Estate Transfer Taxes were under the budget by $490,680 due to the economic slowdown.
- Fines and Forfeitures were under the budget by $923,618. The sources of the shortfall consisted of red-light and citation revenues (fees, penalties and interest) which were under budget by $144,253 and $748,130, respectively. The decrease is partly due to a change in parking regulations downtown and delays in required state legislation offset by the better ticket issuance performance by

employees, better booting, and the state's participation in a vehicle registration hold program on vehicle owners' with unpaid liabilities.

- Investment earnings were over the budget by $41,633 due to interest collected on debt payments from the State of Delaware from the sale of the Port of Wilmington.
- Mayor's Office expenditures were under budget by $2,182,761. This was the result of $1,263,637 of lower debt service costs due to the $43 million debt refunding in June 2011. (The debt refunding saved $5,854,869 throughout all departments.)
- Finance expenditures were under budget by $803,548 primarily due to lower collection costs from Wage Tax audits and delinquent Property Taxes.
- Public Works expenditures were under budget by $5,264,870 due primarily to $4,405,445 of reduced debt service due to the refunding and $379,673 of lower motor vehicle costs.
- Parks and Recreation expenditures were under budget by $557,341 primarily due to reduced debt service caused by the refunding.
- Police expenditures were over budget by $377,999. The overage was incurred due to lower attrition that budgeted and increased motor vehicle costs being only partially offset by lower general liability insurance, interest, and telephone costs.
- There was one unbudgeted transfer in the amount of $326,940 to the Cable TV Fund in accordance with the City Code.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2011, the City had invested $435,032,666, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents 2011 asset balances compared to 2010 balances (further detail in Note 6 as required by GASB 34). Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Capital Improvements were primarily focused on streets and signals ($2,937,428 invested) and in vehicle acquisitions and other equipment ($4,106,073 invested).

Business-type Activities:

- Construction at the Porter Water Filter Plant and the Porter Solar Panel installation added $7,025,693 to Water Filter Facilities and Improvements (amounts noted relate to assets acquired or constructed not necessarily those placed in service during the year).
- Water Lines added $3,607,206 as the City continues its efforts to reline or replace aging water lines.
- Construction amounting to $2,951,075 was incurred to improve the inflow and management of wastewater at the City's treatment facility.
- Sewer Line construction often related to combined sewer overflow remediation efforts added $1,918,880 during FY2011.

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

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

	Governmental Activities		Business-type Activities		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Land	$ 24,090,181	$ 24,090,181	$ 4,060,443	$ 3,656,612	$ 28,150,624	$ 27,746,793
Art	1,267,924	1,183,107	-	-	1,267,924	1,183,107
Construction in Progress	1,526,476	3,354,232	7,061,283	16,476,342	8,587,759	19,830,574
Buildings & Improvements	52,600,028	51,190,333	23,064,667	17,891,230	75,664,695	69,081,563
Parks & Recreation Facilities	12,086,279	11,847,106	-	-	12,086,279	11,847,106
Streets & Signals	70,318,413	70,893,885	-	-	70,318,413	70,893,885
Water Reservoirs, Facilities & Water Lines	-	-	117,975,249	107,483,937	117,975,249	107,483,937
Wastewater Facilities & Sewer Lines	-	-	98,143,494	90,003,048	98,143,494	90,003,048
Vehicles, Equipment & Other	22,838,229	22,929,957	-	-	22,838,229	22,929,957
Totals	$ 184,727,530	$ 185,488,801	$250,305,136	$ 235,511,169	$ 435,032,666	$ 420,999,970

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 $257,290,767. Of this amount, $118,197,900 comprises debt related to Governmental activities and $139,092,867 is supported by Business-Type activities. New bond issues authorized during the fiscal year include:

- On December 20, 2010, the City issued a $2,700,770 New Clean Renewable Energy General Obligation Bond anticipation Note, Series of 2010, to assist in financing a solar photovoltaic system at the City's Public Works yard.

- On May 24, 2011, the City issued a $5,000,000 General Obligation Bond Anticipation Note, Series of 2011 to finance a firehouse condominium unit as part of public senior citizen housing.

- On January 14, 2011, the City entered into financing agreements with the Delaware Drinking Water State Revolving Fund to finance two water treatment and distribution projects totaling $5,000,000.

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 Aa- 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	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	$ 118,197,900	$ 120,263,940	$ 139,092,867	$ 132,061,815	$ 257,290,767	$ 252,325,755

Economic Factors and 2011 Budgets and Rates

The City of Wilmington's unemployment rate of 12.2% had been climbing since the Fall of 2008 and per capita income was under pressure but appeared stable. The City's diversified service economy slowed, but the movement of employers to the riverfront was expected to continue. The City saw sharp decreases in building permits, real estate transfer taxes, and state revenue sharing corporate filing fees. The City had however invested resources in its "Plan for Change" to collect delinquent revenue. The 2010 Budget Message noted that "in just a few short years, a cumulative total of more than $30 million has been collected from delinquent taxpayers." The Message went on to state "even so, the solutions to our ongoing budget problems will be tough, unwelcome and unpopular, but absolutely necessary."

As the City prepared its budget, the State of Delaware and New Castle County were also preparing budgets with stiff challenges for their citizens and employees. The City prepared its budget with a mix of fiscal restraint and revenue increases that would permit its citizens to continue to receive the services they expected and deserved from their City government.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2011. The City's budget addresses economic development, public safety, and infrastructure needs.

To offset recent successful assessment appeals and help balance the budget, the property tax rate was increased by 15%. Other taxes remained unchanged, however permit, parking and red-light citations, and other charges for services increased at various amounts in fiscal year 2011. Water and sewer direct charge rates were increased by 20% and stormwater rates were increased by 10%.

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.

The City is Alive with Entertainment for All Ages

The Annual Clifford Brown Jazz Festival

Spotlight on the revitalized Queen Theatre – Downtown Wilmington

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Assets
June 30, 2011

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 31,977,147	$ 250	$ 31,977,397	$ 16,760,422
Receivables, Net (Note 4)	25,820,721	14,851,474	40,672,195	7,696,190
Internal Balances	17,939,861	(17,939,861)	-	-
Due from Other Governments	11,393,556	883,538	12,277,094	-
Deferred Charges & Other Assets	2,336,713	1,522,944	3,859,657	661,610
Restricted Assets:				
Cash and Investments (Note 3)	18,152,067	6,219,956	24,372,023	1,880,286
Capital Assets, Net (Note 6)				
Land	24,090,181	4,060,443	28,150,624	19,611,148
Art	1,267,924	-	1,267,924	-
Construction in Progress	1,526,476	7,061,283	8,587,759	1,608,909
Buildings & Improvements	52,600,028	23,064,667	75,664,695	31,571,220
Parks & Recreation Facilities	12,086,279	-	12,086,279	-
Streets & Street Signals	70,318,413	-	70,318,413	-
Water & Sewer Systems	-	216,118,743	216,118,743	-
Vehicles, Equipment, and Other	22,838,229	-	22,838,229	1,424,926
Total Assets	292,347,595	255,843,437	548,191,032	81,214,711
LIABILITIES				
Accounts Payable & Accrued Expenses	10,395,196	11,876,939	22,272,135	1,612,419
Salaries and Benefits Payable	2,564,306	262,320	2,826,626	195,653
Unearned Revenue	2,737,774	3,545,224	6,282,998	219,625
Other Liabilities	3,758,612	-	3,758,612	-
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	26,832,361	9,530,127	36,362,488	2,249,776
Capital Leases	1,277,613	-	1,277,613	14,433
Claims Liabilities	3,020,885	-	3,020,885	-
Compensated Absences	8,100,602	599,777	8,700,379	-
Due in More Than One Year:				
Bonds Payable	94,194,491	132,404,165	226,598,656	26,607,075
Capital Leases	4,345,199	-	4,345,199	6,490
Claims Liabilities	11,218,747	-	11,218,747	-
Other Post Employment Benefits Payable	13,344,163	-	13,344,163	-
Minority Interest	-	-	-	1,917,013
Total Liabilities	181,789,949	158,218,552	340,008,501	32,822,484
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	82,271,522	112,071,075	194,342,597	26,620,492
Restricted for:				
Debt Service	-	-	-	1,880,286
Park Operations & Other - Expendable	4,650,493	-	4,650,493	-
Park Operations - Nonexpendable	820,344	-	820,344	-
Unrestricted	22,815,287	(14,446,190)	8,369,097	19,891,449
Total Net Assets	$ 110,557,646	$ 97,624,885	$ 208,182,531	$ 48,392,227

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, 2011

		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	$ 29,488,557	$ 8,906,826	$ 11,471	$ -	$ (20,570,260)	$ -	$ (20,570,260)	$ -
Real Estate and Housing	9,558,053	795,318	8,249,407	-	(513,328)	-	(513,328)	-
Public Works	23,033,197	374,128	890,234	1,908,256	(19,860,579)	-	(19,860,579)	-
Parks and Recreation	9,423,690	59,026	2,035,711	-	(7,328,953)	-	(7,328,953)	-
Public Safety	82,913,341	13,774,372	9,382,428	-	(59,756,541)	-	(59,756,541)	-
Interest on Long-term Debt	5,616,097	-	-	-	(5,616,097)	-	(5,616,097)	-
Total Governmental Activities	160,032,935	23,909,670	20,569,251	1,908,256	(113,645,758)	-	(113,645,758)	-
Business-type Activities:								
Water/Sewer	54,723,619	58,346,241	-	9,092,105	-	12,714,727	12,714,727	-
Total Primary Governments	$ 214,756,554	$ 82,255,911	$ 20,569,251	$ 11,000,361	(113,645,758)	12,714,727	(100,931,031)	-
Component Units:								
Christina Gateway Corporation	$ 119,828	$ -	$ -	$ -	-	-	-	(119,828)
Rock Manor Golf Corporation	174,994	145,236	-	-	-	-	-	(29,758)
Wilmington UDAG Corporation	497,646	258,187	-	-	-	-	-	(239,459)
Wilmington Economic Development Corporation	294,830	311,807	-	-	-	-	-	16,977
Wilmington Parking Authority	7,490,718	7,050,142	-	-	-	-	-	(440,576)
Downtown Visions	2,313,316	2,357,867	-	-	-	-	-	44,551
Riverfront Business Improvement District	338,614	390,045	-	-	-	-	-	51,431
Total Component Units	$ 11,229,946	$ 10,513,284	$ -	$ -	-	-	-	(716,662)
	General Revenues:							
	Taxes:							
	Property Taxes, Levied for General Purposes				39,428,237	-	39,428,237	-
	Income Taxes				55,958,208	-	55,958,208	-
	Real Estate Transfer				1,561,633	-	1,561,633	-
	Lodging & Natural Gas Taxes				1,244,958	-	1,244,958	-
	Investment Earnings				1,287,448	15,000	1,302,448	249,972
	Other Revenues including Capital Asset Gains				-	-	-	18,173
	Grants, Entitlements, and Contributions not Restricted to Specific Programs				11,897,908	-	11,897,908	215,449
	Total General Revenues				111,378,392	15,000	111,393,392	483,594
	Changes in Net Assets				(2,267,366)	12,729,727	10,462,361	(233,068)
	Net Assets - Beginning				112,825,012	84,895,158	197,720,170	48,625,295
	Net Assets - Ending				$ 110,557,646	$ 97,624,885	$ 208,182,531	$ 48,392,227

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2011

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 15,260,706	$ 2,518,467	$ 7,105,646	$ 352,787	$ 2,058,677	$ 27,296,283
Receivables, Net (Note 4)	24,344,697	1,300,000	94,000	-	46,972	25,785,669
Due from Other Funds (Note 7)	11,407,244	-	-	-	-	11,407,244
Due from Component Unit	377,140	-	-	-	-	377,140
Due from Other Governments	4,815,205	-	-	878,297	5,322,914	11,016,416
Prepaid Items & Other Assets	-	-	-	-	463,184	463,184
Advances Due from Other Funds	6,500,000	-	-	-	-	6,500,000
Restricted Assets:						
Cash and Investments (Note 3)	-	-	862,600	11,507,382	5,505,411	17,875,393
TOTAL ASSETS	$ 62,704,992	$ 3,818,467	$ 8,062,246	$ 12,738,466	$ 13,397,158	$ 100,721,329
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 3,296,552	$ 298,853	$ 11,850	$ 1,778,680	$ 1,685,993	$ 7,071,928
Salaries and Benefits Payable	2,507,816	-	-	-	-	2,507,816
Due to Other Funds	-	-	-	-	3,571,929	3,571,929
Due to Component Unit	386,809	-	-	-	-	386,809
Deferred Revenue	16,596,664	-	94,000	928,961	1,714,813	19,334,438
Other Liabilities	2,115,771	1,300,000	-	-	163,030	3,578,801
Total Liabilities	24,903,612	1,598,853	105,850	2,707,641	7,135,765	36,451,721
Fund Balances:						
Nonspendable						
Advance to Motor Vehicle Fund (Note 7)	6,500,000	-	-	-	-	6,500,000
Trust for Park Operations	-	-	-	-	820,344	820,344
Restricted						
Capital Projects	-	-	1,270,669	10,030,825	-	11,301,494
Park Operations	-	-	-	-	4,650,493	4,650,493
Committed						
Budget Reserve Account	13,933,709	-	-	-	-	13,933,709
Affordable Housing	-	2,219,614	-	-	-	2,219,614
Economic Development	-	-	6,685,727	-	-	6,685,727
Other Purposes	430,000	-	-	-	790,556	1,220,556
Unassigned	16,937,671	-	-	-	-	16,937,671
Total Fund Balances	37,801,380	2,219,614	7,956,396	10,030,825	6,261,393	64,269,608
Total Liabilities and Fund Balances	$ 62,704,992	$ 3,818,467	$ 8,062,246	$ 12,738,466	$ 13,397,158	$ 100,721,329

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, 2011

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)		$ 64,269,608
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 $22,953,817 of internal service fund assets accounted for in the following line.		161,773,713
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.		3,873,749
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.		16,596,664
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	$ (7,925,334)	
Other Post Employment Benefit (OPEB) Liability	(13,344,163)	
Accrued Interest on Long Term Debt	(884,339)	
Deferred Amounts - Bond Issuance Costs	1,373,037	
Deferred Amounts - Bond Premium	(5,199,738)	
Deferred Amounts - Advance Refunding Difference	2,389,286	
Bonds and Notes Payable	(112,364,837)	(135,956,088)
Total Net Assets of Governmental Activities (Page 18)		$ 110,557,646

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, 2011

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$39,187,019	$ -	$ -	$ -	$ -	$ 39,187,019
Wage	51,732,408	-	-	-	-	51,732,408
Net Profit	4,818,119	-	-	-	-	4,818,119
Franchise	1,771,473	-	-	-	-	1,771,473
Real Estate Transfer	1,561,633	-	-	-	-	1,561,633
Head	3,665,320	-	-	-	-	3,665,320
Lodging & Natural Gas	1,244,958	-	-	-	-	1,244,958
Intergovernmental	18,879,150	-	-	1,908,256	13,966,032	34,753,438
Licenses and Permits	3,987,861	-	-	-	-	3,987,861
Fines and Forfeitures	8,698,896	-	-	-	-	8,698,896
Charges for Services	4,775,202	4,320	281,000	-	898,059	5,958,581
Investment Earnings	541,633	-	-	-	745,815	1,287,448
Total Revenues	140,863,672	4,320	281,000	1,908,256	15,609,906	158,667,154
EXPENDITURES						
Current:						
General Governmental Services	25,182,525	-	1,954,749	336,031	611,074	28,084,379
Real Estate and Housing	450,349	963,098	-	-	8,129,823	9,543,270
Public Works	17,504,372	-	-	205,261	909,705	18,619,338
Parks and Recreation	6,145,367	-	-	-	2,307,094	8,452,461
Public Safety	77,348,004	-	-	26,200	2,297,423	79,671,627
Debt Service:						
Principal Retirement	2,775,559	-	-	-	-	2,775,559
Interest and Fiscal Charges	5,401,969	-	1,037	-	-	5,403,006
Capital Outlays	-	-	-	4,501,218	1,087,321	5,588,539
Total Expenditures	134,808,145	963,098	1,955,786	5,068,710	15,342,440	158,138,179
Deficiency of Revenues Under Expenditures	6,055,527	(958,778)	(1,674,786)	(3,160,454)	267,466	528,975
OTHER FINANCING SOURCES (USES)						
Proceeds from						
Capital Asset Sales	-	-	-	3,566,586	-	3,566,586
Bonds Issued	-	-	660,564	138,450	-	799,014
Transfers In	1,125,422	-	-	-	424,075	1,549,497
Transfers Out	(424,075)	(425,000)	(425,000)	-	(275,422)	(1,549,497)
Total Other Financing Sources (Uses)	701,347	(425,000)	235,564	3,705,036	148,653	4,365,600
Net Change in Fund Balances	6,756,874	(1,383,778)	(1,439,222)	544,582	416,119	4,894,575
Fund Balance - Beginning	31,044,506	3,603,392	9,395,618	9,486,243	5,845,274	59,375,033
Fund Balance - Ending	$ 37,801,380	$ 2,219,614	$ 7,956,396	$ 10,030,825	$ 6,261,393	$ 64,269,608

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, 2011

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)		$ 4,894,575
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	$ 2,021,953	
Depreciation Expense	(5,737,709)	(3,715,756)
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 (Note 5)	$ (421,738)	
Property and Other Taxes	(351,101)	
Fees and Fines	(128,746)	(901,585)

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	$ (799,014)	$ 2,775,559	
Issuance Costs & Similar Items	-	16,046	
Net Adjustment	(799,014)	2,791,605	1,992,591

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 of the net changes in balances.

Compensated Absences	$ 184,931	
Other Post Employment Benefit (OPEB) Liability	(4,459,533)	
Accrued Interest on Long-Term Debt	(229,137)	(4,503,739)
The net revenue of internal service funds is reported with governmental activities.		(33,452)
Change in net assets of governmental activities (page 19)		$ (2,267,366)

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

www.ronsaari.com
www.ronsaari.com

City of Wilmington, Delaware

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 39,152,150	$ 39,152,150	$ 39,187,019	$ 34,869
Wage	55,075,387	55,075,387	51,732,408	(3,342,979)
Net Profit	5,440,000	5,440,000	4,818,119	(621,881)
Franchise	1,764,550	1,764,550	1,771,473	6,923
Real Estate Transfer	2,052,313	2,052,313	1,561,633	(490,680)
Head	3,686,000	3,686,000	3,665,320	(20,680)
Lodging & Natural Gas	1,290,500	1,290,500	1,244,958	(45,542)
Intergovernmental	19,339,903	19,339,903	18,879,150	(460,753)
Licenses and Permits	4,390,677	4,390,677	3,987,861	(402,816)
Fines and Forfeitures	9,622,514	9,622,514	8,698,896	(923,618)
Charges for Services	4,219,033	4,219,033	4,775,202	556,169
Investment Earnings	500,000	500,000	541,633	41,633
Total Revenues	146,533,027	146,533,027	140,863,672	(5,669,355)
Expenditures:				
General Governmental Services:				
Mayor's Office	11,358,145	10,603,227	8,420,466	2,182,761
City Council	2,566,968	2,419,675	2,402,626	17,049
Audit	696,134	701,543	708,260	(6,717)
Law	3,102,185	3,068,353	2,890,737	177,616
Finance	10,953,174	10,720,917	9,917,369	803,548
Human Resources	1,894,896	1,856,305	1,767,378	88,927
Treasurer	471,342	433,162	414,476	18,686
Planning	1,588,822	1,541,910	1,470,955	70,955
Real Estate and Housing	1,273,958	1,225,112	1,212,734	12,378
Public Works	26,501,560	25,268,689	20,004,119	5,264,570
Parks and Recreation	8,479,962	8,259,868	7,702,527	557,341
Public Safety:				
Licenses and Inspection	4,493,807	4,418,047	4,255,229	162,818
Fire	24,094,219	23,571,137	23,398,577	172,560
Police	50,139,019	49,864,693	50,242,692	(377,999)
Total Expenditures	147,614,191	143,952,638	134,808,145	9,144,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,081,164)	2,580,389	6,055,527	3,475,138
Other Financing Sources (Use)				
Transfer In	1,125,422	1,125,422	1,125,422	-
Transfer Out	-	(97,135)	(424,075)	(326,940)
Total Other Financing Sources (Use)	1,125,422	1,028,287	701,347	(326,940)
Net Change in Fund Balances	44,258	3,608,676	6,756,874	3,148,198
Fund Balance - Beginning	31,044,506	31,044,506	31,044,506	-
Fund Balance - Ending	$ 31,088,764	$ 34,653,182	$ 37,801,380	$ 3,148,198

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

“The Queen in Waiting for Rebirth”

The Resurrection of a “Queen” Theatre

City of Wilmington, Delaware

Statement of Fund Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)	$ 250	$ 4,680,864
Receivables, Net (Note 4)	14,851,474	35,052
Prepaid Items & Other Assets	-	266,720
Restricted Cash and Investments (Note 3)	6,219,956	276,674
Due from Other Governments	883,538	-
Total Current Assets	21,955,218	5,259,310
Noncurrent Assets:		
Advances Due from Other Funds (Note 7)	-	13,150,376
Deferred Charges	1,522,944	53,961
Capital Assets, Net (Note 6)		
Land	4,060,443	-
Construction in Progress	7,061,283	140,043
Buildings & Improvements	23,064,667	3,533,434
Reservoirs and Water Filter Facilities	78,332,319	-
Water Lines	39,642,930	-
Wastewater Pump and Treatment Facilities	73,124,543	-
Sewer Lines	25,018,951	-
Vehicles, Machinery & Equipment	-	19,280,340
Total Noncurrent Assets	251,828,080	36,158,154
Total Assets	273,783,298	41,417,464
LIABILITIES		
Current Liabilities:		
Accounts Payable	10,966,033	1,951,471
Salaries and Benefits Payable	262,320	56,490
Due to Other Funds	4,789,485	3,045,830
Deferred Revenue	3,545,224	-
Accrued Interest Payable	910,906	100,649
Bonds Payable	9,530,127	495,640
Capital Leases	-	1,277,613
Compensated Absences	599,777	175,268
Claims Liabilities	-	3,020,885
Total Current Liabilities	30,603,872	10,123,846
Noncurrent Liabilities:		
Advances Due to Other Funds (Note 7)	13,150,376	6,500,000
Bonds Payable	132,404,165	5,355,923
Capital Leases	-	4,345,199
Claims Liabilities	-	11,218,747
Total Noncurrent Liabilities	145,554,541	27,419,869
Total Liabilities	176,158,413	37,543,715
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	112,071,075	11,756,116
Unrestricted	(14,446,190)	(7,882,367)
Total Net Assets	$ 97,624,885	$ 3,873,749

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

City of Wilmington, Delaware

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
OPERATING REVENUES		
Charges for Services		
Sewer Charges to New Castle County	$ 17,646,669	$ -
Water & Sewer Charges to Direct Users	38,855,010	-
Other Charges for Services	165,550	33,270,416
Employee Contributions	-	545,083
Other	1,679,012	106,516
Total Operating Revenues	58,346,241	33,922,015
OPERATING EXPENSES		
Personal Services	10,085,483	2,232,544
Materials, Supplies and Contractual Services	33,317,875	8,158,313
Depreciation and Amortization	6,896,951	3,605,414
Claims Expense	-	19,669,668
Insurance Premiums	-	149,361
Total Operating Expenses	50,300,309	33,815,300
Operating Income	8,045,932	106,715
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	15,000	140,102
Interest Expense	(4,268,101)	(416,569)
Bond Issuance Expense	(155,209)	(8,994)
Gain on Sale of Assets	-	14,379
Total Non-Operating Revenues (Expenses):	(4,408,310)	(271,082)
Income Before Capital Grants and Contributions	3,637,622	(164,367)
Capital Grants and Contributions	9,092,105	130,915
Change in Net Assets	12,729,727	(33,452)
Total Net Assets - Beginning	84,895,158	3,907,201
Total Net Assets - Ending	$ 97,624,885	$ 3,873,749

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, 2011

	Business-type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from Customers and Users	$ 59,460,016	$ -
Receipts from Interfund Services Provided	-	33,892,368
Payments to Suppliers	(35,751,693)	(31,338,047)
Payments to Employees	(9,748,671)	(2,166,711)
Net Cash Provided by (Used in) Operating Activities	13,959,652	387,610
Cash Flows from Noncapital Financing Activities		
Advances From Other Funds	-	5,483,825
Advances (To) Other Funds	(7,594,381)	(216,108)
Net Cash Provided (Used in) by Noncapital Financing Activities	(7,594,381)	5,267,717
Cash Flows From Capital and Related Financing Activities:		
Capital Grants and Contributions	9,092,105	-
Proceeds from Capital Debt	13,080,814	2,364,193
Acquisition and Construction of Capital Assets	(21,690,918)	(7,070,922)
Principal Paid on Bonds	(6,049,762)	(93,172)
Interest Paid on Bonds	(4,827,758)	(250,604)
Principal Paid on Capital Leases	(351,043)	(1,358,986)
Interest Paid on Capital Leases	(7,935)	(148,104)
Bond Issuance Costs Capitalized	(45,136)	-
Proceeds from Sale of Capital Assets	-	646,666
Net Cash Provided by (Used in) Capital and Related Financing Activities	(10,799,633)	(5,910,929)
Cash Flows From Investing Activities:		
Interest Received on Unspent Bond Proceeds	15,000	-
Net Cash provided by Investing Activities	15,000	-
Net Increase (Decrease) in Cash and Cash Equivalents	(4,419,362)	(255,602)
Cash and Cash Equivalents - July 1, 2010 (including $10,639,368 and $345,205, respectively, reported in restricted accounts)	10,639,568	5,213,140
Cash and Cash Equivalents - June 30, 2011 (including $6,219,956 and $276,674, respectively, reported in restricted accounts)	$ 6,220,206	$ 4,957,538
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Operating Income	$ 8,045,932	$ 106,715
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	6,896,951	3,605,414
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	345,903	(29,647)
(Increase) in Prepaid Expenses	-	(3,523)
(Decrease) in Accounts Payable	(2,433,818)	(1,651,714)
Increase in Compensated Absences	74,492	9,343
Increase in Accrued Salaries	262,320	56,490
Increase in Deferred Revenue	767,872	-
Increase in Claims Liability	-	(1,705,468)
Net Cash Provided by (Used in) Operating Activities	$ 13,959,652	$ 387,610

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

Events of the City of Wilmington

A new Restaurant Comes to Town

"Celebrating the Hispanic Festival"

City of Wilmington

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Total Pension Funds	Total Agency Funds
ASSETS		
Cash and Cash Equivalents (Note 3)	$ 15,625,962	$ -
Receivables:		
Due from Other Pension Fund	626,597	-
Due from Governments	-	232,648
Accrued Interest & Other Receivables	791,257	-
Total Receivables	1,417,854	232,648
Investments, at Fair Value:		
Money Market Mutual Funds	5,753,196	-
U.S. Government Obligations	14,489,569	-
U.S. Agencies - Government Guaranteed	994,349	-
U.S. Agencies - Other	14,270,429	-
Corporate Bonds	29,967,089	-
Stocks	98,823,834	-
Other Mutual Funds	362,985	-
Total Investments	164,661,451	-
Total Assets	181,705,267	232,648
LIABILITIES		
Accounts Payable	113,940	5,762
Salaries and Benefits Payable	16,156	84
Due to Other Pension Fund	626,597	-
Due to Governments	4,588,404	226,802
Compensated Absences	33,423	-
Liability for Stale-dated Pension Checks	177,487	-
Total Liabilities	5,556,007	232,648
Net Assets		
Held in Trust for Pension Benefits	$ 176,149,260	$ -

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, 2011

	Total Pension Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 10,352,449
Paid by the State	
On-Behalf of the City	6,981,541
Employees	1,513,291
Federal Drug Subsidies & Other	52,111
Total Contributions	18,899,392
Investment Income	
Investment Earnings	4,591,317
Net Appreciation in Fair Value	24,631,289
Total Investment Income	29,222,606
Less: Investment Expense	(736,253)
Net Investment Income	28,486,353
Total Additions	47,385,745
DEDUCTIONS	
Benefits Paid	20,598,070
Administrative Expenses	658,276
Total Deductions	21,256,346
Net Increase in Plans' Net Assets	26,129,399
Net Assets - Beginning	150,019,861
Net Assets - Ending	$ 176,149,260

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, 2011

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 (Note 3)	$ 160,021	$ 243,849	$ 966,680	$ 641,739	$ 3,090,399	$ 410,703	$ 52,193	$ 5,565,584
Investments	-	-	-	-	11,194,838	-	-	11,194,838
Receivables, Net	2,050,000	346,037	4,467,226	279,622	448,574	55,954	48,777	7,696,190
Restricted Assets:								
Investments	-	-	-	-	1,880,286	-	-	1,880,286
Deferred Charges & Other Assets	-	-	1,273	34,943	591,903	33,491	-	661,610
Capital Assets, Net:								
Land	2,900,000	-	392,089	1	16,319,058	-	-	19,611,148
Construction in Progress	-	-	1,147,553	-	461,356	-	-	1,608,909
Building and Improvements	-	2,004,047	343,749	-	28,618,314	605,110	-	31,571,220
Vehicles, Machinery & Equipment	-	-	-	-	1,014,879	376,315	33,732	1,424,926
Total Assets	5,110,021	2,593,933	7,318,570	956,305	63,619,607	1,481,573	134,702	81,214,711
LIABILITIES								
Accounts Payable & Accrued Expenses	2,000	2,508	386,351	66,561	1,111,835	10,140	33,024	1,612,419
Salaries and Benefits Payable	-	-	-	-	106,461	89,192	-	195,653
Unearned Revenue	-	-	-	-	140,760	40,865	38,000	219,625
Long-term Liabilities								
Due within One Year								
Bonds Payable	-	-	-	-	2,154,249	45,527	50,000	2,249,776
Capital Leases	-	-	-	-	-	14,433	-	14,433
Due in More than One Year								
Bonds Payable	-	2,059,243	-	-	23,382,219	725,848	439,765	26,607,075
Capital Leases	-	-	-	-	-	6,490	-	6,490
Minority Interest	-	-	-	-	1,917,013	-	-	1,917,013
Total Liabilities	2,000	2,061,751	386,351	66,561	28,812,537	932,495	560,789	32,822,484
NET ASSETS								
Invested in Capital Assets Net of Related Debt	2,900,000	(55,196)	1,883,391	1	20,877,139	981,425	33,732	26,620,492
Restricted for:								
Debt Service	-	-	-	-	1,880,286	-	-	1,880,286
Unrestricted	2,208,021	587,378	5,048,828	889,743	12,049,645	(432,347)	(459,819)	19,891,449
Total Net Assets	$ 5,108,021	$ 532,182	$ 6,932,219	$ 889,744	$ 34,807,070	$ 549,078	$ (426,087)	$ 48,392,227

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, 2011

	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	$ 119,828	$ -	$ (119,828)	$ -	$ -	$ -	$ -	$ -	$ -	$ (119,828)
Rock Manor Golf Corporation	174,994	145,236	-	(29,758)	-	-	-	-	-	(29,758)
Wilmington UDAG Corporation	497,646	258,187	-	-	(239,459)	-	-	-	-	(239,459)
Wilmington Economic Development Corporation	294,830	311,807	-	-	-	16,977	-	-	-	16,977
Wilmington Parking Authority	7,490,718	7,050,142	-	-	-	-	(440,576)	-	-	(440,576)
Downtown Visions	2,313,316	2,357,867	-	-	-	-	-	44,551	-	44,551
Riverfront Business Improvement District	338,614	390,045	-	-	-	-	-	-	51,431	51,431
	$ 11,229,946	$ 10,513,284	(119,828)	(29,758)	(239,459)	16,977	(440,576)	44,551	51,431	(716,662)
General Revenues										
Investment Earnings			32,783	-	-	-	210,632	5,910	647	249,972
Other Revenues including Capital Asset Gains			-	-	-	-	13,421	-	4,752	18,173
Grants, Entitlements, and Contributions not Restricted to Specific Programs			-	215,449	-	-	-	-	-	215,449
Total General Revenues			32,783	215,449	-	-	224,053	5,910	5,399	483,594
Change in Net Assets			(87,045)	185,691	(239,459)	16,977	(216,523)	50,461	56,830	(233,068)
Net Assets - Beginning			5,195,066	346,491	7,171,678	872,767	35,023,593	498,617	(482,917)	48,625,295
Net Assets - Ending			$ 5,108,021	$ 532,182	$ 6,932,219	$ 889,744	$ 34,807,070	$ 549,078	$ (426,087)	$ 48,392,227

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. 59. 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 offers small business loans and other financial assistance within the City. The City appoints a majority of the governing body (most of whom are City officials), provides all executive, administrative, and support services, and maintains the books and records. The City has significant influence over programs, projects, and activities of the Corporation.

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 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. A 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 yearend.

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

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 yearend. Revenues for 2011 include property taxes levied principally on July 1, 2010 and collected prior to September 1, 2011. Other major revenue types considered measurable and "susceptible to" accrual include expenditure-reimbursement type grants (when all applicable eligibility requirements have been met) 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 Strategic Fund, a capital projects fund, is used to account for the City's efforts to assure affordable housing in the City of Wilmington. The revenue sources include a 2009 transfer from the General Fund, bond funds, and grant and project revenues. The fund makes capital grants and serves as the City funding source for federal and state grant housing capital projects that may be separately accounted for as special revenue projects. The classification of this fund was changed from special revenue fund to capital projects fund as of fiscal year 2011 in recognition of the fund's capital activities in promoting affordable housing with the City.

The Economic Strategic Fund, a capital projects fund, is used to account for the City's capital economic development capital activities and related economic incentives. Revenue sources include bond proceeds, grants and other project revenues, and a 2009 transfer from the General Fund. The classification of this fund was changed from special revenue fund to capital projects fund as of fiscal year 2011 in recognition of the fund's capital activities in promoting economic development with the City.

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 Funds. Revenue sources include bond proceeds, state and federal grants, and project revenues.

The City reports the following major enterprise fund:

The Water and Sewer Fund reports City water and sewer utility operations and stormwater management activities 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 reports the City's six pension retirement funds and a pension healthcare trust fund which accumulate resources for pension benefit payments to qualified employees.

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.

The preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent items at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could differ from those estimates.

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 although restricted cash and cash equivalents are included.

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 constructing capital additions, or expenditures in a blended component unit. 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 38% and 58%. International equity exposure must be maintained between 7% and 17%. 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 yearend after giving effect to charges for the subsequent reporting period. Thereafter, interest and penalty on delinquent water and sewer charges are recorded when imposed - fifteen (15) days after the due date and each first day of the month 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. Additional fines and potential criminal penalties may be imposed under certain circumstances.

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, 2011, included the General Fund and non-major funds included on page 96. 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 Fund is 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. More detailed information on the budgeting process is included on pages 84 and 85.

B. Expenditures Over Appropriations

During the year ended June 30, 2011, expenditures of the Police and City Auditor departments of the General Fund exceeded budget by $377,999 and $6,717, respectively, primarily due to attrition being lower than budgeted. There was a transfer of $326,940 to the Cable TV Fund in accordance with the City Code; a transfer of $97,135 to a public safety program in the Special Revenue Fund was funded by the Mayor's contingency funds. 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)	$ 341,194	$ 782,880	$ 1,334,158
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	6,582,040	2,703,034	-
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	43,920,775	12,140,048	850,037
Uninsured and Uncollateralized	-	-	3,381,389
Total Deposits	$ 50,844,009	$ 15,625,962	$ 5,565,584
Investments			
Repurchase Agreements	$ -	$ -	$ 1,303,867
Money Market Mutual Funds	298,702	5,753,196	2,058,967
U.S. Government Obligations	156,770	14,489,569	3,835,170
U.S. Agencies - Government Guaranteed	-	994,349	-
U.S. Agencies - Other	-	14,270,429	4,244,762
Corporate Bonds	-	29,994,089	1,632,358
Stock Equities	-	98,796,834	-
Mutual Funds	5,049,939	362,985	-
Total Investments	$ 5,505,411	$ 164,661,451	$ 13,075,124

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

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

Primary Government - Park Trust (a blended component) is exposed to this risk in that it held money market mutual fund assets amounting to $298,702 and U.S. Treasury Notes of amounting to $51,070 due within one year and $105,700 more due within three years.

Fiduciary Funds - 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, 2011, the portfolio included $14,270,429 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, 2011.

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**< 1 year**	**1-4.9**	**5-9.9**	**10-19.9**	**> 20**
U.S. Treasuries	$ 14,489,569	$ 2,693,404	$ 6,392,605	$ 5,403,560	$ -	$ -
U.S. Govt. Agencies - Guaranteed	994,349	-	-	-	206,932	787,417
U.S. Govt. Agencies - Other	14,270,429	919,215	5,028,491	6,235,967	315,821	1,770,935
Corporate Bonds	29,994,089	1,050,476	23,624,785	5,318,828	-	-
Total	$ 59,748,436	$ 4,663,095	$ 35,045,881	$ 16,958,355	$ 522,753	$ 2,558,352

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, 2011, 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**
Baa and higher	19.10%	$ 29,994,089
Government	18.95%	29,754,347
	38.05%	$ 59,748,436

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, 2011, 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 Dollars	$ 978,422	$ 978,422
Brazilian Real	612,781	612,781
British Pounds	2,181,233	2,181,233
Danish Krone	32,673	32,673
Norwegian Krone	381,741	381,741
Swedish Krone	565,599	565,599
Euros	5,825,027	5,825,027
Hong Kong Dollar	32,368	32,368
Japanese Yen	1,636,836	1,636,836
Swiss Francs	2,117,202	2,117,202
Thailand Baht	142,675	142,675
Total in Foreign Denominated Investments	$ 14,506,557	$ 14,506,557

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 8.8 %.

Investment Commitments at June 30, 2011

The Pension Funds had no investment commitments at June 30, 2011.

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

	Primary Government	Fiduciary Funds	Component Units
Cash and Cash Equivalents	$ 50,844,009	$ 15,625,962	$ 5,565,584
Investments	5,505,411	164,661,451	13,075,124
	$ 56,349,420	$ 180,287,413	$ 18,640,708
Unrestricted	$ 31,977,397	$ -	$ 16,760,422
Restricted	24,372,023	-	1,880,286
Fiduciary Funds	-	180,287,413	-
	$ 56,349,420	$ 180,287,413	$ 18,640,708

Restricted Cash and Investments

At June 30, 2011, the City had $5,505,411 of investments in a nonmajor special revenue fund. These are shown as permanently restricted assets in the Statement of Net Assets as they are in separate accounts within a blended component unit and are available only for park operations.

The City also had $18,866,612 in temporarily restricted cash at June 30, 2011. The components were: $2,519,725 related to Water and Sewer Fund contractual requirements, and $16,346,887 related to unspent proceeds of bond offerings ($3,700,231 in the Water and Sewer Fund, $11,507,382 in the Capital Projects Fund, $862,600 in the Economic Strategic Fund, and $276,674 in the Data Processing Fund). The proceeds are invested primarily in certificates of deposit and are tracked and managed separately from operating cash by the City Treasurer. The funds can only be spent on capital projects. In 2010, the City started to classify these as restricted funds due to the source, the management of the funds, and the expenditure restrictions. Because the bonds do not have restricting indentures and could have been temporarily used as operating funds, the funds were previously not classified as restricted. The funds have never been used for temporary purposes and City policies prevent this from occurring. The change in presentation resulted had no effect on total net assets.

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	Housing Strategic	Economic Strategic	Nonmajor Funds	Total Governmental	Water and Sewer
Receivables:						
Property Taxes	$ 2,818,823	$ -	$ -	$ -	$ 2,818,823	$ -
Wage Taxes	9,068,269	-	-	-	9,068,269	-
Parking & Redlight Citations	17,758,509	-	-	-	17,758,509	-
Business Licenses	1,133,313	-	-	-	1,133,313	-
Signs and Licenses	3,699,064	-	-	-	3,699,064	-
Other	1,332,653	1,300,000	94,000	46,972	2,773,625	-
Utility Billings	-	-	-	-	-	20,781,033
Notes - Current	421,738	-	-	-	421,738	-
Notes - Noncurrent	7,002,754	-	-	-	7,002,754	-
Gross Receivables	43,235,123	1,300,000	94,000	46,972	44,676,095	20,781,033
Less: Allowance for Uncollectibles	(18,890,426)	-	-	-	(18,890,426)	(5,929,559)
Net Total Receivables	$ 24,344,697	$ 1,300,000	$ 94,000	$ 46,972	$ 25,785,669	$ 14,851,474

Internal Service Fund receivables amounting to $35,052 are included in Governmental Activities receivables in the Statement of Net Assets. Revenues of the Water and Sewer Fund are reported net of the change in uncollectible amounts; the change in 2011 decreased revenues by $3,120,001.

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	$ -	$ -	$ 36,405	$ -	$ 451,135	$ 487,540
Mortgages and Loans	2,050,000	4,467,226	412,169	399,490	-	7,328,885
Less: Allowance for Uncollectibles	-	-	-	(119,868)	(367)	(120,235)
Net Total Receivables	$ 2,050,000	$ 4,467,226	$ 448,574	$ 279,622	$ 450,768	$ 7,696,190

5. Notes Receivable

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, 2011, in the amount of $7,424,492 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.

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, 2011, 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 the Housing Strategic Fund.

6. Capital Assets

A. Primary Government

The capital asset activity for Governmental Activities for the year ended June 30, 2011 was as follows:

	June 30, 2010	Increases	Decreases	June 30, 2011
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,183,107	84,817	-	1,267,924
Construction-In-Progress	3,354,232	1,627,168	(3,454,924)	1,526,476
Total Capital Assets not being Depreciated	28,627,520	1,711,985	(3,454,924)	26,884,581
Capital Assets Being Depreciated:				
Buildings and Improvements	68,102,575	2,689,310	-	70,791,885
Parks and Recreation Facilities	26,158,749	873,096	-	27,031,845
Streets and Street Signals	111,959,893	2,937,428	(1,597,408)	113,299,913
Vehicles, Equipment and Other Assets	48,848,553	4,106,073	(2,531,420)	50,423,206
Total Capital Assets Being Depreciated	255,069,770	10,605,907	(4,128,828)	261,546,849
Less Accumulated Depreciation For:				
Buildings	(16,912,242)	(1,279,615)	-	(18,191,857)
Parks and Recreation Facilities	(14,311,643)	(633,923)	-	(14,945,566)
Streets and Street Signals	(41,066,008)	(3,512,900)	1,597,408	(42,981,500)
Vehicles, Equipment and Other Assets	(25,918,596)	(3,916,685)	2,250,304	(27,584,977)
Total Accumulated Depreciation	(98,208,489)	(9,343,123)	3,847,712	(103,703,900)
Total Capital Assets Being Depreciated, Net	156,861,281	1,262,784	(281,116)	157,842,949
Governmental Activities Capital Assets, Net	$ 185,488,801	$ 2,974,769	$ (3,736,040)	$ 184,727,530

The capital asset activity for Business-type Activities for the year ended June 30, 2011 was as follows:

	June 30, 2010	Increases	Decreases	June 30, 2011
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 3,656,612	$ 403,831	$ -	$ 4,060,443
Construction-In-Progress	16,476,342	21,096,382	(30,511,441)	7,061,283
Total Capital Assets not being Depreciated	20,132,954	21,500,213	(30,511,441)	11,121,726
Capital Assets Being Depreciated:				
Buildings and Improvements	18,578,513	5,677,944	-	24,256,457
Reservoirs and Water Filter Facilities	92,600,961	7,199,269	-	99,800,230
Water Lines	48,709,468	6,393,866	(540,784)	54,562,550
Wastewater Pump and Treatment Facilities	140,187,224	3,547,170	-	143,734,394
Sewer Lines	21,947,078	7,883,897	(273,597)	29,557,378
Total Capital Assets Being Depreciated	322,023,244	30,702,146	(814,381)	351,911,009
Less Accumulated Depreciation For:				
Buildings and Improvements	(687,283)	(504,507)	-	(1,191,790)
Reservoirs and Water Filter Facilities	(19,873,884)	(1,594,027)	-	(21,467,911)
Water Lines	(13,952,608)	(1,507,796)	540,784	(14,919,620)
Wastewater Pump and Treatment Facilities	(67,834,275)	(2,775,576)	-	(70,609,851)
Sewer Lines	(4,296,979)	(515,045)	273,597	(4,538,427)
Total Accumulated Depreciation	(106,645,029)	(6,896,951)	814,381	(112,727,599)
Total Capital Assets Being Depreciated, Net	215,378,215	23,805,195	-	239,183,410
Business-type Activities Capital Assets, Net	$ 235,511,169	$ 45,305,408	$ (30,511,441)	$ 250,305,136

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

Governmental Activities	
General Government	$ 1,479,779
Real Estate and Housing	17,331
Public Works	4,972,017
Parks and Recreation	956,296
Public Safety	1,917,700
Total Depreciation Expense - Governmental Activities	$ 9,343,123
Business-type Activities	
Water/Sewer	$ 6,896,951
Total Depreciation Expense - Business-type Activities	$ 6,896,951

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2011. 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	$ 18,228,672	$ 2,189,012
Reservoirs & Other Water and Wastewater Projects	38,565,690	5,507,768
Total	$ 56,794,362	$ 7,696,780

B. Component Units

Capital asset activity for the City's component units for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 19,611,148	$ -	$ -	$ 19,611,148
Construction-In-Progress	1,699,100	834,791	(924,982)	1,608,909
Total Capital Assets Not Being Depreciated	21,310,248	834,791	(924,982)	21,220,057
Capital Assets Being Depreciated:				
Buildings and Improvements	60,255,258	1,972,058	-	62,227,316
Machinery and Equipment	3,883,694	46,718	(11,086)	3,919,326
Vehicles & Other Assets	230,519	-	(1,904)	228,615
Total Capital Assets Being Depreciated	64,369,471	2,018,776	(12,990)	66,375,257
Less Accumulated Depreciation For:				
Buildings	(28,835,399)	(1,820,697)	-	(30,656,096)
Machinery and Equipment	(2,270,429)	(365,544)	9,898	(2,626,075)
Vehicles & Other Assets	(113,863)	(33,657)	50,580	(96,940)
Total Capital Assets Being Depreciated, Net	33,149,780	(201,122)	47,488	32,996,146
Capital Assets, Net	$ 54,460,028	$ 633,669	$ (877,494)	$ 54,216,203

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 Water and Sewer Fund has entered into a transaction with the Risk Management and Workers Compensation internal service funds whereby each internal service fund advanced $7,500,000 to the Water and Sewer Fund. The Advance totaling $13,150,376 at June 30, 2011 financed capital construction that was previously financed from working capital. The Advances are payable in various amounts in

fiscal years 2012 through 2017 with 1% interest.

The General Fund is owed $7,474,265 by the Water and Sewer Fund at June 30, 2011; of this amount, $6,500,000 relates to the acquisition of garage assets and motor vehicles. The $6,500,000 is shown as an Advance to Other Funds as management intends to repay this advance from internal service charges based in part on the depreciation incurred over the lives of the assets.

The composition of interfund balances as of June 30, 2011, is as follows.

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 3,571,929
	Enterprise Fund	4,789,485
	Internal Service Funds	3,045,830
	Advance to an Internal Service Fund	6,500,000
Internal Service Funds	Advance to the Enterprise Fund	13,150,376
Total		$ 31,057,620

During FY 2011, transfers from the General Fund included: a budgeted transfer of $97,135 to a public safety program in the Special Revenue Fund from the Mayor's contingency funds, and $326,940 transferred to the Cable TV Fund in accordance with the City Code.

8. Short Term Debt

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; this was subsequently replaced on September 30, 2010, with a line on substantially the same terms. 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 various interest rates; the rate on the balance outstanding is the Adjusted London Interbank Offered Rate (LIBOR) plus 0.25%; the interest rate at June 30, 2011, was 0.95%. The line of credit is classified as an other liability in the Housing Strategic Fund. An analysis of the activity of the credit line is presented below:

	Beginning Fiscal Year Liability	Draws	Repayments	Ending Fiscal Year Liability
2010 - 2011	$ 600,000	$ 900,000	$ (200,000)	$ 1,300,000

Tax Anticipation Note

City Council approved and on July 28, 2010, the City used $3,011,000 of a Tax Anticipation Note (bank credit line). The amount was fully paid by September 9, 2010.

	Beginning Fiscal Year Liability	Draws	Repayments	Ending Fiscal Year Liability
2010 - 2011	$ -	$ 3,011,000	$ (3,011,000)	$ -

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, 2011. $20,500,000 of the governmental activities and $2,700,770 bond payable due within one year are BANs (Bond Anticipation Notes) that management refinanced in the bond offering discussed in Note 16 on Subsequent events.

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 120,263,940	$ 799,014	$ (2,865,054)	$ 118,197,900	$ 26,588,311
Less: Deferred Amounts					
Premium on Debts Issued	5,982,270	-	(676,189)	5,306,081	643,280
Gain on Refunding	(2,946,117)	-	468,988	(2,477,129)	(399,230)
Total Bonds Payable	123,300,093	799,014	(3,072,255)	121,026,852	26,832,361
Capital Leases	4,617,605	2,364,193	(1,358,986)	5,622,812	1,277,614
Insurance Claims Payable	15,945,100	18,262,388	(19,967,856)	14,239,632	3,020,885
Compensated Absences	8,285,533	5,714,751	(5,899,682)	8,100,602	5,714,751
Other Post Employment Benefits Payable	8,884,630	6,328,902	(1,869,369)	13,344,163	-
Governmental Activity Long-Term Liabilities	$ 161,032,961	$ 33,469,248	$ (32,168,148)	$ 162,334,061	$ 36,845,611
Business-type Activities:					
Bonds Payable	$ 132,061,815	$ 13,080,814	$ (6,049,762)	$ 139,092,867	$ 9,530,127
Less: Deferred Amounts					
Premium on Debts Issued	4,770,059	-	(474,435)	4,295,624	450,686
Gain on Refunding	(1,705,166)	-	250,967	(1,454,199)	(216,669)
Total Bonds Payable	135,126,708	13,080,814	(6,273,230)	141,934,292	9,764,144
Capital Leases	351,043	-	(351,043)	-	-
Compensated Absences	525,285	594,485	(519,993)	599,777	599,777
Business-type Activity Long-Term Liabilities	$ 136,003,036	$ 13,675,299	$ (7,144,266)	$ 142,534,069	$ 10,363,921
Discretely Presented Component Units					
Rock Manor Golf Corporation	$ 2,132,235	$ -	$ (72,992)	$ 2,059,243	$ 2,059,243
Wilmington Parking Authority	27,810,486	-	(2,274,018)	25,536,468	2,154,249
Downtown Visions	820,631	-	(28,333)	792,298	59,960
Riverfront Business Improvement District	539,829	-	(50,064)	489,765	50,000
Component Units Long-Term Liabilities	$ 31,303,181	$ -	$ (2,425,407)	$ 28,877,774	$ 4,323,452

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 $8,177,528 in 2011 were within the statutory debt limit of $25,104,212.

The following is a summary of general obligation bonds outstanding as of June 30, 2011:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2011
1993/2013	1,938,000	Series of 1993 - WPA	4.50%	$ 412,168
1993/2016	20,000,000	Series of 1993 - DNREC	3.25%	6,652,489
2001/2012	22,165,000	Series of 2001	3.25% - 5.0%	1,165,000
2002/2023	34,780,000	Series of 2002	4.0% - 5.375%	1,590,000
2002/2025	11,000,000	Series of 2002 - DDWSRF	2.96%	9,288,188
2004/2022	12,945,000	Series of 2004B	2.0% -4.2%	2,165,000
2005/2016	18,785,000	Series of 2005	3.0% - 5.0%	11,000,000
2005/2028	13,700,000	Series of 2005C - DDWSRF	2.370%	13,700,000
2006/2025	46,465,000	Series of 2006A	3.25% - 5.0%	39,680,000
2006/2025	46,510,000	Series of 2007A	4.0% - 5.0%	37,355,000
2007/2028	3,795,000	Series of 2006 - DDWSRF	2.50%	2,930,584
		(Only $2,930,584 drawn at June 30, 2011)		
2007/2028	3,185,000	Series of 2007 - DDWSRF	2.69%	3,185,000
2008/2028	75,215,000	Series of 2008A	3.0% - 5.0%	53,920,000
2009/2030	18,975,000	Series of 2008 SRF	2.92%	1,949,458
		(Only $1,949,458 drawn at June 30, 2011)		
2009/2030	5,000,000	Series of 2008B SRF	2.92%	4,442,945
		(Only $4,442,945 drawn at June 30, 2011)		
2009/2011	15,500,000	Series of 2009B - Bond Anticipation Note	4.50%	11,547,000
		(Only $11,547,000 drawn at June 30, 2011)		
2009/2031	4,450,000	Series of 2009 ARRA/SRF	3.24%	3,566,462
		(Only $3,566,462 drawn at June 30, 2011)		
		(See note for ARRA grant details)		
2009/2011	2,800,000	Series of 2009C SRF	2.00%	2,562,253
		(Only $2,562,253 drawn at June 30, 2011)		
2010/2025	43,490,000	Series of 2010 A	2.25% - 5.0%	43,490,000
2010/2025	3,855,000	Series of 2010 B	1.1% - 1.77%	3,850,000
2010/2011	2,700,770	Series of 2010 CREB Bond Anticipation Note	2.19%	2,700,770
2011/2012	5,000,000	Series of 2011 - Bond Anticipation Note	2.33%	
		(Only $138,450 drawn at June 30, 2011)		138,450
	Total General Obligation Bonds Payable			$ 257,290,767

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. Cash draws against the loans will be made periodically; as of June 30, 2011, $13,700,000 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.37%. Payments are due every six months, with a final payment due April 30, 2028. The 2005C SRF bond 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, 2011, $2,930,584 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.5%. Payments are due every six months, with final payments due July 31, 2028. The 2006C SRF bond 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 loan have been made periodically; as of June 30, 2011, the full amount had been drawn down. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.69%. Payments are due every six months, with final payments due July 31, 2028. The 2007 SRF bond is recorded in the Water and Sewer Fund.

On November 19, 2008, 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 $18,975,000. The net loan proceeds supplement other funding for the costs associated with the upgrades to the City's Brandywine Water Filter Plant. Cash draws against the loans will be made periodically; as of June 30, 2011, $1,949,458 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.92%. Payments are due every six months, with final payments due March 1, 2030. The 2008 SRF bond is recorded in the Water and Sewer Fund.

On November 19, 2008, 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 $5,000,000. The net loan proceeds supplement other funding for the costs associated with the upgrades to the City's water mains. Cash draws against the loans will be made periodically; as of June 30, $4,442,945 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.92%. Payments are due every six months, with final payments due March 1, 2030. The 2008B SRF bond 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, originally matured on June 30, 2011, and bear an annual interest rate equal to 0.5% higher than the bank's commercial interest rate. The due date of these notes were extended and were paid in full by a bond offering in November 2011 discussed in subsequent events. 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, 2011, is $11,547,000 at an interest rate of 4.5%. The 2009B bond activity is recorded in the Economic Strategic Fund.

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. Cash draws against the loans will be made 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. The asset was placed in service during fiscal year 2011 and the City recognized the forgiveness of 50% of the loan. The total amount of the loan was changed on the preceding schedule to $4,450,000; $3,566,462 was outstanding at June 30, 2011, and application was made for the final draw. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 3.24%. Payments are due every six months, with final payments due May 1, 2031. The 2009 ARRA/SRF bond is recorded in the Water and Sewer Fund.

On October 15, 2009, the City entered into a General Obligation Financing agreement with Delaware Clean Water State Revolving Fund (DCWSRF) 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 net loan proceeds supplement other funding for the costs associated with the upgrades to the City's Wastewater Treatment Plant. Cash draws against the loans will be made periodically; as of June 30, 2011, $2,562,253 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 2.0%. Payments are due every six months, with final payments due October 1, 2031. The 2009C SRF bond is recorded in the Water and Sewer Fund.

On April 14, 2010, the City issued $43,490,000 of General Obligation Bonds, Series of 2010A and $3,855,000 of Genera1 Obligation Bonds, Taxable Series of 2010 B. The bonds mature in varying amounts between December 1, 2010 and December 1, 2025, and bear interest rates between 2.25% and 5.0% (Series A) and 1.10% and 1.77% (Series B). The net proceeds of the bonds were used to partially advance refund the City's General Obligation Bonds Series of 1993, 2002, 2004, 2005, 2006A-1&2, and 2008A.

On December 20, 2010, the City issued a $2,700,770 of New Clean Renewable Energy General Obligation Bond Anticipation Note, Series of 2010. The Note was issued to a local bank and was due December 1, 2011. The note was paid in full by a bond offering in November 2011 discussed in subsequent events. The interest rate is the Adjusted London Interbank Offered Rate (LIBOR) plus 2.0%; the interest rate at June 30, 2011 was 2.19%. The proceeds of the Notes will be used to fund a solar photovoltaic system at the City's Public Works yard. The 2010 CREB bond is recorded in the Water and Sewer Fund.

On May 24, 2011, the City issued $5,000,000 of General Obligation Bond Anticipation Notes, Series of 2011. The Notes were issued to a local bank, draws were requested as needed, and bear an annual interest rate equal to 0.5% higher than the bank's commercial interest rate. The notes were paid in full by a bond

offering in November 2011 discussed in subsequent events. The proceeds of the Notes will be used to fund a firehouse condominium unit as part of public senior citizen housing. The amount outstanding at June 30, 2011, is $138,450 at an interest rate of 2.33%.

The City has entered into General Obligation Financing agreements with the Delaware Drinking Water State Revolving Fund acting through the Delaware Department of Health & 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 program related to the loan must start construction within one year of the agreement date. A final loan closing will occur at the end of the project. The loans 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 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 January 14, 2011, 2010, for an amount not to exceed $2,500,000 is related to costs associated with upgrades to the City's water distribution system.
- A DDWSRF agreement dated January 14, 2011, 2010, for an amount not to exceed $2,500,000 is related to costs associated with upgrades to the City's water treatment plant.

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
2012	$ 26,588,311	$ 5,055,671	$ 9,530,127	$ 5,844,709
2013	7,628,367	4,618,426	6,499,156	5,578,464
2014	6,280,131	4,394,209	8,151,660	5,366,826
2015	6,235,546	4,106,122	8,371,463	5,081,719
2016	6,365,770	3,794,928	8,548,847	4,773,097
2017-2021	30,864,229	14,425,089	42,836,545	19,097,296
2022-2026	33,517,944	6,566,159	52,736,263	9,645,560
2027-2031	9,532,152	442,878	21,987,104	1,109,790
	127,012,450	$ 43,403,482	158,661,165	$ 56,497,461
Less: Funds Not Drawn	(8,814,550)		(19,568,298)	
Total	$ 118,197,900		$ 139,092,867	

Fiscal Year 2012 includes $20,500,000 of BAN funding in Governmental Activities and $2,700,770 in Business-type activities that management refinanced into long-term general obligation bonds in a transaction disclosed in Note 16 about subsequent events.

Component Units

Annual debt service requirements to maturity for general obligation bonds of component units are as follows:

	Component Units' Debt Service Schedule							
Year Ending	Rock Manor Golf Course Corporation		Wilmington Parking Authority		Downtown Visions		Riverfront Business Improvement District	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ 2,059,243	$ 61,195	$ 2,154,248	$ 1,112,783	$ 45,527	$ 48,211	$ 50,000	$ -
2013	-	-	2,239,248	1,025,838	44,458	45,366	50,000	-
2014	-	-	2,349,248	922,606	42,157	42,587	50,000	-
2015	-	-	2,464,248	802,269	31,621	39,952	50,000	-
2016	-	-	2,535,989	675,875	18,394	37,976	50,000	-
2017-2021	-	-	2,629,598	2,770,088	589,218	73,652	239,765	-
2022-2026	-	-	3,239,598	2,173,450	-	-	-	-
2027-2031	-	-	4,019,598	1,403,281	-	-	-	-
2032-2036	-	-	3,904,693	437,280	-	-	-	-
Total	$ 2,059,243	$ 61,195	$ 25,536,468	$ 11,323,470	$ 771,375	$287,744	$ 489,765	$ -

C. Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2011, $53,780,000 of 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, 2011, six issues with debt of $46,897,429 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 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 (an

internal service 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, 2011, the City has $6,573,497 of motor vehicles under lease with accumulated depreciation of $901,904.

As of June 30, 2011, payments under these capital leases are as follows:

Year Ending June 30	Primary Government Motor Vehicle	Component Unit Downtown Visions
2012	$ 1,398,206	$ 16,002
2013	1,398,205	6,667
2014	1,398,205	-
2015	1,263,178	-
2016	463,103	-
Total Minimum Lease Payments	5,920,897	22,669
Less: Amount Representing Interest	(298,085)	(1,746)
Present Value of Lease Payments	$ 5,622,812	$ 20,923

B. Capital Lease – Lessee – Component Unit

Downtown Visions has an equipment lease expiring in November 2012. 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, 2011, Downtown Visions has $62,625 of street equipment under lease with accumulated depreciation of $40,706.

As of June 30, 2011, payments under these capital leases are as noted in the above schedule.

C. 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 2011 was $138,041. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2011:

Year Ending June 30	Wilmington Parking Authority
2012	$ 134,706
2013	137,589
2014	47,222
2015	6,000
2016	6,000
2017 and thereafter	388,500
Total Minimum Future Rental Income	$ 720,017

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	$ 3,377,637		
Permits and Other Revenues	5,794,535		
Revenue on Notes Receivable	7,424,492		
		$ 16,596,664	$ -
Unearned Revenues			
Capital Project Fund			
Unearned Grant Revenue		928,961	928,961
Economic Strategic Fund			
Unearned Grant Revenue		94,000	94,000
Non-Major Funds			
Unearned Grant Revenues			
Park Recreation Assistance		55,953	55,953
Delaware Criminal Justice Planning		123,237	123,237
Special Project		1,535,623	1,535,623
		1,714,813	1,714,813
Total		$ 19,334,438	$ 2,737,774
Water & Sewer Fund			
Unearned Service Charges			$ 3,545,224

12. Fund Balance

In 2009 the City 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 $16,937,671 at June 30, 2011. Of the $7,474,265 due from the Motor Vehicle Fund, $6,500,000 related to the acquisition of garage assets and motor vehicles is considered an Advance (discussed in Note 7) and therefore is classified as Nonspendable Fund Balance.

The General Fund has Committed Funds consisting of the Budget Reserve Account of $13,933,709 and encumbrance carry-forwards of $430,000. 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 $139,337,086 of FY2012 expenditures budgeted as of the end of June 30, 2011.

Other Major Funds

The Housing Strategic Fund has Committed Fund Balance of $2,219,614 to fulfill the City's affordable housing programs. The Economic Strategic Fund had Restricted Fund Balance of $1,270,669 primarily consisting of unspent bond funds used for infrastructure incentives and Committed Fund Balance of $6,685,727 to fulfill the City's economic incentive programs. The Capital Project Fund has Restricted Fund Balance of $10,030,825 at June 30, 2011 consisting primarily of unspent bond funds.

Other Funds

The following fund has Fund Balances designated for specific purposes: the Nonmajor Fund Wilmington Park Trust Commission (blended component) has Park Maintenance Nonspendable Fund Balance of $820,344 and Restricted Fund Balance of $4,650,493.

The Special Revenue Funds report Committed Fund Balances of $790,556 related to cable television and internal capital and related programs.

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 Liability Fiscal Year	Claims and Changes in Estimates	Claim Payments	Ending Liability Fiscal Year
2009 - 2010	$ 4,893,473	$ 3,871,638	$ (2,151,215)	$ 6,613,896
2010 - 2011	6,613,896	846,079	(2,114,214)	5,345,761

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%. An analysis of claims liabilities recorded in the Workers' Compensation Fund is presented below:

	Beginning Liability Fiscal Year	Claims and Changes in Estimates	Claim Payments	Ending Liability Fiscal Year
2009 - 2010	$ 7,709,400	$ 3,408,759	$ (2,678,420)	$ 8,439,739
2010 - 2011	8,439,739	2,677,185	(3,061,082)	8,055,842

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 Liability Fiscal Year	Claims and Changes in Estimates	Claim Payments	Ending Liability Fiscal Year
2009 - 2010	$ 1,583,612	$ 13,207,290	$ (13,899,437)	$ 891,465
2010 - 2011	891,465	16,146,404	(16,199,840)	838,029

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. Despite the appeal, the City and the subcontractor are working together toward closing the sludge lagoons. 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, 2011.

SEAL OF THE CITY OF WILMINGTON
DELAWARE

15. Pension Trust Funds

A. Pension Trust Funds – Retirement Funds

i. 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 (Note 16) 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	313	446	207	143	165	222
Number of Terminated Employees Entitled to Benefits	0	11	0	180	123	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	71	102	34	56	633	1126
Current Year Annual Covered Payroll	$ 4,568,644	$ 8,035,629	$ 170,792	$ 835,508	$ 31,177,072	$ 65,744,569

The City's current-year total payroll for all employees was $72,630,217.

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, annual pension costs, and funding status and funding progress are presented in a schedule on page 78 of the Notes. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future; examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial calculations for OPEB benefits uses the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The pension funding status and progress for the last six fiscal years of the City sponsored plans is reported as Required Supplementary Information (RSI) on page 81. The RSI schedule presents multiyear trend information that shows whether the actual value of plan assets is increasing or decreasing over time relative to the actual accrued liabilities for benefits.

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, 2011, 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, 2011, the following individual plans 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	$ 3,487,831
Non-uniformed Plan III	TD Bank, N.A.	Certificates of Deposit	$ 8,652,218

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 - $4,581,061 Police - $2,375,898; Plan I - $24,582 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, 2011

	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	$ 7,766	$ 651	$ 8,967,359	$ -	$ 591,612
Receivables:					
Accrued Interest & Other Receivables	29,706	58,063	179,571	-	30,281
Investments, at Fair Value:					
Money Market Mutual Funds	198,833	388,638	1,078,859	9,187	773,559
U.S. Government Obligations	540,510	1,056,479	2,932,785	-	977,837
U.S. Agencies - Government Guaranteed	39,777	77,748	215,828	-	-
U.S. Agencies - Other	468,941	916,590	2,544,452	-	2,547,797
Corporate Bonds	1,166,628	2,280,285	6,330,070	-	-
Stocks	3,846,279	7,517,920	20,869,740	-	3,477,753
Other Mutual Funds	4,894	9,566	26,554	240,646	-
Total Investments	6,265,862	12,247,226	33,998,288	249,833	7,776,946
Due from Other Pension Fund	-	-	-	-	59,448
Total Assets	6,303,334	12,305,940	43,145,218	249,833	8,458,287
LIABILITIES					
Accounts Payable	1,154	1,286	10,358	8,910	89,596
Salaries and Benefits Payable	806	1,654	12,083	-	-
Due to Other Pension Fund	-	-	59,448	-	-
Due to Other Governments	-	-	5,155,553	-	-
Compensated Absences	4,605	5,707	15,857	-	-
Liability for Stale-dated Pension Checks	38,912	8,517	8,453	-	-
Total Liabilities	45,477	17,164	5,261,752	8,910	89,596
Net Assets					
Held in Trust for Pension Benefits	$ 6,257,857	$ 12,288,776	$ 37,883,466	$ 240,923	$ 8,368,691

City of Wilmington, Delaware
Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	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	$ 292,475	$ 92,757	$ 3,784,889	$ 35,236	$ 1,869,369
Paid by the State On-Behalf of the City	24,582	-	-	-	-
Employees	-	17,820	482,598	-	283,592
Federal Drug Subsidies & Other	-	-	1,296	-	36,864
Total Contributions	317,057	110,577	4,268,783	35,236	2,189,825
Investment Income					
Investment Earnings	190,237	364,333	1,039,392	5,959	-
Net Appreciation in Fair Value	1,004,878	1,924,497	5,312,807	26,247	639,486
Total Investment Earnings	1,195,115	2,288,830	6,352,199	32,206	639,486
Less: Investment Expense	(30,871)	(59,123)	(163,216)	-	-
Net Investment Income	1,164,244	2,229,707	6,188,983	32,206	639,486
Total Additions	1,481,301	2,340,284	10,457,766	67,442	2,829,311
DEDUCTIONS					
Benefits Paid	861,898	906,481	2,350,800	17,820	915,754
Administrative Expenses	51,647	78,981	205,180	2,408	107,139
Total Deductions	913,545	985,462	2,555,980	20,228	1,022,893
Net Increase (Decrease) in Plan Net Assets	567,756	1,354,822	7,901,786	47,214	1,806,418
Net Assets - Beginning	5,690,101	10,933,954	29,981,680	193,709	6,562,273
Net Assets - Ending	$ 6,257,857	$ 12,288,776	$ 37,883,466	$ 240,923	$ 8,368,691

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:

Ending June 30	Pension Cost (APC)	APC Contributed	Pension Obligation
2006	4,584,666	100.0%	-
2007	5,317,764	100.0%	-
2008	4,962,169	100.0%	-
2009	5,023,195	100.0%	-
2010	5,040,427	100.0%	-
2011	4,796,719	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
2006	$ 5,813,130	100.0%	-
2007	7,594,204	100.0%	-
2008	6,679,870	100.0%	-
2009	6,626,502	100.0%	-
2010	6,550,539	100.0%	-
2011	6,437,963	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
2006	$ 436,685	100.0%	$ -
2007	490,662	100.0%	-
2008	503,792	100.0%	-
2009	355,122	100.0%	-
2010	315,440	100.0%	-
2011	292,475	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
2006	$ -	100.0%	$ -
2007	48,456	100.0%	-
2008	-	100.0%	-
2009	-	100.0%	-
2010	189,257	100.0%	-
2011	92,757	100.0%	-

Nonuniformed Employees Plan III (Closed as of July 1, 2011)

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. As of July 1, 2011, this plan became closed to new employees.

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
2006	$ 1,890,483	100.0%	$ -
2007	2,908,438	100.0%	-
2008	2,806,748	100.0%	-
2009	2,994,895	100.0%	-
2010	3,312,623	100.0%	-
2011	3,784,889	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
2006	$ 7,311	100.0%	$ -
2007	7,462	100.0%	-
2008	7,462	100.0%	-
2009	17,536	100.0%	-
2010	17,536	100.0%	-
2011	35,236	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 FY2011 was 13.90% 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
2006	$ 1,631,263	100.0%	$ -
2007	1,858,712	100.0%	-
2008	2,005,109	100.0%	-
2009	2,372,977	100.0%	-
2010	2,396,872	100.0%	-
2011	2,621,343	100.0%	-

ii. 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 $187,454 for the year ended June 30, 2011. 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, Annual Pension Cost, and Funded Status and Funding Progress

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City's single employer pension plans and employer healthcare plan, and the multi-employer plan administered by the Delaware Public Employees' Retiremen (1)

	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 (7/1/10-6/30/11) (2)								
Contribution	$ 4,796,719	$ 6,437,963	$ 292,475	$ 92,757	$ 3,784,889	$ 35,236	$ 1,449,355	$ 2,621,343
Pension Cost (6)	$ 4,796,719	$ 6,437,963	$ 292,475	$ 92,757	$ 3,784,889	$ 35,236	$ 1,449,355 (6)	$ 2,621,343
Actuarial Valuation Date	July 1, 2010	July 1, 2010	July 1, 2010	July 1, 2010	July 1, 2010	July 1, 2011	July 1, 2010	July 1, 2011
Actuarial Cost Method	Aggregate (7) Entry Age	Aggregate (7) Entry Age	Aggregate (7) Entry Age	Aggregate (7) Entry Age	Aggregate (7) Entry Age	Aggregate (7) 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 (3)	19 years	19 years	19 years	19 years	19 years	19 years	26 years	7 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% (5)	5.50% (5)	5.50% (4)	5.00% (4)	5.50% (4)	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
Funded Status and Funding Progress as of July 1, 2010								
Actuarial Accrued Liability (AAL)	$85,157,711	$ 133,269,787	$ 8,374,719	$13,597,800	$76,611,097	$ 186,575	$65,321,683 (8)	$ 160,150,000 (9)
Actuarial Value of Plan Assets (AVPA	$43,650,025	$ 71,741,304	$ 6,821,635	$13,108,281	$35,943,842	$ 240,923	$ 7,214,969	$ 157,394,000
Unfunded Actuarial Accrued Liability (UAAL	$41,507,686	$ 61,528,483	$ 1,553,084	$ 489,519	$40,667,255	$ (54,348)	$58,106,714	$ 2,756,000
Funded Ratio (AVPA/AAL)	51.3%	53.8%	81.5%	96.4%	46.9%	129.1%	11.0%	98.3%
Covered Payroll (Active Plan Members)	$ 4,727,341	$ 7,752,902	$ 85,639	$ 660,701	$30,143,327	$ 79,623	$65,744,569	$ 59,418,000
UAAL as a percentage of Covered Payroll	878.0%	793.6%	1813.5%	74.1%	134.9%	n/a	88.4%	4.6%

Explanations to Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress Schedule

(1) 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.

(2) The actuarial valuation is done every other year. The last valuation completed was the July 1, 2010 valuation for the fiscal year ended June 30, 2010. 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.

(3) 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.

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

(5) Based on a service dependent scale.

(6) 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 Contribution. 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 Healthcare Benefit Fund.

(7) The aggregate entry age actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

(8) Park Trust and Delaware County & Municipal Police and Firefighters' Plans data is as of July 1, 2011 for the fiscal year ended June 30, 2011.

(9) The multi-employer fund presents fund status and progress results for the entire fund; the City's exposure is possibly best measured by the two ratios presented. The City estimates that it contributes 31.7% of the Delaware County & Municipal Police and Firefighters' Plans' total employer contributions in fiscal year 2011.

B. Pension Trust Fund - Post-Retirement Healthcare Benefit Fund (Other Post Employment Benefits – OPEB) (Closed as of July 1, 2011)

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. As of July 1, 2011, this plan became closed to new employees. 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 69 and 70 of the Notes. The funding policy, annual pension costs, and funding status and funding progress are presented in a schedule on page 78 of the Notes. Further information is discussed starting on page 67 of the Notes and further information on Funding Status and Progress is included in Required Supplementary Information on p. 82.

The eligible participants and membership are listed on page 67. Employer contributions recognized during 2011 were $1,869,369 and participant contributions were $283,592.

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, 2011.

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, 2010	$ 8,884,630	$ 8,884,630	$ -
Annual Required Contribution	5,321,978	4,757,238	564,740
Interest on Net OPEB Obligation	710,770	710,770	-
Adjustment to Annual Required Contribution	296,154	296,154	-
Annual OPEB Cost	6,328,902	5,764,162	564,740
Less: Employer Contributions	(1,869,369)	(1,304,629)	(564,740)
Net OPEB Obligation at June 30, 2011	$ 13,344,163	$ 13,344,163	$ -

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 82. The City's annual OPEB cost, following summarized activities for the plan for the transition year and two succeeding years:

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2009	$ 3,822,091	31.5%	$ 4,958,871
2010	5,669,664	37.2%	8,884,630
2011	6,328,902	30.8%	13,344,163

16. Prior Period Adjustments

Invested in Capital Assets, Net of Related Debt as of June 30, 2010, was calculated incorrectly primarily because the Upstairs Fund Bond Anticipation Note was not taken out of Related Debt. The bond proceeds of this note are used for capital grants to 3rd parties and do not result in capital assets recorded in the City's statements. The adjustment does not change Total Net Assets, but increases the Invested in Capital Assets, Net of Related Debt as of June 30, 2010 by $13,539,836 to $81,867,549 and reduces Unrestricted Net Assets to $ 25,986,816. As a result, the City's investment in capital assets was restated in a table in Management's Discussion and Analysis and in Statistical Section Table I.

17. Subsequent Events

On November 22, 2011, the City issued three series of general obligation bonds totaling $46,665,000 to finance capital projects and capital grants recorded in the general, internal service, and water and sewer funds. The three issues were $26,505,000 of General Obligation Bonds, Series 2011A, $17,460,000 of General Obligation Bonds, Series 2011B (Federally taxable), and $2,700,000 of General Obligation Bonds, Series 2011C (Federally Taxable – Direct Pay New Clean Renewable Energy Conservation Bonds). The proceeds were used first to repay three bond anticipation notes (BANs) recorded on the City's books and one bond anticipation note recorded by a component unit. The amounts of the BANs when paid-off were $2,900,000 for the Fire House BAN, $15,100,000 for the Upstairs Fund BAN, $2,671,323 for the CREB BAN, and $2,200,000 for the Rock Manor (component unit) BAN.

On October 6, 2011, City Council approved the issuance of a City General Obligation Bond (SEU) for an amount up to $2,000,000 to finance water pump improvements under a state sponsored program through the Delaware Sustainable Energy Utility, Inc. No further action has been taken.

In early November 2011, the Brandywine Water Filter Treatment Plant was put out of service for up to 18 months while production facilities are updated and upgraded. The City's larger plant (Porter) is active and the Commissioner of Public Works is confident that it is able to fulfill the water system's capacity needs.

The City has applied for state revolving loans for various potential projects, but they have not yet been approved by the state and nor have they been brought to City Council for approval.

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	(Overfunded) AAL as a Percentage of Covered Payroll
	(1)	(2)	(2-1)	(1 / 2)	(5)	((2-1) / 5)
Firefighters						
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%
7/1/2010	43,650,025	85,157,711	41,507,686	51.3%	4,727,341	878.0%
Police						
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%
7/1/2010	71,741,304	133,269,787	61,528,483	53.8%	7,752,902	793.6%
Plan I Non-Uniformed						
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%
7/1/2010	6,821,635	8,374,719	1,553,084	81.5%	85,639	1813.5%
Plan II Non-Uniformed						
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%
7/1/2010	13,108,281	13,597,800	489,519	96.4%	660,701	74.1%
Plan III Non-Uniformed						
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%
7/1/2010	35,943,842	76,611,097	40,667,255	46.9%	30,143,327	134.9%
Park Trust						
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%	115,333	22.0%
7/1/2011	240,923	186,575	(54,348)	129.1%	79,623	-68.3%
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	55,083,567	50,167,044	8.9%	64,850,293	77.4%
7/1/2010	7,214,969	65,321,683	58,106,714	11.0%	65,744,569	88.4%

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 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. Legally adopted Governmental Fund Budgets are discussed in Note 2 A.

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, 2011, 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, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	$ 1,415,614	$ 1,310,477	$ 1,379,672	$ (69,195)
Materials, Supplies and Equipment	1,046,810	1,021,410	871,207	150,203
Special Purpose	838,584	436,680	344,319	92,361
Debt Service	769,037	769,037	644,161	124,876
Office of the Mayor	4,070,045	3,537,604	3,239,359	298,245
Management and Budget				
Personal Services	483,609	446,416	494,665	(48,249)
Materials, Supplies and Equipment	83,645	83,645	72,214	11,431
Management and Budget	567,254	530,061	566,879	(36,818)
Office of Emergency Management				
Personal Services	57,448	56,853	63,355	(6,502)
Materials, Supplies and Equipment	274,627	260,547	379,123	(118,576)
Debt Service	48,471	48,471	50,435	(1,964)
Office of Emergency Management	380,546	365,871	492,913	(127,042)
Economic Development				
Personal Services	813,662	724,588	752,921	(28,333)
Materials, Supplies and Equipment	190,478	158,278	146,076	12,202
Special Purpose	34,000	34,000	34,000	-
Debt Service	3,955,730	3,955,730	1,932,972	2,022,758
Economic Development	4,993,870	4,872,596	2,865,969	2,006,627
Cultural Affairs				
Personal Services	287,052	283,736	292,874	(9,138)
Materials, Supplies and Equipment	471,088	505,257	499,650	5,607
Special Purpose	65,000	375	375	-
Cultural Affairs	823,140	789,368	792,899	(3,531)
Constituent Services				
Personal Services	377,449	373,255	383,883	(10,628)
Materials, Supplies and Equipment	145,842	134,472	78,564	55,908
Constituent Services	523,291	507,727	462,447	45,280
Mayor's Offices Total				
Personal Services	3,434,833	3,195,325	3,367,370	(172,045)
Materials, Supplies and Equipment	2,212,490	2,163,609	2,046,834	116,775
Special Purpose	937,584	471,055	378,694	92,361
Debt Service	4,773,238	4,773,238	2,627,568	2,145,670
Mayor's Offices Total	$ 11,358,145	$ 10,603,227	$ 8,420,466	$ 2,182,761
CITY COUNCIL				
City Council				
Personal Services	$ 522,337	$ 511,065	$ 521,134	$ (10,069)
Materials, Supplies and Equipment	390,646	289,519	239,229	50,290
Special Purpose	218,000	247,469	244,495	2,974
Debt Service	2,312	2,312	1,267	1,045
City Council	1,133,295	1,050,365	1,006,125	44,240

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 621,861	$ 608,320	$ 627,163	$ (18,843)
Materials, Supplies and Equipment	91,394	68,707	55,032	13,675
City Clerk	713,255	677,027	682,195	(5,168)
Cable and Communication				
Personal Services	610,413	594,264	623,780	(29,516)
Materials, Supplies and Equipment	85,520	73,534	71,987	1,547
Debt Service	24,485	24,485	18,539	5,946
Cable and Communication	720,418	692,283	714,306	(22,023)
City Council Offices Total				
Personal Services	1,754,611	1,713,649	1,772,077	(58,428)
Materials, Supplies and Equipment	567,560	431,760	366,248	65,512
Special Purpose	218,000	247,469	244,495	2,974
Debt Service	26,797	26,797	19,806	6,991
City Council Offices Total	$ 2,566,968	$ 2,419,675	$ 2,402,626	$ 17,049
AUDIT				
Audit Department				
Personal Services	$ 439,123	$ 403,032	$ 448,320	$ (45,288)
Materials, Supplies and Equipment	257,011	298,511	259,940	38,571
Audit Department	$ 696,134	$ 701,543	$ 708,260	$ (6,717)
LAW				
Law Department				
Personal Services	$ 2,239,510	$ 2,205,677	$ 2,250,594	$ (44,917)
Materials, Supplies and Equipment	862,675	862,676	640,143	222,533
Law Department	$ 3,102,185	$ 3,068,353	$ 2,890,737	$ 177,616
FINANCE				
Finance Administrative				
Personal Services	$ 176,915	$ 175,024	$ 195,678	$ (20,654)
Materials, Supplies and Equipment	155,603	149,261	158,487	(9,226)
Debt Service	-	-	5,800	(5,800)
Finance Administrative	332,518	324,285	359,965	(35,680)
Earned Income Tax				
Personal Services	1,598,709	1,576,998	1,551,719	25,279
Materials, Supplies and Equipment	1,917,262	1,770,806	1,301,803	469,003
Debt Service	5,554	5,554	-	5,554
Earned Income Tax	3,521,525	3,353,358	2,853,522	499,836
Accounting				
Personal Services	830,377	826,214	859,470	(33,256)
Materials, Supplies and Equipment	168,264	168,264	135,260	33,004
Accounting	998,641	994,478	994,730	(252)

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 319,352	$ 318,643	$ 325,914	$ (7,271)
Materials, Supplies and Equipment	162,626	162,626	97,506	65,120
Procurement and Records	481,978	481,269	423,420	57,849
Delinquent Accounts Division				
Personal Services	1,536,566	94,947	101,378	(6,431)
Materials, Supplies and Equipment	479,068	406,928	325,540	81,388
Delinquent Accounts Division	2,015,634	501,875	426,918	74,957
Central Cashier				
Personal Services	281,157	279,850	290,124	(10,274)
Materials, Supplies and Equipment	2,964,618	2,808,281	2,716,318	91,963
Central Cashier	3,245,775	3,088,131	3,006,442	81,689
Billing & Customer Service				
Personal Services	258,551	257,609	290,057	(32,448)
Materials, Supplies and Equipment	98,552	106,052	101,401	4,651
Billing & Customer Service	357,103	363,661	391,458	(27,797)
Finance Parking				
Personal Services	-	1,439,273	1,272,514	166,759
Materials, Supplies and Equipment	-	174,587	188,400	(13,813)
Finance Parking	-	1,613,860	1,460,914	152,946
Finance Department Total				
Personal Services	5,001,627	4,968,558	4,886,854	81,704
Materials, Supplies and Equipment	5,945,993	5,746,805	5,024,715	722,090
Debt Service	5,554	5,554	5,800	(246)
Finance Department Total	$ 10,953,174	$ 10,720,917	$ 9,917,369	$ 803,548
HUMAN RESOURCES		-		
Personnel - Admin				
Personal Services	$ 204,883	$ 202,825	$ 230,554	$ (27,729)
Materials, Supplies and Equipment	214,817	213,605	137,829	75,776
Personnel - Admin	419,700	416,430	368,383	48,047
Human Resource and Services				
Personal Services	1,168,175	1,154,142	1,166,528	(12,386)
Materials, Supplies and Equipment	287,701	266,413	212,292	54,121
Debt Service	19,320	19,320	20,175	(855)
Human Resource and Services	1,475,196	1,439,875	1,398,995	40,880
Human Resources Department Total				
Personal Services	1,373,058	1,356,967	1,397,082	(40,115)
Materials, Supplies and Equipment	502,518	480,018	350,121	129,897
Debt Service	19,320	19,320	20,175	(855)
Human Resources Department Total	$ 1,894,896	$ 1,856,305	$ 1,767,378	$ 88,927
TREASURER				
Treasurer's Office				
Personal Services	$ 323,376	$ 285,196	$ 271,882	$ 13,314
Materials, Supplies and Equipment	147,966	147,966	124,312	23,654
Debt Service	-	-	18,282	(18,282)
Treasurer's Office	$ 471,342	$ 433,162	$ 414,476	$ 18,686

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PLANNING				
Planning				
Personal Services	$ 1,016,351	$ 971,439	$ 1,003,989	$ (32,550)
Materials, Supplies and Equipment	435,077	433,077	330,572	102,505
Debt Service	137,394	137,394	136,394	1,000
Planning	$ 1,588,822	$ 1,541,910	$ 1,470,955	$ 70,955
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	$ 49,038	$ 48,404	$ 40,039	$ 8,365
Materials, Supplies and Equipment	141,378	147,379	99,627	47,752
Debt Service	712,080	712,080	728,108	(16,028)
Real Estate and Housing - Admin	902,496	907,863	867,774	40,089
Real Estate and Housing - Rehabilitation				
Personal Services	96,425	69,712	104,995	(35,283)
Materials, Supplies and Equipment	246,775	219,275	205,689	13,586
Debt Service	28,262	28,262	34,276	(6,014)
Real Estate and Housing - Rehabilitation	371,462	317,249	344,960	(27,711)
Real Estate & Housing Department Total				
Personal Services	145,463	118,116	145,034	(26,918)
Materials, Supplies and Equipment	388,153	366,654	305,316	61,338
Debt Service	740,342	740,342	762,384	(22,042)
Real Estate & Housing Department Total	$ 1,273,958	$ 1,225,112	$ 1,212,734	$ 12,378
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 817,869	$ 811,190	$ 888,119	$ (76,929)
Materials, Supplies and Equipment	776,798	790,308	682,078	108,230
Debt Service	484,464	484,464	387,466	96,998
Public Works - Admin	2,079,131	2,085,962	1,957,663	128,299
Street Maintenance				
Materials, Supplies and Equipment	459,422	219,325	262,088	(42,763)
Debt Service	5,223,565	5,223,565	1,276,248	3,947,317
Street Maintenance	5,682,987	5,442,890	1,538,336	3,904,554
Transportation/WILDOT				
Personal Services	1,090,815	1,093,184	1,148,400	(55,216)
Materials, Supplies and Equipment	2,370,930	1,440,638	1,334,924	105,714
Debt Service	651,567	651,567	493,975	157,592
Transportation/WILDOT	4,113,312	3,185,389	2,977,299	208,090

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 2,939,499	$ 2,965,526	$ 2,793,622	$ 171,904
Materials, Supplies and Equipment	1,806,329	2,069,839	1,692,278	377,561
Street Cleaning	4,745,828	5,035,365	4,485,900	549,465
Rubbish Collection				
Personal Services	3,023,105	2,983,933	2,989,675	(5,742)
Materials, Supplies and Equipment	4,083,086	3,918,672	3,773,441	145,231
Rubbish Collection	7,106,191	6,902,605	6,763,116	139,489
Property Maintenance				
Personal Services	351,027	354,490	312,512	41,978
Materials, Supplies and Equipment	1,993,178	1,832,082	1,626,525	205,557
Debt Service	429,906	429,906	342,768	87,138
Property Maintenance	2,774,111	2,616,478	2,281,805	334,673
Public Works Department Total				
Personal Services	8,222,315	8,208,323	8,132,328	75,995
Materials, Supplies and Equipment	11,489,743	10,270,864	9,371,334	899,530
Debt Service	6,789,502	6,789,502	2,500,457	4,289,045
Public Works Department Total	$ 26,501,560	$ 25,268,689	$ 20,004,119	$ 5,264,570
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 561,103	$ 553,396	$ 581,273	$ (27,877)
Materials, Supplies and Equipment	284,576	286,576	164,726	121,850
Debt Service	1,281,980	1,281,980	1,004,281	277,699
Parks and Recreation - Admin	2,127,659	2,121,952	1,750,280	371,672
Park Maintenance				
Personal Services	$ 1,906,393	$ 1,765,360	$ 1,743,381	21,979
Materials, Supplies and Equipment	1,239,206	1,239,206	1,055,913	183,293
Debt Service	511,845	511,845	497,359	14,486
Park Maintenance	3,657,444	3,516,411	3,296,653	219,758
Recreation				
Personal Services	459,565	447,436	460,467	(13,031)
Materials, Supplies and Equipment	361,730	359,730	327,688	32,042
Recreation	821,295	807,166	788,155	19,011

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 723,754	$ 672,155	$ 700,292	$ (28,137)
Materials, Supplies and Equipment	343,857	343,857	293,118	50,739
Debt Service	54,003	54,003	55,520	(1,517)
William Hicks Anderson Center	1,121,614	1,070,015	1,048,930	21,085
Youth and Families				
Personal Services	540,028	532,402	539,083	(6,681)
Materials, Supplies and Equipment	211,922	211,922	279,426	(67,504)
Youth and Families	751,950	744,324	818,509	(74,185)
Parks and Recreation Department Total				
Personal Services	4,190,843	3,970,749	4,024,496	(53,747)
Materials, Supplies and Equipment	2,441,291	2,441,291	2,120,871	320,420
Debt Service	1,847,828	1,847,828	1,557,160	290,668
Parks and Recreation Department Total	$ 8,479,962	$ 8,259,868	$ 7,702,527	$ 557,341
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 3,259,807	$ 3,154,047	$ 3,138,709	$ 15,338
Materials, Supplies and Equipment	980,000	1,010,000	858,379	151,621
Special Purpose	251,970	251,970	251,970	-
Debt Service	2,030	2,030	6,171	(4,141)
License and Inspection	$ 4,493,807	$ 4,418,047	$ 4,255,229	$ 162,818
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 5,808,455	$ 5,720,161	$ 5,687,906	$ 32,255
Materials, Supplies and Equipment	848,365	853,789	644,785	209,004
Debt Service	380,765	380,765	325,107	55,658
Fire - Admin	7,037,585	6,954,715	6,657,798	296,917
Fire - Suppression				
Personal Services	13,793,408	13,379,950	13,674,188	(294,238)
Materials, Supplies and Equipment	2,159,369	2,156,476	1,932,744	223,732
Fire - Suppression	15,952,777	15,536,426	15,606,932	(70,506)
Fire - Prevention				
Personal Services	814,263	792,936	842,434	(49,498)
Materials, Supplies and Equipment	289,594	287,060	291,413	(4,353)
Fire - Prevention	1,103,857	1,079,996	1,133,847	(53,851)
Fire Department Total				
Personal Services	20,416,126	19,893,047	20,204,528	(311,481)
Materials, Supplies and Equipment	3,297,328	3,297,325	2,868,942	428,383
Debt Service	380,765	380,765	325,107	55,658
Fire Department Total	$ 24,094,219	$ 23,571,137	$ 23,398,577	$ 172,560

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 6,035,460	$ 6,573,514	$ 5,880,175	$ 693,339
Materials, Supplies and Equipment	760,467	723,467	879,318	(155,851)
Debt Service	-	-	9,527	(9,527)
Police - Admin	6,795,927	7,296,981	6,769,020	527,961
Police - Patrol				
Personal Services	19,428,526	18,681,102	19,741,627	(1,060,525)
Materials, Supplies and Equipment	2,195,459	2,195,459	2,338,508	(143,049)
Debt Service	365,931	365,931	203,526	162,405
Police - Patrol	21,989,916	21,242,492	22,283,661	(1,041,169)
Police - Special Operations				
Personal Services	2,408,949	2,408,949	2,608,725	(199,776)
Materials, Supplies and Equipment	603,804	588,802	279,134	309,668
Police - Special Operations	3,012,753	2,997,751	2,887,859	109,892
Police - Support Services				
Personal Services	1,210,408	1,212,644	1,119,629	93,015
Materials, Supplies and Equipment	895,487	863,623	668,998	194,625
Police - Support Services	2,105,895	2,076,267	1,788,627	287,640
Police - Investigations				
Personal Services	10,256,382	10,252,151	10,678,645	(426,494)
Materials, Supplies and Equipment	772,182	772,182	721,939	50,243
Police - Investigations	11,028,564	11,024,333	11,400,584	(376,251)
Police - Communications				
Personal Services	3,489,501	3,509,406	3,309,760	199,646
Materials, Supplies and Equipment	1,051,380	1,052,380	987,481	64,899
Debt Service	61,083	61,083	73,629	(12,546)
Police - Communications	4,601,964	4,622,869	4,370,870	251,999
Police Operations				
Materials, Supplies and Equipment	604,000	604,000	742,071	(138,071)
Police Operations	604,000	604,000	742,071	(138,071)
Police Department Total				
Personal Services	42,829,226	42,637,766	43,338,561	(700,795)
Materials, Supplies and Equipment	6,882,779	6,799,913	6,617,449	182,464
Debt Service	427,014	427,014	286,682	140,332
Police Department Total	$ 50,139,019	$ 49,864,693	$ 50,242,692	$ (377,999)
Total Expenditures	$ 147,614,191	$ 143,952,638	$ 134,808,145	$ 9,144,493

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 **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 **Homeless Prevention Rapid Re-Housing Program Fund** accounts for the HPRP grant as authorized under Title XII of the American Recovery and Reinvestment Act of 2009 to provides financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized.

The **Community Development & Recovery Block Grant Fund** accounts for the City's Community Development Block Grants 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 **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 **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 **Delaware Neighborhood Stabilization Program Fund** provides assistance for the acquisition, demolition and redevelopment of foreclosed or abandoned properties to be rehabilitated for resale in-order to stabilize the neighborhoods by the non-profit agencies.

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 **Community Oriented Policing Fund** accounts for grants from the United States Department of Justice. The grants supplement police manpower by paying part of the cost of additional officers for enhanced community policing efforts.

The **Cable Television Fund** accounts for cable television franchise revenues in excess of operating expenses designated by City Code 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, 2011

ASSETS	Park Recreation Assistance	Wilmington Park Trust Commission	Homeless Prevention Rapid Re-Housing Program	Community Development & Recovery Block Grants	Home Partnership Program	Home for People with AIDS Grant	Delaware Neighborhood Stablization Program	Delaware Criminal Justice Planning	Community Oriented Policing Program	Cable Television	Special Projects	Total Nonmajor Governmental Funds
Cash and Cash Equivalents (Note 3)	$ -	$ 13	$ 9,506	$ -	$ -	$ -	$ -	$ -	$ -	$ 909,645	$ 1,139,513	$ 2,058,677
Restricted Assets:												
Cash and Investments (Note 3)	-	5,505,411	-	-	-	-	-	-	-	-	-	5,505,411
Receivables, Net (Note 4)	-	-	-	-	-	-	-	-	-	-	46,972	46,972
Due from Other Governments	1,438,533	11,628	20,812	947,284	3,680	436,540	1,144,412	602,073	101,283	-	616,669	5,322,914
Prepaid Items & Other Assets	-	5,397	-	-	-	-	-	-	-	-	457,787	463,184
Total Assets	$ 1,438,533	$ 5,522,449	$ 30,318	$ 947,284	$ 3,680	$ 436,540	$ 1,144,412	$ 602,073	$ 101,283	$ 909,645	$ 2,260,941	$ 13,397,158
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	$ 136,769	$ 318	$ 30,134	482,078	$ -	$ 223,106	$ 392,851	$ 84,538	$ -	$ 119,089	$ 217,110	$ 1,685,993
Due to Other Funds	1,226,739	9,786	-	425,240	1,655	212,841	748,190	381,931	75,864	-	489,683	3,571,929
Deferred Revenue	55,953	-	-	-	-	-	-	123,237	-	-	1,535,623	1,714,813
Other Liabilities	19,072	41,508	184	39,966	2,025	593	3,371	12,367	25,419	-	18,525	163,030
Total Liabilities	1,438,533	51,612	30,318	947,284	3,680	436,540	1,144,412	602,073	101,283	119,089	2,260,941	7,135,765
Fund Balances, Unreserved:												
Nonspendable	-	820,344		-	-	-		-	-	-	-	820,344
Restricted	-	4,650,493	-	-	-	-	-	-	-	-	-	4,650,493
Committed	-	-	-	-	-	-	-	-	-	790,556	-	790,556
Total Fund Balances	-	5,470,837	-	-	-	-	-	-	-	790,556	-	6,261,393
Total Liabilities and Fund Balances	$ 1,438,533	$ 5,522,449	$ 30,318	$ 947,284	$ 3,680	$ 436,540	$ 1,144,412	$ 602,073	$ 101,283	$ 909,645	$ 2,260,941	$ 13,397,158

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, 2011

	Park Recreation Assistance	Wilmington Park Trust Commission	Homeless Prevention Rapid Re-Housing Program	Community Development & Recovery Block Grants	Home Partnership Program	Home for People with AIDS Grant	Delaware Neighborhood Stablization Program	Delaware Criminal Justice Planning	Community Oriented Policing Program	Cable Television	Special Projects	Total Nonmajor Governmental Funds
REVENUES												
Intergovernmental	$1,921,048	$ 77,543	$ 753,172	$ 3,158,535	$ 259,527	$ 701,230	$ 2,205,546	$ 1,039,420	$ 993,248	$ -	2,856,763	$ 13,966,032
Program Revenue	54,326	4,700	-	209,022	-	-	586,296	-	-	-	-	854,344
Investment Earnings	-	745,815	-	-	-	-	-	-	-	-	-	745,815
Other/Private Contributions	16,402	-	-	27,313	-	-	-	-	-	-	-	43,715
Total Revenues	1,991,776	828,058	753,172	3,394,870	259,527	701,230	2,791,842	1,039,420	993,248	-	2,856,763	15,609,906
EXPENDITURES												
Current:												
General Governmental Services	-	69,858	-	58,807	-	-	-	-	-	17,991	464,418	611,074
Real Estate and Housing	-	-	753,172	3,336,063	259,527	701,230	2,791,842	-	-	-	287,989	8,129,823
Public Works	-	-	-	-	-	-	-	-	-	-	909,705	909,705
Parks and Recreation	1,991,776	233,210	-	-	-	-	-	-	-	-	82,108	2,307,094
Public Safety	-	-	-	-	-	-	-	1,039,420	993,248	-	264,755	2,297,423
Capital Outlays	-	24,800	-	-	-	-	-	-	-	117,598	944,923	1,087,321
Total Expenditures	1,991,776	327,868	753,172	3,394,870	259,527	701,230	2,791,842	1,039,420	993,248	135,589	2,953,898	15,342,440
Deficiency of Revenues Under Expenditures	-	500,190	-	-	-	-	-	-	-	(135,589)	(97,135)	267,466
Other Financing Sources												
Transfers in	-	-	-	-	-	-	-	-	-	326,940	97,135	424,075
Transfers out	-	-	-	-	-	-	-	-	-	(275,422)	-	(275,422)
Total Other Financing Sources	-	-	-	-	-	-	-	-	-	51,518	97,135	148,653
Net change in Fund Balances	-	500,190	-	-	-	-	-	-	-	(84,071)	-	416,119
Fund Balance - Beginning	-	4,970,647	-	-	-	-	-	-	-	874,627	-	5,845,274
Fund Balance - Ending	$ -	$ 5,470,837	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 790,556	$ -	$ 6,261,393

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, 2011

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 1,991,776	$ 1,991,776	$ 1,991,776	$ -
Expenditures	1,991,776	1,991,776	1,991,776	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Homeless Prevention Rapid Re-Housing Program				
Revenues	$ 753,172	$ 753,172	$ 753,172	$ -
Expenditures	753,172	753,172	753,172	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Commmunity Development Block Grant				
Revenues	$ 3,394,870	$ 3,394,870	$ 3,394,870	$ -
Expenditures	3,394,870	3,394,870	3,394,870	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ -	$ -
Home Partnership Program				
Revenues	$ 259,527	$ 259,527	$ 259,527	$ -
Expenditures	259,527	259,527	259,527	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Home for People With AIDS				
Revenues	$ 701,230	$ 701,230	701,230	$ -
Expenditures	701,230	701,230	701,230	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Delaware Neighborhood Stablization Program				
Revenues	$ 2,791,842	$ 2,791,842	$ 2,791,842	$ -
Expenditures	2,791,842	2,791,842	2,791,842	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Community Oriented Policing Program				
Revenues	$ 993,248	$ 993,248	$ 993,248	$ -
Expenditures	993,248	993,248	993,248	-
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, 2011

	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 (Note 3)	$ -	$ 58,590	$ 19,111	$ 5,484	$ 18,184	$ 150	$ 300	$ 1,350,664	$ 1,370,604	$ 1,857,777	$ 4,680,864
Restricted Assets:											
Cash and Investments (Note 3)	276,674	-	-	-	-	-	-	-	-	-	276,674
Receivables, Net (Note 4)	-	-	-	-	-	35,052	-	-	-	-	35,052
Prepaid Items and Other Assets	11,720	-	-	-	-	-	-	-	255,000	-	266,720
Total Current assets	288,394	58,590	19,111	5,484	18,184	35,202	300	1,350,664	1,625,604	1,857,777	5,259,310
Noncurrent Assets:											
Advances to Other Funds (Note 7)	-	-	-	-	-	-	-	6,575,188	6,575,188	-	13,150,376
Deferred Charges	22,076	-	-	-	-	28,582	3,303	-	-	-	53,961
Capital Assets, Net:											
Construction In Progress	140,043	-	-	-	-	-	-	-	-	-	140,043
Buildings and Improvements	24,764	-	-	-	-	3,500,024	8,646	-	-	-	3,533,434
Machinery and Equipment	3,372,411	-	4,064	-	-	826,110	1,508,805	31,384	-	-	5,742,774
Vehicles	-	-	-	-	-	13,537,566	-	-	-	-	13,537,566
Total Noncurrent Assets	3,559,294	-	4,064	-	-	17,892,282	1,520,754	6,606,572	6,575,188	-	36,158,154
Total Assets	3,847,688	58,590	23,175	5,484	18,184	17,927,484	1,521,054	7,957,236	8,200,792	1,857,777	41,417,464
LIABILITIES											
Current Liabilities:											
Accounts Payable	264,913	7,772	10,105	1,559	3,504	423,321	22,738	89,652	116,439	1,011,468	1,951,471
Salaries and Benefits Payable	19,002	7,265	565	2,036	4,929	-	5,709	3,138	9,782	4,064	56,490
Accrued Interest Payable	18,674	-	-	-	-	77,972	4,003	-	-	-	100,649
Due to Other Funds	1,092,729	-	-	-	-	974,265	978,836	-	-	-	3,045,830
Bonds Payable	283,049	-	-	-	-	136,376	76,215	-	-	-	495,640
Capital Lease	-	-	-	-	-	1,277,613	-	-	-	-	1,277,613
Claims Liability	-	-	-	-	-	-	-	778,649	1,404,207	838,029	3,020,885
Compensated Absences	47,106	43,553	12,505	1,889	9,751	-	22,338	15,181	18,729	4,216	175,268
Total Current Liabilities	1,725,473	58,590	23,175	5,484	18,184	2,889,547	1,109,839	886,620	1,549,157	1,857,777	10,123,846
Noncurrent Liabilities:											
Advances Due to Other Funds (Note 7)	-	-	-	-	-	6,500,000	-	-	-	-	6,500,000
Bonds Payable	2,122,215	-	-	-	-	2,822,493	411,215	-	-	-	5,355,923
Capital Lease	-	-	-	-	-	4,345,199	-	-	-	-	4,345,199
Claims Liability	-	-	-	-	-	-	-	4,567,112	6,651,635	-	11,218,747
Total Noncurrent Liabilities	2,122,215	-	-	-	-	13,667,692	411,215	4,567,112	6,651,635	-	27,419,869
Total Liabilities	3,847,688	58,590	23,175	5,484	18,184	16,557,239	1,521,054	5,453,732	8,200,792	1,857,777	37,543,715
NET ASSETS											
Invested in Capital Assets, Net of Related Debt	1,408,628	-	4,064	-	-	9,282,019	1,030,021	31,384	-	-	11,756,116
Unassigned	(1,408,628)	-	(4,064)	-	-	(7,911,774)	(1,030,021)	2,472,120	-	-	(7,882,367)
Total Net Assets	$ -	$ -	$ -	$ -	$ -	$ 1,370,245	$ -	$ 2,503,504	$ -	$ -	$ 3,873,749

City of Wilmington, Delaware

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Data Processing	Document 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	$ 3,151,448	$ 431,742	$ 287,976	$ 228,601	$ 325,088	$ 7,048,313	$ 1,489,956	$ 1,028,841	$ 3,491,868	$ 15,786,583	$ 33,270,416
Employee Contributions	-	-	-	-	-	-	-	-	-	545,083	545,083
Other	17,096	-	-	-	-	-	2,442	86,978	-	-	106,516
Total Operating Revenues	3,168,544	431,742	287,976	228,601	325,088	7,048,313	1,492,398	1,115,819	3,491,868	16,331,666	33,922,015
OPERATING EXPENSES											
Personal Services	725,773	279,311	61,436	60,078	187,465	-	312,068	128,769	386,826	90,818	2,232,544
Materials, Supplies, Equipment and Contractual Services	1,886,221	152,431	218,412	168,523	137,623	4,046,457	907,187	64,107	482,908	94,444	8,158,313
Depreciation and Amortization	458,180	-	8,128	-	-	2,873,179	253,373	12,554	-	-	3,605,414
Claims Expense	-	-	-	-	-	-	-	846,079	2,677,185	16,146,404	19,669,668
Insurance Premiums	-	-	-	-	-	-	-	134,361	15,000	-	149,361
Total Operating Expenses	3,070,174	431,742	287,976	228,601	325,088	6,919,636	1,472,628	1,185,870	3,561,919	16,331,666	33,815,300
Operating Income (Loss)	98,370	-	-	-	-	128,677	19,770	(70,051)	(70,051)	-	106,715
NON-OPERATING REVENUES (EXPENSES)											
Investment Earnings	-	-	-	-	-	-	-	70,051	70,051	-	140,102
Interest Expense	(97,723)	-	-	-	-	(300,225)	(18,621)	-	-	-	(416,569)
Bond Issuance Costs	(5,147)	-	-	-	-	(2,698)	(1,149)	-	-	-	(8,994)
Gain on Sale of Assets	4,500	-	-	-	-	9,879	-	-	-	-	14,379
Total Non-Operating Revenues (Expenses)	(98,370)	-	-	-	-	(293,044)	(19,770)	70,051	70,051	-	(271,082)
Income before Capital Grants	-	-	-	-	-	(164,367)	-	-	-	-	(164,367)
Capital Grants	-	-	-	-	-	130,915	-	-	-	-	130,915
Change in Net Assets	-	-	-	-	-	(33,452)	-	-	-	-	(33,452)
Total Net Assets - Beginning	-	-	-	-	-	1,403,697	-	2,503,504	-	-	3,907,201
Total Net Assets - Ending	$ -	$ -	$ -	$ -	$ -	$ 1,370,245	$ -	$ 2,503,504	$ -	$ -	$ 3,873,749

City of Wilmington, Delaware

Combining Statement of Cash Flows
Internal Service Funds
June 30, 2011

	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	$ 3,168,544	$ 431,742	$287,976	$ 228,601	$325,088	$ 7,018,666	$ 1,492,398	$ 1,115,819	$ 3,491,868	$ 16,331,666	$ 33,892,368
Payments to Suppliers	(1,834,540)	(144,659)	(218,583)	(165,747)	(137,226)	(5,332,032)	(936,624)	(2,761,760)	(3,565,438)	(16,241,438)	(31,338,047)
Payments to Employees	(683,000)	(274,607)	(52,430)	(70,174)	(184,461)	-	(318,731)	(120,928)	(376,741)	(85,639)	(2,166,711)
Net Cash Provided by (Used in) Operating Activities	651,004	12,476	16,963	(7,320)	3,401	1,686,634	237,043	(1,766,869)	(450,311)	4,589	387,610
Cash Flows from Noncapital Financing Activities											
Advances From Other Funds	(1,246)	-	-	-	-	3,485,071	-	1,000,000	1,000,000	-	5,483,825
Advances (To) Other Funds	-	-	-	-	-	-	(216,108)	-	-	-	(216,108)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,246)	-	-	-	-	3,485,071	(216,108)	1,000,000	1,000,000	-	5,267,717
Cash Flows from Capital and Related Financing Activities:											
Proceeds from Bonds and Capital Leases	-	-	-	-	-	2,364,193	-	-	-	-	2,364,193
Acquisition and Construction of Capital Assets	(590,955)	-	-	-	-	(6,477,664)	(2,303)	-	-	-	(7,070,922)
Principal Paid on Bonds	(35,989)	-	-	-	-	(56,986)	(197)	-	-	-	(93,172)
Interest Paid on Bonds	(95,844)	-	-	-	-	(136,325)	(18,435)	-	-	-	(250,604)
Principal Paid on Capital Leases	-	-	-	-	-	(1,358,986)	-	-	-	-	(1,358,986)
Interest Paid on Capital Leases	-	-	-	-	-	(148,104)	-	-	-	-	(148,104)
Proceeds from Sale of Capital Assets	4,499	-	-	-	-	642,167	-	-	-	-	646,666
Net Cash Used in Capital and Related Financing Activities	(718,289)	-	-	-	-	(5,171,705)	(20,935)	-	-	-	(5,910,929)
Net Increase (Decrease) in Cash and Cash Equivalents	(68,531)	12,476	16,963	(7,320)	3,401	-	-	(766,869)	549,689	4,589	(255,602)
Cash and Cash Equivalents - July 1, 2010 (including $345,205 for the Data Processing Fund reported in restricted accounts)	345,205	46,114	2,148	12,804	14,783	150	300	2,117,533	820,915	1,853,188	5,213,140
Cash and Cash Equivalents - June 30, 2011 (including $276,674 for the Data Processing Fund reported in restricted accounts)	$ 276,674	$ 58,590	$ 19,111	$ 5,484	$ 18,184	$ 150	$ 300	$ 1,350,664	$ 1,370,604	$ 1,857,777	$ 4,957,538
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:											
Operating Income (Loss)	$ 98,370	$ -	$ -	$ -	$ -	$ 128,677	$ 19,770	$ (70,051)	$ (70,051)	$ -	106,715
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:											
Depreciation and Amortization	458,180	-	8,128	-	-	2,873,179	253,373	12,554	-	-	3,605,414
Changes in Assets and Liabilities:											
(Increase) in Receivables	-	-	-	-	-	(29,647)	-	-	-	-	(29,647)
(Increase) Decrease in Prepaid Expenses	(4,740)	-	-	1,217	-	-	-	-	-	-	(3,523)
Increase (Decrease) in Accounts Payable	56,421	7,772	(171)	1,559	397	(1,285,575)	(29,437)	(449,078)	(6,448)	52,846	(1,651,714)
Increase (Decrease) in Compensated Absences	23,771	(2,561)	8,441	(12,132)	(1,925)	-	(12,372)	4,703	303	1,115	9,343
Increase in Accrued Salaries	19,002	7,265	565	2,036	4,929	-	5,709	3,138	9,782	4,064	56,490
(Decrease) in Claims Liability	-	-	-	-	-	-	-	(1,268,135)	(383,897)	(53,436)	(1,705,468)
Net Cash Provided by (Used In) Operating Activities	$ 651,004	$ 12,476	$ 16,963	$ (7,320)	$ 3,401	$ 1,686,634	$ 237,043	$ (1,766,869)	$ (450,311)	$ 4,589	$ 387,610

CITY OF WILMINGTON, DELAWARE

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Retirement Funds

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

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

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

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

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

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

Post Retirement Benefit Fund

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

AGENCY FUNDS

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

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

City of Wilmington

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2011

	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 (Note 3)	$ 4,626,197	$ 1,999,526	$ 7,766	$ 651	$ 8,967,359	$ -	$ 15,601,499	$ 24,463	$ 15,625,962
Receivables:									
Accrued Interest & Other Receivables	175,027	318,609	29,706	58,063	179,571	-	760,976	30,281	791,257
Total Receivables	175,027	318,609	29,706	58,063	179,571	-	760,976	30,281	791,257
Investments, at Fair Value:									
Money Market Mutual Funds	1,171,534	2,132,586	198,833	388,638	1,078,859	9,187	4,979,637	773,559	5,753,196
U.S. Government Obligations	3,184,711	5,797,247	540,510	1,056,479	2,932,785	-	13,511,732	977,837	14,489,569
U.S. Agencies - Government Guaranteed	234,368	426,628	39,777	77,748	215,828		994,349		994,349
U.S. Agencies - Other	2,763,020	5,029,629	468,941	916,590	2,544,452	-	11,722,632	2,547,797	14,270,429
Corporate Bonds	6,873,823	12,512,675	1,166,628	2,280,285	6,330,070	-	29,163,481	803,608	29,967,089
Stocks	22,662,452	41,253,298	3,846,279	7,517,920	20,869,740	-	96,149,689	2,674,145	98,823,834
Other Mutual Funds	28,835	52,490	4,894	9,566	26,554	240,646	362,985	-	362,985
Total Investments	36,918,743	67,204,553	6,265,862	12,247,226	33,998,288	249,833	156,884,505	7,776,946	164,661,451
Due from Other Pension Fund	-	-	-	-	-	-	-	626,597	626,597
Total Assets	41,719,967	69,522,688	6,303,334	12,305,940	43,145,218	249,833	173,246,980	8,458,287	181,705,267
LIABILITIES									
Accounts Payable	812	1,824	1,154	1,286	10,358	8,910	24,344	89,596	113,940
Salaries and Benefits Payable	806	807	806	1,654	12,083	-	16,156	-	16,156
Due to Other Pension Fund	-	-	-	-	626,597	-	626,597	-	626,597
Due to Governments	-	-	-	-	4,588,404	-	4,588,404	-	4,588,404
Compensated Absences	3,627	3,627	4,605	5,707	15,857	-	33,423	-	33,423
Liability for Stale-dated Pension Checks	44,266	77,339	38,912	8,517	8,453	-	177,487	-	177,487
Total Liabilities	49,511	83,597	45,477	17,164	5,261,752	8,910	5,466,411	89,596	5,556,007
Net Assets									
Held in Trust for Pension & OPEB Benefits	$ 41,670,456	$ 69,439,091	$ 6,257,857	$ 12,288,776	$ 37,883,466	$ 240,923	$ 167,780,569	$ 8,368,691	$ 176,149,260

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2011

	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	$ 215,658	$ 4,062,065	$ 292,475	$ 92,757	$ 3,784,889	$ 35,236	$ 8,483,080	$ 1,869,369	$ 10,352,449
Paid by the State									
On-Behalf of the City	4,581,061	2,375,898	24,582	-	-	-	6,981,541	-	6,981,541
Employees	267,488	461,793	-	17,820	482,598	-	1,229,699	283,592	1,513,291
Federal Drug Subsidies & Other	-	13,951	-	-	1,296	-	15,247	36,864	52,111
Total Contributions	5,064,207	6,913,707	317,057	110,577	4,268,783	35,236	16,709,567	2,189,825	18,899,392
Investment Income									
Interest Income	-	-	-	-	-	-	-	-	-
Investment Earnings	1,082,980	1,908,416	190,237	364,333	1,039,392	5,959	4,591,317	-	4,591,317
Net Appreciation in Fair Value	5,662,424	10,060,950	1,004,878	1,924,497	5,312,807	26,247	23,991,803	639,486	24,631,289
Total Investment Earnings	6,745,404	11,969,366	1,195,115	2,288,830	6,352,199	32,206	28,583,120	639,486	29,222,606
Less: Investment Expense	(173,957)	(309,086)	(30,871)	(59,123)	(163,216)	-	(736,253)	-	(736,253)
Net Investment Income	6,571,447	11,660,280	1,164,244	2,229,707	6,188,983	32,206	27,846,867	639,486	28,486,353
Total Additions	11,635,654	18,573,987	1,481,301	2,340,284	10,457,766	67,442	44,556,434	2,829,311	47,385,745
DEDUCTIONS									
Benefits Paid	6,522,723	9,022,594	861,898	906,481	2,350,800	17,820	19,682,316	915,754	20,598,070
Administrative Expenses	89,941	122,980	51,647	78,981	205,180	2,408	551,137	107,139	658,276
Total Deductions	6,612,664	9,145,574	913,545	985,462	2,555,980	20,228	20,233,453	1,022,893	21,256,346
Net Increase in Plan Net Assets	5,022,990	9,428,413	567,756	1,354,822	7,901,786	47,214	24,322,981	1,806,418	26,129,399
Net Assets - Beginning	36,647,466	60,010,678	5,690,101	10,933,954	29,981,680	193,709	143,457,588	6,562,273	150,019,861
Net Assets - Ending	$ 41,670,456	$ 69,439,091	$ 6,257,857	$ 12,288,776	$ 37,883,466	$ 240,923	$ 167,780,569	$ 8,368,691	$ 176,149,260

City of Wilmington, Delaware

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2011

	Balance at June 30, 2010	Additions	Deductions	Balance at June 30, 2011
ESCROW LOANS AND GRANTS				
ASSETS				
Due from Other Governmental Agencies	$ 76,752	$ 95,224	$ 76,752	$ 95,224
Total Assets	$ 76,752	$ 95,224	$ 76,752	$ 95,224
LIABILITIES				
Accounts Payable	$ 8,926	$ -	$ 8,926	$ -
Due to Governments	-	95,224	-	95,224
Funds Held in Escrow	67,826	-	67,826	-
				-
Total Liabilities	$ 76,752	$ 95,224	$ 76,752	$ 95,224
EMERGENCY SHELTER GRANT				
ASSETS				
Due from Federal Government	$ 218,523	$ 137,424	$ 218,523	$ 137,424
Total Assets	$ 218,523	$ 137,424	$ 218,523	$ 137,424
LIABILITIES				
Accounts Payable	$ 23,365	$ 5,762	$ 23,365	$ 5,762
Salaries and Benefits Payable	-	84	-	84
Due to Governments	195,158	131,578	195,158	131,578
Total Liabilities	$ 218,523	$ 137,424	$ 218,523	$ 137,424
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Due from Governments	$ 295,275	$ 232,648	$ 295,275	$ 232,648
Total Assets	$ 295,275	$ 232,648	$ 295,275	$ 232,648
LIABILITIES				
Accounts Payable	$ 32,291	$ 5,762	$ 32,291	$ 5,762
Salaries and Benefits Payable	-	84	-	84
Due to Governments	195,158	226,802	195,158	226,802
Funds Held in Escrow	67,826	-	67,826	-
Total Liabilities	$ 295,275	$ 232,648	$ 295,275	$ 232,648

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 107

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 112

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

Debt Capacity 116

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 120

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 122

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	$ 29,844,049	$ 46,418,603	$ 29,495,222	$ 44,920,136	$ 72,981,412	$ 77,387,019	$ 75,133,657	$ 81,867,549	$ 82,271,522
Restricted	12,574,298	18,881,357	18,550,295	47,553,927	37,550,546	32,130,891	21,463,882	4,970,647	5,470,837
Unrestricted	10,890,569	19,257,293	47,765,158	37,510,699	42,222,663	39,978,018	31,145,169	25,986,816	22,815,287
Total Governmental Activities Net Assets	$ 53,308,916	$ 84,557,253	$ 95,810,675	$ 129,984,762	$ 152,754,621	$ 149,495,928	$ 127,742,708	$ 112,825,012	$ 110,557,646
BUSINESS-TYPE ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	$ 71,695,507	$ 81,489,353	$ 83,342,256	$ 82,303,094	$ 99,552,941	$ 102,115,411	$ 109,256,602	$ 110,672,786	$ 112,071,075
Restricted	-	-	-	13,216,350	13,216,350	35,632,265	19,441,751	-	-
Unassigned	7,139,685	177,269	(8,916,359)	(22,727,559)	(29,954,329)	(50,893,003)	(41,690,813)	(25,777,628)	(14,446,190)
Total Business-type Activities Net Assets	$ 78,835,192	$ 81,666,622	$ 74,425,897	$ 72,791,885	$ 82,814,962	$ 86,854,673	$ 87,007,540	$ 84,895,158	$ 97,624,885
PRIMARY GOVERNMENT									
Invested in Capital Assets, Net of Related Debt	$ 101,539,556	$ 127,907,956	$ 112,837,478	$ 127,223,230	$ 172,534,353	$ 179,502,430	$ 184,390,259	$ 192,540,335	$ 194,342,597
Restricted	12,574,298	18,881,357	18,550,295	60,770,277	50,766,896	67,763,156	40,905,633	4,970,647	5,470,837
Unassigned	18,030,254	19,434,562	38,848,799	14,783,140	12,268,334	(10,914,985)	(10,545,644)	209,188	8,369,097
Total Primary Government Net Assets	$ 132,144,108	$ 166,223,875	$ 170,236,572	$ 202,776,647	$ 235,569,583	$ 236,350,601	$ 214,750,248	$ 197,720,170	$ 208,182,531

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES									
Governmental Activities:									
General Government	$ 34,206,686	$ 27,860,683	$ 33,731,581	$ 17,908,626	$ 21,059,597	$ 22,779,627	$ 26,059,767	$ 26,393,092	$ 29,488,557
Commerce	2,722,144	1,906,066	2,112,027	2,541,506	1,678,227	7,022,739	9,454,881	7,711,248	-
Real Estate and Housing	8,080,851	8,108,654	9,058,065	7,178,124	6,554,301	7,427,235	8,156,663	11,672,335	9,558,053
Public Works	16,807,245	14,338,205	14,583,093	16,916,066	18,308,616	21,562,949	22,601,418	23,110,033	23,033,197
Parks and Recreation	6,305,699	8,559,178	7,311,483	7,805,055	9,641,670	11,460,259	10,027,975	10,605,259	9,423,690
Public Safety	47,597,878	48,632,268	65,426,116	65,487,887	74,738,935	74,915,049	86,901,639	86,039,994	82,913,341
Interest on Long-Term Debt	7,701,464	5,502,044	6,116,357	7,473,268	5,342,897	4,569,496	5,352,455	4,519,308	5,616,097
Total Governmental Activities Expenses	123,421,967	114,907,098	138,338,722	125,310,532	137,324,243	149,737,354	168,554,798	170,051,269	160,032,935
Business-type Activities:									
Water/Sewer	39,011,421	35,987,710	38,501,176	42,614,504	46,666,607	48,562,013	53,181,200	55,033,937	54,723,619
Total Business-Type Activities Expenses	39,011,421	35,987,710	38,501,176	42,614,504	46,666,607	48,562,013	53,181,200	55,033,937	54,723,619
Total Primary Government Expenses	$ 162,433,388	$ 150,894,808	$ 176,839,898	$ 167,925,036	$ 183,990,850	$ 198,299,367	$ 221,735,998	$ 225,085,206	$ 214,756,554
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services:									
General Government	$ 8,836,198	$ 8,929,547	$ 9,312,768	$ 8,304,184	$ 7,129,053	$ 7,137,885	$ 7,438,126	$ 7,619,652	$ 8,906,826
Commerce	-	-	-	-	-	1,360	30,893	161,203	-
Real Estate and Housing	-	-	-	735,375	1,000	527,971	39,798	541,183	795,318
Public Works	9,140	6,194	19,329	29,839	217,669	263,071	254,077	273,147	374,128
Parks and Recreation	2,509,403	-	-	78,494	-	85,311	-	22,964	59,026
Public Safety	6,964,442	6,516,985	8,034,678	9,209,946	12,085,150	11,609,610	12,854,296	15,433,702	13,774,372
Operating Grants and Contributions	9,062,321	11,751,700	24,244,134	26,298,656	19,969,298	18,322,960	17,706,081	19,236,629	20,569,251
Capital Grants and Contributions	1,986,087	2,300,217	5,211,389	11,066,220	8,135,550	1,639,225	1,841,887	1,103,155	1,908,256
Total Governmental Activities Revenues	29,367,591	29,504,643	46,822,298	55,722,714	47,537,720	39,587,393	40,165,158	44,391,635	46,387,177
Business-type Activities:									
Charges for Services:									
Water	38,799,279	37,917,607	38,632,385	40,980,492	51,143,730	52,221,925	53,020,756	52,217,917	58,346,241
Operating Grants and Contributions	-	1,901,533	148,493	-	-	-	-	572,410	9,092,105
Total Business-type Activities Revenues	38,799,279	39,819,140	38,780,878	40,980,492	51,143,730	52,221,925	53,020,756	52,790,327	67,438,346
Total Primary Government Revenues	$ 68,166,870	$ 69,323,783	$ 85,603,176	$ 96,703,206	$ 98,681,450	$ 91,809,318	$ 93,185,914	$ 97,181,962	$ 113,825,523

Table II

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental Activities:									
Taxes									
Property Taxes	$ 28,598,639	$ 29,068,010	$ 28,417,535	$ 30,403,939	$ 30,323,434	$ 30,268,835	$ 32,690,788	$ 35,207,881	$ 39,428,237
Income Taxes	40,625,407	44,270,947	47,348,120	54,791,274	52,786,285	54,438,848	57,543,505	57,426,347	55,958,208
Other Taxes	3,262,024	8,400,361	9,313,482	6,158,544	5,940,697	4,978,122	2,668,996	1,883,389	1,561,633
Lodging & Natural Gas Taxes	-	-	-	-	1,303,322	1,227,140	1,306,744	1,161,077	1,244,958
Investment Earnings	2,649,356	2,857,460	3,113,915	5,268,048	6,523,991	3,471,478	1,168,607	1,708,886	1,287,448
Payments from Component Units	275,000	275,000	275,000	275,000	275,000	500,000	500,000	-	-
Other Revenues including Capital Asset								110,976	-
Sales Gains	3,040,798	1,840,997	1,583,993	11,614	10,002,069	-	-	-	-
Grants, Entitlements, and Contributions not Restricted to Specific Programs	14,162,365	10,496,006	11,472,394	6,853,486	10,401,584	12,006,845	10,757,780	13,243,382	11,897,908
Transfers	-	-	-	-	(5,000,000)	-	-	-	-
Total Governmental Activities	92,613,589	97,208,781	101,524,439	103,761,905	112,556,382	106,891,268	106,636,420	110,741,938	111,378,392
Business-type Activities:									
Investment Earnings	-	-	-	-	500,000	379,799	313,311	131,228	15,000
Transfers	-	-	-	-	5,000,000	-	-	-	-
Other Revenues including Capital Asset Sales Gains	(2,000,000)	(1,000,000)	-	-	45,954	-	-	-	-
Total Business-type Activities	(2,000,000)	(1,000,000)	-	-	5,545,954	379,799	313,311	131,228	15,000
Total Primary Government	$ 90,613,589	$ 96,208,781	$ 101,524,439	$ 103,761,905	$ 118,102,336	$ 107,271,067	$ 106,949,731	$ 110,873,166	$ 111,393,392
CHANGE IN NET ASSETS									
Governmental Activities	$ (1,440,787)	$ 11,806,326	$ 10,008,015	$ 34,174,087	$ 22,769,859	$ (3,258,693)	$ (21,753,220)	$ (14,917,696)	$ (2,267,366)
Business-type Activities	(2,212,142)	2,831,430	279,702	(1,634,012)	10,023,077	4,039,711	152,867	(2,112,382)	12,729,727
Total Primary Government	$ (3,652,929)	$ 14,637,756	$ 10,287,717	$ 32,540,075	$ 32,792,936	$ 781,018	$ (21,600,353)	$ (17,030,078)	$ 10,462,361

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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,987,648	$ 7,962,476	$ 10,508,968	$ 6,500,000
Committed								-	-	
Special Designations	5,399,098	-	-	-	20,378,110	5,500,000	18,562,766	-	-	-
Budget Reserve Account	10,035,457	13,436,793	25,547,644	31,437,057	37,466,306	46,352,802	15,200,256	14,560,571	14,761,419	13,933,709
Other Purposes	-	958	192,901	314,797	200,000	250,000	1,633	294,828	-	430,000
Uassigned										
Other Purposes	-	-	-	-	-	-	15,282,782	9,912,050	5,774,119	16,937,671
Total General Fund	$ 15,434,555	$ 13,437,751	$ 25,740,545	$ 31,751,854	$ 58,044,416	$ 52,102,802	$ 60,035,085	$ 32,729,925	$ 31,044,506	$ 37,801,380
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	-	-	-	-	-	-	-	-	-	820,344
Restricted										
Capital Projects Funds	13,825,180	7,520,107	609,248	(2,674,890)	23,757,025	13,934,737	25,490,794	16,820,184	10,756,912	11,301,494
Park Operations	5,050,276	4,884,615	5,396,359	5,763,979	5,911,539	6,429,519	5,865,380	4,554,207	4,970,647	4,650,493
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	3,603,392	2,219,614
Economic Development	5,399,098	-	-	-	10,517,702	8,620,524	178,878	8,793,057	8,124,949	6,685,727
Other Purposes	-	-	-	-	-	-	407,628	608,060	874,627	790,556
Total All Other Governmental Funds	$ 24,274,554	$ 20,094,405	$ 19,490,605	$ 15,507,785	$ 46,581,712	$ 36,492,987	$ 34,270,156	$ 36,243,950	$ 28,330,527	$ 26,468,228

Notes: The components of fund balances for 2001 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 26,088,116	$ 28,598,639	$ 29,068,010	$ 28,417,535	$ 30,289,277	$ 30,227,452	$ 30,503,671	$ 31,911,858	$ 35,398,064	$ 39,187,019
Wage Taxes	41,225,538	37,369,184	41,030,254	43,801,665	51,536,049	47,836,558	49,791,625	51,845,669	54,146,338	51,732,408
Net Profit	3,014,110	3,256,223	3,240,693	3,546,455	3,541,769	4,093,904	4,599,819	4,059,847	4,693,460	4,818,119
Franchise	2,066,036	1,840,354	2,431,540	2,689,238	2,841,710	2,044,715	1,814,216	2,006,557	1,775,266	1,771,473
Real Estate Transfer	4,235,821	3,262,024	6,033,039	6,021,220	5,663,155	5,940,697	4,978,122	2,668,996	1,883,389	1,561,633
Head Taxes	2,524,037	2,573,858	2,500,666	2,433,334	2,239,433	2,154,655	2,420,998	2,787,027	3,178,931	3,665,320
Lodging & Natural Gas	-	-	2,367,322	3,292,262	495,389	1,303,322	1,227,140	1,306,744	1,161,077	1,244,958
Intergovernmental	20,462,343	20,412,105	16,758,565	25,839,008	52,478,305	40,398,789	31,908,829	31,977,973	35,914,336	34,753,438
Licenses and Permits	2,575,989	2,811,199	2,479,805	4,174,056	4,395,440	4,597,081	4,380,848	4,382,137	4,489,246	3,987,861
Fines and Forfeitures	4,142,057	3,394,601	2,783,406	2,818,007	3,705,122	4,512,276	5,422,146	6,395,262	7,583,731	8,698,896
Charges for Services	4,085,950	4,745,897	5,125,897	4,561,492	4,865,271	4,512,407	6,241,932	4,610,583	5,035,301	5,958,581
Investment Earnings	3,430,624	2,649,356	2,857,460	3,113,915	5,268,048	6,523,991	3,471,478	1,162,296	1,708,886	1,287,448
Other	719,603	660,709	1,333,567	1,303,121	-	-	-	-	-	-
Total Revenues	114,570,224	111,574,149	118,010,224	132,011,308	167,318,968	154,145,847	146,760,824	145,114,949	156,968,025	158,667,154
EXPENDITURES										
General Government	15,221,564	14,495,849	13,439,612	14,639,238	18,009,115	20,628,512	21,429,638	25,436,843	25,033,199	28,084,379
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	7,711,248	-
Real Estate and Housing	7,564,299	7,956,163	7,935,627	8,863,045	7,157,916	6,567,453	7,356,072	8,137,793	11,099,966	9,543,270
Public Works	14,092,783	14,583,648	11,570,411	14,065,151	12,490,776	15,202,695	17,531,847	18,488,759	18,883,832	18,619,338
Parks and Recreation	5,850,726	7,032,067	6,390,136	7,449,084	7,164,413	9,228,449	10,113,079	9,133,636	9,636,781	8,452,461
Public Safety	53,278,040	54,110,914	50,891,648	64,731,825	65,640,898	74,677,708	74,091,861	84,168,848	82,336,748	79,671,627
Debt Service:										
Principal	7,963,411	9,156,620	8,660,870	9,574,847	11,490,624	11,649,630	12,490,844	10,134,948	6,477,638	2,775,559
Interest	4,713,784	5,820,204	5,502,554	4,611,213	4,818,692	6,173,566	5,059,028	5,352,913	5,002,246	5,403,006
Capital Outlay - Capital Projects	3,757,293	6,655,980	7,664,015	9,495,688	19,966,777	29,783,000	7,110,040	4,649,853	7,607,704	5,588,539
Total Expenditures	115,723,276	122,386,721	113,865,290	134,666,533	148,485,994	175,524,161	162,074,989	174,828,315	173,789,362	158,138,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,153,052)	(10,812,572)	4,144,934	(2,655,225)	18,832,974	(21,378,314)	(15,314,165)	(29,713,366)	(16,821,337)	528,975
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	110,976	3,566,586
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	35,598,915	799,014
Premium on Debt Issued	491,355	-	-	777,555	1,365,925	883,112	1,061,991	-	3,042,569	-
Current Refunding	16,109,522	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(16,135,121)	-	-	(17,191,175)	-	(27,893,746)	(13,692,378)	-	(31,529,965)	-
Transfers In	1,240,187	2,348,388	3,051,615	-	645,992	8,859,255	1,666,236	21,795,110	1,497,943	1,549,497
Transfers Out	(40,187)	(73,388)	(2,051,615)	-	(645,992)	(13,859,255)	(1,666,236)	(21,795,110)	(1,497,943)	(1,549,497)
Total Other Financing Sources (Uses)	23,425,284	5,613,894	7,554,060	3,561,008	37,100,039	5,347,975	21,969,613	4,382,000	7,222,495	4,365,600
Net Change in Fund Balances	22,272,232	(5,198,678)	11,698,994	905,783	55,933,013	(16,030,339)	6,655,448	(25,331,366)	(9,598,842)	4,894,575
Prior Period Adjustments	-	(978,275)	-	-	2,556,183	-	-	-	-	-
Net Change in Fund Balances	$ 22,272,232	$ (6,176,953)	$ 11,698,994	$ 905,783	$ 58,489,196	$ (16,030,339)	$ 6,655,448	$ (25,331,366)	$ (9,598,842)	$ 4,894,575
Debt Service as a Percentage of Noncapital Expenditures	11.32%	12.94%	13.34%	11.33%	12.69%	12.23%	11.33%	9.10%	6.91%	5.36%

Notes Within expenditures of 2001 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		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate[1]
	Residential Property	Commercial / Industrial	Public Utilities	Other			
2011	$ 1,026,246,536	$ 2,400,906,910	$ 118,312,800	$ 227,704,830	$ 1,472,485,271	$ 2,300,685,805	$ 1.7670
2010	1,062,971,861	2,285,784,000	112,165,100	227,199,700	1,478,226,550	2,209,894,111	1.6064
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

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)

	City of Wilmington			New Castle County			Total	Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	School District Millage	Direct & Overlapping Rates
2011	$1.6470	$ 0.1200	$ 1.7670	$ 0.2192	$ 0.0244	$ 0.2436	$ 1.6870	$ 3.6976
2010	1.4964	0.1100	1.6064	0.1754	0.0195	0.1949	1.6740	2.8883
2009	1.2969	0.1000	1.3969	0.1754	0.0195	0.1949	1.6240	3.2158
2008	1.2969	0.1000	1.3969	0.1793	0.0156	0.1949	1.4830	3.0748
2007	1.2969	0.1000	1.3969	0.1559	0.0100	0.1659	1.3310	2.8938
2006	1.2267	0.0800	1.3067	0.1485	0.0095	0.1580	1.2270	2.6917
2005	1.2267	0.0800	1.3067	0.1501	0.0079	0.1580	1.1360	2.6007
2004	1.2167	0.0900	1.3067	0.1501	0.0079	0.1580	1.0820	2.5467
2003	1.2067	0.1000	1.3067	0.1485	0.0095	0.1580	0.9470	2.4117
2002	1.1667	0.1400	1.3067	0.1438	0.0142	0.1580	0.0907	1.5554

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)

	2002			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
BPG Office Partners and and Related Entities	$ -		-	$ 100,000,000	1	2.71%
Delmarva Power & Light	75,590,601	2	2.38%	80,824,200	2	2.19%
Bank of America (formerly MBNA)	111,878,800	1	3.53%	78,107,700	3	2.12%
MacQuarie BDN Christina	-		-	63,704,500	4	1.73%
D C L Leasing partnerts LPL	-		-	58,084,300	5	1.57%
E.I. Du Pont Nemours & Company	75,111,800	3	2.37%	52,839,800	6	1.43%
1201 Market Street LLC	-		-	51,775,000	7	1.40%
Delaware Trust Rehab	-		-	37,681,100	9	1.02%
Hub Properties Trust	36,072,400	8	1.14%	31,119,900	8	0.84%
Rodney Square Investors, L.P.	27,054,360	11	0.85%	27,608,600	10	0.75%
100 West Tenth Street Corp	27,300,100	10	0.86%	-		-
Tatten Partners	70,192,869	4	2.21%	-		-
Barrow Street Hen Partnerships	32,314,800	9	1.02%	-		-
Verizon	50,167,900	7	1.58%	-		-
Bassett Partners L.P.	64,915,022	5	2.05%	-		-
Brandywine Partners				-		-
and Related Entities	63,704,552	6	2.01%	-		-
Totals	$ 634,303,204		20.00%	$ 581,745,100		15.76%

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
2011	$ 39,198,198	$ 38,125,142	97.3%	n/a	$ 38,125,142	97.3%
2010	35,003,879	34,274,358	97.9%	$ 565,282	34,274,358	97.9%
2009	30,654,348	29,860,037	97.4%	671,613	30,531,650	99.6%
2008	30,426,934	29,066,946	95.5%	1,338,037	30,404,983	99.9%
2007	29,760,304	28,873,327	97.0%	832,340	29,705,667	99.8%
2006	29,703,984	28,611,393	96.3%	1,082,905	29,694,298	100.0%
2005	29,766,510	26,965,293	90.6%	2,772,219	29,737,512	99.9%
2004	28,086,411	23,480,668	83.6%	4,579,580	28,060,248	99.9%
2003	28,737,675	27,107,949	94.3%	1,597,757	28,705,706	99.9%
2002	28,247,996	24,596,758	87.1%	3,621,597	28,218,355	99.9%

Source: City of Wilmington, Finance Department

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

Table IX

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

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2011	$ 118,197,900	$ 5,622,812	$ 139,092,867	$ -	$ 262,913,579	9.75%	3,711
2010	120,263,940	4,617,605	132,061,815	351,043	257,294,403	9.25%	3,524
2009	120,712,681	1,203,743	126,216,257	1,470,789	249,603,470	9.33%	3,416
2008	127,382,153	2,067,918	128,266,404	2,893,623	260,610,098	9.55%	3,577
2007	119,120,746	2,897,922	92,472,693	4,247,003	218,738,364	7.95%	3,010
2006	130,717,406	3,930,893	87,509,007	5,549,470	227,706,776	8.93%	3,136
2005	105,855,333	2,408,836	65,564,656	4,977,886	178,806,711	8.19%	2,474
2004	109,638,038	2,777,856	69,938,279	2,195,627	184,549,800	8.47%	2,558
2003	118,395,331	3,071,784	72,192,162	159,122	193,818,399	9.21%	2,686
2002	127,607,476	4,872,516	77,626,099	296,309	210,402,400	10.24%	2,909

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)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property[1]	Per Capita[2]
2011	$ 257,290,767	11.18%	$ 3,631
2010	252,325,755	11.42%	3,455
2009	246,928,938	10.46%	3,379
2008	255,648,557	10.83%	3,509
2007	211,593,439	9.10%	2,912
2006	218,226,413	9.51%	3,006
2005	171,419,989	7.44%	2,372
2004	179,576,317	8.55%	2,489
2003	190,587,493	9.20%	2,641
2002	205,233,575	9.82%	2,837

Source: City of Wilmington's Treasurer's Office

Note:
1 See Schedule V on page 112 for Actual Taxable Value of Property data.
2 See Schedule XIII on page 120 for population data.

Table XI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County debt	$ 389,220,000	15%	$ 59,550,660
Various School Districts	352,906,485	16%	55,053,412
Subtotal - Overlapping Debt			114,604,072
City of Wilmington Direct Debt	257,290,767	100%	257,290,767
Totals			$ 371,894,839

Source: City of Wilmington Treasurer's Office
New Castle County Finance Department

Table XII

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Budget	$ 79,979,957	$ 87,421,961	$ 88,029,760	$ 92,182,803	$ 104,480,969	$ 120,349,099	$ 132,211,249	$ 157,594,361	$ 147,521,170	$ 143,952,638
Debt Service Limit	13,996,492	15,298,843	15,405,208	16,131,991	18,284,170	21,061,092	23,136,969	27,579,013	25,816,205	25,191,712
Total Net Debt Service Applicable to Limit	12,677,195	9,238,483	8,310,947	8,720,315	9,076,566	11,921,182	11,772,993	11,713,497	11,479,884	8,178,565
Legal Debt Service Margin	$ 1,319,297	$ 6,060,360	$ 7,094,261	$ 7,411,676	$ 9,207,604	$ 9,139,910	$ 11,363,976	$ 15,865,516	$ 14,336,321	$ 17,013,147
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	91.00%	60.00%	54.00%	54.00%	50.00%	57.00%	51.00%	42.00%	44.00%	32.00%

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 Effectiv Buying Income
2011	70,851	$ 2,807,258,322	$ 39,622	27,140	12.2%	36.70	$ 39,516
2010	73,022	2,780,385,672	38,076	27,494	12.3%	36.50	35,116
2009	73,079	2,674,837,558	36,602	28,575	12.2%	34.98	39,251
2008	72,855	2,729,803,995	37,469	30,344	7.6%	34.80	39,251
2007	72,668	2,750,992,476	37,857	31,112	5.7%	33.70	40,778
2006	72,607	2,549,667,412	35,116	33,371	5.2%	36.00	40,778
2005	72,265	2,182,475,265	30,201	31,843	5.8%	34.10	35,116
2004	72,154	2,179,122,954	30,201	32,748	6.5%	33.70	31,499
2003	72,155	2,103,318,250	29,150	32,165	5.8%	36.90	36,064
2002	72,335	2,055,688,365	28,419	32,667	6.9%	36.30	36,084
2001	72,506	2,047,569,440	28,240	35,517	5.1%	35.50	37,489

Sources: Population - All years revised to the Delaware Office of State Planning
- Population Projections by Single Year and 5-Year Age Cohorts (October 28, 2010)

Per Capita Income is annualized from the Delaware Department of Labor Weekly Earnings.
Personal Income is Per Capital Income times the Population estimate.
The employment and unemployed data provided by the Delaware Dept of Labor.
Medial age and median household effective buying income provided by Delaware Online.

Table XIV

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	Calendar Year 2002			Calendar Year 2011		
Taxpayer	Employees	Rank	Percentage of Total [2] Employment	Employees	Rank	Percentage of Total [2] Employment
State of Delaware	16,419	1	6.46%	13,900	1	4.94%
Christiana Care Health Services	-		0.00%	10,800	2	3.84%
Bank of America (MBNA)	11,300	3	4.45%	10,000	3	3.55%
E.I. Du Pont Nemours & Company	12,200	2	4.80%	8,100	4	2.88%
AstraZeneca Inc.	2,100	8	0.83%	4,800	5	1.70%
University of Delaware	3,811	4	1.50%	4,004	6	1.42%
A.I. Dupont Institute	2,100	7	0.83%	3,200	7	1.14%
Christina School District	1,883	11	0.74%	2,300	8	0.82%
Wilmington Trust Corp	2,300	5	0.90%	2,284	9	0.81%
Red Clay School District	2,000	9	0.79%	1,750	10	0.62%
Walgreen's, Inc	1,800	12	0.71%	1,700	11	0.60%
Brandywine School District	1,268	13	0.50%	1,482	12	0.53%
Colonial School District	1,026	14	0.40%	1,271	13	0.45%
ING Direct	-		0.00%	1,122	14	0.40%
PNC Financial Services Group	-		0.00%	1,100	15	0.39%
General Motors	2,200	6	0.87%	-		0.00%
Chase Manhattan Bank	1,900	10	0.75%	-		0.00%
Delmarva Power/Pepco	1,000	13	0.39%	-		0.00%
Totals	63,307		24.92%	67,813		24.09%

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Mayor's Office	43.00	33.00	45.00	45.00	46.00	61.00	60.00	60.00	60.00	59.00
City Council	27.00	26.00	25.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Audit	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Law	19.00	18.00	19.00	20.00	20.00	21.00	23.00	23.00	23.00	23.00
Finance	101.00	101.00	68.00	69.00	67.00	60.00	68.00	70.00	75.00	97.00
Human Resources	20.00	21.00	21.00	21.00	21.00	22.00	22.00	23.00	23.00	23.00
Treasurer	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Planning	14.00	10.00	10.00	10.00	11.00	11.00	12.00	12.00	12.00	12.00
Real Estate and Housing	24.00	24.00	21.00	21.00	20.00	16.00	17.00	17.00	17.00	17.00
Parks and Recreation	47.00	52.00	52.00	52.00	52.00	53.00	54.00	58.00	53.00	50.00
Public Safety										
Police	344.00	344.00	368.00	377.00	386.00	407.00	429.00	431.00	416.00	402.00
Fire	176.00	176.00	176.00	176.00	176.00	177.00	177.00	180.00	172.00	172.00
License and Inspection	31.00	35.00	36.00	37.00	39.00	44.00	45.00	46.00	44.00	42.00
Public Works	212.00	212.00	212.00	212.00	212.00	228.00	231.00	235.00	229.00	229.00
Totals	**1,070.00**	**1,063.00**	**1,064.00**	**1,080.00**	**1,091.00**	**1,141.00**	**1,179.00**	**1,196.00**	**1,165.00**	**1,167.00**

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Physical Arrests/Charges	n/a	13,567	12,473	13,456	10,230	9,534	6,155	n/a	11,737	n/a
Police Calls - Incident	132,614	133,124	127,417	125,665	n/a	126,614	110,177	n/a	119,412	n/a
Police Calls - Administrative	n/a	n/a	n/a	n/a	n/a	114,000	261,462	n/a	56,072	n/a
Fire/EMS Calls	15,466	15,807	15,301	15,902	15,124	16,596	15,584	16,976	17,659	18,448
Inspections	363	505	710	1,121	778	1,710	614	1,802	1,862	1,589
Parking Violations Issued	88,559	62,959	54,081	52,708	68,719	72,990	87,327	79,262	70,030	83,149
Redlight Tickets Issued	n/a	85,620	63,714	85,015	56,195	64,572	66,988	100,202	78,231	194,181
Building Permits Issued	n/a	n/a	n/a	n/a	n/a	4,250	2,848	4,330	4,225	4,077
Health and Welfare										
Meals served-Summer	454,392	206,610	215,180	207,599	231,189	252,706	294,708	325,381	192,159	323,909
Meals served-Evening	40,372	272,840	185,109	332,509	n/a	77,092	71,928	120,631	229,590	998,562
Emergency Shelter	938	1,059	326	268	329	911	443	354	469	438
HOPWA (Housing) *	225	765	595	1,075	352	474	126	169	141	230
HPRP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	726	726
Water										
Water Production (millions of gallons)	8,033	7,776	7,983	7,918	7,201	6,877	6,830	6,720	6,154	6,541
Water Sold (millions of gallons)	n/a	5,228	7,222	6,925	6,032	5,933	5,419	5,069	4,705	6,690
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	74.83	67.96	87.95	81.56	78.48	82.43	71.60	69.32	85.03	72.35
Landfill										
Annual Tons of Refuse	43,137	43,613	43,376	42,897	41,689	42,500	37,837	29,727	29,527	30,331

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police Patrol Units	300	298	306	309	320	320	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)	100	105	105	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