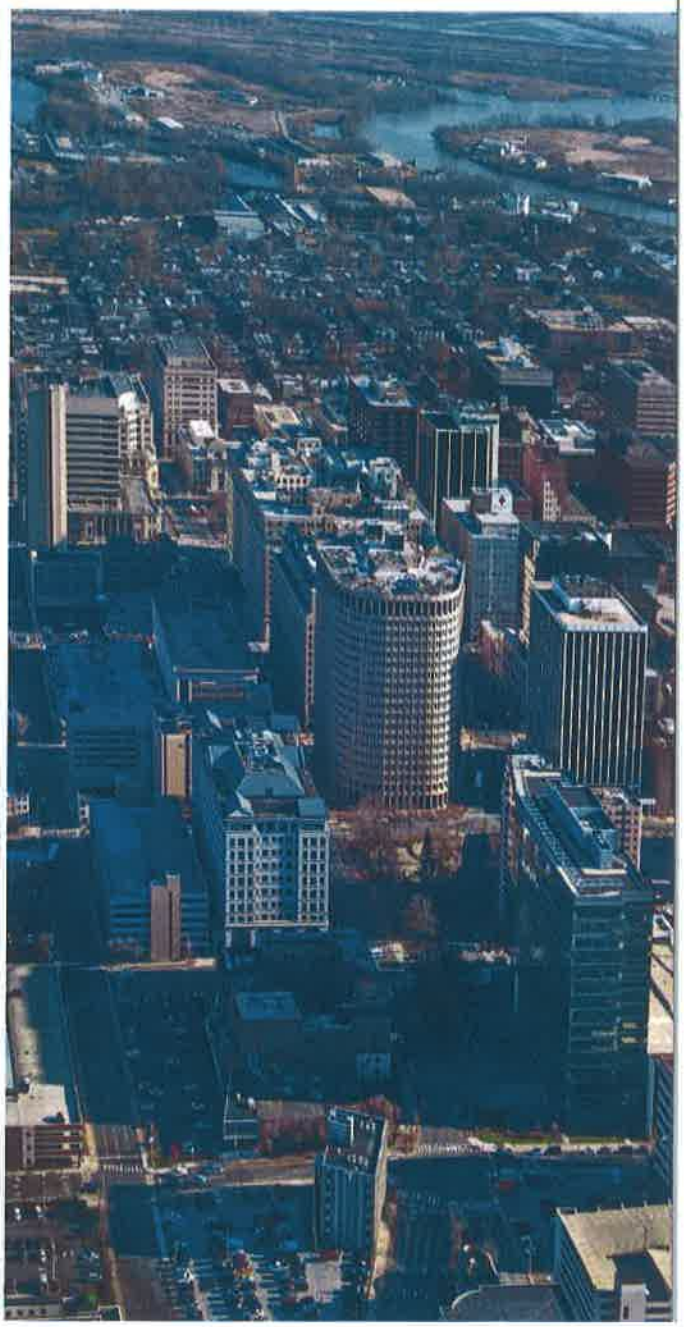
Comprehensive Annual Financial Report

For the Year ended

June 30, 2015

City of Wilmington, Delaware
Dennis P. Williams, Mayor



CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by the Department of Finance
Sheila Winfrey-Brown, 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, 2015

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DENNIS P. WILLIAMS
MAYOR

City of Wilmington
Delaware

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October 12, 2016

The Honorable Dennis P. Williams, Honorable Members of City Council,
Citizens and Stakeholders of the City of Wilmington, Delaware:

We submit the restated Comprehensive Annual Financial Report (CAFR) of the City of Wilmington, Delaware (the City) for the fiscal year, which ended on June 30, 2015 as required by the City Charter.

As described in Note 19, the City restated its workers' compensation claims liability as of June 30, 2014. The change was required to correctly report the actuarially determined estimated ultimate cost of settling claims, including a provision for incurred but not reported claims, in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It was discovered that, in prior years, the City's estimated workers compensation claims liability was not consistently calculated using the estimated ultimate cost of settling claims.

The City has also restated parking citation accounts receivable and parking citation penalties accounts receivable as of June 30, 2014 to correctly report the allowance for uncollectible balances.

The CAFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP) for governmental units and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Belfint, Lyons and Shuman PA, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor expressed an opinion that the City's financial statements for the fiscal year 2015 (FY 2015) are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented on pages 1 through 3.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. We believe that the data presented is complete and reliable in all material respects.

The City is required to undergo an additional audit designed to meet the requirements of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, and related U.S. Office of Management and Budget Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations."* Information related to this Single Audit is issued in a separate 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 MD&A can be found immediately following the report of the independent auditor.

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 for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the 26th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both GAAP and applicable legal requirements.

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

The City Charter mandates monitoring and reporting on all matters relating to the City's fiscal health, maintaining the City's official financial records and supervising City expenditures. The CAFR is published annually by the Accounting Division of the Department of Finance and presents the City's financial condition and results of operation at the conclusion of the fiscal year.

The CAFR contains three sections:

- Introductory - provides background and context to the information presented in the Financial section.

- Financial - contains the independent auditor's report, management discussion and analysis, the basic financial statements, required supplementary information, the combining and individual fund statements, and the combining budgetary comparison schedule.

- Statistical - provides a history of selected financial trends, revenue capacity, debt capacity as well as demographic, economic, and operating information.

The Letter of Transmittal complements the CAFR as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, financial management policies, and major City government initiatives.

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, sewer, and stormwater 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 in 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 may propose 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 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 2016 (FY 2016) operating budget represents a 1.1% increase over the fiscal year 2015 budget. The FY 2016 budget continues to focus on the direct City services most important to the citizens to ensure the safety of our neighborhoods, to support the growth of new and established businesses and to provide resources for our children's academic success. The FY 2016 General Fund Budget was crafted to strengthen the City's fiscal position and to ensure financial stability into the future without reductions to essential services or programs in the departments of police, fire, public works, licenses and inspections, and parks and recreation

The fiscal year 2016 budget reflects the following:

- The FY 2016 operating budget expenditures total $151,696,858 – up $1,657,212, or 1.1% from FY 2015. Despite the City having to absorb $2.26 million in uncontrollable cost increases, a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies allowed the overall increase to the budget to stay below the rate of inflation.

- **Key Funding Changes From the Prior Year – General Fund**

  Mayor's Office

  Personal Services decreased a net $11,911, mainly attributed to employee turnover and the reorganization of employees during FY 2015. Savings in Regular Salaries (down $24,336) and Pension costs (down $21,589) were more than offset by increases in Hospitalization (up $29,266) and Pension-Healthcare (up $6,163).

  Machinery & Equipment in the Data Processing Division decreased by $270,000 as multiple servers and switches related to network storage have been replaced in recent years; there is no anticipated need to do so in FY 2016.

  The City-wide transition to Microsoft Office 365 will contribute to a $168,000 increase in Equipment (Software Licenses) and a $42,500 increase in Memberships and Registrations for training costs.

City Council

Personal Services decreased a total of $9,119. The largest portion of the decrease was in the General Fund (down $7,099), with the remaining balance occurring in the CATV Fund (down $2,019).

City Treasurer

Total Personal Services grew by $14,614 or 2.2% across all funds due to increases in Pension Contributions and Pension Healthcare by $7,177, and $1,350 respectively.

The annual self-insurance funding target for retiree medical costs was increased by $250,000, bringing the total funding for the program to $2.75 million for FY 2016.

Department of Planning and Development

The Personal Services account group decreased a net $27,951 across all funds from FY 2015. The decrease is mainly attributed to lower Regular Salaries and Pension Contributions. In addition, a Planner I position was downgraded to a Planning Aide to provide additional administrative support.

Planner II position's costs were reallocated from 43% General Fund and 57% CDBG, to 49% General Fund and 51% CDBG Funds for FY 2016. The net increase to the General Fund is $5,958.

Audit Department

Personal Services increased by $32,204. The increase is attributed to a change in the Position Allocation List that occurred during FY 2015. The Department deleted an Auditing Administrative Assistant position and added a new Staff Auditor position. The Staff Auditor position has a higher salary and is budgeted at a higher-cost health insurance plan.

Law Department

Personal Services increased $28,895. Three positions were upgraded during the biennial Classification Appeal Process in FY 2015, and the Legal Research Attorney received a salary increase through the budget process, for a combined salary and benefit increase of $9,707. While employee turnover caused savings in Pension contributions (down $18,908), those savings were more than offset by increases in Hospitalization (up $53,407). Additionally, a FY 2015 Personal Service Adjustment of $27,000 has been reduced to zero. The remaining increase is due to required step increases for merit positions.

Total Materials, Supplies & Equipment increased $5,215. The majority of the increase is a result of an additional $30,000 budgeted for outside Legal fees. Expected savings in Court Costs and Notary Fees of $26,000 helped to mitigate the increase for Legal fees.

Department of Finance

In Personal Services a net of 1.3 FTE was added. Through a reorganization that affected a number of operational areas, a net of 0.5 FTE was added. However, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which added 0.8 FTE and

increased total personal services by $113,611. Pension Contributions and Hospitalization also increased a combined total of $30,755. Additionally, the Department reallocated funding between the General Fund and the Water/Sewer Fund for a number of positions to better align with the work being performed.

Overtime decreased by $15,800 mostly due to a lesser need during the Wage Tax filing season.

Consultant costs increased $35,000, to assist in the preparation of the Comprehensive Annual Financial Report (CAFR) and help maintain accurate bond issuance and debt service files and $50,000 increase for miscellaneous projects to support the strategic planning initiatives.

Collection Expense-Legal decreased $129,660 due to Sheriff Sale activity trending downward.

Parking Citation Commissions decreased by $152,000 and Red-light Camera Commissions decreased $42,003 due to contract negotiations that resulted in better pricing.

Department of Human Resources

In an effort to further align cost and function, the Director of Human Resources position will now be split-funded, with 0.15 FTE's in each of the three Internal Service Funds. The net effect is moving 0.45 FTE's out of the General Fund for a salary and benefit reduction of $70,494.

Personal Services costs decreased $22,953. Reductions from shifting portions of the Director position's funding into the Internal Service Funds were offset by increases in Pension contributions (up $30,732). The increase is due to the current Director having an older, more expensive pension plan than was previously budgeted.

Materials, Supplies & Equipment decreased $21,156. Reductions in memberships and registrations (down $27,788) were offset by increases in professional fees (up $5,000), specifically, workshop/seminars–training. Programming decreased due to a more need-based and targeted training approach.

Department of Licenses and Inspections

Personal Services decreased $2,486. A majority of the decrease is due to employee turnover that resulted in savings in Regular Salaries (down $24,896) and old pension contributions (down $17,651). Those savings were somewhat offset by increases in Hospitalization (up $26,095) and new State Pension contributions (up $10,138).

Materials, Supplies & Equipment decreased a total of $47,213. A majority of the decrease is due to equal reductions of $25,000 in Property Maintenance and Demolition. As part of the City's overall strategy for neighborhood redevelopment and viability, funding for the demolition of dangerous and abandoned eyesore properties is still $75,000 more than the funding allotted in FY 2015. L&I will continue to coordinate with RE&H whenever possible to stabilize communities and improve blight.

Department of Parks and Recreation

Total staffing in the Department has been reduced by one, leaving 41 positions. A vacant Account Clerk III position has been deleted with total savings of $63,677 in salary and benefits.

Communications & Utilities (Electricity) costs have been increased in the William "Hicks" Anderson Community Center (WHACC) Division to support an increase in pool operating expenses.

Community Activities will decrease by $4,500, but will continue to fund the popular "Arts in the Parks" program at $75,000 and "Cure Violence" at $225,000.

Department of Fire

Uniformed staffing remains at 172 positions and total personnel at 177. However, due to a significant number of retirements, the Department recently concluded a fire school class that featured 19 graduates. Because Probationary Firefighters earn less than seasoned Firefighters in early years, salary savings totaling $160,000 have been realized in FY 2016.

Nearly every Materials, Supplies, and Equipment category has decreased by a total of $185,300 for FY 2016 as part of a "shared sacrifice" to minimize growth of expenditures. The Department will spend unused grant funds whenever possible to fund necessary purchases.

Total Internal Service allocations will decrease by more than $422,000. The $451,000 decrease in Motor Vehicle is due to the reallocation of costs between the Police and Fire Departments to more accurately comport with past actual chargebacks that were offset by minimal increases in other areas.

Department of Police

Uniformed staffing remains at 320 positions and total personnel at 382. However, due to a significant number of retirements, the Department recently graduated an academy class of 34 recruits to fill those vacancies. Because Rookie Patrol Officers earn less than seasoned officers, salary savings were realized and contributed to a $294,000 decrease in Regular Salaries.

Funding for the last remaining COPS Grant officer expired in FY 2015. The General Fund absorbed 0.8 FTE at a cost of $53,156 in salary and benefits.

Higher Pension, Hospitalization, and Pension Healthcare costs fueled an overall $783,000 increase in total Employee Benefit costs.

Professional Fees have increased by $305,693. Consultant costs earmarked in FY 2016 include $75,000 to fund an assessment of the public safety camera surveillance system, $53,000 in costs related to an academy class, $16,200 in additional costs for existing camera watch operators, and $135,000 for three additional operators. Finally, funding is included for the cost of the biennial promotional process which utilizes an independent third party.

Wearing Apparel & Safety Supplies will decrease by $106,650 due to the smaller recruit class in FY 2016.

Total Internal Service allocations will increase by more than $607,000. There was a $538,000 increase in Motor Vehicle due to the reallocation of costs between the Police and Fire Departments to more accurately comport with past actual chargebacks, along with minimal increases in other areas.

Department of Public Works

In total, Personal Services increased by $254,628. Regular Salaries rose by $129,866 as a result of the Biennial Classification Appeals Process that affected 45.35 FTE positions, along with normally occurring salary step increases. Pensions and Pension Healthcare increased by $72,511 and $27,158 respectively.

In FY 2016, the City will begin a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments. The General Fund will pay 25% of these costs in FY 2016, 50% in FY 2017, 75% in FY 2018, and 100% in FY 2019 and beyond. Starting with a base fee of $1.1 million, the 25% charge for FY 2016 is $263,615, and is budgeted in Utilities.

Consultant Fees decreased by $50,000, because the one-time implementation support for residential containerized municipal solid waste and commercial recycling used in FY 2015 is not needed in FY 2016.

Due to the closing of the Peninsula Compost Facility, yard waste and leaves will now be sent to Cherry Island Landfill. This will increase the annual tonnage of waste, resulting in an increased tipping fee cost of $131,400.

Department of Real Estate and Housing

Personal Services for the Real Estate & Housing Department decreased $23,679 (13.9%) in the General Fund. Four positions that were split-funded between the General Fund and Special Funds were reallocated between Funds, producing a net decrease of 0.28 FTE.

MS&E decreased $17,800 (13.1%), due solely to a reduction in Disposition Costs. The Department continues to explore opportunities to lower maintenance and repair expenses for properties not supported by federal grant funding.

- **Key Funding Changes From the Prior Year – Water Fund**

Department of Finance

Staffing decreased by a net 1.30 FTEs. A Department reorganization that affected a number of operational areas deleted a net 0.5 FTE. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which deleted another 0.8 FTE, resulting in a savings of $60,731.

Temporary Agencies decreased by $8,000, as the Department now relies on its internal resources and use of overtime as needed.

Department of Public Works

In total, Personal Services increased by $197,924. Regular Salaries rose by $66,023, as a result of the Biennial Classification Appeals that affected 13.65 FTE positions, along with normally occurring salary step increases. Pension, Pension Healthcare and Overtime increased by $35,358, $23,017 and $58,500 respectively.

While the use of block pricing and the pumping of water during off-peak hours lowered the City's overall electricity costs, recent spikes in the energy spot market continue to erode some of those savings. As a result, electricity cost was increased $131,600.

Fuel Oil decreased by $50,000, reflecting expected savings in energy costs.

Repairs to Water Lines increased by $437,000 to fund a comprehensive valve replacement and repair program.

A $100,000 pilot program for the inspection of non-interceptor branch sewer lines and laterals was added to the budget in the Condition Assessment Account. The cost of the pilot is split 40% in the Sewer Maintenance Division and 60% in the Stormwater Division.

There was a $448,143 increase in the Contracted Maintenance Services account that is split among the Water System, Wastewater Treatment, and Stormwater Divisions. In the Water System Division, additional funding of $150,000 is required for the comprehensive water tank inspection, maintenance, and repainting program. There was also a $137,000 increase for fire hydrant testing, maintenance, and repair. Split between the Wastewater Treatment and Stormwater Divisions, there was an increase of $143,600 in the Veolia contract to operate and maintain the City's Sewer Treatment Plant.

- **Key Funding Changes From the Prior Year – Internal Services Fund**

Department of Human Resources

The Director of Human Resources position will now be split-funded, with 0.15 FTE's in each of the three Internal Service Funds. The net effect is moving 0.45 FTE's into the Internal Service Funds for a salary and benefit increase of $70,494.

In the Risk Management Fund, total Insurance costs increased $415,865. The Fire account was increased (up $41,738) due to premiums coming in higher than expected and the addition of vacant property coverage. Insurance Claims were increased (up $286,000) based on a new actuarial report developed with timely and accurate data. Finally, Insurance Claims-Legal Defense was increased (up $114,880) on the recommendation of the Law Department based on expected litigation. Those increases were slightly offset by reductions in the Liability and Salary-Claimant accounts.

In the Workers' Compensation Fund, total Insurance costs decreased $12,250 because of expected savings in both Unemployment Insurance and Surety Bonds. Those savings were slightly offset by increases in Miscellaneous Materials Supplies and Parts (up $3,950) and Memberships and Registrations (up $1,425).

In the Health and Welfare Fund, Professional fees increased by $69,000. The cost of an employee benefits consultant was underestimated in FY 2015 and has been appropriately budgeted for FY 2016.

Self-Insurance Costs increased by $433,450 in the Health and Welfare Fund. This account group encompasses the cost centers for employee Hospitalization, Dental coverage and Life Insurance. Medical Costs are set at $365,550 below FY 2015, with $830,000 being broken out in a separate account to better track Stop Loss Insurance. Dental Costs have remained flat and Long Term Disability decreased $30,000.

Though Medical Costs decreased when compared to FY 2015, there was a 3% increase to the base costs and $144,350 was added for fees associated with the Affordable Care Act. The net reduction is due to moving the Stop Loss Insurance into a separate account.

- **Key Funding Changes From the Prior Year – Motor Vehicle Fund**

  Department of Public Works

  Motor Fuels and Lubricants decreased by $292,000, reflecting expected savings for energy costs.

  Contracted Maintenance Services increased by $16,367, due to increases in motor vehicle fleet maintenance.

ECONOMIC DEVELOPMENT ACTIVITY

Wilmington continues to make steady progress toward a full recovery from the significant impact of the collapse of financial markets during the Great Recession. Since 2012, Wilmington's unemployment rate has dropped from 9.7% to 6.4%, and hiring in the Finance and Insurance industry, a core industry of Wilmington's economic base, has exceeded pre-recession levels, with nearly 12,400 jobs as of the end of 2014. The growth in this sector is due in part to the analytical skill-set of the workforce, which has its roots in the chemical and engineering industries, and was further developed by growth of the credit card industry. Wilmington is uniquely positioned to meet the growing demand for the next generation of financial, technical, and predictive analytics jobs, and in diverse industries such as healthcare and energy, all of which heavily rely on IT and other analytical skills.

Business Incentive Program

The Office of Economic Development (OED) manages the Business Incentive Program, which utilizes the City's Economic Development Strategic Fund to make contractually-based job creation and job retention incentive offers to businesses. The Business Incentive Program's expenditures are recouped by the City's General Fund in two or three years by the wage taxes generated from the new or retained jobs. Each incentive is contractually memorialized, and contains performance requirements and claw-back terms for noncompliance.

Since the enabling legislation and initial appropriation of the Economic Development Strategic Fund in 2002, the City has executed 25 contracts that have provided a total of $11.75 million in incentive payments. These incentives have yielded $49 million of additional wage taxes to the City's General Fund since FY 2002. In FY 2014 alone, the jobs attributed to the Strategic Fund Incentive Program accounted for $6 million of the City's wage tax base, and that is projected to grow to $6.75 million by the end of FY 2015.

As an additional tool to support new businesses that wish to relocate to Wilmington or to assist existing City businesses that wish to expand, the Wilmington Urban Development Action Grant (UDAG) Corporation (a quasi-governmental, nonprofit economic development agency wholly-owned by the City of Wilmington), established a partnership in late 2014 with the National Development Council and Discover Bank to create the Grow Wilmington Fund. This Fund provides low interest rates and extended fixed-rate terms, and expands the City's capacity to provide financing for small businesses, with loan approvals up to $4 million. The City also continues to offer smaller business loans of up to $75,000 through its other partner, the Wilmington Economic Development Corporation, known as WEDCO.

Downtown Development

In March of 2014, Governor Jack Markel proposed his Downtown Development Initiative legislation aimed at assisting Delaware cities in attracting private development to their downtown cores. The State Legislature appropriated $7 million for the initiative in the FY 2015 State budget. In January of 2015, Wilmington became one of the first three communities to be designated as a Downtown Development District, with $2.3 million reserved for projects in the City.

The Governor's Downtown Development District Initiative is modeled after similar programs in other states and cities, including Wilmington's Upstairs Fund initiative. The Upstairs Fund initiative invested $15.5 million of City bond proceeds between 2009 and 2013 to leverage more than $50 million in private sector investment in the Market Street Historic District. The result was 50 new housing units and 24 new retail/office spaces in formerly underutilized or vacant buildings.

The Buccini/Pollin Group (BPG) continues to drive the expansion of downtown Wilmington's residential housing options with three major projects. The first project, on North Market Street, is a $16 million market- rate housing development consisting of 75 new units in two buildings. BPG's second project, the $25 million Market Street Village, is in response to Wilmington's growing charter school presence. The conversion of three abandoned buildings along Market Street will create 77 new affordable workforce residential units for teachers. The third and largest project, the $50 million Residences at Midtown, is the redevelopment of the long-vacant and deteriorating Midtown Parking Garage into 229 luxury apartment units with reserved parking spaces. The first two projects are slated to be completed by fall of 2015, while the Residences at Midtown project is expected to be finished by the summer of 2017.

The expansion of the ten-acre Wilmington Campus of the Christiana Care Health System (CCHS) was completed near the end of 2014. The $210 million expansion doubled the size of the emergency room, created 30 new single-occupancy patient rooms, provided the capacity for another 90 beds, and created a new entrance lobby and outdoor healing garden. In addition, 51,000 square feet of professional office space for private medical practices was added. In all, the expansion will bring in 500 new jobs. CCHS is partnering with Philadelphia's renowned Thomas Jefferson University medical system to become a regional joint replacement and rehabilitation hospital that will serve the City well into the 21st century.

The Wilmington Renaissance Corp. (WRC) is a public/private partnership funded by many of the largest employers within Wilmington's Downtown business district. WRC has benchmarked best practices of other cities and assembled local focus groups to come up with one "big idea" for Wilmington to adopt. The priority idea, which garnered wide community support, is to revitalize the area immediately west of the Market Street commercial corridor into a "Creative District" to serve as a hub for the City's artistic, design, and technological communities. The project is a multi-year initiative involving the development of housing, production spaces, and office spaces, as well as expanded cultural programming and public art projects. The first phase is for artist housing in the historic Quaker Hill neighborhood immediately adjacent to Downtown. Ground was broken this summer for the creation of seven one-bedroom live/work condominium units and three single-family homes.

In the fall of 2015, a new Residence Inn Marriott hotel will be developed at the northern edge of the Downtown district, close to the beautiful Brandywine River. This $11 million project will convert a 67,000 square foot building that has been vacant for over a decade into 97 extended-stay hotel rooms.

The Christina Riverfront

The newest building on the Riverfront is the Residences at Harlan Flats, a five-story, 116-unit market-rate residential building that opened for leasing in December of 2014. The $20 million project features one- and two-bedroom apartments with balconies, river views, and an outdoor pool and terrace that are already more than 60% occupied. The construction phase generated 80 construction jobs and $200,000 in one-time City revenues. Annually, it is expected to bring in $175,000 in recurring revenue. This project represents the second of three phases of the 20-acre Justison Landing redevelopment site. There remain two approved mixed- use development sites still available for future economic development opportunities.

The new 180-room Westin Hotel opened its doors adjacent to the Chase Center on the City's Riverfront in April of 2014. The project sits at the southern gateway to Wilmington, and features cutting-edge architecture and interior design. Surrounding the Westin are Wilmington's many Riverfront attractions, such as the Blue Rocks stadium; the Shipyard Shops; the Delaware Children's Museum; and a multitude of dining options, including Harry's Seafood Grill, Iron Hill Brewery, Big Fish, Joe's Crab Shack, Firestone, Timothy's, and Kooma. The addition of this full-service hotel to Wilmington has attracted guests who previously lodged outside of the City, as well as helped increase the Chase Center's stature as a premier regional conference destination. The $40 million dollar project brought 150 construction jobs to Wilmington between 2012 and 2014. The Westin currently employs 100 people, and generates $260,000 annually in lodging and wage tax revenues for the City's General Fund.

The Delaware Department of Transportation has completed land acquisition, environmental permitting, and designing for a new multimodal Christina River bridge crossing. In planning since 2008, this $40 million project will connect the east side of the Christina River to Wilmington's Riverfront attractions on the west side and provide better access to I-95, I-495, and US Route 13. In addition to vehicular traffic, the bridge will carry bicycles and pedestrians, and create a greenway connection from the east bank of the Christina to the City's Riverwalk, the Peterson Urban Wildlife Refuge, and the Dupont Environmental Education Center. Construction of the bridge is scheduled to start in 2016.

Neighborhood Improvements

Woodlawn Trustees, a 100 year-old foundation created by the Wilmington industrialist and philanthropist William Bancroft, broke ground in May 2015 on the first phase of a seven-phase, ten-year project that brings $100 million dollars of investment to a traditionally working class neighborhood, known as "The Flats". The project calls for the demolition of 430 obsolete residential units and their replacement with 450 new units that will maintain the historic feel and character of this neighborhood along the Bancroft Parkway.

A major new tool the City is in the process of creating will be known as the Neighborhood Conservancy & Land Bank (NCLB). Using NCLB, the City will be more aggressive, efficient, comprehensive, coordinated, transparent, and strategic in its effort to deal with vacancies and blight. Whether for public use or private development, vacant and abandoned parcels in the City will be more quickly converted into productive sites.

The City has also procured the services of The Reinvestment Fund, a national leader in the financing of neighborhood revitalization, to perform a market value analysis of Wilmington's real estate market. The analysis will be used to guide future investments to stabilize housing values and strengthen the local housing market.

Economic Development Planning Process

In a joint press conference in the fall of 2014, the City of Wilmington and New Castle County announced their comprehensive economic development plans. Developed in coordination with the County plan, the City's Economic Development Strategic Action Plan outlines a number of recommendations to position Wilmington for long-term economic growth. In spring of 2015, the City Council adopted the plan, and OED is making presentations across the City to inform and gain support from the business community and the public as preparation is made to move into the implementation phase of the process.

Conclusion

Strong hiring in the Finance and Insurance sector and declining unemployment are key indicators of Wilmington's economic recovery. Gains won through the Business Incentive Program demonstrate that Wilmington's business-friendly policies still meet the needs of the private sector and continue to draw investment. The continued transformation of the City's Downtown, Riverfront, and neighborhoods has generated activity, excitement, and a building sense of pride in Wilmington. Thoughtful, data-driven planning processes involving collaboration of the business community, non-profits, neighborhood groups, and government have set the course for future growth for Wilmington.

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 City Code requires the operating budget to be "balanced" or operating expenditures must be equal to revenues plus prior years' accumulated surplus.
- Wilmington's financial position shall be managed conservatively.
- A target of 80% or more of the General Fund or operating budget should represent direct essential services to the citizens such as Police, Fire, Public Works, Parks & Recreation and L & I.
- Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such the Consumer Price Index (CPI) or Producer Price Index (PPI). Cost containment should be achieved without elimination of services or programs. New programs should be implemented only through cost savings from existing programs. Innovation and new technology must be utilized to achieve the most cost effective service delivery.
- Revenue generation will be derived from various sources with the primary focus on economic development activities. The broadening of the tax base rather than increases to tax rates is the objective; however, real estate tax rates and various user charges should be periodically adjusted to account for inflation. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 95% or greater.
- All components of Wilmington's infrastructure, including roads, water/wastewater transmission lines, water and sewer treatment plants, traffic signals, parks, public property, bridges, street lighting, reservoirs and other capital assets shall be reviewed quarterly and planned maintenance or replacement shall be approved by the Planning Commission and included in the City's Capital Budget and Program. Unexpended funds from previous Capital Budgets shall be reviewed quarterly to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount of new borrowing.
- Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge

timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law.

- The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

Major Initiatives. Mayor Dennis P. Williams' vision is for Wilmington to be a thriving City where our communities are safe, where our businesses are eager to invest and grow, and where our citizens prefer to live. This vision will be achieved through:

- Effective City Government
- Strengthened Public Safety
- Promoting Economic Vitality
- Quality of Life

Public Service
The City will meet the service needs of our citizens in a professional, caring, and efficient manner by embracing a culture of service throughout the City workforce, increase accountability in the City workforce, enhance fiscal prudence, and ensure continued transparency.

Neighborhoods
The Administration will decrease crime and improve residents' and visitors' sense of security by preventing and deterring violent crime, cultivating a positive relationship between our law enforcement officers and the communities that they serve and protect, promoting professionalism in all aspects of policing, and by successfully reintegrating formerly incarcerated individuals into our community.

Economic Prosperity
The City will increase economic opportunities for its citizens and businesses to achieve economic success for all by streamlining the business permitting processes, developing a skilled and motivated local workforce, encouraging and cultivating entrepreneurship, and attracting diversified new businesses to our city.

Quality of Life
We will be committed to enhancing Wilmington's image and position as a desirable City in which a growing number of people can live, work, and play by enhancing recreational opportunities throughout the city, strengthening our commitment to improving the quality of housing, and supporting existing and new enriching cultural experiences. Furthermore, the Mayor and his administration will remain committed to improve our City's services in order to maximize their positive impact on our neighborhoods. Finally, the City as a whole must strive to inspire our young people to achieve success in all of their future endeavors.

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, 2014. This was the 26th

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, 2014. 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, Belfint, Lyons and Shuman PA. 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. Credit must also be given to other professional contributors Citywide.

Respectfully submitted,

Sheila Winfrey-Brown, MBA
Director of Finance

Roseanne Prado
Acting Accounting Manager

Cornelia Henry
Senior Accountant

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wilmington

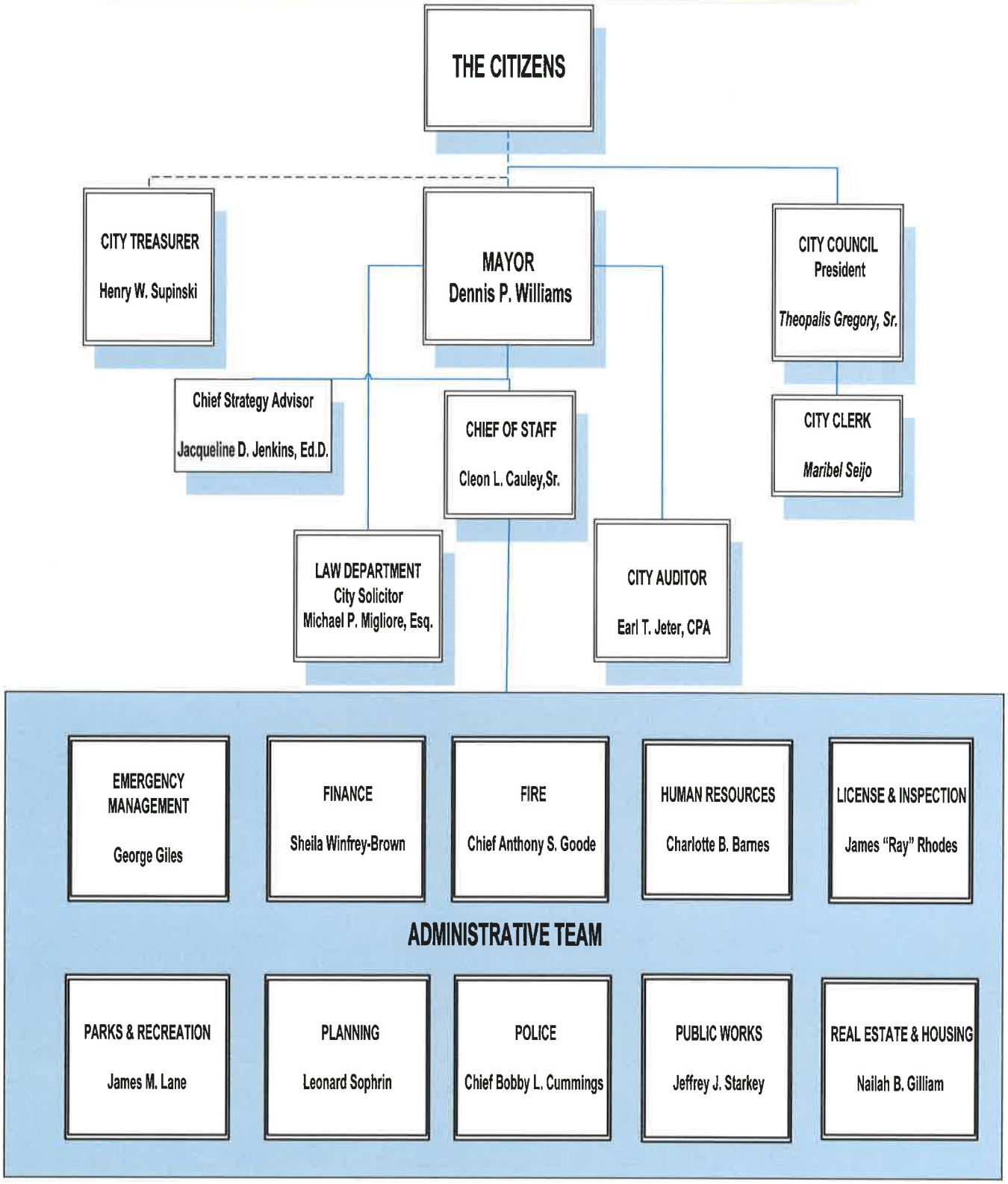
Delaware

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF WILMINGTON ORGANIZATION CHART



City of Wilmington
Listing of Principal Officials
June 30, 2014

Executive

Mayor	**Dennis P. Williams**
City Treasurer	Henry W. Supinski

City Council

President	Theopalis K. Gregory, Sr.
1st District	Nnamdi O. Chukwuocha
2nd District	Ernest Congo, II
3rd District	Darius J. Brown
4th District	Hanifa G.N. Shabazz
5th District	Samuel Prado
6th District	Sherry Dorsey Walker
7th District	Robert A. Williams
8th District	Charles M. Freel
Council Person at Large	Michael A. Brown, Sr.
Council Person at Large	Maria D. Cabrera
Council Person at Large	Loretta Walsh
Council Person at Large	Justen A. Wright

Department Heads

Chief of Staff	Cleon L. Cauley, Sr.
City Solicitor	Michael P. Migliore, Esquire
City Auditor	Earl T. Jeter, CPA
Clerk of Council	Maribel Seijo
Emergency Management	George B. Giles
Finance	Sheila Winfrey-Brown
Fire	Anthony S. Goode
Human Resources	Charlotte B. Barnes
Licenses and Inspections	James " Ray" Rhodes
Parks and Recreation	James M. Lane
Planning	Leonard Sophrin
Police	Bobby L. Cummings
Public Works	Jeffrey J. Starkey
Real Estate and Housing	Nailah B. Gilliam

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. This is the 106th Session of the City Council.

Theopalis K. Gregory, Sr.
City Council President

Nnamdi O. Chukwuocha,
1st District

Ernest "Trippi" Congo II
2nd District

Darius J. Brown
3rd District

Hanifa G.N. Shabazz
4th District

Samuel Prado
5th District

Sherry Dorsey-Walker
6th District

Robert A. Williams
7th District

Charles M."Bud" Freel
8th District

Michael A. Brown, Sr.
At-Large

Marie D. Cabrera
At-Large

Loretta Walsh
At-Large

Justen A. Wright
At-Large

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Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Wilmington, Delaware

Report on the Financial Statements

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 (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Parking Authority, Rock Manor Golf Corporation, Wilmington UDAG Corporation, and Riverfront Wilmington Business Improvement District which represent 97.1%, 98.1%, and 71.0%, respectively, of assets, net position, and revenues 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 43.0%, 72.9%, and 1.7%, respectively, of assets, fund balance, and revenues, of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Christina Gateway Corporation, Wilmington Parking Authority, Rock Manor Golf Corporation, Wilmington UDAG Corporation, Riverfront Wilmington Business Improvement District, and Wilmington Park Trust Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

1011 Centre Road · Suite 310 | Wilmington · DE 19805 | Phone 302.225.0600 | Fax 302.225.0625

A Professional Service Corporation with Offices in Wilmington, Delaware and West Chester, Pennsylvania
Member of the American Institute of Certified Public Accountants · An Independent Member Firm of PrimeGlobal

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of the City of Wilmington, Delaware, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, in 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions–an Amendment of GASB Statement No. 27*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date–an Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

As discussed in Note 19, the City's June 30, 2015 financial statements have been restated. The restatement is the result of subsequent discoveries of fact identifying errors in previously issued financial statements related to liabilities for workers' compensation claims and accounts receivable for parking citations. As a result of these errors, the previously issued auditors' report on the City's June 30, 2015 financial statements, dated December 30, 2015, is not to be relied upon. That report is being replaced by this report on the City's restated June 30, 2015 financial statements.

As referenced in our *Other Reporting Required by Government Auditing Standards* paragraph of this report, our independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards references findings 2015-12 and 2015-13 which relate specifically to the errors which resulted in the restatement of the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedules 1 through 5 on pages 4 through 16 and pages 90 through 96, respectively, be presented to

supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

December 30, 2015, except as to Note 19, which is as of October 13, 2016
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2015

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, 2015. 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 $93,535,272 (net position). This was a decrease in net position of $135,842,179 from the previous year primarily due to a $144,743,118 prior period adjustment for the implementation of GASB No. 68. Without the prior period adjustments, the net position of governmental activities increased $10,847,316 during the current year, while the net position from business activities increased $10,004,833.

- Discretely presented component units reported net position of $51,083,723. This was an increase of $3,709,281 from the previous year primarily due to the prior period adjustment for the addition of Cityfest, Inc. and Rock Manor Corporation. The net position of component unit activities increased $1,088,420 during the current 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 $63,040,839 a decrease of $9,752,986 from the previous year. The Fund Balance reported is: Nonspendable Fund Balance of $4,162,617; Restricted Fund Balance of $12,380,914; Committed Fund Balance of $21,930,198; and an Unassigned Fund Balance totaling $24,567,110 (see page 20 for detail breakdown).

- The Housing Strategic Fund had a committed fund balance in the amount of ($346,207).

- The Economic Strategic Fund had a combined fund balance of $5,243,023 consisting of $27,580 of restricted fund balance and $5,215,443 of committed fund balance for current and future economic development activities.

- The Capital Projects Fund had a restricted fund balance in the amount of $6,751,154 to fund current and future City capital improvements.

- The Other Governmental Funds have a combined fund balance of $8,343,711 consisting of $977,910 in nonspendable, $5,602,180 of restricted fund balance and $1,891,276 of committed fund balance and ($127,655) in unassigned fund balance.

Long-Term Debt

- The City's total net general obligation debt decreased to $294,060,438 at June 30, 2015, a decrease of $8,211,888. Water and sewer projects had a net increase in debt of $57,789 and governmental capital projects had a net decrease in debt of $8,269,677.

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 Position (page 18) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 storm water 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, Wilmington UDAG Corporation, Wilmington Parking Authority, Wilmington Downtown Business Improvement District (Downtown Visions), Riverfront Wilmington Business Improvement District, Cityfest, Inc., and the Rock Manor Golf Corporation (Rock Manor).

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 Position 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 Fund, Economic Strategic 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 for others and includes the pension trust 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 90.

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 98.

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 120.

Financial Analysis of the Government as a Whole

Net Position. A year-to-year comparison of net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other Assets	$ 119,037,021	$ 124,647,429	$ 32,034,134	$ 30,119,848	$ 151,071,155	$ 154,767,277
Capital Assets	187,262,223	190,624,967	296,275,321	293,453,858	483,537,544	484,078,825
Total Assets	306,299,244	315,272,396	328,309,455	323,573,706	634,608,699	638,846,102
Deferred outflows of resources	16,177,149	4,045,189	4,212,016	3,961,119	20,389,165	8,006,308
Long Term Liabilities	323,479,480	188,546,427	195,524,705	189,587,436	519,004,185	378,133,863
Other Liabilities	21,040,104	21,249,870	13,990,822	18,091,226	35,030,926	39,341,096
Total Liabilities	344,519,584	209,796,297	209,515,527	207,678,662	554,035,111	417,474,959
Deferred inflows of resources	7,115,061	-	312,420	-	7,427,481	-
Net Position:						
Net Investment in Capital Assets	74,784,855	70,032,240	116,858,039	116,604,537	191,642,894	186,636,777
Restricted	12,380,914	18,931,202	-	-	12,380,914	18,931,202
Unrestricted	(116,324,021)	20,557,846	5,835,485	3,251,626	(110,488,536)	23,809,472
Total Net Position	$ (29,158,252)	$ 109,521,288	$ 122,693,524	$ 119,856,163	$ 93,535,272	$ 229,377,451

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services; consequently, these assets are not currently available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portions of the City's net position are either restricted $12,380,914 or unrestricted ($110,488,536). Unrestricted net position may be used to meet the government's ongoing obligations. At the end of the current fiscal year, the City's total net position was $93,535,272.

Changes in Net Position. The Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions in June 2012 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68 in November 2013. The implementation of GASB 68 and 71 are reflected in the fiscal year 2015 financial statements. These Statements require a new approach to recording an employer's pension liability. This new approach reflects the underlying notion that pensions are a form of compensation provided to employees in exchange for the services they provide to a government over the

employees' career. The implementation of GASB No. 68 and 71 resulted in a material increase in the City's Liabilities and a material impact on the City's Net Position.

A schedule of a comparison of year-to-year changes in activity follows. The combined net position of the City decreased by $135,842,179 compared to the prior year due to $156,694,328 of total prior period adjustments (of which $144,743,118 represents the GASB No. 68 adjustment). Over the course of this year's operations, the net position of governmental activities increased $10,847,316, and the net position of business-type activities increased by $10,004,833 (not including prior period adjustments).

City of Wilmington's Changes in Net Position
Year Ended June 30, 2015

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program Revenues:						
Charges for Services	$ 25,573,412	$ 26,173,924	$ 73,926,346	$ 76,491,666	$ 99,499,758	$ 102,665,590
Operating Grants & Contributions	19,095,300	16,907,582	-	-	19,095,300	16,907,582
Capital Grants & Contributions	2,341,802	1,377,611	167,892	67,784	2,509,694	1,445,395
General Revenues:						
Total Taxes	106,347,831	105,392,358	-	-	106,347,831	105,392,358
Investment Earnings	324,461	1,004,623	3,502	4,135	327,963	1,008,758
Other Revenues	14,137,931	13,705,711	-	-	14,137,931	13,705,711
Total Revenues	167,820,737	164,561,809	74,097,740	76,563,585	241,918,477	241,125,393
EXPENSES						
General Government	28,495,073	27,630,002	-	-	28,495,073	27,630,002
Real Estate and Housing	6,434,211	5,431,791	-	-	6,434,211	5,431,791
Public Works	23,447,957	23,807,433	-	-	23,447,957	23,807,433
Parks and Recreation	10,317,892	9,077,378	-	-	10,317,892	9,077,378
Public Safety	83,938,497	90,737,719	-	-	83,938,497	90,737,719
Interest on Long Term Debt	4,342,767	4,743,372	4,833,333	5,832,866	9,176,100	10,576,238
Water/Sewer	-	-	59,259,574	59,151,410	59,259,574	59,151,410
Total Expenses	156,976,397	161,427,695	64,092,907	64,984,276	221,069,304	226,411,971
Subtotal	10,844,340	3,134,114	10,004,833	11,579,309	20,849,173	14,713,422
Transfers	2,976	-	-	-	2,976	-
Change in Net Position	$ 10,847,316	$ 3,134,114	$ 10,004,833	$ 11,579,309	$ 20,852,149	$ 14,713,422
Net Position - Beginning	109,521,288	107,648,958	119,856,163	110,007,755	229,377,451	217,656,713
Prior Period Adjustments	(149,526,856)	(1,261,784)	(7,167,472)	(1,730,901)	(156,694,328)	(2,992,685)
Net Position - Beginning As Restated	(40,005,568)	106,387,174	112,688,691	108,276,854	72,683,123	214,664,028
Net Position - Ending	$ (29,158,252)	$ 109,521,288	$ 122,693,524	$ 119,856,163	$ 93,535,272	$ 229,377,450

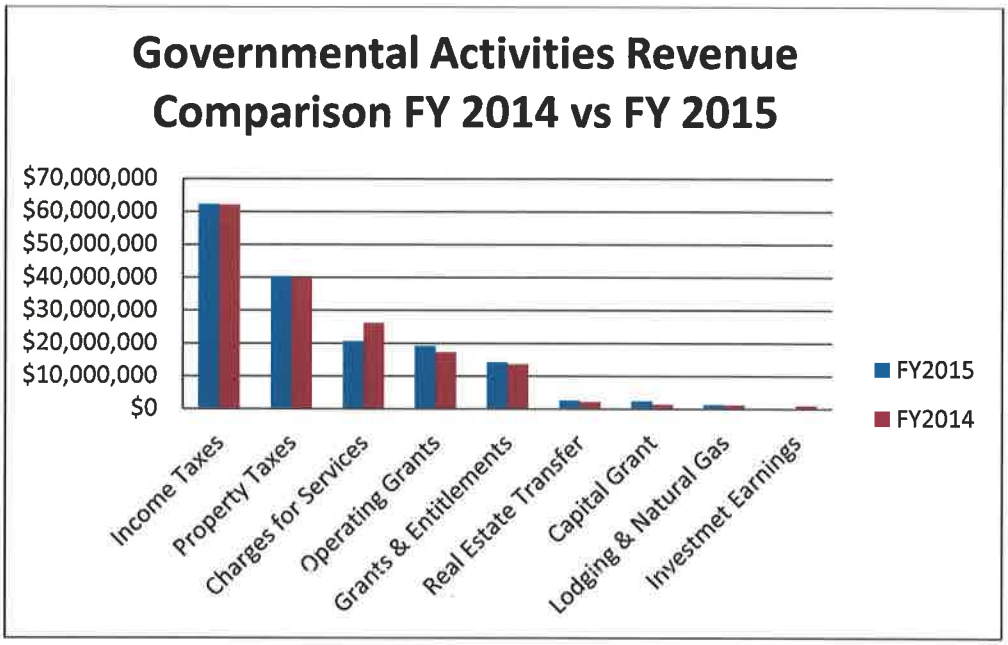
Governmental Activities

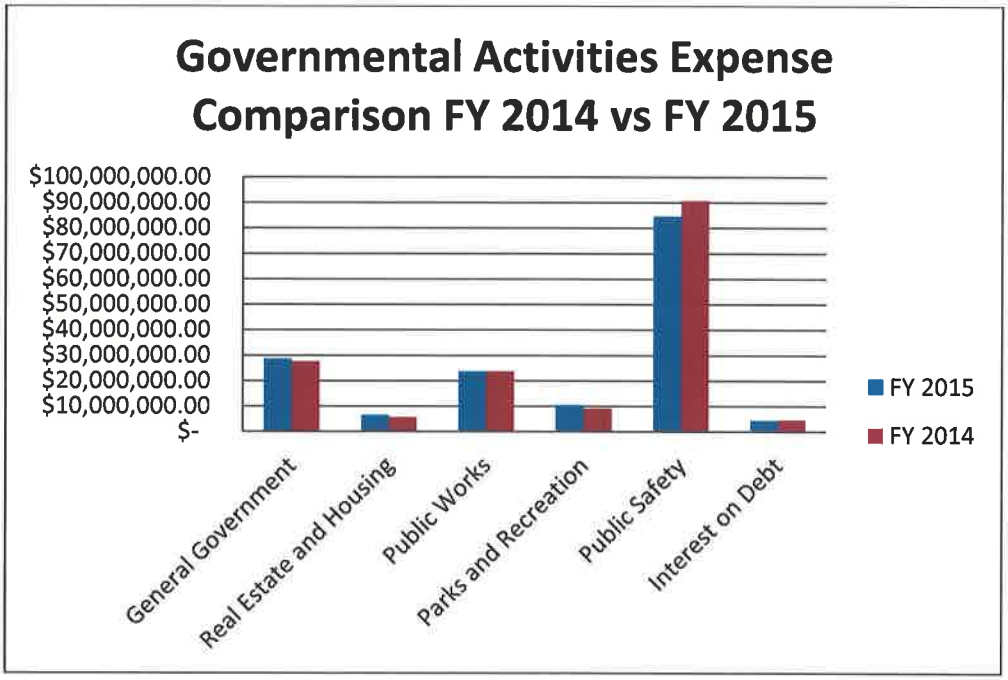
Revenues of governmental activities for fiscal year 2015 increased from 2014 by $3,258,928. This net increase reflects increases in general revenues, operating grants and capital grants by $707,531, $2,187,718 and $964,191 respectively. The charges for services revenue, which reimburse the City for specific activities, are the second largest source of governmental activity revenue at 15%. The key revenue elements are discussed later in the fund statement comparisons. Expenses and transfers of

governmental activities for fiscal year 2015 decreased by $4,448,322 compared to 2014. Key cost elements are discussed later in the fund statement comparison. The charts below depict a comparative view of the revenues and expenses of the governmental activities for fiscal year 2015 as compared to fiscal year 2014.

Business-type Activities

Net position of business-type activities increased by $10,004,833 (before prior period adjustment) for the current fiscal year primarily as a result of water related operating expenses holding steady to the prior year. Detail explanations of the variance are contained in the financial analysis of the City's Funds - Proprietary Funds section on page 13.





Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported fund balances of $63,040,839. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with GASB No. 54:

- $4,162,617 is recorded as Nonspendable due to a $3,184,707 advance to the Motor Vehicle Fund and $977,910 in Wilmington Park Related Commissions;
- $12,380,914 is recorded as Restricted; $6,778,734 for capital projects, $5,123,545 for park operations, $478,635 for Other Purposes;
- $21,930,198 is recorded as Committed; $15,169,686 for the Budget Reserve Account, ($346,207) for Affordable Housing, $5,215,443 for Economic Development, $1,891,276 for other purposes; and
- $24,567,110 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, 2015, the fund balance composition included:

- $3,184,707 is recorded as Nonspendable due to an advance to the Motor Vehicle Fund;
- $15,169,686 is recorded as Committed for the Budget Reserve Account. The budget reserve account shall be determined at the end of each fiscal year and shall be equal to ten percent of the general fund operating budget (excluding extraordinary or one-time items) as authorized by city council as required by the City Code. The amount so designated as the budget reserve account shall only be accessed for adverse economic conditions or public emergency and when declared by council by ordinance enacted by a two-thirds vote (nine) of city council, following certification by the mayor of such economic conditions or public emergency.
- $24,694,765 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 fiscal year 2015 compared to budget and to fiscal year 2014.

The revenues for fiscal year 2015 increased $5,945,279 compared to the prior fiscal year. The primary factors are:

- Property Taxes increased by $1,906,060 due to a five percent (5%) increase of the property tax rate.

- Wage Taxes increased by $2,072,530 and Net Profit Taxes increased by $199,258 compared to 2014. The increase in revenues in Net Profit was due to increased audit and collection, while the increase in Wage Tax was due to employment income gains and increased audit collections.

- Intergovernmental revenues increased by $1,655,168 due to an increase in income derived from federal and state grants received by the City.

- Fines and forfeitures are collected by the City for red light photo citations, parking tickets, criminal, and booting fines. The City recognizes revenues when the fine is imposed. These revenues are down $1,079,367 from last fiscal year as a result of vacancies in the parking enforcement division. The vacancies are expected to be filled during fiscal year 2016.

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

	2014 Actual	2015 Actual	Variance Positive (Negative)	Final Budget	2015 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 38,140,803	$ 40,046,863	$ 1,906,060	$ 38,949,912	$ 40,046,863	$ 1,096,951
Wage	55,819,469	57,891,999	2,072,530	58,465,600	57,891,999	(573,601)
Net Profit	5,547,134	5,746,392	199,258	6,500,000	5,746,392	(753,608)
Franchise	916,631	899,239	(17,392)	916,631	899,239	(17,392)
Real Estate Transfer	2,117,563	2,501,244	383,681	2,000,000	2,501,244	501,244
Head	4,071,552	4,260,172	188,620	3,621,200	4,260,172	638,972
Lodging & Natural Gas	1,184,326	1,270,638	86,312	1,068,361	1,270,638	202,277
Intergovernmental	18,923,474	20,578,642	1,655,168	20,523,302	20,578,642	55,340
Licenses and Permits	3,880,469	4,296,561	416,092	3,911,260	4,296,561	385,301
Fines and Forfeitures	8,466,787	7,387,420	(1,079,367)	8,750,000	7,387,420	(1,362,580)
Charges for Services	6,290,095	6,440,237	150,142	6,528,967	6,440,237	(88,730)
Investment Earnings	192,064	176,237	(15,827)	211,759	176,237	(35,522)
Total Revenues	145,550,367	151,495,644	5,945,277	151,446,992	151,495,644	48,652
Expenditures:						
General Governmental Services:						
Mayor's Office	10,201,484	11,195,830	(994,346)	11,617,274	11,195,830	421,444
City Council	2,166,120	2,190,882	(24,762)	2,160,877	2,190,882	(30,005)
Audit	645,135	658,640	(13,505)	683,953	658,640	25,313
Law	2,820,393	3,075,308	(254,915)	3,078,878	3,075,308	3,570
Finance	9,457,929	9,300,988	156,941	10,123,519	9,300,988	822,531
Human Resources	1,827,818	1,991,441	(163,623)	2,120,449	1,991,441	129,008
Treasurer	449,429	471,311	(21,882)	436,883	471,311	(34,428)
Planning	1,699,512	1,591,373	108,139	1,723,907	1,591,373	132,534
Real Estate and Housing	1,716,983	1,839,410	(122,427)	1,779,584	1,839,410	(59,826)
Public Works	21,599,993	21,954,245	(354,252)	22,999,085	21,954,245	1,044,840
Parks and Recreation	8,366,574	9,307,964	(941,390)	9,263,303	9,307,964	(44,661)
Public Safety:					-	
Licenses and Inspection	4,962,720	4,945,232	17,488	5,201,742	4,945,232	256,510
Fire	23,454,772	24,568,989	(1,114,217)	24,755,957	24,568,989	186,968
Police	56,657,818	57,366,678	(708,860)	55,445,953	57,366,678	(1,920,725)
Total Expenditures	146,026,680	150,458,291	(4,431,611)	151,391,364	150,458,291	933,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,313)	1,037,353	1,513,666	55,628	1,037,353	981,725
Other Financing Sources (Uses)						
Bonds Issued	-	-	-	-	-	-
Bond Premiums	-	-	-	-	-	-
Bond Payments to Escrow Agent	-	-	-	-	-	-
Transfers In	-	1,696	1,696	-	1,696	1,696
Transfers Out	(54,753)	-	54,753	-	-	-
Total Other Financing Sources (Uses)	(54,753)	1,696	56,449	-	1,696	1,696
Net Change in Fund Balances	$ (531,066)	$ 1,039,049	$ 1,570,115	$ 55,628	$ 1,039,049	$ 983,421

The current year's expenditures and transfers out increased by $4,376,858 compared to fiscal year 2014 spending levels. The increase resulted primarily from employee medical benefit cost increases, an actuarial adjustment in estimated outstanding losses, and general insurance costs.

- Police expenditures, which represented 38% of the City's General Fund expenditures, increased by $708,860. This was primarily due to increase in medical costs, increase in actuarial adjustment for estimated outstanding losses, and hiring a new class of police officers.

- General Governmental Service expenditures for 2015, which were 20% of General Fund expenditures, experienced an increase of $1,207,593. A primary driver was an increase in debt service.

- Fire expenditures, which represented 16% of the City's General Fund expenditures, experienced an increase of $1,114,217 primarily due to the increase in medical costs, increase in actuarial adjustment for estimated outstanding losses, and hiring a new class of firefighters.

- Public Works, 15% of General Fund expenditures, saw expenditures increase by $354,252 primarily attributable to an increase in materials, supplies, and equipment.

- Parks and Recreation, 6% of General Fund expenditures, had increased expenditures of $941,390 primarily due to an increase in materials, supplies, and equipment and an increase in the use of consultants and temporary staff due to vacancies.

- Real Estate and Housing, 1% of General Fund expenditures, incurred year-to-year expenditure increases of $122,427 primarily due to increase in personal services.

Other Major Funds – Comparison to Prior Year

The Housing Strategic Fund reported an ending fund balance of ($346,207), a decrease of $977,334 from the prior fiscal year due to the decline in funds used to fulfill the City's affordable housing programs. Housing Strategic Fund disbursements have increased from $578,840 to $1,036,935; these costs tend to rise and fall as opportunities present themselves and as the impact of the expenditures can be enhanced through the use of grants and local partnerships.

Fund balance of the Economic Strategic Fund decreased by $335,359 in fiscal year 2015. As total expenditures increased from $164,375 to $377,084, the primary focus of the Economic Development Strategic Fund for fiscal year 2015 has been providing employment-based incentives to assist new employers locate their workforce to the City of Wilmington, and providing other employment-based incentives to support small businesses and large-scale redevelopment projects across the city.

The fund balance of $6,751,154 for the Capital Projects Fund was $4,772,843 less than fiscal year 2014 due to a reduction in unspent bond funds for the acquisition, construction, or improvement of capital facilities. The level of Capital Projects Fund expenditures increased to $7,620,331 from $4,677,802 compared to 2014.

Proprietary Funds

Water/Sewer Funds – Comparison to Prior Year

The operation of the Business-type activities increased the City's net position by $10,004,833 versus an increase of $11,579,309 in fiscal year 2014.

- Direct User charges for water, sewer, and storm water decreased by $1,386,973, primarily as the result of a legal litigation case settlement.
- Capital Grant and Contribution revenue increased from $67,784 in 2014 to $167,892 in 2015.
- Compared to fiscal year 2014 results, total expenses decreased by $891,369. This was driven primarily by a decrease in interest expense.

General Fund Budgetary Highlights

The City adopted the fiscal year 2015 budget on May 22, 2014, and amended it to meet operational needs during the year. The City's practice is to amend budgeted revenue only for grants or new revenue streams and amend budgeted expenditures primarily to approve new spending authority.

The final budget contained $151,446,992 of revenues, $151,391,364 of expenditures before other financing uses. The original expenditures and transfers out were increased by $1,351,721 through mid-year budget amendments. The actual results were revenues before other financing sources (uses) of $48,652 over budget, expenditures of $933,073 under budget, and transfers in of $1,696 over budget.

- Property Taxes, representing 26% of General Fund Tax revenues, were $1,096,951 above expectations due to a 5% rate increase.
- Wage and Net Profit Tax revenues, representing 42% of General Fund Tax revenues, were under budget $1,327,209, due to vacancies throughout the fiscal year in the wage tax collection division.
- Real Estate Transfer Taxes were over the budget by $501,244 primarily due to the slight increase in sales of residential homes increasing.
- Fines and forfeitures were under budget by $1,362,580 as violations at older sites and red light camera fines decreased. In addition, there were vacancies in the parking enforcement division. The vacancies are expected to be filled during fiscal year 2016.
- Investment earnings were under the budget by $35,522 due to a decrease in interest income.
- Mayor's Office expenditures were under budget by $421,444 primarily due to reduction in internal service funds costs and other materials, supplies, and equipment.
- Finance expenditures were under budget by $822,531 due to a decrease in commission expense as a result of the decrease in citation and red-light camera tickets.
- Public Works expenditures were under budget by $1,044,840 due primarily to a decrease in debt service costs and a decrease cost in building maintenance.
- Parks and Recreation expenditures were over budget by $44,661 primarily due to an increase in the use of temporary employees.

- Police expenditures were over budget by $1,920,575 primarily due to increase in medical costs, increase in actuarial adjustment for estimated outstanding losses, and an increase in overtime costs.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2015, the City had invested $483,012,516, net of accumulated depreciation, in a broad range of capital assets. The table below presents fiscal year 2015 asset balances compared to fiscal year 2014 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 ($5,087,163 invested) and in vehicle acquisitions and other equipment ($4,868,163 invested).

Business-type Activities:

- Continued construction to modernize the Brandywine Water Filter Plant was a major part of $1,879,757 of the 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 $3,025,676 as the City continues its efforts to reline or replace aging water lines.
- Sewer Line construction often related to combined sewer overflow remediation efforts added $85,518 during FY 2015.

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	
	2015	2014	2015	2014	2015	2014
Land	$ 24,090,181	$ 24,090,181	$ 4,060,443	$ 4,060,443	$ 28,150,624	$ 28,150,624
Art	1,920,043	1,920,043	-	-	1,920,043	1,920,043
Construction in Progress	995,012	1,775,075	40,288,366	34,951,220	41,283,378	36,726,295
Buildings & Improvements	53,923,298	57,208,396	20,857,783	21,451,297	74,781,081	78,659,693
Parks & Recreation Facilities	12,134,555	12,493,122	-	-	12,134,555	12,493,122
Streets & Signals	69,850,174	68,465,577	-	-	69,850,174	68,465,577
Water Reservoirs, Facilities & Water Lines	-	-	139,442,611	138,389,088	139,442,611	138,389,088
Wastewater Facilities & Sewer Lines	-	-	91,626,118	94,601,810	91,626,118	94,601,810
Vehicles, Equipment & Other	24,348,960	24,672,571	-	-	24,348,960	24,672,571
Totals	$ 187,262,223	$ 190,624,965	$ 296,275,321	$ 293,453,858	$ 483,537,544	$ 484,078,823

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 $294,060,438. Of this amount, $111,953,477 comprises debt related to Governmental activities and $182,106,961 is supported by Business-Type activities. New bond issues authorized during the fiscal year (further detailed in Note 9) include:

- A DDWSRF agreement dated October 21, 2014, for an amount not to exceed $4,000,000 at an interest rate of 1.50% is related to costs associated with the Transmission Main Improvements.

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 AA2 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	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	$ 111,953,477	$ 120,223,154	$ 182,106,961	$ 182,049,172	$ 294,060,438	$ 302,272,326

Economic Factors and 2015 Budgets and Rates

The City of Wilmington is beginning to show signs of an economic revival through the continuing residential and commercial additions that are on the horizon. Approximately 150 new apartments are scheduled to become available this year in six different North Market Street projects. These apartments will be a mix of market-rate and low-income homes. The goal of the new apartments will be to entice people currently working within the City, to stay in the City beyond work hours. The trend of redeveloping uninhibited former industrial buildings has been ideal for the area and for the revitalization.

Once the residential improvement developments are underway, developers such as Buccini/Pollin will turn its emphasis to entertainment options. Building upon the success of the Riverfront, adding downtown shops, bars, and restaurants will go a long way to adding new residents to the City. The attractions to the younger demographic will cause a rise in future economic factors due to the increase of consumer disposable income.

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 2015 budget primarily with a mix of fiscal restraints which permits its citizens to receive the services they expect and deserve from their City government.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2015. The City's budget addresses economic development, public safety, and infrastructure needs.

The property tax rate increased 5% while other taxes remained unchanged; however departments looked at charges for services to assure coverage of incurred costs. Water, sewer, and stormwater rates increased by 5%.

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 Sheila Winfrey-Brown, Director of Finance, 800 N. French Street, 5th Floor, 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 of the discretely presented component units start on page 34.

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Position
June 30, 2015

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 56,490,972	$ -	$ 56,490,972	$ 17,417,946
Receivables, Net (Note 4)	27,738,260	27,697,642	55,435,902	4,723,555
Internal Balances	4,946,928	(4,946,928)	-	-
Due from Other Governments	11,127,758	672,039	11,799,797	-
Due from Component Unit	275,000	-	275,000	-
Other Assets	269,956	-	269,956	212,173
Net Pension Asset	3,758,949	13,425	3,772,374	11,348
Restricted Assets:			-	
Cash and Investments (Note 3)	14,429,198	8,597,956	23,027,154	2,336,875
Capital Assets, Net (Note 6)			-	
Land	24,090,181	4,060,443	28,150,624	19,044,863
Art	1,920,043	-	1,920,043	-
Construction in Progress	995,013	40,288,366	41,283,379	1,390,249
Buildings & Improvements	53,923,298	20,857,783	74,781,081	25,942,322
Parks & Recreation Facilities	12,134,555	-	12,134,555	-
Streets & Street Signals	69,850,173	-	69,850,173	-
Water & Sewer Systems	-	231,068,729	231,068,729	-
Vehicles, Equipment, and Other	24,348,960	-	24,348,960	486,093
Total Assets	306,299,244	328,309,455	634,608,699	71,565,424
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	12,666,776	750,468	13,417,244	9,226
Deferred on refunding of bonds	3,510,373	3,461,548	6,971,921	-
Total Deferred Outflows of Resources	16,177,149	4,212,016	20,389,165	9,226
LIABILITIES				
Accounts Payable & Accrued Expenses	8,973,703	8,785,976	17,759,679	1,299,912
Salaries and Benefits Payable	3,391,728	246,996	3,638,724	289,817
Unearned Revenue	2,686,520	4,957,850	7,644,370	326,107
Other Liabilities	5,988,153	-	5,988,153	275,000
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	8,811,720	8,703,765	17,515,485	2,653,759
Capital Leases	2,246,828	-	2,246,828	-
Claims Liabilities	5,243,603	-	5,243,603	-
Compensated Absences	5,510,865	419,541	5,930,406	-
Due in More Than One Year:				
Bonds Payable	109,742,873	179,597,808	289,340,681	15,495,292
Capital Leases	3,681,659	-	3,681,659	-
Claims Liabilities	17,354,225	-	17,354,225	-
Compensated Absences	2,723,486	-	2,723,486	-
Other Post Employment Benefits Payable	31,215,314	-	31,215,314	-
Net Pension Liability	136,948,907	6,803,591	143,752,498	-
Total Liabilities	344,519,584	209,515,527	554,035,111	20,339,887
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions	7,115,061	312,420	7,427,481	151,040
NET POSITION				
Net Investment in Capital Assets	74,784,855	116,858,039	191,642,894	29,599,936
Restricted for:				
Net Pension Asset	-	-	-	11,348
Capital Projects	6,778,734	-	6,778,734	1,694,394
Debt Service	-	-	-	1,851,437
Park Operations & Other - Expendable	5,123,545	-	5,123,545	-
Park Operations & Other - Nonexpendable	478,635	-	478,635	-
Unrestricted	(116,324,021)	5,835,485	(110,488,536)	17,926,608
Total Net Position	$ (29,158,252)	$ 122,693,524	$ 93,535,272	$ 51,083,723

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, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital	Net (Expense) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Governmental Services	$ 28,495,073	$ 10,471,882	$ 1,676,455	$ -	$ (16,346,736)	$ -	$ (16,346,736)	$ -
Real Estate and Housing	6,434,211	247,075	4,683,429	-	(1,503,707)	-	(1,503,707)	-
Public Works	23,447,957	162,702	860,460	2,341,802	(20,082,993)	-	(20,082,993)	-
Parks and Recreation	10,317,892	79,359	1,597,673	-	(8,640,860)	-	(8,640,860)	-
Public Safety	83,938,497	14,612,394	10,277,283	-	(59,048,820)	-	(59,048,820)	-
Interest on Long-term Debt	4,342,767	-	-	-	(4,342,767)	-	(4,342,767)	-
Total Governmental Activities	156,976,397	25,573,412	19,095,300	2,341,802	(109,965,883)	-	(109,965,883)	-
Business-type Activities:								
Water/Sewer	64,092,907	73,926,346	-	167,892	-	10,001,331	10,001,331	-
Total Primary Governments	$ 221,069,304	$ 99,499,758	$ 19,095,300	$ 2,509,694	(109,965,883)	10,001,331	(99,964,552)	-
Component Units:								
Christina Gateway Corporation	$ 83,880	$ -	$ -	$ -	-	-	-	(83,880)
Wilmington UDAG Corporation	654,157	224,742	-	-	-	-	-	(429,415)
Wilmington Parking Authority	6,870,551	7,754,548	-	-	-	-	-	940,806
Downtown Visions	2,939,112	3,023,617	-	-	-	-	-	84,505
Riverfront Business Improvement District	389,262	462,339	-	-	-	-	-	73,077
Rock Manor Golf Corporation	175,697	203,423	-	-	-	-	-	27,726
Cityfest Inc.	522,891	241,298	-	-	-	-	-	(281,593)
Total Component Units	$ 11,635,550	$ 11,909,967	$ -	$ -	-	-	-	331,226
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					40,289,471	-	40,289,471	-
Income Taxes					62,286,478	-	62,286,478	-
Real Estate Transfer					2,501,244	-	2,501,244	-
Lodging & Natural Gas Taxes					1,270,638	-	1,270,638	-
Investment Earnings					324,461	3,502	327,963	193,748
Other Revenues including Capital Asset Gains					-	-	-	159,135
Grants, Entitlements, and Contributions not Restricted to Specific Programs					14,137,931	-	14,137,931	404,311
Total General Revenues					120,810,223	3,502	120,813,725	757,194
Transfers					2,976	-	2,976	-
Total General Revenues after Transfers					120,813,199	3,502	120,816,701	757,194
Change in Net Position					10,847,316	10,004,833	20,852,149	1,088,420
Net Position - Beginning					109,521,288	119,856,163	229,377,451	47,374,442
Prior Period Adjustment (Note 18) & (Note 19)					(149,526,856)	(7,167,472)	(156,694,328)	2,620,861
Net Assets - Beginning As Restated					(40,005,568)	112,688,691	82,514,539	49,995,303
Net Position - Ending					$ (29,158,252)	$ 122,693,524	$ 93,535,272	$ 51,083,723

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2015

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 25,686,915	$ -	$ 5,215,443	$ -	$ 3,609,200	$ 34,511,558
Receivables, Net (Note 4)	23,572,257	3,223,265	-	-	916,183	27,711,705
Due from Other Funds (Note 7)	7,310,903	-	-	-	960	7,311,863
Due from Component Unit	275,000	-	-	-	-	275,000
Due from Other Governments	6,306,965	-	-	775,469	4,045,324	11,127,758
Prepaid Items & Other Assets	-	-	-	-	14,956	14,956
Advances Due from Other Funds	3,184,707	-	-	-	-	3,184,707
Restricted Assets:						
Cash and Investments (Note 3)	-	-	27,580	7,857,108	5,842,001	13,726,689
TOTAL ASSETS	$ 66,336,747	$ 3,223,265	$ 5,243,023	$ 8,632,577	$ 14,428,624	$ 97,864,236
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 2,895,501	$ 45,110	$ -	$ 1,393,243	$ 1,032,206	$ 5,366,060
Salaries and Benefits Payable	3,087,799	-	-	-	232,900	3,320,699
Due to Other Funds	960	321,096	-	-	2,089,063	2,411,119
Prepaid Rent	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	2,686,520	2,686,520
Other Liabilities	2,252,483	3,203,266	-	488,180	44,224	5,988,153
Total Liabilities	8,236,743	3,569,472	-	1,881,423	6,084,913	19,772,551
Deferred Inflows of Resources:						
Unavailable Revenues	$ 15,050,846	$ -	$ -	$ -	$ -	$ 15,050,846
Fund Balances:						
Nonspendable						
Advance to Motor Vehicle Fund (Note 7)	$3,184,707	-	-	-	-	3,184,707
Trust for Park Operations	-	-	-	-	977,910	977,910
Restricted						
Capital Projects	-	-	27,580	6,751,154	-	6,778,734
Park Operations	-	-	-	-	5,123,545	5,123,545
Other Purposes	-	-	-	-	478,635	478,635
Committed						
Budget Reserve Account	15,169,686	-	-	-	-	15,169,686
Affordable Housing	-	(346,207)	-	-	-	(346,207)
Economic Development	-	-	5,215,443	-	-	5,215,443
Other Purposes	-	-	-	-	1,891,276	1,891,276
Unassigned	24,694,765	-	-	-	(127,655)	24,567,110
Total Fund Balances	43,049,158	(346,207)	5,243,023	6,751,154	8,343,711	63,040,839
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 66,336,747	$ 3,223,265	$ 5,243,023	$ 8,632,577	$ 14,428,624	$ 97,864,236

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 Position
June 30, 2015

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

Total Fund Balances for Government Funds (Page 20)		$ 63,040,839
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 Position. Also excluded are $20,744,030 of internal service fund assets accounted for in the following line.		166,518,193
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 Position. The increase is equal to the internal service Net Position.		3,333,708
Net Pension Asset		3,758,949
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 inflows of resources in the fund statements.		15,050,846
Deferred Outflows of Resources:		
Deferred on refunding of bonds		3,292,577
Deferred amounts on pensions		12,666,776
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	$ (8,062,025)	
Other Post Employment Benefit (OPEB) Liability	(31,215,314)	
Accrued Interest on Long Term Debt	(497,114)	
Bond Premiums	(6,302,461)	
Bonds and Notes Payable	(106,679,258)	
Net Pension Liability	(136,948,907)	(289,705,079)
Deferred Inflows of Resources:		
Deferred amounts on pensions		(7,115,061)
Total Net Position of Governmental Activities (Page 18)		$ (29,158,252)

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, 2015

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 40,046,863	$ -	$ -	$ -	$ -	$ 40,046,863
Wage	57,891,999	-	-	-	-	57,891,999
Net Profit	5,746,392	-	-	-	-	5,746,392
Franchise	899,239	-	-	-	-	899,239
Real Estate Transfer	2,501,244	-	-	-	-	2,501,244
Head	4,260,172	-	-	-	-	4,260,172
Lodging & Natural Gas	1,270,638	-	-	-	-	1,270,638
Intergovernmental	20,578,642	-	-	2,341,802	13,356,059	36,276,503
Licenses and Permits	4,296,561	-	-	-	-	4,296,561
Fines and Forfeitures	7,387,420	-	-	-	-	7,387,420
Charges for Services	6,440,237	59,601	-	-	326,434	6,826,272
Investment Earnings	176,237	-	-	-	148,218	324,455
Total Revenues	151,495,644	59,601	-	2,341,802	13,830,711	167,727,758
EXPENDITURES						
Current:						
General Governmental Services	25,108,727	-	377,084	754,676	1,779,394	28,019,881
Real Estate and Housing	670,725	1,007,382	-	-	4,865,675	6,543,782
Public Works	18,634,392	-	-	-	870,732	19,505,124
Parks and Recreation	7,529,214	-	-	-	1,941,961	9,471,175
Public Safety	86,036,789	-	-	-	4,479,232	90,516,021
Debt Service:						
Principal Retirement	7,570,521	-	-	-	-	7,570,521
Interest and Fiscal Charges	4,907,923	29,553	-	-	-	4,937,476
Capital Outlays	-	-	-	6,865,655	48,683	6,914,338
Total Expenditures	150,458,291	1,036,935	377,084	7,620,331	13,985,677	173,478,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,037,353	(977,334)	(377,084)	(5,278,529)	(154,966)	(5,750,560)
OTHER FINANCING SOURCES (USES)						
Capital Lease Issued	-	-	-	413,828	-	413,828
Transfers In	1,696	-	41,725	-	-	43,421
Transfers Out	-	-	-	-	(40,445)	(40,445)
Total Other Financing Sources (Uses)	1,696	-	41,725	413,828	(40,445)	416,804
Net Change in Fund Balances	1,039,049	(977,334)	(335,359)	(4,864,701)	(195,411)	(5,333,756)
Fund Balance - Beginning	$ 46,057,266	$ 631,127	$ 5,578,382	$ 11,523,997	$ 9,003,053	$ 72,793,825
Prior Period Adjustment (Note 18) and (Note 19)	(4,047,157)	-	-	91,858	(463,931)	(4,419,230)
Fund Balance - Beginning as restated (Note 18)	42,010,109	631,127	5,578,382	11,615,855	8,539,122	68,374,595
Fund Balance - Ending	$ 43,049,158	$ (346,207)	$ 5,243,023	$ 6,751,154	$ 8,343,711	$ 63,040,839

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

City of Wilmington, Delaware

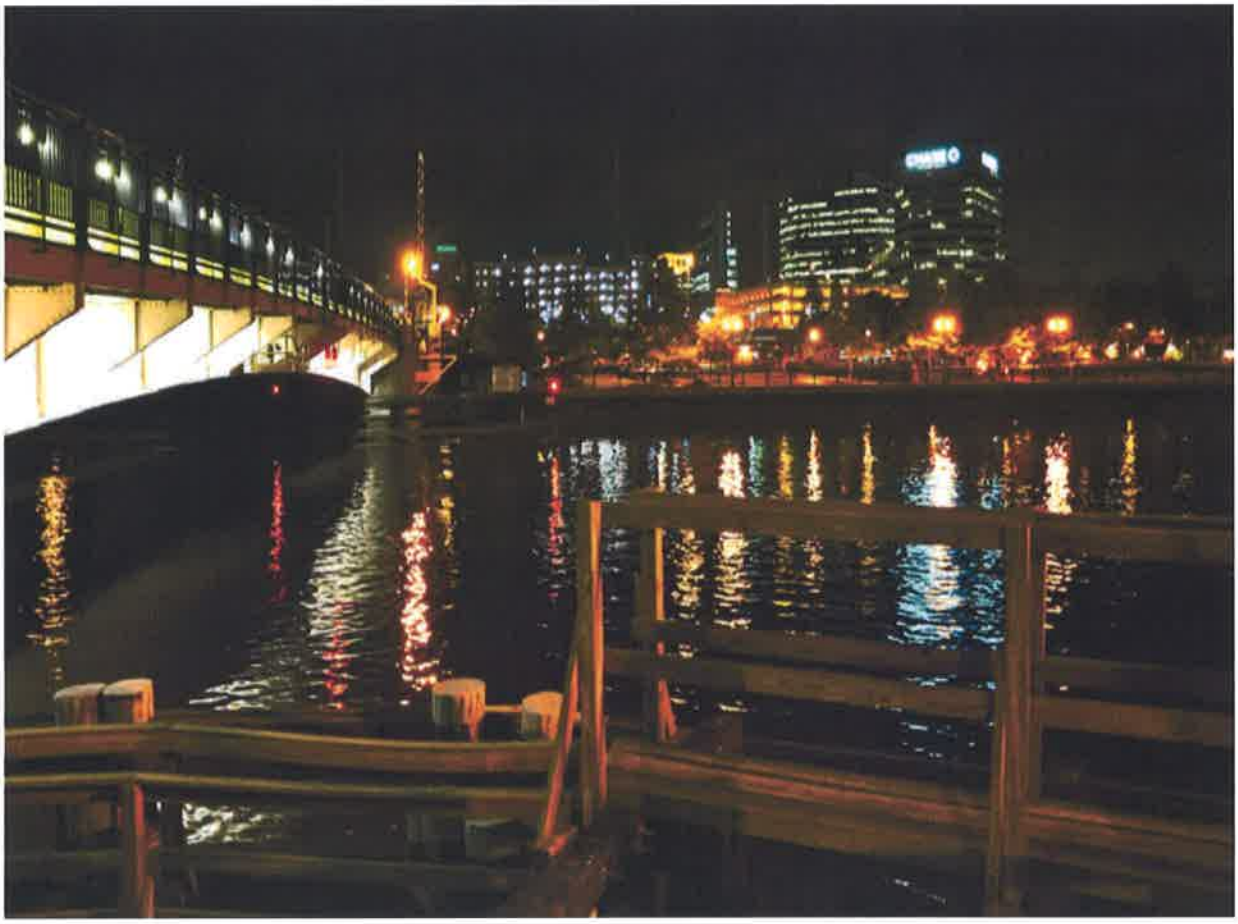
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2015

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)		$ (5,333,756)
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	$ 6,747,270	
Depreciation Expense	(6,312,998)	434,272
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)	$ (701,468)	
Property and Other Taxes	(1,109,305)	
Fees and Fines	1,903,749	92,976
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 position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
General Obligation Bonds	$ 7,570,521	
Capital Lease Issued	(413,828)	
Amortization of Premiums	417,381	7,574,074
Net Adjustment		
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	$ 743,979	
Other Post Employment Benefit (OPEB) Liability	(3,389,454)	
Accrued Interest on Long-Term Debt	177,331	(2,468,144)
The cost of pension benefits earned		10,547,894
Change in Net Position of governmental activities (page 19)		$ 10,847,316

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

Wilmington at Night



City of Wilmington, Delaware

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 38,949,912	$ 38,949,912	$ 40,046,863	$ 1,096,951
Wage	58,465,600	58,465,600	57,891,999	(573,601)
Net Profit	6,500,000	6,500,000	5,746,392	(753,608)
Franchise	916,631	916,631	899,239	(17,392)
Real Estate Transfer	2,000,000	2,000,000	2,501,244	501,244
Head	3,621,200	3,621,200	4,260,172	638,972
Lodging & Natural Gas	1,068,361	1,068,361	1,270,638	202,277
Intergovernmental	20,523,302	20,523,302	20,578,642	55,340
Licenses and Permits	3,911,260	3,911,260	4,296,561	385,301
Fines and Forfeitures	8,750,000	8,750,000	7,387,420	(1,362,580)
Charges for Services	6,528,967	6,528,967	6,440,237	(88,730)
Investment Earnings	211,759	211,759	176,237	(35,522)
Total Revenues	151,446,992	151,446,992	151,495,644	48,652
Expenditures:				
General Governmental Services:				
Mayor's Office	11,932,274	11,617,274	11,195,830	421,444
City Council	2,160,701	2,160,877	2,190,882	(30,005)
Audit	683,953	683,953	658,640	25,313
Law	2,895,898	3,078,878	3,075,308	3,570
Finance	10,123,519	10,123,519	9,300,988	822,531
Human Resources	2,116,170	2,120,449	1,991,441	129,008
Treasurer	436,883	436,883	471,311	(34,428)
Planning	1,723,907	1,723,907	1,591,373	132,534
Real Estate and Housing	1,779,584	1,779,584	1,839,410	(59,826)
Public Works	22,778,330	22,999,085	21,954,245	1,044,840
Parks and Recreation	9,231,100	9,263,303	9,307,964	(44,661)
Public Safety:				
Licenses and Inspection	5,201,439	5,201,742	4,945,232	256,510
Fire	24,754,932	24,755,957	24,568,989	186,968
Police	54,220,953	55,445,953	57,366,678	(1,920,725)
Total Expenditures	150,039,643	151,391,364	150,458,291	933,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,407,349	55,628	1,037,353	981,725
Other Financing Sources (Use)				
Transfer In	-	-	1,696	1,696
Total Other Financing Sources (Use)	-	-	1,696	1,696
Net Change in Fund Balances	1,407,349	55,628	1,039,049	983,421
Fund Balance - Beginning	36,344,633	36,344,633	42,010,109	5,665,476
Fund Balance - Ending	$ 37,751,982	$ 36,400,261	$ 43,049,158	$ 6,648,897

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

Members of the Wilmington Police Department

President Obama visits the Port of Wilmington

Josephine Gardens

Dennis P. Williams, 55th Mayor of Wilmington

City of Wilmington, Delaware
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)	$ -	$ 21,979,414
Receivables, Net (Note 4)	27,697,642	26,555
Due from Other Funds (Note 7)	-	625,672
Prepaid Items & Other Assets	-	255,000
Restricted Cash and Investments (Note 3)	8,597,956	702,509
Due from Other Governments	672,039	-
Total Current Assets	36,967,637	23,589,150
Noncurrent Assets:		
Advances Due from Other Funds (Note 7)	-	4,321,256
Net Pension Asset	13,425	-
Capital Assets, Net (Note 6)		
Land	4,060,443	-
Construction in Progress	40,288,366	468,961
Buildings & Improvements	20,857,783	3,271,183
Reservoirs and Water Filter Facilities	97,577,769	-
Water Lines	41,864,842	-
Wastewater Pump and Treatment Facilities	62,719,269	-
Sewer Lines	28,906,849	-
Vehicles, Machinery & Equipment	-	17,003,887
Total Noncurrent Assets	296,288,746	25,065,287
Total Assets	333,256,383	48,654,437
DEFERRED OUTFLOW OF RESOURCES		
Deferred amounts on pensions	750,468	-
Deferred on refunding of bonds	3,461,548	217,796
Total Deferred Outflow of Resources	4,212,016	217,796
LIABILITIES		
Current Liabilities:		
Accounts Payable	8,152,847	2,887,059
Salaries and Benefits Payable	246,996	71,031
Due to Other Funds	625,672	4,900,744
Unearned Revenue	4,957,850	-
Accrued Interest Payable	633,129	223,468
Bonds Payable	8,703,765	886,502
Capital Leases	-	2,246,828
Compensated Absences	419,541	172,327
Claims Liabilities	-	5,243,603
Total Current Liabilities	23,739,800	16,631,562
Noncurrent Liabilities:		
Advances Due to Other Funds (Note 7)	4,321,256	3,184,707
Bonds Payable	179,597,808	4,686,372
Capital Leases	-	3,681,659
Claims Liabilities	-	17,354,225
Net Pension Liability	6,803,591	-
Total Noncurrent Liabilities	190,722,655	28,906,963
Total Liabilities	214,462,455	45,538,525
DEFERRED INFLOW OF RESOURCES		
Deferred amounts on pensions	312,420	-
NET POSITION		
Net Investment in Capital Assets	116,858,039	10,162,974
Unrestricted Note 19	5,835,485	(6,829,266)
Total Net Position	$ 122,693,524	$ 3,333,708

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

City of Wilmington, Delaware

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
OPERATING REVENUES		
Charges for Services		
Sewer Charges to New Castle County	$ 18,095,165	$ -
Water & Sewer Charges to Direct Users	51,605,428	-
Other Charges for Services	120,296	43,137,741
Employee Contributions	-	339,088
Other	4,105,457	30,249
Total Operating Revenues	73,926,346	43,507,078
OPERATING EXPENSES		
Personal Services	9,713,209	2,423,273
Materials, Supplies and Contractual Services	41,600,390	9,377,143
Depreciation and Amortization	7,945,975	4,041,859
Claims Expense	-	26,882,466
Insurance Premiums	-	578,045
Total Operating Expenses	59,259,574	43,302,786
Operating Income	14,666,772	204,292
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	3,502	18,088
Interest Expense	(4,833,333)	(301,225)
Amortization of Bond Issuance Costs	-	-
Gain on Sale of Assets	-	78,845
Total Non-Operating Revenues (Expenses)	(4,829,831)	(204,292)
Income (Loss) Before Capital Grants and Contributions and Transfers	9,836,941	-
Capital Grants and Contributions	167,892	-
Change in Net Position	10,004,833	-
Total Net Position - Beginning	119,856,163	3,333,708
Prior Period Adjustment (Note 18) & (Note 19)	(7,167,472)	-
Total Net Assets - Beginning as Restated	112,688,691	3,333,708
Total Net Position - Ending	$ 122,693,524	$ 3,333,708

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, 2015

	Business-type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from Customers and Users	$ 72,821,533	$ -
Receipts from Interfund Services Provided	-	43,490,697
Payments to Suppliers	(45,541,266)	(34,667,090)
Payments to Employees	(9,950,196)	(2,392,471)
Net Cash Provided by Operating Activities	17,330,071	6,431,136
Cash Flows from Noncapital Financing Activities:		
Advances From Other Funds	-	3,144,725
Advances (To) Other Funds	(4,892,889)	2,679,988
Investment Earnings	-	18,088
Net Cash (Used in) Noncapital Financing Activities	(4,892,889)	5,842,801
Cash Flows From Capital and Related Financing Activities:		
Capital Grants and Contributions	167,892	-
Proceeds from Capital Debt	8,761,555	-
Acquisition and Construction of Capital Assets	(10,767,438)	(2,383,763)
Principal Paid on Bonds	(8,703,765)	(706,393)
Interest Paid / Accrued on Bonds	(5,448,870)	(154,169)
Proceeds from Capital Lease	-	-
Principal Paid on Capital Leases	-	(2,994,950)
Interest Paid on Capital Leases	-	(136,702)
Proceeds from Sale of Capital Assets	-	129,585
Net Cash (Used in) Capital and Related Financing Activities	(15,990,626)	(6,246,392)
Cash Flows From Investing Activities:		
Interest Received on Unspent Bond Proceeds	3,502	-
Net Cash provided by Investing Activities	3,502	-
Net Increase (Decrease) in Cash and Cash Equivalents	(3,549,942)	6,027,545
Cash and Cash Equivalents - June 30, 2014 (including $12,147,898 and $106,611, respectively, reported in restricted accounts)	11,522,226	16,654,378
Cash and Cash Equivalents - June 30, 2015 (including $8,597,956 and $702,509, respectively, reported in restricted accounts)	$ 7,972,284	$ 22,681,923
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 14,666,773	$ 204,292
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	7,945,975	4,041,859
Changes in Assets and Liabilities:		
(Increase) decrease in Receivables	(704,695)	(16,380)
(Increase) decrease in Deferred Charges	(478,891)	-
(Increase) decrease Pension Asset	(13,425)	-
(Increase) decrease Pension Deferred Outflows	(750,468)	-
Increase (decrease) in Accounts Payable	(3,940,877)	(716,983)
Increase (decrease) in Accrued Salaries	44,790	17,360
Increase (decrease) in Compensated Absences	(92,095)	13,444
Increase (decrease) in Unearned Revenue	78,773	-
Increase (decrease) in Claims Liability	-	2,887,544
Increase (decrease) Pension Liability	261,791	-
Increase (decrease) Pension Deferred Inflows	312,420	-
Net Cash Provided by Operating Activities	$ 17,330,071	$ 6,431,136

Kalmar Nyckel sailing the Christina River

Wilmington Train Station

City of Wilmington

Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015

	Total Pension Trust Funds
ASSETS	
Cash and Cash Equivalents (Note 3)	$ 6,165,286
Receivables:	
Due from Other Governments	-
Accrued Interest & Other Receivables	1,387,939
Total Receivables	1,387,939
Investments, at Fair Value:	
Money Market Mutual Funds	4,319,646
U.S. Treasury Obligations	26,307,340
U.S. Government Agencies - Guaranteed	-
U.S. Government Agencies - Other	8,599,901
Corporate & Foreign Bonds	31,857,729
Common Equity & Marketable Securities	60,380,180
Global & International Funds	36,270,315
Mutual Funds	52,719,979
Total Investments	220,455,090
Due From Other Pension Trust Funds	501,467
Total Assets	228,509,782
LIABILITIES	
Accounts Payable	31,378
Salaries and Benefits Payable	153,014
Due to Other Pension Trust Fund	501,467
Due to Other Governments	6,540,017
Compensated Absences	25,273
Pension Checks	178,646
Total Liabilities	7,429,795
Net Position	
Net Position Restricted for Pensions	$ 221,079,987

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

City of Wilmington, Delaware

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2015

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 15,606,385
Paid by the State	
On-Behalf of the City	5,731,410
Employees	1,477,696
Federal Drug Subsidies & Other	158,529
Total Contributions	22,974,020
Investment Income	
Investment Earnings	6,359,205
Net (Appreciation) in Fair Value	(1,493,003)
Total Investment Income	4,866,202
Less: Investment Expense	(843,011)
Net Investment Income	4,023,191
Total Additions	26,997,211
DEDUCTIONS	
Benefits Paid	26,659,049
Administrative Expenses	586,326
Total Deductions	27,245,375
Net Increase in Plans' Net Position	(248,164)
Net Position - Beginning	221,328,151
Net Position - Ending	$ 221,079,987

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

City of Wilmington, Delaware

Combining Statement of Net Position (Deficit)
Discretely Presented Component Units
June 30, 2015

ASSETS	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Cityfest Inc.	Total
Cash and Cash Equivalents (Note 3)	$ 81,021	$ 2,148,337	$ 2,411,507	$ 673,762	$ 109,563	$ 1,016,097	$ 178,977	6,619,264
Investments	-	-	10,798,682	-	-	-	-	10,798,682
Receivables, Net	541,500	3,908,122	48,469	208,923	10,418	-	6,123	4,723,555
Restricted Assets:								
Investments	-	500,000	1,836,875	-	-	-	-	2,336,875
Net Pension Asset	-	-	11,348	-	-	-	-	11,348
Deferred Charges & Other Assets	-	-	-	55,186	-	-	156,987	212,173
Capital Assets, Net:								
Land	2,725,805	-	16,319,058	-	-	-	-	19,044,863
Construction in Progress	-	683,640	706,609	-	-	-	-	1,390,249
Building and Improvements	758,481	-	22,647,750	705,688	-	1,830,403	-	25,942,322
Vehicles, Machinery & Equipment	-	-	349,307	83,550	43,213	-	10,023	486,093
Total Assets	4,106,807	7,240,099	55,129,605	1,727,109	163,194	2,846,500	352,110	71,565,424
DEFERRED OUTFLOWS OF RESOURCES	-	-	9,226	-	-	-	-	9,226
LIABILITIES								
Accounts Payable & Accrued Expenses	4,824	783,824	317,322	139,172	27,131	-	27,639	1,299,912
Due to Primary Government	-	-	275,000	-	-	-		275,000
Salaries and Benefits Payable	-	-	166,775	123,042	-	-		289,817
Unearned Revenue	-	-	1,731	40,625	-	120,099	163,652	326,107
Long-term Liabilities								
Due within One Year								
Bonds Payable	-	-	2,574,249	29,510	50,000	-	-	2,653,759
Due in More than One Year								
Bonds Payable	900,000	-	13,755,230	604,374	235,688	-	-	15,495,292
Total Liabilities	904,824	783,824	17,090,307	936,723	312,819	120,099	191,291	20,339,887
DEFERRED INFLOWS OF RESOURCES	-	-	151,040	-	-	-	-	151,040
NET POSITION (DEFICIT)								
Net Investment in Capital Assets	3,156,086	683,640	23,693,245	184,864	43,213	1,830,403	10,023	29,601,474
Restricted for:								
Restricted for Net Pension Asset	-	-	11,348	-	-	-	-	11,348
Debt Service	-	-	1,851,437	-	-	-	-	1,851,437
Under Contractual Agreement	-	-	1,694,394	183,326	-	-	-	1,877,720
Unrestricted (Deficit)	45,897	5,772,635	10,647,060	422,196	(192,838)	895,998	150,796	17,741,744
Total Net Position (Deficit)	$ 3,201,983	$ 6,456,275	$ 37,897,484	$ 790,386	$ (149,625)	$ 2,726,401	$ 160,819	$ 51,083,723

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, 2015

		Program Revenues	Net (Expense) Revenues and Changes in Net Position							
	Expenses	Charges for Services	Christina Gateway Corporation	UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Cityfest Inc.	Total
Christina Gateway Corporation	$ 83,880	$ -	$ (83,880)	$ -	$ -	$ -	$ -	$ -	$ -	$ (83,880)
Wilmington UDAG Corporation	654,157	224,742	-	(429,415)	-	-	-	-	-	(429,415)
Wilmington Parking Authority	6,813,742	7,754,548	-	-	940,806	-	-	-	-	940,806
Downtown Visions	2,939,112	3,023,617	-		-	84,505	-	-	-	84,505
Riverfront Business									-	
Other	-	-						-	-	-
Improvement District	389,262	462,339	-	-	-	-	73,077	-	-	73,077
Rock Manor Golf Corporation	175,697	203,423	-	-	-	-	-	27,726	-	27,726
Cityfest Inc.	522,891	241,298	-	-	-	-	-	-	(281,593)	(281,593)
	$11,578,741	$ 11,909,967	(83,880)	(429,415)	940,806	84,505	73,077	27,726	(281,593)	331,226
General Revenues										
Investment Earnings			-	-	190,024	3,301	417	-	6	193,748
Grants, Entitlements, and Contributions			-	-	-	-	-	-	404,311	404,311
Other Revenues including Capital Asset Gains			-	-	159,135	-	-	-	-	159,135
Total General Revenues			-	-	349,159	3,301	417	-	404,317	757,194
Change in Net Position			(83,880)	(429,415)	1,289,965	87,806	73,494	27,726	122,724	1,088,420
Net Position (Deficit) - Beginning			3,285,863	6,885,690	36,723,428	702,580	(223,119)	-	-	47,374,442
Prior Period Adjustment (Note 18)			-	-	(115,909)	-	-	2,698,675	38,095	2,620,861
Net Assets - Beginning As Restated			3,285,863	6,885,690	36,607,519	702,580	(223,119)	2,698,675	38,095	49,995,303
Net Position (Deficit) - Ending			$ 3,201,983	$6,456,275	$37,897,484	$ 790,386	$ (149,625)	$2,726,401	$ 160,819	$51,083,723

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 (GAAP) as applied to governmental 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 applicable GASB statements through No. 71. The adoption of Statement No. 68 (Accounting and Financial Reporting for Pensions) in FY 2015 resulted in a restatement of prior year net position, page 88. See Note 18. The more significant of the City's accounting policies are described below. These policies should be recognized by the reader as integral to the preparation and use of the accompanying financial statements.

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.

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.

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. Rock Manor is reflected as a discretely presented component unit in the accompanying financial statements as its debt obligations are no longer expected to be repaid by the City.

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.

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

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

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

City Fest, Inc. was organized to supplement City contributions to arts and cultural programs. 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.

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
c/o City of Wilmington
City Treasurer
800 French Street
Wilmington, Delaware 19801

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

Wilmington Parking Authority
625 North Orange Street
Wilmington, Delaware 19801

City Fest Inc.
c/o City of Wilmington
Office of the Mayor
800 French 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

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

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, the Wilmington Economic Development Corporation, 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, the Wilmington Economic Development Corporation, 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 position 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 position 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.

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.

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 2015 include property taxes levied principally on July 1, 2014 and collected within 60 days. 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.

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 position), 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 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 Position 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.

Prepaid Items

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 & Street Signals	20 - 35
Buildings	50 - 60
Parks and Recreation Facilities	50 - 60
Reservoirs and Water Filter Facilities	50 - 60
Water/Sewer Lines	50 - 60
Wastwater Pump and Treatment Facilities	50 - 60
Machinery and Equipment	10 - 15
Vehicles	5 - 10

Unearned Revenue

Unearned revenue consists of revenues that have not met all requirements of revenue recognition. Unearned 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.

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 position. Bond premiums and discounts are 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. Upon adoption of GASB No. 65, bond issuance costs are expensed when incurred.

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.

Deferred Inflows and Outflows

The statements of net position report a separate section for deferred outflows or deferred inflows of resources. Deferred inflows of resources represent acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City had unavailable revenues, which qualifies as a deferred inflow of resources. This arises under the modified accrual basis of accounting and therefore only reported in the governmental funds balance sheet. The City also had deferred inflows of resources related to pensions that are occurring primarily as a result from changes in the components of the net pension liability. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has a deferred charge on refunding reported in the government-wide statement of net position and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also had deferred outflows of resources related to pensions that are occurring primarily as a result from changes in the components of the net pension liability.

Self-Insurance

The City is exposed to various risks of losses relating to general liability, commercial automobile liability, law enforcement liability, employee benefits liability, employment practices liability, management liability, and abuse/molestation liability (hereinafter "Commercial General Liability"); and inland marine liability. The City has commercial general liability and excess/umbrella insurance to cover these risks, after self-insured retentions, which are covered with Internal Service Funds.

The City also maintains commercial insurance coverage for its commercial property, large value commercial automobiles, inland marine hull, flood, crime, and certain other insurable losses. The City is self-insured for workers compensation and general health claims, which are covered by Internal Service Funds; the City has medical stop loss insurance for large general health claims.

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, and 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 Position and Fund Equity

The difference between fund assets, deferred outflows and inflows of resources, and liabilities is "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net position is comprised of three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. The first component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets reflect those assets whose use is restricted by outside parties or legal consultants. The unrestricted component of net position consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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** – Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of an ordinance.
- **Assigned** – Amounts that are allocated for a future use 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. When committed resources, assigned resources, and unassigned resources are available for use, it is the City's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

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, 2015, included the General Fund and non-major funds included on page 108. 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 are presented as part of the Basic Statements. Such comparison schedules for the non-major funds and more detail on General Fund expenditures are presented in the combining and individual fund financial statements and schedule section of this report. More detailed information on the budgeting process is included on pages 99 and 100.

B. Expenditures Over Appropriations

During the year ended June 30, 2015, expenditures of the City Council, Law, City Treasurer, Real Estate and Housing, Parks and Recreation, Fire, and the Police departments of the General Fund exceeded budget by $31,832, $315, $35,649, $60,082, $111,232, $27,840, and $2,328,692 respectively. The overage is primarily due to medical costs being higher than budgeted due to an unexpected increase despite cost containment measures. 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)	$ 6,382,265	$ 1,668,849	$ 1,190,584
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	13,053	-	766,097
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	67,155,543	4,496,437	4,618,595
Certificate of Deposits due within 2-5 Years - Collateral held by pledging bank's agent in the City or Unit's name	-	-	4,895,009
Uninsured and Uncollateralized	-	-	2,585,269
Total Deposits	$ 73,550,861	$ 6,165,286	$ 14,055,554
Investments			
Repurchase Agreements	$ -	$ -	$ 1,289,250
Money Market Mutual Funds	1,739,008	4,319,646	31,398
U.S. Government Obligations	51,508	26,307,340	1,476,276
U.S. Agencies - Government Guaranteed	-	-	-
U.S. Agencies - Other	-	8,599,901	-
Municipal Bonds	-	-	1,071,773
Corporate & Foreign Bonds	-	31,857,729	-
Common Equity & Marketable Securities	-	60,380,180	-
Global & International Funds	-	36,270,315	-
Mutual Funds	4,051,485	52,719,979	901,638
Total Investments	$ 5,842,001	$ 220,455,090	$ 4,770,335

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 $1,739,008 and U.S. Treasury Notes amounting to $51,508 due within three years.

Component Units – The component units are exposed to this risk in that they held money market mutual fund assets amounting to $31,398, U.S. Treasury Notes amounting to $1,476,276 due within three years, and municipal bonds amounting to $1,071,773.

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, 2015, the portfolio included $8,475,836 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, 2015.

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**< 1 year**	**1-4.9**	**5-9.9**	**10-19.9**	**> 20**
U.S. Treasuries	$ 26,307,340	$ 1,555,846	$ 15,855,078	$ 8,896,416	$ -	$ -
U.S. Govt. Agencies - Guaranteed	-	-	-	-	-	-
U.S. Govt. Agencies - Other	8,599,901	-	6,304,834	935,515	686,757	672,795
Corporate Bonds	31,857,729	3,084,967	20,121,600	7,695,543	-	955,619
Total	$ 66,764,970	$ 4,640,813	$ 42,281,512	$ 17,527,474	$ 686,757	$ 1,628,414

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, 2015, the Pension 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	14.45%	$ 31,857,729
Government	15.83%	34,907,241
	30.29%	$ 66,764,970

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, 2015, there were no investments with a fair value in excess of 5% of the Funds' net position 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
Euros	$ 342,282	$ 342,282
Total in Foreign Denominated Investments	$ 342,282	$ 342,282

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 .17%

Investment Commitments

The Pension Funds had no investment commitments at June 30, 2015.

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

	Primary Government	Fiduciary Funds	Component Units
Cash and Cash Equivalents	$ 73,550,861	$ 6,165,286	$ 14,055,554
Investments	5,842,001	220,455,090	4,770,335
	$ 79,392,862	$ 226,620,376	$ 18,825,889
Unrestricted	$ 56,457,565	$ -	$ 16,989,014
Restricted	22,935,297	-	1,836,875
Fiduciary Funds	-	226,620,376	-
	$ 79,392,862	$ 226,620,376	$ 18,825,889

Restricted Cash and Investments

At June 30, 2015, the City had $5,842,001 of investments in a nonmajor special revenue fund. These are shown as restricted assets in the Statement of Net Position as they are in separate accounts within a blended component unit and are available only for park operations.

The City also had $17,185,153 in temporarily restricted cash at June 30, 2015. The components were: $3,175,214 related to Water and Sewer Fund contractual requirements, and $14,009,939 related to unspent proceeds of bond offerings ($5,422,742 in the Water and Sewer Fund, $7,857,108 in the Capital Projects Fund, $27,580 in the Economic Strategic Fund, $700,000 in the Data Processing Fund, and $2,509 in the Motor Vehicle 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 position.

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	Nonmajor Funds	Total Governmental	Water and Sewer
Receivables:					
Property Taxes	$ 5,745,170	$ -	$ -	$ 5,745,170	$ -
Wage Taxes	10,241,693	-	-	10,241,693	-
Parking & Redlight Citations	18,059,694	-	-	18,059,694	-
Business Licenses	1,092,132	-	-	1,092,132	-
Signs and Licenses	6,930,916	-	-	6,930,916	-
Other	1,847,816	3,223,265	916,183	5,987,264	-
Utility Billings	-	-	-	-	37,666,662
Notes - Current	741,713	-	-	741,713	-
Notes - Noncurrent	3,528,064	-	-	3,528,064	-
Gross Receivables	48,187,198	3,223,265	916,183	52,326,646	37,666,662
Less: Allowance for Uncollectibles	(24,614,941)	-	-	(24,614,941)	(9,969,020)
Net Total Receivables	$ 23,572,257	$ 3,223,265	$ 916,183	$ 27,711,705	$ 27,697,642

Internal Service Fund receivables amounting to $26,555 are included in Governmental Activities receivables in the Statement of Net Position. Revenues of the Water and Sewer Fund are reported net of the change in uncollectible amounts; the change in 2015 increased revenues by $2,191,164.

Discretely Presented Component Units

Receivables as of yearend for the Component Units are as follows:

	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Other Component Units	Total
Receivables:					
Accounts	$ 31,500	$ -	$ 33,907	$ 225,464	$ 290,871
Mortgages and Loans	510,000	3,908,122	14,562	-	4,432,684
Total Receivables	$ 541,500	$ 3,908,122	$ 48,469	$ 225,464	$ 4,723,555

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, 2015, in the amount of $4,269,777 is included in the government-wide statement of net position 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, 2015, in the amount of $3,203,265 is included in the government-wide statement of net position 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, 2015 was as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,920,043	-	-	1,920,043
Construction-In-Progress	1,775,075	928,087	(1,708,149)	995,013
Total Capital Assets not being Depreciated	27,785,299	928,087	(1,708,149)	27,005,237
Capital Assets Being Depreciated:				
Buildings and Improvements	77,722,078	154,663	-	77,876,741
Parks and Recreation Facilities	29,271,250	379,477	-	29,650,727
Streets and Street Signals	117,882,083	5,087,163	(3,450,857)	119,518,389
Vehicles, Equipment and Other Assets	59,481,726	4,868,163	(923,552)	63,426,337
Total Capital Assets Being Depreciated	284,357,137	10,489,466	(4,374,409)	290,472,194
Less Accumulated Depreciation For:				
Buildings	(22,380,186)	(1,573,257)	-	(23,953,443)
Parks and Recreation Facilities	(16,778,128)	(738,044)	-	(17,516,172)
Streets and Street Signals	(49,416,506)	(3,702,567)	3,450,857	(49,668,216)
Vehicles, Equipment and Other Assets	(34,809,155)	(4,977,951)	709,729	(39,077,377)
Total Accumulated Depreciation	(123,383,975)	(10,991,819)	4,160,586	(130,215,208)
Total Capital Assets Being Depreciated, Net	160,973,162	(502,353)	(213,823)	160,256,986
Governmental Activities Capital Assets, Net	$ 188,758,461	$ 425,734	$ (1,921,972)	$ 187,262,223

The capital asset activity for Business-type Activities for the year ended June 30, 2015 was as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,060,443	$ -	$ -	$ 4,060,443
Construction-In-Progress	34,951,220	14,597,547	(9,260,401)	40,288,366
Total Capital Assets not being Depreciated	39,011,663	14,597,547	(9,260,401)	44,348,809
Capital Assets Being Depreciated:				
Buildings and Improvements	24,420,878	-	-	24,420,878
Reservoirs and Water Filter Facilities	125,227,355	1,879,757	-	127,107,112
Water Lines	59,169,039	3,025,676	(609,032)	61,585,683
Wastewater Pump and Treatment Facilities	144,025,756	439,342	-	144,465,098
Sewer Lines	35,944,107	85,518	(16,980)	36,012,645
Total Capital Assets Being Depreciated	388,787,135	5,430,293	(626,012)	393,591,416
Less Accumulated Depreciation For:				
Buildings and Improvements	(2,969,581)	(593,515)	-	(3,563,096)
Reservoirs and Water Filter Facilities	(27,360,473)	(2,168,870)	-	(29,529,343)
Water Lines	(18,646,833)	(1,683,040)	609,032	(19,720,841)
Wastewater Pump and Treatment Facilities	(78,964,837)	(2,780,991)	-	(81,745,828)
Sewer Lines	(6,403,216)	(719,560)	16,980	(7,105,796)
Total Accumulated Depreciation	(134,344,940)	(7,945,976)	626,012	(141,664,904)
Total Capital Assets Being Depreciated, Net	254,442,195	(2,515,683)	-	251,926,512
Business-type Activities Capital Assets, Net	$ 293,453,858	$ 12,081,864	$ (9,260,401)	$ 296,275,321

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

Governmental Activities	
General Government	$ 1,740,852
Real Estate and Housing	17,615
Public Works	5,477,174
Parks and Recreation	1,064,488
Public Safety	2,081,936
Total Depreciation Expense - Governmental Activities	$ 10,382,065
Business-type Activities	
Water/Sewer	$ 7,945,975
Total Depreciation Expense - Business-type Activities	$ 7,945,975

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2015. 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	$ 45,875,985	$ 5,256,348
Reservoirs & Other Water and Wastewater Projects	95,630,586	10,011,036
Total	$ 141,506,571	$ 15,267,384

B. Component Units

Capital asset activity for the City's component units for the year ended June 30, 2015, was as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
Capital Assets Not Being Depreciated:				
Land	$ 19,044,863			$ 19,044,863
Construction-In-Progress	1,349,521	400,728	(360,000)	1,390,249
Total Capital Assets Not Being Depreciated	20,394,384	400,728	(360,000)	20,435,112
Capital Assets Being Depreciated:				
Buildings and Improvements	63,832,379	18,300	-	63,850,679
Machinery and Equipment	3,663,235	247,730	(100,715)	3,810,250
Vehicles & Other Assets	200,467	27,169	-	227,636
Total Capital Assets Being Depreciated	67,696,081	293,199	(100,715)	67,888,565
Less Accumulated Depreciation For:				
Buildings	(36,205,253)	(1,894,220)	-	(38,099,473)
Machinery and Equipment	(3,192,880)	(90,623)	30,591	(3,252,912)
Vehicles & Other Assets	(116,100)	(1,688)	-	(117,788)
Total Accumulated Depreciation	(39,514,233)	(1,986,531)	30,591	(41,470,173)
Total Capital Assets Being Depreciated, Net	28,181,848	(1,693,332)	(70,124)	26,418,392
Capital Assets, Net	$ 48,576,232	$ (1,292,604)	$ (430,124)	$ 46,853,504

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.

In FY 2010, the Water and Sewer Fund 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 Advances totaling $4,946,928 at June 30, 2015 includes $4,321,256 to

finance capital construction that was previously financed from working capital, and $625,672 also due to the Workers' Compensation internal service fund for premiums billed as restated in Note 19. The Advances are payable in various amounts in fiscal years 2014 through 2017 with 1% interest.

The General Fund is owed $5,621,266 by the Motor Vehicle Fund at June 30, 2015; the liability relates to the acquisition of garage assets and motor vehicles and is shown as an advance to Other Funds as management intends to repay this advance from internal service charges based in part on depreciation incurred over the life of the assets.

The composition of interfund balances as of June 30, 2015, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 2,089,063
	Internal Service Funds	4,900,744
	Advance to an Internal Service Fund	3,184,707
	Housing Opportunities Fund	321,096
Internal Service Funds	Advance to the Enterprise Fund	4,946,928
Total		$ 15,442,538

As detailed in Note 19 to the financial statements, the balance due from the Enterprise Fund to the internal service fund has been restated.

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, 2015, was 1.44%. The line of credit is classified as 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
2014 - 2015	$ 1,903,265	$ 2.600,000	$ (1,299,999)	$ 3,203,266

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, 2015.

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Government Activities:					
Bonds Payable	$ 120,223,154	$ -	$ (8,269,677)	$ 111,953,477	$ 8,811,720
Less: Deferred Amounts				-	
Premium on Debts Issued	7,571,637	-	(970,521)	6,601,116	-
Total Bonds Payable	127,794,791	-	(9,240,198)	118,554,593	8,811,720
Capital Leases	8,923,437	413,828	(2,994,949)	6,342,316	656,726
Insurance Claims Payables	15,037,454	27,744,885	(23,956,177)	18,826,162	4,636,961
Compensated Absences	8,964,883	5,338,539	(6,069,071)	8,234,351	5,338,539
Other Post Employment Benefits Payable	27,825,861	6,260,186	(2,870,733)	31,215,314	-
Government Activity Long-Term Liabilities	$ 188,546,426	$ 39,757,438	$ (45,131,128)	$ 183,172,736	$ 19,443,946
Business-type Activities:					
Bonds Payable	$ 182,049,172	$ 8,761,555	$ (8,703,766)	$ 182,106,961	$ 8,703,765
Less: Deferred Amounts					
Premium on Debt Issue	7,026,628	-	(832,016)	6,194,612	-
Total Bonds Payable	189,075,800	8,761,555	(9,535,782)	188,301,573	8,703,765
Compensated Absences	511,636	507,877	(599,972)	419,541	419,541
Business-type Activity Long-Term Liabilities	$ 189,587,436	$ 9,269,432	$ (10,135,754)	$ 188,721,114	$ 9,123,306
Discreetly Presented Component Units					
Wilmington Parking Authority	$ 18,793,727	$ -	$ (2,464,248)	$ 16,329,479	$ 2,474,249
Downtown Visions	681,524	-	(47,640)	633,884	29,510
Christina Gateway Corporation	900,000	-	-	900,000	-
Riverfront Business Improvement District	340,523	-	(54,835)	285,688	50,000
Component Units Long-Term Liabilities	$ 20,715,774	$ -	$ (2,566,723)	$ 18,149,051	$ 2,553,759

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 position, bonds issued on behalf of the Port of Wilmington are payable from payments made to the City by the State of Delaware as part of the Sale agreement discussed in Note 5, and bonds recorded in the business-type activities section are payable from revenues of the Water & Sewer Fund. General obligation bonds are secured by the full faith and credit of the City. Bonds issued by the Wilmington Parking Authority (a discretely presented component unit) are guaranteed by the City in the event that resources of the

Authority are insufficient to cover debt service on the bonds. The City is subject to the rules and regulations established by the Internal Revenue Code and the U.S. Treasury that, under certain conditions, may create an arbitrage rebate to be paid to the federal government. The City's debt service payments of $12,478,444 in fiscal year 2015 was within the statutory debt limit of $26,256,938.

The following is a summary of general obligation bonds outstanding as of June 30, 2015:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2015
1993/2016	20,000,000	Series of 1993 - DNREC	3.25%	$ 1,930,925
2002/2025	11,000,000	Series of 2002 - DDWSRF	2.96%	6,816,421
2005/2016	18,785,000	Series of 2005	5.00%	3,135,000
2005/2028	13,700,000	Series of 2005C - DDWSRF	2.37%	11,221,513
2006/2025	46,465,000	Series of 2006A	3.5% - 5.0%	730,000
2006/2025	46,510,000	Series of 2007A	4.25% - 5.0%	27,115,000
2007/2028	2,548,501	Series of 2006 - DDWSRF	2.50%	2,107,962
2007/2028	1,246,499	Series of 2006B - DDWSRF	2.50%	1,031,027
2007/2028	3,185,000	Series of 2007 - DDWSRF	2.69%	2,641,965
2008/2028	75,215,000	Series of 2008A	4.0% - 5.0%	48,190,000
2009/2030	18,975,000	Series of 2008 DDWSRF	2.92%	18,098,717
		(Only $18,975,000 drawn at June 30, 2015)		
2009/2030	5,000,000	Series of 2008B SRF	2.92%	4,312,832
2009/2031	4,450,000	Series of 2009 ARRA/SRF	3.24%	3,790,092
2009/2031	2,800,000	Series of 2009C DDWSRF	2.00%	2,436,684
2010/2025	43,490,000	Series of 2010A	2.25% - 5.0%	38,340,000
2011/2031	26,505,000	Series of 2011A	2.0% - 5.0%	25,445,000
2011/2020	17,460,000	Series of 2011B	0.888% - 3.258%	13,860,000
2011/2030	2,700,000	Series of 2011CREB	4.63%	2,700,000
2011/2032	2,500,000	Series of 2011 DDWSRF	2.92%	1,958,236
		(Only $1,834,285.65 drawn at June 30, 2015)		
2011/2032	2,500,000	Series of 2011A DDWSRF	2.33%	2,285,899
2012/2033	2,500,000	Series of 2012A DDWSRF	1.205%	114,604
2012/2023	1,555,195	Series of 2011SEU DNREC	1.99%	1,221,919
2012/2034	2,000,000	Series of 2012B DDWSRF	3.00%	2,000,000
2012/2034	1,200,000	Series of 2012C DDWSRF	3.00%	50,000
		(Only $50,000 drawn at June 30, 2015)		
2014/2034	40,429,740	Series of 2014 SRF CO-GEN	2.00%	33,259,606
		(Only $33,259,606 drawn at June 30, 2015)		
2013/2024	37,885,000	Series of 2013A	2.09% - 4.68%	37,810,036
2014/2034	2,500,000	Series of 2014 SRF	1.5%	1,457,001
		(Only $1,457,001 drawn at June 30, 2015)		
2014/2034	4,000,000	Series of 2014A SRF		-
		(There are no draws as of June 30th, 2015)		
	Total General Obligation Bonds Payable			$ 294,060,438

Primary Government

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, 2015, $18,098,717 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 May 11, 2011, 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 $2,500,000. The net loan proceeds supplement other funding for the costs associated with the upgrades to the City's water filter plants. Cash draws against the loans will be made periodically; as of June 30, 2015, $1,958,236 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, 2032. The 2011 SRF bond is recorded in the Water and Sewer Fund.

On May 11, 2011, 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 $2,500,000. The net loan proceeds supplement other funding for the costs associated with the upgrades to the City's water main system. Cash draws against the loans will be made periodically; as of June 30, 2015, $2,285,899 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 2011A SRF bond is recorded in the Water and Sewer Fund.

On March 24, 2012, the City entered into a General Obligation Financing agreement with the Delaware Department of Natural Resources & Environmental Control, Division of Energy & Climate for $1,555,195. The agreement consists of a promissory note and security agreement related to water system pump station upgrades. As of June 30, 2015, $1,221,919 was outstanding. The loan bears an interest rate of 1.99%. Payments are due quarterly starting January 1, 2013, with the final payment due April 1, 2022. The 2011 SEU bond is recorded in the Water and Sewer Fund.

On May 11, 2012, the City entered into a General Obligation Financing agreement with the 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 $2,000,000. The net loan proceeds supplement other funding for the costs associated with the upgrades to the City's water main system. Cash draws against the loan will be made periodically; as of June 30, 2015, $2,000,000 was outstanding. A final loan closing will occur at the end of the project. The loan bears an interest and administrative fee rate of 3.0%. Payments are due every six months, with final payments due October 1, 2034. The 2012B SRF bond is recorded in the Water and Sewer Fund.

On July 6, 2012, the City issued a General Obligation Bond Anticipation Note (Renewable Energy Biosolids Facility Project), Series of 2012, due July 6, 2014, in the amount of $39,000,000. The funding was drawn as needed and the interest rate was 65% of (the Adjusted London Interbank Offered Rate (LIBOR) plus 0.55) plus 0.19%, not to exceed 8%. As of June 28, 2014, the BAN outstanding balance of $28,429,754 was paid off with permanent financing from the Delaware Water Pollution Control Revolving Fund (DWPCRF) acting by and through the Delaware Department of Natural Resources and Environmental Control. The bond was originally authorized in the amount of $36,060,000 at an interest rate of 3.0%. On March 27, 2014, an additional $4,369,740 was authorized to supplement this bond and the 3% interest rate was adjusted down to 2%. As of June 30, 2015 $33,259,606 was outstanding.

On February 28, 2013, the City issued $37,885,000 of General Obligation Bonds, Series of 2013A. The bond matures in varying amounts between October 1, 2013 and December 1, 2025, and bears interest rates between 3.5% and 5.0%. The net proceeds were used to partially advance refund the City's General Obligation Bonds Series of 2006A-1 and 2008A. As of June, 30 2015 balance outstanding on this loan is $37,810,036

The City has entered into General Obligation Financing agreements with the Delaware Drinking Water State Revolving Fund (DDWSRF) acting through the Delaware Department of Health & Social Services, Division of Public Health and also the Delaware Water Pollution Control Revolving Fund (DWPCRF) of the Delaware Department of Natural Resources and Environmental Control, but loan amounts have not yet been 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. Unless noted below, the loans bears an 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 20, 2012, for an amount not to exceed $2,500,000 at an interest rate of 3.0% is related to costs associated with upgrades to the City's Brandywine Water Filter Plant.
- A DWPCRF agreement dated February 10, 2012, for an amount not to exceed $1,200,000 at an interest rate of 3.0% is related to costs associated with upgrades to the City's storm water drainage and wastewater treatment systems.
- A DWPCRF agreement dated February 10, 2012, for an amount not to exceed $2,500,000 at an interest rate of 3.0% is related to costs associated with upgrades to the City's wastewater treatment system.
- A DWPCRF agreement dated April 10, 2014, for an amount not to exceed $40,429,740 at an interest rate of 2.0% is related to costs associated with the construction cost of the City's South Wilmington Wetlands Restoration and Conservation Project.
- A DDWSRF agreement dated April 30, 2014, for an amount not to exceed $2,500,000 at an interest rate of 2.22% is related to costs associated with Water Main Upgrade.
- A DDWSRF agreement dated October 21, 2014, for an amount not to exceed $4,000,000 at an interest rate of 1.50% is related to costs associated with the Transmission Main Improvements.

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

	General Obligation Bonds			
Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2016	$ 8,811,270	$ 4,827,576	$ 8,934,158	$ 5,442,105
2017	8,842,359	4,469,885	8,610,481	5,115,669
2018	8,137,733	4,144,148	8,513,772	4,813,021
2019	8,499,819	3,754,434	8,887,594	4,470,559
2020	8,794,177	3,421,968	9,241,776	4,146,464
2021-2025	36,541,146	11,852,803	51,944,307	14,592,867
2026-2030	23,394,989	4,414,746	39,160,845	4,764,022
2031-2035	8,931,984	372,101	7,761,556	268,304
	111,953,477	$ 37,257,661	143,054,489	$ 43,613,011
Add: Funds Not Drawn	-		39,052,472	
Total	$ 111,953,477		$ 182,106,961	

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	Wilmington Parking Authority		Downtown Visions		Riverfront Business Improvement District	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 2,530,000	$ 675,875	$ 29,510	$ 29,719	$ 50,000	$ -
2017	485,000	598,538	28,551	28,302	50,000	-
2018	510,000	574,288	29,934	26,919	50,000	-
2019	530,000	553,888	28,463	25,506	135,668	-
2020	550,000	532,688	-	-	-	
2021-2025	3,125,000	2,304,825	517,426	4,134	-	-
2026-2030	3,870,000	1,572,594	-	-	-	-
2031-2035	4,800,000	647,279	-	-	-	-
Total	$ 16,400,000	$ 7,459,975	$ 633,884	$ 114,580	$ 285,668	$ -

C. Prior Year Defeasance of Debt

In 2013, the City defeased part of its Series 2006A-1 and 2008A General Obligation Bonds by placing the proceeds of the 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. At June 30, 2015, $66,260,000 of bonds outstanding from this and prior defeasements 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, 2015, eight issues with debt of $49,371,489 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. As such, the present value of all future minimum lease payments has been recorded as a capital lease obligation on the statement of net position. As of June 30, 2015, payments under these capital leases are as follows:

	Primary Government		
Year Ending June 30	Motor Vehicle	Communication	General
2016	$ 2,169,958	$ 196,702	$ 90,260
2017	1,295,489	196,702	90,260
2018	1,243,657	147,527	90,260
2019	906,166	-	90,260
2020	-	-	90,260
Total Minimum Lease Payments	5,615,270	540,931	451,300
Less: Amount Representing Interest	(211,113)	(16,631)	(37,442)
Present Value of Lease Payments	$ 5,404,157	$ 524,300	$ 413,858

Capitalized leases for the City at June 30, 2015, consist of the following capital assets shown at original costs as summarized below:

	Primary Government		
Type of Property	Motor Vehicle	Communication	General
Vehicles	$ 14,612,928	$ -	$ -
Equipment	-	913,333	730,628
Total	14,612,928	913,333	730,628
Less: Accumulated Depreciation	(7,401,727)	(152,222)	(151,075)
Net Assets Under Lease	$ 7,211,201	$ 761,111	$ 579,553

B. Operating Leases - Lessor - Component Unit

Downtown Visions maintains a copier under a long-term operating lease. At June 30, 2015, the rental expenses under the lease were $3,754. Future minimum rental payments for the years ending June 30, 2015, are $2,503.

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 year 2015 was $147,449. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2015:

Year Ending June 30	Wilmington Parking Authority
2016	$ 140,763
2017	127,727
2018	114,789
2019	28,908
2020	-
Total Minimum Future Rental Income	$ 412,187

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	$ 7,915,298		
Permits and Other Revenues	2,865,771		
Revenue on Notes Receivable	4,269,777		
		$ 15,050,846	$ -
Unearned Revenues			
Non-Major Funds			
Unearned Grant Revenues			
Delaware Criminal Justice Planning		710,509	710,509
Municipal Street Aid		250,534	250,534
Special Projects		1,235,612	1,235,612
Endownment for the Arts		182	182
Park Recreation Assistance		201,991	201,991
Community Development Block Grants		125,975	125,975
Home Partnership Program		6,879	6,879
HUD Emergency Shelter Grant		894	894
HUD Homes for Perople with AIDS Grant		24,794	24,794
Delaware Neighborhood Stablization Program		21,694	21,694
De-Lead Grant Program		79,981	79,981
Historic Restoration Loan Grant		27,475	27,475
		2,686,520	2,686,520
Total		$ 17,737,366	$ 2,686,520
Water & Sewer Fund			
Unearned Service Charges			$ 4,957,850

12. Fund Balance

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 $27,840,759 at June 30, 2015. Of the $5,621,266 due from the Motor Vehicle Fund, $3,184,707 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 $15,169,686. 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 $151,696,858 of fiscal year 2016 expenditures budgeted as of the end of June 30, 2015.

Other Major Funds

The Housing Strategic Fund has Committed Fund Balance of $(346,207). The Economic Strategic Fund had Restricted Fund Balance of $27,580 consisting of unspent bond funds used for infrastructure incentives and Committed Fund Balance of $5,215,443 to fulfill the City's economic incentive programs. The Capital Project Fund has Restricted Fund Balance of $6,751,154 at June 30, 2015 consisting primarily of unspent bond funds.

Other Funds

The following fund has Fund Balances designated for specific purposes: the Nonmajor Fund Wilmington Park Related Commissions (including one blended component) has Park Maintenance Nonspendable Fund Balance of $977,910 and Restricted Fund Balance of $5,123,545. Restricted Fund Balance for Other Purposes totals $478,635.

The Special Revenue Funds report Committed Fund Balances of $1,891,276 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, law enforcement liability, employee benefits liability, employment practices liability, management liability, abuse/molestation liability, and inland marine 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
2013 - 2014	$ 4,583,174	$ 3,218,650	$ (1,648,477)	$ 6,153,347
2014 - 2015	6,153,347	4,229,223	(1,244,847)	9,137,723

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. 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 55%. The June 30, 2014 claims liability has been restated as detailed in Note 19. An analysis of the 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
2013 - 2014*	$ 7,669,960	$ 7,086,752	$ (2,412,773)	$ 12,343,939
2014 - 2015	12,343,939	3,117,867	(3,175,954)	12,285,852

C. Health Insurance

The City is also self-insured under an employee health and welfare plan administered by Blue Cross/Blue Shield of Delaware. The City has medical stop loss insurance for large general health claims. 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
2013 - 2014	$ 1,167,286	$ 16,972,485	$ (16,926,773)	$ 1,212,998
2014 - 2015	1,212,998	19,535,376	(19,574,121)	1,174,253

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 had been identified as a potentially responsible party along with two other parties for environmental liabilities related to the contamination of Fox Point Park. The City and DNREC have reached settlement and a proposed agreement to resolve this matter has been submitted to the court and is presently awaiting signature by the court. There is no exposure to the City financially as a result of settlement.

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. The City and the operator of the sludge lagoons have closed the site pursuant to DNREC requirements and are currently awaiting DNREC's approval of the closure documents. 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 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 matter 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, 2015.

15. Pension Trust Funds – Retirement Funds

General Description of the Plans

The City of Wilmington covers substantially all full-time employees by one of its five single-employer plans and a plan of the Wilmington Parks Trust Fund Commission blended component unit (collectively the "City Sponsored Plans"), as well as the State of Delaware's County and Municipal Police/Firefighter and Other Employees' Pension Plans (collectively the "State Plans"), two cost-sharing, multi-employer defined benefit pension plans discussed below. The City's current-year covered payroll and membership of the City Sponsored Plans consisted of the following:

	Firefighters	Police	Plan I Non-Uniformed	Plan II Non-Uniformed	Plan III Non-Uniformed	Park Trust
Number of Retirees & Beneficiaries Receiving Benefits	311	480	172	169	238	2
Number of Terminated Employees Entitled to Benefits	0	0	0	154	80	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	51	69	22	84	480	1
Current Year Annual Covered Payroll	$ 3,057,532	$ 4,900,751	$ 42,426	$ 189,905	$21,571,117	$ 47,875

The City's current-year total payroll for all employees was $73,143,071.

City Council is responsible for setting benefits and contributions and amending plan provisions of the City Sponsored Plans, which 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 investment rate of return. 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 pension funding status and progress for the last past five valuation periods, covering ten fiscal years of the City Sponsored Plans is reported as Required Supplementary Information (RSI) immediately following the Notes to the Financial Statements. 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, 2015, 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, 2015, no plan held cash or investments in excess of 5% of the individual plans' net positions with any one issuer.

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 City Sponsored Plans. Financial statements for the City Firefighters' and Police Pension Plans are available from the City Treasurer's Office, Louis L. Redding Building, and 800 French Street, Wilmington, Delaware 19801. The State Board of Pension Trustees and the State Office of Pensions administers the State Plans. 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 State Plans provide retirement, disability, and death benefits to plans' 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, 860 Silver Lake Boulevard, Dover, Delaware, 19904-2402 or website at www.delawarepensions.com.

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 City Sponsored Plans by the State of Delaware on-behalf of the City are recorded as intergovernmental revenue and as a pension expense in the City's fund and government-wide statements. The contributions (Firefighters - $3,814,978; Police - $1,901,858; Plan I - $14,574) 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, and the Wilmington Park Trust Pension Fund; accordingly, they are presented below as required by GASB Statement No. 34.

SEAL OF THE CITY OF WILMINGTON
DELAWARE

City of Wilmington, Delaware
Statement of Fiduciary Net Position
For the Year Ended June 30, 2015

	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension
ASSETS				
Cash and Cash Equivalents	$ 823	$ 1,432	$ 4,021,432	$ -
Receivables:				
Contributions receivable	-	-	-	-
Accrued Interest & Other Receivables	28,917	31,903	133,017	-
Total Receivables	28,917	31,903	133,017	-
Investments, at Fair Value:				
Money Market Funds	119,902	266,706	1,292,672	70,234
U.S. Treasury Obligations	750,973	1,670,432	8,096,244	-
U.S. Government Agencies - Other	245,494	546,066	2,646,672	-
Corporate & Foreign Bonds	909,415	2,022,864	9,804,410	-
Common Equity & Marketable Securities	1,718,810	3,823,248	18,530,504	168,523
Global & International Funds	983,132	2,186,837	10,599,154	-
Mutual Funds	1,158,704	2,577,371	12,491,992	70,070
Total Investments	5,886,430	13,093,524	63,461,648	308,827
Total Assets	5,916,170	13,126,859	67,616,097	326,369
LIABILITIES				
Accounts Payable	514	888	4,540	8,910
Salaries and Benefits Payable	927	1,907	4,813	-
Due to Other Pension Trust Fund	-	-	7,041,484	-
Compensated Absences	-	-	25,273	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
Total Liabilities	40,352	11,312	7,084,563	8,910
Net Position				
Held in Trust for Pension Benefits	$ 5,875,818	$ 13,115,547	$ 60,531,534	$ 299,917

City of Wilmington, Delaware
Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	Plan I Non-Pension	Plan II Non-Pension	Plan III Non-Pension	Wilmington Park Pension
ADDITIONS				
Contributions:				
City				
Paid Directly by the City	$ 240,339	$ 435,503	$ 5,719,954	$ 48,765
Paid by the State On-Behalf of the City	14,574	-	-	-
Employees	-	-	430,845	-
Federal Drug Subsidies & Other	-	17,820	20,895	-
Total Contributions	254,913	453,323	5,965,822	48,765
Investment Income				
Investment Earnings	127,826	275,284	1,325,433	7,676
Net Appreciation (Depreciation) in Fair Value	4,034	8,688	43,780	(4,191)
Total Investment Earnings	131,860	283,972	1,441,244	3,485
Less: Investment Expense	(22,512)	(48,183)	(253,293)	-
Net Investment Income	109,348	235,489	1,115,920	3,485
Total Additions	364,261	688,812	7,287,614	52,250
DEDUCTIONS				
Benefits Paid	664,604	966,673	4,384,851	17,820
Administrative Expenses	52,509	85,229	229,665	3,207
Total Deductions	717,113	1,051,902	4,614,516	21,027
Net Increase in Plan Net Position	(352,852)	(363,090)	2,673,098	31,223
Net Position - Beginning	6,228,670	13,478,637	57,858,436	268,694
Net Position - Ending	$ 5,875,818	$ 13,115,547	$ 60,531,534	$ 299,917

Firefighters Pension Plan (Closed) and Police Pension Plan (Closed)

Plans' Description and Eligibility: The Firefighters Pension Plan and Police Pension Plans are single-employer defined benefit plans covering all firefighters and police officers, respectively, employed by the City of Wilmington hired before August 1, 1991. The plans are each split into two benefit groups: pre-1984 and 1984. The 1984 groups include firefighters and police officers hired after June 30, 1984 and pre–July 1, 1984, firefighters and police officers who opted to participate in the new plans. The pre-1984 groups include those firefighters and police officers hired prior to July 1, 1984 and not opting for the new plans. The Firefighters Pension Plan and Police Pension Plans are administered by Boards of Trustees comprised of the Chief of Fire and Chief of Police, respectively, the City Treasurer, the Director of Finance, the Human Resources Director, the Chairman of the Finance Committee of the City Council, the Chairman of the Public Safety Committee of the City Council, and five members of the Police and Fire Departments of the City.

Service Benefits: For pre-1984 groups, 50% of final salary plus 2% of final earnings for each year of credited service beyond 20 years; for 1984 groups, 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 groups 50% of salary and for the 1984 groups 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 groups, 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 groups, 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 groups, benefits are the same except the amounts change to $50 a month per child with a maximum of $150 per family.

Changes in the Plans' Net Pension Liability: Changes in the Plans' net pension liability for the year ended June 30, 2015 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Firerighters Plan			
Balance June 30, 2014	$ 87,962,015	$ 46,416,477	$ (41,545,538)
Changes For the Year			
Service Cost	493,756	-	(493,756)
Interest	6,263,481	-	(6,263,481)
Differences between expected and actual experience	(1,493,659)	-	1,493,659
Changes in assumptions	-	-	-
Contributions - Employees	-	177,087	177,087
Contributions - Employer	-	4,250,239	4,250,239
Net Investment Income	-	791,946	791,946
Benefit Payments	(7,025,062)	(7,025,062)	-
Administrative Expense	-	(75,866)	(75,866)
Net Changes	(1,761,484)	(1,881,656)	(120,172)
Balance June 30, 2015	$ 86,200,531	$ 44,534,821	$ (41,665,710)
Police Plan			
Balance June 30, 2014	$ 148,817,208	$ 83,554,105	$ 65,263,103
Changes For the Year			
Service Cost	1,066,523	-	1,066,523
Interest	10,575,592	-	10,575,592
Differences between expected and actual experience	(3,633,046)	-	(3,633,046)
Changes in assumptions	-	-	-
Contributions - State	-	1,901,858	(1,901,858)
Contributions - Employees	-	5,904,595	(5,904,595)
Contributions - Employer	-	295,781	(295,781)
Net Investment Income	-	1,510,221	(1,510,221)
Benefit Payments	(10,678,644)	(10,678,644)	-
Administrative Expense	-	(100,852)	100,852
Net Changes	(2,669,575)	(1,167,041)	(1,502,534)
Balance June 30, 2015	$ 146,147,633	$ 82,387,064	$ 63,760,569

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. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by Council, and four other employees who shall be appointed by the Mayor and confirmed by the City Council.

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.

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. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by the Council, and four other employees appointed by the Mayor and confirmed by the City Council.

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.

Nonuniformed Employees Plan III (Closed)

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. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a member of Council, chosen by the City Council, and four other employees appointed by the Mayor and confirmed by the Council.

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.

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. The Plan is managed by three commissioners who are appointed by the Mayor of the City of Wilmington.

Service Benefits: 2.0% of average monthly earnings multiplied by total 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.

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.

State of 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 Pension Trustees (the Board). The plan, which is Delaware's County and Municipal Police and Firefighter Pension Plan, covers City police and firefighter employees hired on or after February 1, 1993. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

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: 5 years of credited service.

Retirement: Normal - Age 62 with 5 years of service; age 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. Non-Duty – Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.

Survivor Benefits: 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. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

Contributions: Employee – 7% of compensation. Employer – determined annually by the 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 fiscal year 2015 was 13.85% of covered payroll.

State of Delaware's County and Municipal Other Employees' 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 Pension Trustees. The plan, which is the Delaware's County and Municipal Other Employees' Pension Plan, covers all full-time non-uniformed and uniformed City employees hired on or after July 1, 2011, and all officials who are elected or appointed on or after July 1, 2011. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

Service Benefits: 1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, final average monthly compensation is the monthly average of the highest five years of compensation.

Vesting: 5 years of credited service.

Retirement: Normal - Age 62 with 5 years of service; age 60 with 15 years of credited service; or after 30 years of credited service.

Disability Benefits: Same as Service Benefits. Employee must have 5 years of credited service.

Survivor Benefits: 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 – 3% of earnings in excess of $6,000. Employer – determined annually by the 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 fiscal year 2015 was 6.21% of covered payroll. The State PERS issues a publicly available financial report that includes the financial statements and required supplementary information in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). That report may be obtained by

writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904, by calling 1-800-722-7300 or on the State PERS website.

Six year trend information on costs for the City Sponsored Plans and State Plans is as follows:

Plan Name	Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Firefighters	**2010**	$5,040,427	100%	$-
	2011	$4,796,719	100%	$-
	2012	$4,589,546	100%	$-
	2013	$5,040,040	100%	$-
	2014	$4,715,554	100%	$-
	2015	$4,250,239	87%	$635,022
Police	**2010**	$6,550,539	100%	$-
	2011	$6,437,963	100%	$-
	2012	$7,567,027	100%	$-
	2013	$8,229,390	100%	$-
	2014	$7,949,984	100%	$-
	2015	$7,806,453	95%	$433,142
Plan I Non-Uniformed	**2010**	$315,440	100%	$-
	2011	$292,475	100%	$-
	2012	$284,027	100%	$-
	2013	$333,400	100%	$-
	2014	$260,008	100%	$-
	2015	$193,527	100%	$-
Plan II Non-Uniformed	**2010**	$189,257	100%	$-
	2011	$92,757	100%	$-
	2012	$300,353	100%	$-
	2013	$394,825	100%	$-
	2014	$420,806	100%	$-
	2015	$341,395	100%	$-

Plan Name	Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Plan III Non-Uniformed	**2010**	$3,312,623	100%	$-
	2011	$3,784,889	100%	$-
	2012	$5,326,619	100%	$-
	2013	$5,730,033	100%	$-
	2014	$5,504,662	100%	$-
	2015	$5,436,184	100%	$-
Park Trust	**2010**	$17,536	100%	$-
	2011	$35,236	100%	$-
	2012	$-	100%	$-
	2013	$-	100%	$-
	2014	$24,740	100%	$-
	2015	$48,765	100%	$-
Delaware's County & Municipal Police and Firefighters' Plan (multi-employer)	**2010**	$2,396,872	100%	$-
	2011	$2,621,343	100%	$-
	2012	$3,039,310	100%	$-
	2013	$3,211,993	100%	$-
	2014	$3,517,072	100%	$-
	2015	$3,348,608	100%	$-
Delaware's County & Municipal Other Employees Plan (multi-employer)	**2012**	$19,328	100%	$-
	2013	$186,702	100%	$-
	2014	$369,195	100%	$-
	2015	$427,983	100%	$-

Component Units (Wilmington Parking Authority)

The Wilmington Parking Authority has a noncontributory single-employer defined benefit pension plan covering substantially all of its employees. The annual required contribution was $72,883 for the year ended June 30, 2015. 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 Sponsor Plans and and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Firefighters Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters	County & Municipal Other Employees
Plan Type	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Multi-Employer	Multi-Employer
Annual Required								
Year Ended June 30, 2015	*(2)*	*(2)*	*(2)*	*(2)*	*(2)*	*(2)*		
Contribution	$ 4,250,239	$ 7,806,453	$ 240,339	$ 435,503	$ 5,719,954	$ 48,765	$ 3,348,608	$ 363,062
Pension Cost	4,885,291	8,239,595	240,339	435,503	5,719,954	48,765	3,348,608	363,062
Contribution Deficiency	635,052	433,142	-	-	-	-	-	-
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age (6) Normal	Entry Age (6) Normal	Entry Age (6) Normal	Entry Age (6) Normal	Entry Age (6) Normal	Individual (6) Aggregate	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent Closed Period	Level Percent Closed Period	Level Percent Closed Period	Level Percent Closed Period	Level Percent Closed Period	n/a n/a	Level Percent Open	Level Percent Open
Remaining Amortization Period (3)	14 years	14 years	14 years	14 years	14 years	n/a	10 years	10 years
Asset Valuation Method	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	5 Yr Smoothed Market	Market Value	5 Yr Smoothed Market	5 Yr Smoothed Market
Net Pension Liability								
Total Pension Liability	$ 86,200,531	$ 146,147,633	$ 6,218,404	$ 14,719,293	$ 96,911,421	$ 277,052	$ 82,117,684	$ 7,119,995
Plan Fiduciary Net Position	44,534,821	82,387,064	5,875,819	13,115,547	60,531,533	299,917	85,776,979	7,196,340
Net Pension Liability / (Asset)	$41,665,710	$ 63,760,569	$ 342,585	$ 1,603,746	$36,379,888	$ (22,865)	$ (3,659,295)	$ (76,345)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.7%	56.4%	94.5%	89.1%	62.5%	108.3%	104.5%	101.1%
City's Proporatate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	34%	21%

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress - Continued

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City Sponsor Plans and and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Firefighters Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters	County & Municipal Other Employees
Pension Expense								
Service Costs	$ 493,756	$ 1,066,523	$ 4,490	$ 31,183	$ 1,640,457	$ 7,512	$ 4,854,500	$ 457,862
Interest on Total Pension Liability	6,263,481	10,575,592	457,445	1,061,258	6,916,987	17,462	(1,663,100)	463,635
Member Contributions	(177,087)	(295,781)	-	-	(430,845)	-	33,955	(155,179)
Administrative Expenses	75,866	100,852	52,508	85,230	229,666	3,207	5,411,975	12,448
Projected Earnings on Plan Investments	(3,382,788)	(6,167,976)	(450,131)	(988,857)	(4,396,721)	(18,352)	(5,148,547)	(429,440)
Liability Gains and Losses	(1,493,659)	(3,633,046)	(333,954)	(97,011)	(324,268)	(665)		
Amortization of Investment Return Differences	518,168	931,551	68,157	150,673	656,160	2,973	(1,415,231)	(116,592)
Change in Proportion of Collective Pension Liability	n/a	n/a	n/a	n/a	n/a	n/a	10,195	32,569
Pension Expense	$ 2,297,737	$ 2,577,715	$ (201,485)	$ 242,476	$ 4,291,436	$ 12,137	$ 2,083,747	$ 265,303
Deferred Outflows of Resources								
Net Difference Due to Change in Proportion	$ -	$ -	$ -	$ -	$ -	$ -	$ 101,950	$ 227,970
Experience	-	-	-	-	1,297,072	2,662	-	-
Contributions Made After the Measurement Date	-	-	-	-	-	-	3,348,608	427,983
	$ -	$ -	$ -	$ -	$ 1,297,072	$ 2,662	$ 3,450,558	$ 655,953
Deferred Inflows of Resources								
Net Difference Between Projected and Actual Earnings on Plan Investments	$ 2,072,674	$ 3,726,204	$ 272,626	$ 602,694	$ 2,624,641	$ 11,894	$ 5,661,086	$ 466,661
	$ 2,072,674	$ 3,726,204	$ 272,626	$ 602,694	$ 2,624,641	$ 11,894	$ 5,661,086	$ 466,661
Amortization of Net Difference Between Projected and Actual Earnings on Plan Investments								
2016	$ 518,168	$ 931,551	$ 68,157	$ 150,674	$ 331,892	$ 2,308	$ 1,415,272	$ 116,665
2017	518,168	931,551	68,157	150,674	331,892	2,308	1,415,272	116,665
2018	518,168	931,551	68,157	150,674	331,892	2,308	1,415,272	116,665
2019	518,170	931,551	68,155	150,672	331,893	2,308	1,415,270	116,666
2020	-	-	-	-	-	-	-	-
Actuarial Assumptions								
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%	7.20% (8)	7.20% (8)

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress - Continued

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City Sponsor Plans and and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Firefighters Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters	County & Municipal Other Employees
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%	7.20%	7.20%
Asset Class:								
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%	5.70%	5.70%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%	5.70%	5.70%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%	2.00%	2.00%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%	7.80%	7.80%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (5)	5.50% (5)	5.50% (4)	5.50% (4)	5.50% (4)	4.00%	4%-11.5% (7)	3.5%-11.5% (7)
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%	3.00%	3.50%
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None	Ad Hoc	Ad Hoc
Mortality Rates	*Healthy Lives:* RP-2000 Mortality Table projected with Scale AA for 15 years *Disabled Lives:* 2011 Sex Distinct PBGC Disabioity Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants (except for Park Trust Pension)						RP - 2000 Combined Mortality Table Projected to 2015 using scale AA for males or females, as appropriate, for mortality improvement.	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease	$ 48,785,578	$ 77,290,619	$ 771,162	$ 3,073,990	$ 47,657,969	$ 311,133	$ 9,623,774	$ 1,005,762
Net Pension Liability / (Asset) Using the Discount Rate	41,665,710	63,760,569	342,585	1,603,746	36,379,888	277,052	(3,673,140)	(76,369)
1% Increase	35,487,822	52,199,417	(35,206)	353,219	26,782,263	248,157	(14,563,160)	(968,419)

Funded Status and Funding Progress as of July 1, 2014 (Except County and Municipal Plans - June 30, 2014).

Actuarial Accrued Liability (AAL)	$ 86,468,356	$ 145,184,162	$ 6,421,073	$ 14,593,525	$ 92,738,828	$ 269,898	$ 238,535,800	$ 33,621,100
Actuarial Value of Plan Assets (AVPA)	43,874,025	78,196,708	5,812,750	12,578,599	53,994,931	268,694	240,743,500	33,076,600
Unfunded Actuarial Accrued Liability (UAAL)	$ 42,594,331	$ 66,987,454	$ 608,323	$ 2,014,926	$ 38,743,897	$ 1,204	$ (2,207,700)	$ 544,500
Funded Ratio (AVPA/AAL)	50.7%	53.9%	90.5%	86.2%	58.2%	99.6%	100.9%	98.4%
Covered Payroll (Active Plan Members)	$ 3,013,341	$ 4,901,775	$ 85,639	$ 342,274	$ 21,876,305	$ 47,875	$ 69,849,000	$ 28,716,200
UAAL as a Percentage of Covered Payroll	1413.5%	1366.6%	710.3%	588.7%	177.1%	2.5%	-3.2%	1.9%

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress - Continued

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, 2012 valuation for the fiscal year ended June 30, 2014. The 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 plan.

4 For employees under 30, 5.5%; 5% thereafter. The assumptions used are based on the results of an actuarial experience study conducted in 2005. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumption, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the large the impact on future financial statements.

5. Based on a service dependent scale, with 5.5% for service of less than 19 years, 4.5% thereafter. The assumptions used are based on the results of an actuarial experience study conducted in 2005. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumption, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the large the impact on future financial statements.

6. 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 status and funding progress of the plan.

7. The assumptions used are based on the results of an actuarial experience study conducted in 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumption, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the large the impact on future financial statements.

16. Net Pension Liability

Net Pension Liability

The components of net pension liability at June 30, 2015 are detailed on pages 78 through 81. The changes in the City's Net Pension Liability related to the Fire Pension and Police Pension are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Firerighters Plan			
Balance June 30, 2014	$ 87,962,015	$ 46,416,477	$ (41,545,538)
Changes For the Year			
Service Cost	493,756	-	(493,756)
Interest	6,263,481	-	(6,263,481)
Differences between expected and actual experience	(1,493,659)	-	1,493,659
Changes in assumptions	-	-	-
Contributions - Employees	-	177,087	177,087
Contributions - Employer	-	4,250,239	4,250,239
Net Investment Income	-	791,946	791,946
Benefit Payments	(7,025,062)	(7,025,062)	-
Administrative Expense	-	(75,866)	(75,866)
Net Changes	(1,761,484)	(1,881,656)	(120,172)
Balance June 30, 2015	$ 86,200,531	$ 44,534,821	$ (41,665,710)
Police Plan			
Balance June 30, 2014	$ 148,817,208	$ 83,554,105	$ 65,263,103
Changes For the Year			
Service Cost	1,066,523	-	1,066,523
Interest	10,575,592	-	10,575,592
Differences between expected and actual experience	(3,633,046)	-	(3,633,046)
Changes in assumptions	-	-	-
Contributions - State	-	1,901,858	(1,901,858)
Contributions - Employees	-	5,904,595	(5,904,595)
Contributions - Employer	-	295,781	(295,781)
Net Investment Income	-	1,510,221	(1,510,221)
Benefit Payments	(10,678,644)	(10,678,644)	-
Administrative Expense	-	(100,852)	100,852
Net Changes	(2,669,575)	(1,167,041)	(1,502,534)
Balance June 30, 2015	$ 146,147,633	$ 82,387,064	$ 63,760,569

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

The components of net pension liability at June 30, 2015 are detailed on pages 78 through 81.

Actuarial Assumptions

Firefighters, Police, Plans I, II, and III non-uniformed Pension Plans: The total pension liability as of June 30, 2015 was determined by a rollforward of actuarial valuations, using the actuarial assumptions detailed on pages 78 through 81.

County and Municipal Fire and Police Pension: The total pension liability as of June 30, 2015 was determined by a rollforward of actuarial valuations using a measurement date of June 30, 2014, using the actuarial assumptions detailed on pages 78 through 81.

County and Municipal Other Employees Pension: The total pension liability as of June 30, 2015 was determined by a rollforward of actuarial valuations using a measurement date of June 30, 2014, using the actuarial assumptions detailed on pages 78 through 81.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized by plan on pages 78 through 81.

Discount Rate

The discount rate used to measure the total pension liability by plan is disclosed on pages 78 through 81. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plans' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The sensitivity of the City's net pension liabilities is disclosed on pages 78 through 81, calculated using the current discount rate of as well as what the City net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

17. Post-Retirement Healthcare Benefit Fund (Other Post Employment Benefits-OPEB)

General Description of the Plan

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 employed by the City as of and after January 1, 2000 and who are eligible for a City pension or retired employees receiving a pension pursuant to the State "County and Municipal Pension" subject to certain additional eligibility requirements which vary in part based on date of hire. Under certain conditions, spouses of retirees and employees receiving a disability pension are also covered. Eligibility and healthcare benefits are different based on certain criteria significantly based an employee's hire date.

a. Benefits for employees employed with the City as of January 1, 2000, or hired after January 1, 2000 and before July 1, 2011, are provided healthcare coverage including: 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.
b. Benefits for employees hired on or after July 1, 2011 are provided healthcare coverage including: the Program pays not less than 80% of the actual cost of insuring the employee up to a maximum of $4,000 for eligible retirees. Enrollment in Medicare when eligible is required.
c. Eligible retirees may participate in the dental program, but the retiree pays the full premium.

Separate financial statements are not issued and accordingly are included here. At June 30, 2015, the number of retirees currently receiving benefits under the plan was 273.

Statement of Fiduciary Net Position

As of June 30,		2015
ASSETS		
Cash and Cash Equivalents	$	44,059
Accrued Interest & Other Receivables		5,622
Investments, at Fair Value:		
Money Market Funds		49,101
Global & International Funds		1,830,203
Mutual Funds		12,059,349
Total Investments		13,938,653
Due from Other Pension Trust Fund		501,467
Total Assets		14,489,801
LIABILITIES		
Accounts Payable		11,000
Accrued Expenses		143,515
Total Liabilities		154,515
Net Position		
Held in Trust for OPEB Benefits	$	14,335,286

Statement of Changes in Fiduciary Net Position

For the year ended June 30,		**2015**
ADDITIONS		
Contributions:		
Paid Directly by the City	$	2,870,733
Employees		573,983
Federal Drug Subsidies & Other		71,049
Total Contributions		3,515,765
Investment Income		
Investment Earnings		341,371
Net Appreciation in Fair Value		(39,203)
Total Investment Earnings		302,170
Less: Investment Expense		(45,385)
Net Investment Income		256,785
Total Additions		3,772,550
DEDUCTIONS		
Benefits Paid		2,921,394
Administrative Expenses		39,000
Total Deductions		2,960,394
Net Increase in Plan Net Position		812,154
Net Position - Beginning		13,523,132
Net Position - Ending	$	14,335,286

Funding Policy

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, 2015. (The General Fund will be the source to fund this obligation.) In fiscal year 2015, the City contributed $2,870,733 and retiree premium sharing added $573,983.

The City's annual OPEB cost is calculated based on the ARC actuarially determined in accordance with GASB No. 45 on Other Post-Employment Benefits (OPEB), which the City implemented in 2008 using biennial valuations. The ARC represents a level of funding, that if paid on an ongoing basis would cover the value of benefits earned during the year by participants, referred to as the normal cost, as well as amortize the unfunded actuarial liability over an initial period of 30 years. The net OPEB obligation was set at zero at the time the plan was created and will change only to the extent that actual annual contributions are more or less than the ARC plus interest on the net OPEB obligation.

As of June 30, 2014, the most recent valuation, the actuarial value of assets was $13,587,802 and actuarially accrued liability for benefits was $114,852,117, leaving $101,264,315 unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $54,224,527, and the ratio of the

unfunded actuarial accrued liability to the covered payroll was 211.8 percent. The Schedule of Funding Progress in the Required Supplementary Information immediately following the notes repeats this information along with past valuation information to present trends showing whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL of benefits.

	Total	Governmental Activities	Business-type Activites
Net OPEB Obligation at June 30, 2014	$ 27,825,861	$ 27,825,861	$ -
Annual Required Contribution	6,835,035	6,071,082	763,953
Interest on Net OPEB Obligation	1,330,076	1,330,076	-
Adjustment to Annual Required Contribution	(1,140,972)	(1,140,972)	-
Annual OPEB Cost	7,024,139	6,260,186	763,953
Less: Employer Contributions	(3,634,686)	(2,870,733)	(763,953)
Net OPEB Obligation at June 30, 2015	$ 31,215,314	$ 31,215,314	$ -

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

Ending June 30	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
2013	$ 8,064,808	27.0%	$ 24,374,193
2014	6,017,190	42.6%	27,825,861
2015	6,260,186	58.1%	31,215,314

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. Actuarial calculations reflect a long-term perspective of events far in the future and employ methods and assumptions designed to reduce short term volatility in the value of actuarial assets and liabilities. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Significant methods and assumptions are as follows:

Actuarial Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	4.0%
Discount Rate	4.8%
Healthcare Inflation Rate	9.0% grading to 4.5% in 2028
Mortality Rates	RP-2000 projected with Scale AA 15 years
Administrative Expenses	Average monthly per capita cost of $38.05
Per Person Cost Trends:	

To Year Beginning July 1,	Annual Increase Pre-Medicare	Annual Increase Medicare Eligible
2015	8.40%	5.80%
2016	8.10%	5.70%
2017	7.80%	5.60%
2018	7.50%	5.50%
2019	7.20%	5.40%
2020	6.90%	5.30%
2021	6.60%	5.20%
2022	6.30%	5.10%
2023	6.00%	5.00%
2024	5.70%	4.90%
2025	5.40%	4.80%
2026	5.10%	4.70%
2027	4.80%	4.60%
2028+	4.50%	4.50%

Annual Blended Rates - The following annual blended rates are applied for the fiscal year beginning July 1, 2014 and are assumed to increase at the same rates as the per-person cost trends as shown above:

	Pre-Medicare	Post Medicare
Plan 241		
- Retiree Only	$ 91,289	$ 2,748
- Retiree and Spouse	$ 16,426	$ 5,496
Plan 240		
- Retiree Only	$ 91,289	$ 2,691
- Retiree and Spouse	$ 16,426	$ 5,383

Employer Contributions for Plan 241- Employer contributions for employees employed with the City as of January 1, 2000, or hired after January 1, 2000 and before July 1, 2011 are based on the blended rate. 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. For valuation purposes, the maximums are assumed to remain constant. Retirees are assumed to cover any amount in excess of the maximums up to the blended rate. Contributions for employees hired on or after July 1, 2011 are based on the actual cost of insuring the employee. The Program pays not less than 80% of the actual cost of insuring the employee up to a maximum of $4,000 for eligible retirees. Enrollment in Medicare when eligible is required. For valuation purposes, the maximums are assumed to remain constant. Retirees are assumed to cover any amount in excess of the maximums up to the actual cost.

Changes Since Last Valuation - The administrative expenses and annual blended rates have been updated based upon the data provided for the July 1, 2014 valuation.

18. Implementation of New Pronouncements and Prior Period Adjustments

For the year ended June 30, 2015, the City has implemented Governmental Accounting Standards Board Statement Number 68 (GASB No. 68), "Accounting and Financial Reporting for Pensions." This statement establishes accounting and financial reporting standards to improve the information provided by state and local government employers about financial support for pensions.

In addition to the implementation of GASB No. 68, there were other adjustments to net position. The June 30, 2014 net position as reported for Governmental Activities was restated to adjust the change of Rock Manor Golf Course Corporation from a blended component unit to a discretely presented component unit. This change is a result of the City no longer being expected to repay outstanding debt of Rock Manor Golf Corporation. A corresponding prior period adjustment will be made to increase the beginning net position for the City's Component Unit portion of the Government-wide Statement of Net position. Cityfest, Inc. is an addition to the discretely presented component units in fiscal year 2015, due to the increased activities compared to prior years. Cityfest's net position for fiscal year 2014 will be a prior period adjustment to the Component Units total.

Other additions to the GASB No. 68 and Component Units prior period adjustments included an adjustment to deferred revenue in the special revenue funds. An accounting correction to deferred revenue accounts resulted in a change in beginning balance for those funds.

Beginning net position for the City's Government-wide Statement of Net position as of June 30, 2014 has been restated to reflect this implementation. The net position as of June 30, 2014 has been restated as follows:

	Governmental Activities	Business-Type Activities	Component Units
Net Position as reported at June 30, 2014	$ 109,521,288	$ 119,856,163	$ 47,374,442
Adjustment for GASB No. 68	(138,201,318)	(6,541,800)	(115,909)
Compenent Unit Reclassification	(2,698,675)	-	2,736,770
Other adjustments	460,098	-	-
Net Position, as restated	$ (30,918,607)	$ 113,314,363	$ 49,995,303

19. Prior Period Adjustments – Subsequent to Original Report Issuance

As of June 30, 2014, the City restated its workers' compensation claims liability. The change was required to correctly report the actuarially determined estimated ultimate cost of settling claims, including a provision for incurred but not reported claims, in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It was discovered that, in prior years, the City's estimated workers compensation claims liability was not consistently calculated using the estimated ultimate cost of settling claims.

The City has also restated parking citation accounts receivable and parking citation penalties accounts receivable as of June 30, 2014 to correctly report the allowance for uncollectible balances.

The net position as of June 30, 2014 has been restated as follows:

	Primary Government (Government Wide)		Governmental Funds	Proprietary Funds
Net Position/Fund Balance as of June 30, 2014	**Governmental Activities**	**Business-Type Activities**	**General Fund**	**Water and Sewer Fund**
Net Position/Fund Balance June 30, 2014, as originally restated. See Note 18.	$ (30,918,607)	$ 113,314,363	$ 46,057,266	$ 113,314,363
Worker Compensation Claims Liability	(4,047,157)	(625,672)	(4,047,157)	(625,672)
Parking Citations, Penalties and Interest Receivable	(5,039,804)	-	-	-
Net Position/Fund Balance, as restated (reissued)	$ (40,005,568)	$ 112,688,691	$ 42,010,109	$ 112,688,691

For the year ended June 30, 2015, the City also restated its workers' compensation claims liability and expense based on the facts stated above.

The City has also restated parking citation accounts receivable and parking citation penalties accounts revenue for the year ended June 30, 2015 to correct revenue as a result of the June 30, 2014 correction of the allowance for uncollectible balances.

	Primary Government (Government Wide)		Governmental Funds	Proprietary Funds
Net Position/Fund Balance as of June 30, 2015	**Governmental Activities**	**Business-Type Activities**	**General Fund**	**Water and Sewer Fund**
Net Position/Fund Balance as originally stated	$ (26,012,258)	$ 123,319,196	$ 46,195,152	$ 123,319,196
Effect of June 30, 2014 Workers Compensation Liability restatement	(4,047,157)	(625,672)	(4,047,157)	(625,672)
Worker Compensation Claims Liability restatement June 30, 2015 - reduction of expense	901,163	-	901,163	-
Net Position/Fund Balance, as restated (reissued)	$ (29,158,252)	$ 122,693,524	$ 43,049,158	$ 122,693,524
Change in Net Position/Fund Balance for year ended June 30, 2015				
Net Change in Net Position/Fund Balance June 30, 2015, as originally stated	$ 4,906,349	$ 10,004,833	$ 137,886	$ 10,004,833
Reduction of Worker Compensation Claims Expenses for the year ended June 30, 2015	901,163	-	901,163	-
Increase in Program Revenues - Public Safety Charges for Services - Parking Citations, Penalties and Interest Receivable	5,039,804	-	-	-
Net Change in Net Position/Fund Balance, as restated (reissued)	$ 10,847,316	$ 10,004,833	$ 1,039,049	$ 10,004,833

Internal Service Workers Compensation Fund - Claims Liability Restatement		
	June 30, 2014	**June 30, 2015**
As Originally Stated	$ (7,671,110)	$ (8,514,186)
Worker Compensation Claims Liability Restatement	(4,672,829)	(3,771,666)
As Restated (reissued)	$ (12,343,939)	$ (12,285,852)

20. Subsequent Events

On November 19, 2015, the City issued General Obligation Bonds, Series 2015 totaling $39,425,000. The proceeds of the 2015 Bonds will be applied to: (i) fund the costs of various capital projects undertaken by the City, (ii) repay the City's General Obligation Bond Anticipation Note (Street Repairs Project for $4,000,000) Series of 2014, and (iii) pay the costs of issuance and tax compliance of 2015 Bonds.
On July 1, 2015, the Wilmington Parking Authority issued General Obligation Bonds, Series 2015 totaling $14,250,000. The proceeds of the 2015 Bonds will be applied to finance the Wilmington Parking Authority's debt refunding program. The City of Wilmington guaranteed the bonds, pledging its full faith, credit and taxing power.

Schedule 1 – Post-Retirement Healthcare Funding Status and Progress

In accordance with GASB, the following required supplementary information is provided with regard to pension funding progress. The Pension Healthcare Fund has a valuation performed every two years, and the schedule presents the last three completed valuations covering six years.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll
	(1)	(2)	(2-1)	(1 / 2)	(5)	((2-1) / 5)
Pension Healthcare						
7/1/2010	$ 7,214,969	$ 65,321,683	$ 58,106,714	11.0%	$ 65,744,569	22.0%
7/1/2012	10,033,538	83,238,324	73,204,786	12.1%	63,501,676	115.3%
7/1/2014	13,587,802	114,852,117	101,264,315	11.8%	54,224,527	186.8%

Schedule 2 – Schedule of Contributions

In accordance with GASB, the following required supplementary information is provided with respect to historical contributions to City pension plans. Information prior to 2014 is not readily available.

Plan	Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
Firefighters	2015	$ 4,715,554	$ 4,250,239	$ 465,315	$ 3,057,532	139.0%
Police	2015	$ 7,949,984	$ 7,806,453	$ 143,531	$ 4,900,751	159.3%
Plan I	2015	$ 260,008	$ 260,008	$ -	$ 86,057	302.1%
Plan II	2015	$ 420,806	$ 420,806	$ -	$ 286,614	146.8%
Plan III	2015	$ 5,504,662	$ 5,504,662	$ -	$ 22,807,717	24.1%
County & Municipal						
Police and Firefighters*	2015	$ 3,348,608	$ 3,348,608	$ -	$ 23,615,373	14.2%
Other Employees*	2015	$ 363,062	$ 363,062	$ -	$ 5,527,605	6.57%
Park Trust	2015	$ 12,370	$ 48,765	$ -	$ 47,875	101.9%

Plan	Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
Firefighters	2014	$ 4,715,554	$ 4,715,554	$ -	$ 3,527,279	133.7%
Police	2014	$ 7,949,984	$ 7,949,984	$ -	$ 5,496,728	144.6%
Plan I	2014	$ 260,008	$ 260,008	$ -	$ 86,057	302.1%
Plan II	2014	$ 420,806	$ 420,806	$ -	$ 286,614	146.8%
Plan III	2014	$ 5,504,662	$ 5,504,662	$ -	$ 22,807,717	24.1%
Park Trust	2014	$ 12,370	$ 48,765	$ -	$ 47,875	101.9%

* Information prior to 2015 is not readily available.

Schedule 3 – Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

In accordance with GASB, the following required supplementary information is provided with respect to the City's Net Pension Liability. Information prior to 2014 is not readily available

Fiscal Year Ended June 30,	Firefighters *2015*	Police *2015*	Plan I Non-uniformed *2015*	Plan II Non-uniformed *2015*	Plan III Non-uniformed *2015*	Park Trust *2015*
Total Pension Liability						
Service Cost	$ 493,756	$ 1,066,523	$ 4,490	$ 31,183	$ 1,640,457	$ 7,512
Interest Cost	6,263,481	10,575,592	457,445	1,061,258	6,916,987	17,462
Difference between actual and Expected experience	(1,493,659)	(3,633,046)	(333,954)	(97,011)	(1,621,340)	(3,327)
Benefit Payments	(7,525,062)	(10,678,644)	(664,604)	(966,673)	(4,384,851)	(17,820)
Net Change in Total Pension Liability	(1,761,484)	(2,669,575)	(536,623)	28,757	2,551,253	3,827
Total Pension Liability, beginning	87,962,015	148,817,208	6,755,027	14,690,536	94,360,168	273,225
Total Pension Liability, ending (a)	$ 86,200,531	$ 146,147,633	$ 6,218,404	$ 14,719,293	$ 96,911,421	$ 277,052
Plan Fiduciary Net Position						
Contributions from Employer	$ 435,261	$ 5,904,595	$ 240,339	$ 435,503	$ 5,719,954	$ 48,765
Contributions from Members	177,087	295,781	-	-	430,845	-
Contributions from State / Other	3,814,978	1,901,858	14,574	17,820	20,895	-
Net investment income	791,946	1,510,221	109,348	235,490	1,115,920	3,485
Administrative Expenses	(75,866)	(100,852)	(52,508)	(85,230)	(229,666)	(3,207)

Fiscal Year Ended June 30,	Firefighters 2015	Police 2015	Plan I Non-uniformed 2015	Plan II Non-uniformed 2015	Plan III Non-uniformed 2015	Park Trust 2015
Benefit Payments	(7,025,062)	(10,678,644)	(664,604)	(966,673)	(4,384,851)	(17,820)
Net Change in Fiduciary Net Position	(1,881,656)	(1,167,041)	(352,851)	(363,090)	2,673,097	31,223
Plan Fiduciary Net Position, beginning	46,416,477	83,554,105	6,228,670	13,478,637	57,858,436	268,694
Plan Fiduciary Net Position, ending (b)	$ 41,534,821	$ 82,387,064	$ 5,875,819	$ 13,115,547	$ 60,531,533	$299,917
Net Pension liability - ending (a) - (b)	$ 41,665,710	$ 63,760,569	$ 342,585	$ 1,603,746	$ 36,379,888	$ (22,865)
Plan Fiduciary net Position as a % of Total Pension Liability	51.7%	56.4%	94.5%	89.1%	62.5%	108.25%
Covered Employee Payroll	$ 3,057,532	$ 4,900,751	$ 42,426	$ 189,905	$ 21,571,117	$ 47,875
Net Pension Liability as a % of Covered Employee Payroll	1362.72%	1301.0%	807.5%	844.5%	168.7%	-47.8%

Fiscal Year Ended June 30,	Firefighters 2014	Police 2014	Plan I Non-uniformed 2014	Plan II Non-uniformed 2014	Plan III Non-uniformed 2014	Park Trust 2014
Total Pension Liability						
Service Cost	$ 544,286	$ 1,262,636	$ 4,283	$ 45,238	$ 1,660,717	$ 12,370
Interest Cost	6,377,517	10,744,572	496,446	1,059,722	6,726,838	-
Benefit Payments	(6,77,622)	(10,192,392)	(708,583)	(979,921)	(4,042,603)	(17,820)
Net Change in Total Pension Liability	146,181	1,814,816	(207,854)	125,039	4,344,952	(5,450)
Total Pension Liability, beginning	87,815,834	147,002,392	6,962,881	14,565,497	90,015,216	278,675
Total Pension Liability, ending (a)	$ 87,962,015	$ 148,817,208	$ 6,755,027	$ 14,690,536	$ 94,360,168	$ 273,225
Plan Fiduciary Net Position						
Contributions from Employer	$ 1,344,979	$ 6,032,692	$ 260,008	$ 420,806	$ 5,504,662	$ 24,740
Contributions from Members	212,787	331,729	-	-	461,160	-
Contributions from State / Other	3,370,575	1,917,292	14,577	17,820	-	-
Net investment income	5,917,714	10,962,467	813,026	1,828,188	7,781,613	38,926
Administrative Expenses	(72,399)	(91,948)	(47,420)	(81,679)	(212,481)	(3,017)
Benefit Payments	(6,775,622)	(10,192,392)	(708,583)	(979,921)	(4,042,603)	(17,820)
Net Change in Fiduciary Net Position	3,998,034	8,959,840	331,608	1,205,214	9,492,351	42,829
Plan Fiduciary Net Position, beginning	42,418,443	74,594,265	5,897,062	12,273,423	48,366,085	225,865
Plan Fiduciary Net Position, ending (b)	$ 46,416,477	$ 83,554,105	$ 6,228,670	$ 13,478,637	$ 57,858,436	$268,694

Fiscal Year Ended June 30,	Firefighters 2014	Police 2014	Plan I Non-Uniformed 2014	Plan II Non-uniformed 2014	Plan III Non-uniformed 2014	Park Trust 2014
Net Pension liability - ending (a) - (b)	$ 41,545,538	$ 65,263,103	$ 526,357	$ 1,211,899	$ 36,501,732	$ 4,531
Plan Fiduciary net Position as a % of Total Pension Liability	52.8%	56.2%	92.2%	91.8%	61.3%	98.3%
Covered Employee Payroll	$ 3,527,279	$ 5,496,728	$ 86,057	$ 286,614	$ 22,807,717	$ 47,875
Net Pension Liability as a % of Covered Employee Payroll	1177.8%	1187.3%	611.6%	422.8%	160.0%	9.5%

Schedule of Net Pension Liability of Pension Plans Administered by the Delaware Public Employees Retirement System

	Proportion of Collective Net Pension Asset	Proportion of Total Pension Asset	Covered - Employee Payroll	Net Pension Asset as a Percentage of Covered-employee payroll	Plan's Fiduciary Net Position as a Percentage of Total Pension Asset
County & Municipal Pension Plans as of June 30, 2014					
Police and Firefighters	34.0%	$ 3,698,693	$ 23,615,373	-15.7%	104.5%
Other Employees	20.8%	76,367	5,527,605	-1.4%	101.0%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule 4 – Schedule of Investment Returns

In accordance with GASB, the following required supplementary information is provided indicating the annual money-weighted rate of return, net of investment expense. Information prior to 2014 is not readily available.

	Firefighters	Police	Plan I Non-uniformed	Plan II Non-uniformed	Plan III Non-uniformed	Park Trust
Year Ended June 30, 2015	**2.3%**	**2.4%**	**2.3%**	**2.3%**	**2.2%**	**6.5%**
Year Ended June 30, 2014	**11.8%**	**11.6%**	**2.8%**	**11.5%**	**24.6%**	**6.5%**

Notes to Required Supplementary Information

Note 1 – Methods and Assumptions Used to Determine Contribution Rates

	Firefighters	Police	Plan I Non-uniformed	Plan II Non-uniformed	Plan III Non-uniformed	Park Trust
			June 30, 2015			
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method			Entry Age Normal			Aggregate Cost
Amortization Method			Level Percent Closed Period			N/A
Remaining Amortization			14 years			N/A
Asset Valuation Method			5 Year Smoothed Market			Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years Disabled Lives:2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

Note 1 – Methods and Assumptions Used to Determine Contribution Rates (Continued)

	Firefighters	Police	Plan I Non-uniformed	Plan II Non-uniformed	Plan III Non-uniformed	Park Trust
			June 30, 2014			
Actuarial Valuation Date	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method			Aggregate Entry Age			Aggregate Cost
Amortization Method			Level Percent Closed Period			N/A
Remaining Amortization			17 years			N/A
Asset Valuation Method			5 Year Smoothed Market			Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years Disabled Lives:2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

Note 2 – Factors That Significantly Affect Trends in Amounts Reported

For the periods presented, there were no changes in benefit terms, changes in size or composition of the population covered or changes in assumptions which significantly affect trends in the amounts reported.

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, 2015, 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, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	1,312,213	1,388,049	1,391,407	(3,358)
Materials, Supplies and Equipment	1,155,917	1,155,917	1,040,616	115,301
Special Purpose	546,600	231,600	119,000	112,600
Debt Service	1,336,769	1,336,769	1,318,161	18,608
Office of the Mayor	4,351,499	4,112,335	3,869,184	243,151
Management and Budget				
Personal Services	499,846	499,846	522,550	(22,704)
Materials, Supplies and Equipment	74,187	74,187	62,202	11,985
Management and Budget	574,033	574,033	584,752	(10,719)
Office of Emergency Management				
Personal Services	64,234	64,234	66,596	(2,362)
Materials, Supplies and Equipment	351,263	351,263	351,017	246
Debt Service	56,415	56,415	56,252	163
Office of Emergency Management	471,912	471,912	473,865	(1,953)
Economic Development				
Personal Services	877,712	877,712	802,715	74,997
Materials, Supplies and Equipment	206,981	206,981	167,307	39,674
Special Purpose	-	-	-	-
Debt Service	3,763,786	3,763,786	3,763,786	-
Economic Development	4,848,479	4,848,479	4,733,808	114,671
Cultural Affairs				
Personal Services	351,816	275,980	276,571	(591)
Materials, Supplies and Equipment	568,922	568,922	525,830	43,092
Special Purpose	-	-	-	-
Cultural Affairs	920,738	844,902	802,401	42,501
Constituent Services				
Personal Services	612,350	612,350	602,537	9,813
Materials, Supplies and Equipment	153,263	153,263	129,284	23,979
Constituent Services	765,613	765,613	731,821	33,792
Mayor's Offices Total				
Personal Services	3,718,171	3,718,171	3,662,376	55,795
Materials, Supplies and Equipment	2,510,533	2,510,533	2,276,255	234,278
Special Purpose	546,600	231,600	119,000	112,600
Debt Service	5,156,970	5,156,970	5,138,199	18,771
Mayor's Offices Total	$ 11,932,274	$ 11,617,274	$ 11,195,830	$ 421,444
CITY COUNCIL				
City Council				
Personal Services	$ 587,862	$ 587,862	$ 630,481	$ (42,619)
Materials, Supplies and Equipment	632,596	642,591	609,399	33,192
Special Purpose	19,000	19,000	18,057	943
Debt Service	652	652	816	(164)
City Council	1,240,110	1,250,105	1,258,753	(8,648)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 838,020	$ 838,020	$ 865,822	$ (27,802)
Materials, Supplies and Equipment	82,571	72,752	66,307	6,445
City Clerk	920,591	910,772	932,129	(21,357)
City Council Offices Total				
Personal Services	1,425,882	1,425,882	1,496,303	(70,421)
Materials, Supplies and Equipment	715,167	715,343	675,706	39,637
Special Purpose	19,000	19,000	18,057	943
Debt Service	652	652	816	(164)
City Council Offices Total	$ 2,160,701	$ 2,160,877	$ 2,190,882	$ (30,005)
AUDIT				
Audit Department				
Personal Services	$ 387,053	$ 387,053	$ 366,671	$ 20,382
Materials, Supplies and Equipment	296,900	296,900	291,969	4,931
Audit Department	$ 683,953	$ 683,953	$ 658,640	$ 25,313
LAW				
Law Department				
Personal Services	$ 2,195,117	$ 2,195,117	$ 2,191,766	$ 3,351
Materials, Supplies and Equipment	700,781	883,761	883,542	219
Law Department	$ 2,895,898	$ 3,078,878	$ 3,075,308	$ 3,570
FINANCE				
Finance Administrative				
Personal Services	$ 399,798	$ 402,848	$ 399,756	$ 3,092
Materials, Supplies and Equipment	120,505	117,969	115,293	2,676
Debt Service	27,347	27,347	6,488	20,859
Finance Administrative	547,650	548,164	521,537	26,627
Earned Income Tax				
Personal Services	1,558,520	1,528,520	1,464,558	63,962
Materials, Supplies and Equipment	1,125,934	1,100,934	812,777	288,157
Debt Service	-	-	-	-
Earned Income Tax	2,684,454	2,629,454	2,277,335	352,119
Accounting				
Personal Services	890,937	902,887	882,409	20,478
Materials, Supplies and Equipment	175,452	188,452	152,665	35,787
Accounting	1,066,389	1,091,339	1,035,074	56,265

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 372,915	$ 372,915	$ 389,248	$ (16,333)
Materials, Supplies and Equipment	141,397	179,397	214,703	(35,306)
Procurement and Records	514,312	552,312	603,951	(51,639)
Delinquent Accounts Division				
Personal Services	53,341	52,341	51,930	411
Materials, Supplies and Equipment	96,675	96,675	62,544	34,131
Delinquent Accounts Division	150,016	149,016	114,474	34,542
Central Cashier				
Personal Services	436,685	451,685	434,034	17,651
Materials, Supplies and Equipment	445,667	453,203	375,920	77,283
Central Cashier	882,352	904,888	809,954	94,934
Billing & Customer Service				
Personal Services	114,118	115,118	136,823	(21,705)
Materials, Supplies and Equipment	71,131	80,131	103,082	(22,951)
Billing & Customer Service	185,249	195,249	239,905	(44,656)
Finance Parking				
Personal Services	1,237,887	1,237,887	1,151,723	86,164
Materials, Supplies and Equipment	2,855,210	2,815,210	2,547,034	268,176
Finance Parking	4,093,097	4,053,097	3,698,757	354,340
Finance Department Total				
Personal Services	5,064,201	5,064,201	4,910,481	153,720
Materials, Supplies and Equipment	5,031,971	5,031,971	4,384,019	647,952
Debt Service	27,347	27,347	6,488	20,859
Finance Department Total	$ 10,123,519	$ 10,123,519	$ 9,300,988	$ 822,531
HUMAN RESOURCES				
Personnel - Admin				
Personal Services	$ 218,228	$ 218,228	$ 253,025	$ (34,797)
Materials, Supplies and Equipment	184,450	184,450	119,101	65,349
Personnel - Admin	402,678	402,678	372,126	30,552
Human Resource and Services				
Personal Services	1,132,184	1,132,184	1,126,124	6,060
Materials, Supplies and Equipment	558,741	563,020	470,624	92,396
Debt Service	22,567	22,567	22,567	-
Human Resource and Services	1,713,492	1,717,771	1,619,315	98,456
Human Resources Department Total				
Personal Services	1,350,412	1,350,412	1,379,149	(28,737)
Materials, Supplies and Equipment	743,191	747,470	589,725	157,745
Debt Service	22,567	22,567	22,567	-
Human Resources Department Total	$ 2,116,170	$ 2,120,449	$ 1,991,441	$ 129,008
TREASURER				
Treasurer's Office				
Personal Services	$ 309,585	$ 309,585	$ 333,596	$ (24,011)
Materials, Supplies and Equipment	127,298	127,298	137,715	(10,417)
Treasurer's Office Department Total	$ 436,883	$ 436,883	$ 471,311	$ (34,428)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PLANNING				
Planning				
Personal Services	1,073,889	$ 1,073,889	$ 949,488	$ 124,401
Materials, Supplies and Equipment	428,912	428,912	450,239	(21,327)
Debt Service	221,106	221,106	191,646	29,460
Planning	$ 1,723,907	$ 1,723,907	$ 1,591,373	$ 132,534
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	$ 79,425	$ 79,425	$ 226,586	$ (147,161)
Materials, Supplies and Equipment	175,293	175,293	142,026	33,267
Debt Service	1,150,300	1,150,300	1,111,741	38,559
Real Estate and Housing - Admin	1,405,018	1,405,018	1,480,353	(75,335)
Real Estate and Housing - Rehabilitation				
Personal Services	90,758	90,758	112,983	(22,225)
Materials, Supplies and Equipment	209,767	209,767	189,130	20,637
Debt Service	74,041	74,041	56,944	17,097
Real Estate and Housing - Rehabilitation	374,566	374,566	359,057	15,509
Real Estate & Housing Department Total				
Personal Services	170,183	170,183	339,569	(169,386)
Materials, Supplies and Equipment	385,060	385,060	331,156	53,904
Debt Service	1,224,341	1,224,341	1,168,685	55,656
Real Estate & Housing Department Total	$ 1,779,584	$ 1,779,584	$ 1,839,410	$ (59,826)
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 736,832	$ 736,832	$ 724,453	$ 12,379
Materials, Supplies and Equipment	638,941	638,941	565,938	73,003
Debt Service	470,433	470,433	303,964	166,469
Public Works - Admin	1,846,206	1,846,206	1,594,355	251,851
Street Maintenance				
Personal Services	56,112	56,112	33,987	22,125
Materials, Supplies and Equipment	306,211	402,211	443,527	(41,316)
Debt Service	1,637,217	1,637,217	1,451,750	185,467
Street Maintenance	1,999,540	2,095,540	1,929,264	166,276
Transportation/WILDOT				
Personal Services	1,255,015	1,255,015	1,186,281	68,734
Materials, Supplies and Equipment	1,282,862	1,328,617	1,153,672	174,945
Debt Service	991,951	991,951	1,048,540	(56,589)
Transportation/WILDOT	3,529,828	3,575,583	3,388,493	187,090

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 3,096,498	$ 3,123,484	$ 2,840,701	$ 282,783
Materials, Supplies and Equipment	1,977,981	2,083,995	2,079,541	4,454
Street Cleaning	5,074,479	5,207,479	4,920,242	287,237
Rubbish Collection				
Personal Services	3,252,265	3,253,265	3,539,011	(285,746)
Materials, Supplies and Equipment	4,219,230	4,212,230	4,182,949	29,281
Rubbish Collection	7,471,495	7,465,495	7,721,960	(256,465)
Property Maintenance				
Personal Services	318,013	316,013	284,339	31,674
Materials, Supplies and Equipment	1,952,280	1,906,280	1,599,995	306,285
Debt Service	586,489	586,489	515,597	70,892
Property Maintenance	2,856,782	2,808,782	2,399,931	408,851
Public Works Department Total				
Personal Services	8,714,735	8,740,721	8,608,772	131,949
Materials, Supplies and Equipment	10,377,505	10,572,274	10,025,622	546,652
Debt Service	3,686,090	3,686,090	3,319,851	366,239
Public Works Department Total	$ 22,778,330	$ 22,999,085	$ 21,954,245	$ 1,044,840
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 557,048	$ 557,048	$ 548,241	$ 8,807
Materials, Supplies and Equipment	625,536	661,024	635,715	25,309
Debt Service	1,085,980	1,085,980	1,075,580	10,400
Parks and Recreation - Admin	2,268,564	2,304,052	2,259,536	44,516
Park Maintenance				
Personal Services	1,836,066	1,836,066	1,808,924	27,142
Materials, Supplies and Equipment	1,180,644	1,166,222	1,285,824	(119,602)
Debt Service	802,588	802,588	634,981	167,607
Park Maintenance	3,819,298	3,804,876	3,729,729	75,147
Recreation				
Personal Services	505,942	545,919	572,384	(26,465)
Materials, Supplies and Equipment	354,891	370,080	437,457	(67,377)
Recreation	860,833	915,999	1,009,841	(93,842)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 792,690	$ 792,690	$ 811,486	$ (18,796)
Materials, Supplies and Equipment	480,009	481,832	446,091	35,741
Debt Service	68,799	68,799	68,188	611
William Hicks Anderson Center	1,341,498	1,343,321	1,325,765	17,556
Youth and Families				
Personal Services	718,379	678,402	728,271	(49,869)
Materials, Supplies and Equipment	222,528	216,653	254,823	(38,170)
Youth and Families	940,907	895,055	983,094	(88,039)
Parks and Recreation Department Total				
Personal Services	4,410,125	4,410,125	4,469,306	(59,181)
Materials, Supplies and Equipment	2,863,608	2,895,811	3,059,909	(164,098)
Debt Service	1,957,367	1,957,367	1,778,749	178,618
Parks and Recreation Department Total	$ 9,231,100	$ 9,263,303	$ 9,307,964	$ (44,661)
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 3,406,959	$ 3,406,959	$ 3,288,970	$ 117,989
Materials, Supplies and Equipment	1,189,904	1,190,207	1,051,686	138,521
Special Purpose	600,000	600,000	600,000	-
Debt Service	4,576	4,576	4,576	-
License and Inspection	$ 5,201,439	$ 5,201,742	$ 4,945,232	$ 256,510
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 6,233,606	$ 6,233,606	$ 5,063,398	$ 1,170,208
Materials, Supplies and Equipment	900,714	906,344	739,980	166,364
Debt Service	550,953	550,953	414,205	136,748
Fire - Admin	7,685,273	7,690,903	6,217,583	1,473,320
Fire - Suppression				
Personal Services	13,680,190	14,114,030	14,945,480	(831,450)
Materials, Supplies and Equipment	2,165,746	1,727,301	2,026,545	(299,244)
Fire - Suppression	15,845,936	15,841,331	16,972,025	(1,130,694)
Fire - Prevention				
Personal Services	921,107	921,107	1,014,298	(93,191)
Materials, Supplies and Equipment	302,616	302,616	365,083	(62,467)
Fire - Prevention	1,223,723	1,223,723	1,379,381	(155,658)
Fire Department Total				
Personal Services	20,834,903	21,268,743	21,023,176	245,567
Materials, Supplies and Equipment	3,369,076	2,936,261	3,131,608	(195,347)
Debt Service	550,953	550,953	414,205	136,748
Fire Department Total	$ 24,754,932	$ 24,755,957	$ 24,568,989	$ 186,968

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 5,582,875	$ 5,582,875	$ 6,130,057	$ (547,182)
Materials, Supplies and Equipment	1,246,277	1,257,177	1,366,616	(109,439)
Debt Service	-	-	-	-
Police - Admin	6,829,152	6,840,052	7,496,673	(656,621)
Police - Patrol				
Personal Services	21,014,396	22,214,396	21,907,057	307,339
Materials, Supplies and Equipment	2,277,765	2,277,765	2,833,257	(555,492)
Debt Service	274,591	274,591	313,900	(39,309)
Police - Patrol	23,566,752	24,766,752	25,054,214	(287,462)
Police - Special Operations				
Personal Services	4,639,479	4,639,479	5,377,678	(738,199)
Materials, Supplies and Equipment	546,991	546,991	523,071	23,920
Police - Special Operations	5,186,470	5,186,470	5,900,749	(714,279)
Police - Support Services				
Personal Services	1,217,766	1,217,766	1,178,688	39,078
Materials, Supplies and Equipment	1,038,665	1,012,015	780,352	231,663
Police - Support Services	2,256,431	2,229,781	1,959,040	270,741
Police - Investigations				
Personal Services	9,883,907	9,883,907	9,885,763	(1,856)
Materials, Supplies and Equipment	867,918	867,918	1,210,846	(342,928)
Police - Investigations	10,751,825	10,751,825	11,096,609	(344,784)
Police - Communications				
Personal Services	3,871,281	3,871,281	3,951,493	(80,212)
Materials, Supplies and Equipment	1,160,494	1,166,494	1,132,830	33,664
Debt Service	118,766	118,766	118,766	-
Police - Communications	5,150,541	5,156,541	5,203,089	(46,548)
Police Operations				
Materials, Supplies and Equipment	479,782	514,532	656,305	(141,773)
Police Operations	479,782	514,532	656,305	(141,773)
Police Department Total				
Personal Services	46,209,704	47,409,704	48,430,736	(1,021,032)
Materials, Supplies and Equipment	7,617,892	7,642,892	8,503,276	(860,384)
Debt Service	393,357	393,357	432,666	(39,309)
Police Department Total	$ 54,220,953	$ 55,445,953	$ 57,366,678	$ (1,920,725)
Total Expenditures	$ 150,039,643	$ 151,391,365	$ 150,458,291	$ 933,073

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 Related Commissions** 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 Fund includes the blended component units Wilmington Park Trust Commission and Rock Manor Golf Corporation.

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 provide 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, 2015

ASSETS	Park Recreation Assistance	Wilmington Park Related Commissions	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)	$ -	$ -	$ -	$ -	$ -	$ -	$ 440,448	$ -	$ 2,054,492	$1,114,260	$ 3,609,200
Restricted Assets:											
Cash and Investments (Note 3)	-	5,842,001	-	-	-	-	-	-	-	-	5,842,001
Receivables, Net (Note 4)	-	301,693	30,697	-	-	-	115	-	-	583,678	916,183
Due from Other Governments	213,832	43,525	1,051,948	241,988	356,666	1,003,614	337,801	-	-	795,950	4,045,324
Prepaid Items & Other Assets	-	14,956	-	-	-	-	-	-	-	-	14,956
Due from Other Funds	-	-	-	-	-	-	-	-	-	960	960
Total Assets	$ 213,832	$ 6,202,175	$ 1,082,645	$ 241,988	$ 356,666	$ 1,003,614	$ 778,364	$ -	$ 2,054,492	$ 2,494,848	$ 14,428,624
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	$ 121,476	$ 6	238,877	$ 161,252	$ 114,410	$ 53,737	$ 16,280	$ -	$ 151,978	$174,190	$ 1,032,206
Salaries and Benefits Payable	47,750	2,752	38,266	-	462	885	18,287	-	11,238	113,260	232,900
Due to Other Funds	30,949	74,963	683,023	73,857	164,888	698,936	-	-	-	362,447	2,089,063
Unearned Revenue	201,991	-	125,975	6,879	24,794	21,694	710,509	-	-	1,594,678	2,686,520
Other Liabilities	-	44,224	-	-	-	-	-	-	-	-	44,224
Total Liabilities	$ 402,166	$ 121,945	$ 1,086,141	$ 241,988	$ 304,554	$ 775,252	$ 745,076	$ -	$ 163,216	$ 2,244,575	$ 6,084,913
Fund Balances:											
Nonspendable	-	977,910	-	-	-	-	-	-	-	-	$ 977,910
Restricted	-	5,123,545	-	-	-	228,362	-	-	-	250,273	5,602,180
Committed	-	-	-	-	-	-	-	-	1,891,276	-	1,891,276
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	(188,334)	(21,225)	(3,496)	-	52,112	-	33,288	-	-	-	(127,655)
Total Fund Balances	(188,334)	6,080,230	(3,496)	-	52,112	228,362	33,288	-	1,891,276	250,273	8,343,711
Total Liabilities and Fund Balances	$ 213,832	$ 6,202,175	$ 1,082,645	$ 241,988	$ 356,666	$ 1,003,614	$ 778,364	$ -	$ 2,054,492	$ 2,494,848	$ 14,428,624

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, 2015

	Park Recreation Assistance	Wilmington Park Related Commissions	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	$ 1,493,279	$ 86,728	$ 2,386,546	$ 726,581	$ 611,403	$ 265,933	$ 1,250,883	$ 29,765	$ 1,676,455	$ 4,828,486	$ 13,356,059
Program Revenue	78,424	935	64,241	-	-	182,834	-	-	-	-	326,434
Investment Earning:	-	148,218	-	-	-	-	-	-	-	-	148,218
Total Revenues	$ 1,571,703	$ 235,881	$ 2,450,787	$ 726,581	$ 611,403	$ 448,767	$ 1,250,883	$ 29,765	$ 1,676,455	$ 4,828,486	$ 13,830,711
EXPENDITURES											
Current:											
General Governmental Services	-	-	-	-	-	-	-	-	1,527,278	252,116	1,779,394
Real Estate and Housing	-	-	2,453,999	726,581	559,291	448,767	-	-	-	677,037	4,865,675
Public Works	-	-	-	-	-	-	-	-	-	870,732	870,732
Parks and Recreation	1,532,983	365,447	-	-	-	-	-	-	-	43,531	1,941,961
Public Safety	-	-	-	-	-	-	1,255,822	29,765	-	3,193,645	4,479,232
Capital Outlays	-	36,408	-	-	-	-	-	-	-	12,275	48,683
Total Expenditures	$ 1,532,983	$ 401,855	$ 2,453,999	$ 726,581	$ 559,291	$ 448,767	$ 1,255,822	$ 29,765	$ 1,527,278	$ 5,049,336	13,985,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,720	(165,974)	(3,212)	-	52,112	-	(4,939)	-	149,177	(220,850)	(154,966)
Other Financing Sources											
Transfers ir	-	(41,189)	-	-	-	-	744	-	-	-	(40,445)
Total Other Financing Sources (Uses)	-	(41,189)	-	-	-	-	744	-	-	-	(40,445)
Net change in Fund Balances	38,720	(207,163)	(3,212)	-	52,112	-	(4,195)	-	149,177	(220,850)	(195,411)
Fund Balance - Beginning	(103,491)	7,119,564	(284)	-	-	228,362	(227)	-	1,742,099	17,030	9,003,053
Prior Period Adjustment	(123,563)	(832,171)	-	-	-	-	37,710	-	-	454,093	(463,931)
Fund Balance - Beginning as restated (Note 18)	(227,054)	6,287,393	(284)	-	-	228,362	37,483	-	1,742,099	471,123	8,539,122
Fund Balance - Ending	$ (188,334)	$ 6,080,230	$ (3,496)	$ -	$ 52,112	$ 228,362	$ 33,288	$ -	$ 1,891,276	$ 250,273	8,343,711

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, 2015

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 1,571,703	$ 1,571,703	$ 1,571,703	$ -
Expenditures	1,571,703	1,571,703	1,532,983	(38,720)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 38,720	$ 38,720
Commmunity Development Block Grant				
Revenues	$ 2,450,787	$ 2,450,787	$ 2,450,787	$ -
Expenditures	2,450,787	2,450,787	2,453,999	3,212
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (3,212)	$ (3,212)
Home Partnership Program				
Revenues	$ 726,581	$ 726,581	$ 726,581	$ -
Expenditures	726,581	726,581	726,581	-
Excess Revenues Over Expenditures	$ -	$ -	$ -	$ -
Home for People With AIDS				
Revenues	$ 611,403	$ 611,403	$ 611,403	$ -
Expenditures	611,403	611,403	559,291	(52,112)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 52,112	$ 52,112
Delaware Neighborhood Stablization Program				
Revenues	$ 448,767	$ 448,767	$ 448,767	$ -
Expenditures	448,767	448,767	448,767	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ -	$ -
Delaware Criminal Justice Planning				
Revenues	$ 1,250,883	$ 1,250,883	$ 1,250,883	$ -
Expenditures	1,250,883	1,250,883	1,255,822	4,939
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (4,939)	$ (4,939)
Community Oriented Policing Program				
Revenues	$ 29,765	$ 29,765	$ 29,765	$ -
Expenditures	29,765	29,765	29,765	-
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 Position
Internal Service Funds
June 30, 2015

	Data Processing	Document Management	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Internal Service Funds
ASSETS											
Current Assets:											
Cash and Cash Equivalents (Note 3)	$ -	$ 22,035	$ 28,845	$ 1,771	$ 17,785	$ -	$ 250	$ 9,699,989	$ 9,559,201	$ 2,649,538	$ 21,979,414
Restricted Assets:											
Cash and Investments (Note 3)	700,000	-	-	-	-	2,509	-	-	-	-	702,509
Receivables, Net (Note 4)	-	-	-	-	-	26,555	-	-	-	-	26,555
Due from Other Funds (Note 7)	-	-	-	-	-	-	-	-	625,672	-	625,672
Prepaid Items and Other Assets	-	-	-	-	-	-	-	-	255,000	-	255,000
Total Current assets		22,035	28,845	1,771	17,785	29,064	250	9,699,989	10,439,873	2,649,538	23,589,150
Noncurrent Assets:											
Advances to Other Funds (Note 7)	-	-	-	-	-	-	-	2,160,628	2,160,628	-	4,321,256
Capital Assets, Net:											
Construction In Progress	443,156	-	-	-	-	25,805	-	-	-	-	468,961
Buildings and Improvements	16,150	-	-	-	-	3,247,770	7,263	-	-	-	3,271,183
Machinery and Equipment	2,430,677	-	-	-	-	735,304	2,315,019	-	-	-	5,481,000
Vehicles	-	-	-	-	-	11,522,887	-	-	-	-	11,522,887
Total Noncurrent Assets	2,889,983	-	-	-	-	15,531,766	2,322,282	2,160,628	2,160,628	-	25,065,287
Total Assets	#VALUE!	22,035	28,845	1,771	17,785	15,560,830	2,322,532	11,860,617	12,600,501	2,649,538	48,654,437
DEFERRED OUTFLOWS OF RESOURCES											
Deferred on Refunding of Bonds	33,087	-	-	-	-	176,538	8,171	-	-	-	217,796
Total Deferred Outflows of Resources	33,087	-	-	-	-	176,538	8,171	-	-	-	217,796
LIABILITIES											
Current Liabilities:											
Accounts Payable	503,979	1,302	15,375	891	1,268	520,491	64,754	104,559	205,169	1,469,271	2,887,059
Salaries and Benefits Payable	24,839	3,839	879	880	5,496	-	9,249	5,802	16,508	3,539	71,031
Accrued Interest Payable	16,299	-	-	-	-	36,475	4,136	83,279	83,279	-	223,468
Due to Other Funds	974,864	-	-	-	1,307	**2,436,559**	1,488,014	-	-	-	4,900,744
Bonds Payable	470,256	-	-	-	-	293,102	123,144	-	-	-	886,502
Capital Lease	-	-	-	-	-	2,059,801	187,027	-	-	-	2,246,828
Claims Liability	-	-	-	-	-	-	-	1,886,704	2,182,646	1,174,253	5,243,603
Compensated Absences	67,277	16,894	12,591	-	9,714	-	27,933	25,750	9,693	2,475	172,327
Total Current Liabilities	2,057,514	22,035	28,845	1,771	17,785	5,346,428	1,904,257	2,106,094	2,497,295	2,649,538	16,631,562
Noncurrent Liabilities:											
Advances Due to Other Funds (Note 7)	-	-	-	-	-	**3,184,707**	-	-	-	-	3,184,707
Bonds Payable	1,587,246	-	-	-	-	2,991,478	107,648	-	-	-	4,686,372
Capital Lease	-	-	-	-	-	3,360,720	320,939	-	-	-	3,681,659
Claims Liability	-	-	-	-	-	-	-	7,251,019	10,103,206	-	17,354,225
Total Noncurrent Liabilities	1,587,246	-	-	-	-	9,536,905	428,587	7,251,019	10,103,206	-	28,906,963
Total Liabilities	3,644,760	22,035	28,845	1,771	17,785	14,883,333	2,332,844	9,357,113	12,600,501	2,649,538	45,538,525
NET POSITION											
Net Investement in Capital Assets	1,565,568	-	-	-	-	7,005,712	1,591,694	-	-	-	10,162,974
Unassigned	(1,587,258)	-	0	-	-	(6,151,677)	(1,593,835)	2,503,504	-	-	(6,829,266)
Total Net Position	$ (21,690)	$ -	$ 0	$ -	$ -	$ 854,035	$ (2,141)	$ 2,503,504	$ -	$ -	$ 3,333,708

City of Wilmington, Delaware

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Data Processing	Document Management	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	$ 4,311,236	$ 259,836	$ 297,869	$ 149,681	$ 314,140	$ 7,455,634	$ 1,945,804	$ 5,134,508	$ 3,895,133	$ 19,373,900	$ 43,137,741
Employee Contributions	-	-	-	-	-	-	-	-	-	339,088	339,088
Other	-	-	-	-	-	-	-	30,249	-	-	30,249
Total Operating Revenues	4,311,236	259,836	297,869	149,681	314,140	7,455,634	1,945,804	5,164,757	3,895,133	19,712,988	43,507,078
OPERATING EXPENSES											
Personal Services	934,842	140,576	28,883	28,995	198,995	-	359,222	210,964	407,295	113,501	2,423,273
Materials, Supplies, Equipment and Contractual Services	2,727,799	119,260	268,986	120,686	115,145	4,234,751	1,191,821	170,569	364,015	64,111	9,377,143
Depreciation and Amortization	530,863	-	-	-	-	3,135,211	375,785	-	-	-	4,041,859
Claims Expense	-	-	-	-	-	-	-	4,229,223	3,117,867	19,535,376	26,882,466
Insurance Premiums	-	-	-	-	-	-	-	563,045	15,000	-	578,045
Total Operating Expenses	4,193,504	259,836	297,869	149,681	314,140	7,369,962	1,926,828	5,173,801	3,904,177	19,712,988	43,302,786
Operating Income (Loss)	117,732	-	-	-	-	85,672	18,976	(9,044)	(9,044)	-	204,292
NON-OPERATING REVENUES (EXPENSES)											
Investment Earnings	-	-	-	-	-	-	-	9,044	9,044	-	18,088
Interest Expense	(117,732)	-	-	-	-	(164,517)	(18,976)	-	-	-	(301,225)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	78,845	-	-	-	-	78,845
Total Non-Operating Revenues (Expenses)	(117,732)	-	-	-	-	(85,672)	(18,976)	9,044	9,044	-	(204,292)
Income before Capital Grants and Transfers	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Change in Net Position	-	-	-	-	-	-	-	-	-	-	-
Total Net Position - Beginning	(21,690)	-	-	-	-	854,035	(2,141)	2,503,504	-	-	3,333,708
Total Net Position - Ending	$ (21,690)	$ -	$ -	$ -	$ -	$ 854,035	$ (2,141)	$ 2,503,504	$ -	$ -	$ 3,333,708

City of Wilmington, Delaware

Combining Statement of Cash Flows
Internal Service Funds
June 30, 2015

	Data Processing	Document Management	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	$ 4,311,236	$ 259,836	$ 297,868	$ 149,680	$ 314,140	$ 7,439,254	$ 1,945,804	$ 5,164,758	$ 3,895,133	$ 19,712,988	$ 43,490,697
Payments to Suppliers	(2,651,661)	(125,945)	(282,971)	(166,033)	(117,006)	(4,478,704)	(1,726,379)	(2,348,355)	(3,438,445)	(19,331,591)	(34,667,090)
Payments to Employees	(925,849)	(140,468)	(28,858)	(28,829)	(199,473)	-	(357,543)	(197,867)	(400,778)	(112,806)	(2,392,471)
Net Cash Provided by (Used in) Operating Activities	733,726	(6,577)	(13,961)	(45,182)	(2,339)	2,960,550	(138,118)	2,618,536	55,910	268,591	6,431,136
Cash Flows from Noncapital Financing Activities											
Advances From Other Funds	481,822	-	-	-	1,307	2,332,614	541,709	-	(211,689)	(1,038)	3,144,725
Advances (To) Other Funds	-	-	-	-	-	-	-	1,339,994	1,339,994	-	2,679,988
Investment Earnings	-	-	-	-	-	-	-	9,044	9,044	-	18,088
Transfers From Other Funds	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	481,822	-	-	-	1,307	2,332,614	541,709	1,349,038	1,137,349	(1,038)	5,842,801
Cash Flows from Capital and Related Financing Activities:											
Proceeds from Capital Debt	-	-	-	-	-	-	-	-	-	-	-
Acquisition and Construction of Capital Assets	(87,929)	-	-	-	-	(2,203,713)	(92,121)	-	-	-	(2,383,763)
Principal Paid on Bonds	(409,338)	-	-	-	-	(192,800)	(104,255)	-	-	-	(706,393)
Interest Paid / Accrued on Bonds	(122,382)	-	-	-	-	(87,500)	(14,299)	35,006	35,006	-	(154,169)
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-	-
Principal Paid on Capital Leases	-	-	-	-	-	(2,812,070)	($182,880)	-	-	-	(2,994,950)
Interest Paid on Capital Leases	-	-	-	-	-	(126,666)	(10,036)	-	-	-	(136,702)
Bond Issuance Costs Capitalized	-	-	-	-	-	-		-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	129,585	-	-	-	-	129,585
Funds Paid to Escrow	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	(619,649)	-	-	-	-	(5,293,164)	(403,591)	35,006	35,006	-	(6,246,392)
Net Increase (Decrease) in Cash and Cash Equivalents	595,899	(6,577)	(13,961)	(45,182)	(1,032)	-	-	4,002,580	1,228,265	267,553	6,027,545
Cash and Cash Equivalents - July 1, 2014 restated (including $104,102 for the Data Processing Fund & $2,509 for the Motor Vehicle Fund reported in restricted accounts)	104,102	28,611	42,806	46,952	18,817	2,509	250	5,697,411	8,330,936	2,381,984	16,654,378
Cash and Cash Equivalents - June 30, 2015 (including $700,000 for the Data Processing Fund & $2,509 for the Motor Vehicle Fund reported in restricted accounts)	$ 700,000	$ 22,034	$ 28,845	$ 1,770	$ 17,785	$ 2,509	$ 250	$ 9,699,991	$ 9,559,201	$ 2,649,537	$ 22,681,923
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:											
Operating Income (Loss)	$ 117,732	$ -	$ -	$ -	$ -	$ 85,672	$ 18,976	$ (9,044)	$ (9,044)	$ -	204,292
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:											
Depreciation and Amortization	530,863	-	-	-	-	3,135,211	375,785	-	-	-	4,041,859
Changes in Assets and Liabilities:											
Increase in Receivables	-	-	-	-	-	(16,380)	-	-	-	-	(16,380)
Increase (Decrease) in Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-
Employee Travel Advances	-	-	-	-	-	-	-	-			-
Refundable Deposits	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	76,138	(6,686)	(13,985)	(45,348)	(1,861)	(243,953)	(534,558)	(369,894)	116,524	306,640	(716,983)
Increase (Decrease) in Compensated Absences	4,897	(392)	(142)	-	(1,359)	-	1,212	10,674	(1,122)	(324)	13,444
(Decrease) in Accrued Salaries	4,096	501	166	166	881	-	467	2,424	7,639	1,020	17,360
Increase (decrease) in Accrued Interest	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	2,984,376	(58,087)	(38,745)	2,887,544
Net Cash Provided by (Used In) Operating Activities	$ 733,726	$ (6,577)	$ (13,961)	$ (45,182)	$ (2,339)	$ 2,960,550	$ (138,118)	$ 2,618,536	$ 55,910	$ 268,591	$ 6,431,136

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
Firefighter's 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 Healthcare 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.

City of Wilmington

Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015

	Firefighters 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 Trust Funds
ASSETS									
Cash and Cash Equivalents (Note 3)	$ 1,584,200	$ 513,340	$ 823	$ 1,432	$ 4,021,432	$ -	$ 6,121,227	$ 44,059	$ 6,165,286
Receivables:									
Accrued Interest & Other Receivables	458,306	730,174	28,917	31,903	133,017	-	1,382,317	5,622	1,387,939
Total Receivables	458,306	730,174	28,917	31,903	133,017	-	1,382,317	5,622	1,387,939
Investments, at Fair Value:									
Money Market Funds	866,525	1,654,506	119,902	266,706	1,292,672	70,234	4,270,545	49,101	4,319,646
U.S. Treasury Obligations	5,427,207	10,362,484	750,973	1,670,432	8,096,244	-	26,307,340	-	26,307,340
U.S. Government Agencies - Other	1,774,161	3,387,508	245,494	546,066	2,646,672	-	8,599,901	-	8,599,901
Corporate & Foreign Bonds	6,572,253	12,548,787	909,415	2,022,864	9,804,410	-	31,857,729	-	31,857,729
Common Equity & Marketable Securities	12,421,672	23,717,423	1,718,810	3,823,248	18,530,504	168,523	60,380,180	-	60,380,180
Global & International Funds	7,104,999	13,565,990	983,132	2,186,837	10,599,154	-	34,440,112	1,830,203	36,270,315
Mutual Funds	8,373,837	15,988,656	1,158,704	2,577,371	12,491,992	70,070	40,660,630	12,059,349	52,719,979
Total Investments	42,540,654	81,225,354	5,886,430	13,093,524	63,461,648	308,827	206,516,437	13,938,653	220,455,090
Due from Other Pension Trust Fund	-	-	-	-	-	-	-	501,467	501,467
Total Assets	44,583,160	82,468,868	5,916,170	13,126,859	67,616,097	308,827	214,019,981	14,489,801	228,509,782
LIABILITIES									
Accounts Payable	1,986	3,540	514	888	4,540	8,910	20,378	11,000	31,378
Salaries and Benefits Payable	927	925	927	1,907	4,813	-	9,499	143,515	153,014
Due to Other Pension Trust Fund	-	-	-	-	501,467	-	501,467	-	501,467
Due to Other Governments	-	-	-	-	6,540,017	-	6,540,017	-	6,540,017
Compensated Absences	-	-	-	-	25,273	-	25,273	-	25,273
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	178,646	-	178,646
Total Liabilities	48,339	81,804	40,352	11,312	7,084,563	8,910	7,275,280	154,515	7,429,795
Net Position									
Held in Trust for Pension & OPEB Benefits	$ 44,534,821	$ 82,387,064	$ 5,875,818	$ 13,115,547	$ 60,531,534	$ 299,917	$ 206,744,701	$ 14,335,286	$ 221,079,987

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Positioı
Pension Trust Funds
For the Year Ended June 30, 2015

	Firefighters 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 Trust Funds
ADDITIONS									
Contributions:									
City									
Paid Directly by the City	$ 435,261	$ 5,904,595	$ 240,339	$ 435,503	$ 5,719,954	$ -	$ 12,735,652	$ 2,870,733	$ 15,606,385
Paid by the State									
On-Behalf of the City	3,814,978	1,901,858	14,574	-	-	-	5,731,410	-	5,731,410
Employees	177,087	295,781	-	-	430,845	-	903,713	573,983	1,477,696
Federal Drug Subsidies & Other	-	-	-	17,820	20,895	48,765	87,480	71,049	158,529
Total Contributions	4,427,326	8,102,234	254,913	453,323	6,171,694	48,765	19,458,255	3,515,765	22,974,020
Investment Income									
Investment Earnings	925,485	1,765,194	127,826	275,284	1,325,433	7,676	4,426,898	1,932,307	6,359,205
Net Appreciation (Depreciation) in Fair Value	29,156	55,669	4,034	8,688	43,780	(4,191)	137,136	(1,630,139)	(1,493,003)
Total Investment Earnings	954,641	1,820,863	131,860	283,972	1,369,213	3,485	4,564,034	302,168	4,866,202
Less: Investment Expense	(162,695)	(310,643)	(22,512)	(48,483)	(253,293)	-	(797,626)	(45,385)	(843,011)
Net Investment Income	791,946	1,510,220	109,348	235,489	1,115,920	3,485	3,766,408	256,783	4,023,191
Total Additions	5,219,272	9,612,454	364,261	688,812	7,287,614	52,250	23,224,663	3,772,548	26,997,211
DEDUCTIONS									
Benefits Paid	7,025,063	10,678,644	664,604	966,673	4,384,851	17,820	23,737,655	2,921,394	26,659,049
Administrative Expenses	75,865	100,851	52,509	85,229	229,665	3,207	547,326	39,000	586,326
Total Deductions	7,100,928	10,779,495	717,113	1,051,902	4,614,516	21,027	24,284,981	2,960,394	27,245,375
Net Increase in Plan Net Position	(1,881,656)	(1,167,041)	(352,852)	(363,090)	2,673,098	31,223	(1,060,318)	812,154	(248,164)
Net Position - Beginning	46,416,477	83,554,105	6,228,670	13,478,637	57,858,436	268,694	207,805,019	13,523,132	221,328,151
Net Position - Ending	$ 44,534,821	$ 82,387,064	$ 5,875,818	$ 13,115,547	$ 60,531,534	$ 299,917	$ 206,744,701	$ 14,335,286	$ 221,079,987

SEAL OF THE CITY OF WILMINGTON
DELAWARE

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 122

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 127

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

Debt Capacity 131

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 135

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 138

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 Statement No. 34 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 2006 unless otherwise explained.

SEAL OF THE CITY OF WILMINGTON
DELAWARE

Table I

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	$ 44,920,136	$ 72,981,412	$ 77,387,019	$ 75,133,657	$ 81,867,549	$ 82,216,326	$ 79,317,727	$ 68,699,894	$ 70,032,240	$ 74,784,855
Restricted	47,553,927	37,550,546	32,130,891	21,463,882	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914
Unrestricted	37,510,699	42,222,663	39,978,018	31,145,169	25,986,816	23,402,664	25,864,401	17,545,747	(119,636,657)	(116,324,021)
Total Governmental Activities Net Position	$ 129,984,762	$ 152,754,621	$ 149,495,928	$ 127,742,708	$ 112,825,012	$ 111,089,827	$ 111,116,467	$ 107,648,958	$ (30,918,607)	$ (29,158,252)
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	$ 82,303,094	$ 99,552,941	$ 102,115,411	$ 109,256,602	$ 110,672,786	$ 112,071,075	$ 118,391,959	$ 118,345,142	$ 116,604,537	$ 116,858,039
Restricted	13,216,350	13,216,350	35,632,265	19,441,751	-	-	-	-	-	-
Unrestricted	(22,727,559)	(29,954,329)	(50,893,003)	(41,690,813)	(25,777,628)	(14,446,190)	(16,294,598)	(8,337,387)	(3,290,174)	5,835,485
Total Business-type Activities Net Position	$ 72,791,885	$ 82,814,962	$ 86,854,673	$ 87,007,540	$ 84,895,158	$ 97,624,885	$ 102,097,361	$ 110,007,755	$ 113,314,363	$ 122,693,524
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	$ 127,223,230	$ 172,534,353	$ 179,502,430	$ 184,390,259	$ 192,540,335	$ 194,287,401	$ 197,709,686	$ 187,045,036	$ 186,636,777	$ 191,642,894
Restricted	60,770,277	50,766,896	67,763,156	40,905,633	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914
Unrestricted	14,783,140	12,268,334	(10,914,985)	(10,545,644)	209,188	8,956,474	9,569,803	9,208,360	(122,926,831)	(110,488,536)
Total Primary Government Net Position	$ 202,776,647	$ 235,569,583	$ 236,350,601	$ 214,750,248	$ 197,720,170	$ 208,714,712	$ 213,213,828	$ 217,656,713	$ 82,395,756	$ 93,535,272

Note: Governmental activities infrastructure was not fully included in net position until June 30, 2006.
Net position for 2004 and 2005 are as restated in 2006 to reflect additions of infrastructure and other items; the main net effect was to add
Net position for 2007 are as restated in 2008 to record less revenue than anticipated when a grant ended.
Net position for 2011 are restated due to an inclusion of a new blended component unit.
Net position for 2014 are restated due to the implementation of GASB Np. 68, Component Unit adjustments and an adjustment to deferred revenue in the special revenue funds.
The Net Position as of June 30, 2015 has been restated as detailed in Note 19 to the financial statements.

Table II

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities:										
General Government	$ 17,908,626	$ 21,059,597	$ 22,779,627	$ 26,059,767	$ 26,393,092	$ 29,488,557	$ 35,708,148	$ 28,485,274	$ 27,630,002	$ 28,495,073
Commerce	2,541,506	1,678,227	7,022,739	9,454,881	7,711,248	-	-	-	-	-
Real Estate and Housing	7,178,124	6,554,301	7,427,235	8,156,663	11,672,335	9,558,053	10,276,370	4,925,920	5,431,791	6,434,211
Public Works	16,916,066	18,308,616	21,562,949	22,601,418	23,110,033	23,033,197	23,177,193	23,242,074	23,807,433	23,447,957
Parks and Recreation	7,805,055	9,641,670	11,460,259	10,027,975	10,605,259	9,423,690	9,632,204	9,196,053	9,077,378	10,317,892
Public Safety	65,487,887	74,738,935	74,915,049	86,901,639	86,039,994	82,913,341	84,777,539	90,571,399	90,737,719	83,938,497
Interest on Long-Term Debt	7,473,268	5,342,897	4,569,496	5,352,455	4,519,308	5,616,097	4,768,486	5,150,078	4,743,372	4,342,767
Total Governmental Activities Expenses	125,310,532	137,324,243	149,737,354	168,554,798	170,051,269	160,032,935	168,339,940	161,570,798	161,427,695	156,976,397
Business-type Activities:										
Water/Sewer	42,614,504	46,666,607	48,562,013	53,181,200	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907
Total Business-Type Activities Expenses	42,614,504	46,666,607	48,562,013	53,181,200	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907
Total Primary Government Expenses	$ 167,925,036	$ 183,990,850	$ 198,299,367	$ 221,735,998	$ 225,085,206	$ 214,756,554	$ 229,224,584	$ 221,479,572	$ 226,411,971	$ 221,069,304
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	$ 8,304,184	$ 7,129,053	$ 7,137,885	$ 7,438,126	$ 7,619,652	$ 8,906,826	$ 8,937,613	$ 9,710,578	$ 10,378,709	$ 10,471,882
Commerce	-	-	1,360	30,893	161,203	-	-	-	-	-
Real Estate and Housing	735,375	1,000	527,971	39,798	541,183	795,318	1,915,305	-	-	247,075
Public Works	29,839	217,669	263,071	254,077	273,147	374,128	283,289	294,972	224,135	162,702
Parks and Recreation	78,494	-	85,311	-	22,964	59,026	284,258	312,783	190,332	79,359
Public Safety	9,209,946	12,085,150	11,609,610	12,854,296	15,433,702	13,774,372	16,408,085	10,843,278	15,380,748	14,612,394
Operating Grants and Contributions	26,298,656	19,969,298	18,322,960	17,706,081	19,236,629	20,569,251	19,362,707	17,388,953	16,907,582	19,095,300
Capital Grants and Contributions	11,066,220	8,135,550	1,639,225	1,841,887	1,103,155	1,908,256	1,311,524	1,933,252	1,377,611	2,341,802
Total Governmental Activities Revenues	55,722,714	47,537,720	39,587,393	40,165,158	44,391,635	46,387,177	48,502,781	40,483,816	44,459,117	47,010,514
Business-type Activities:										
Charges for Services:										
Water	40,980,492	51,143,730	52,221,925	53,020,756	52,217,917	58,346,241	64,744,275	67,065,579	76,491,666	73,926,346
Operating Grants and Contributions	-	-	-	-	572,410	9,092,105	574,876	469,271	67,784	167,892
Total Business-type Activities Revenues	40,980,492	51,143,730	52,221,925	53,020,756	52,790,327	67,438,346	65,319,151	67,534,850	76,559,450	74,094,238
Total Primary Government Revenues	$ 96,703,206	$ 98,681,450	$ 91,809,318	$ 93,185,914	$ 97,181,962	$ 113,825,523	$ 113,821,932	$ 108,018,666	$ 121,018,567	$ 121,104,752

Table II

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	$ 30,403,939	$ 30,323,434	$ 30,268,835	$ 32,690,788	$ 35,207,881	$ 39,428,237	$ 39,334,457	$ 38,383,979	$ 40,031,479	$ 40,289,471
Income Taxes	54,791,274	52,786,285	54,438,848	57,543,505	57,426,347	55,958,208	63,519,580	61,873,590	62,058,990	62,286,478
Other Taxes	6,158,544	5,940,697	4,978,122	2,668,996	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244
Lodging & Natural Gas Taxes	-	1,303,322	1,227,140	1,306,744	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638
Investment Earnings	5,268,048	6,523,991	3,471,478	1,168,607	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,461
Payments from Component Units	275,000	275,000	500,000	500,000	-	-			-	-
Other Revenues including Capital Asset Sales Gains	11,614	10,002,069	-	-	110,976	-	-	-	84,681	-
Grants, Entitlements, and Contributions not Restricted to Specific Programs	6,853,486	10,401,584	12,006,845	10,757,780	13,243,382	11,897,908	12,437,046	12,505,037	13,621,030	14,137,931
Transfers	-	(5,000,000)	-	-	-	-	-	(232,176)	-	2,976
Total Governmental Activities	103,761,905	112,556,382	106,891,268	106,636,420	110,741,938	111,378,392	119,863,799	117,619,473	120,102,692	120,813,199
Business-type Activities:										
Investment Earnings	-	500,000	379,799	313,311	131,228	15,000	37,969	52,142	4,135	3,502
Transfers	-	5,000,000	-	-	-	-	-	232,176	-	-
Other Revenues including Capital Asset Sales Gains	-	45,954	-	-	-	-	-	-	-	-
Total Business-type Activities	-	5,545,954	379,799	313,311	131,228	15,000	37,969	284,318	4,135	3,502
Total Primary Government	$ 103,761,905	$ 118,102,336	$ 107,271,067	$ 106,949,731	$ 110,873,166	$ 111,393,392	$ 119,901,768	$ 117,903,791	$ 120,106,827	$ 120,816,701
CHANGE IN NET POSITION										
Governmental Activities	$ 34,174,087	$ 22,769,859	$ (3,258,693)	$ (21,753,220)	$ (14,917,696)	$ (2,267,366)	$ 26,640	$ (3,467,509)	$ 3,134,114	$ 10,847,316
Business-type Activities	(1,634,012)	10,023,077	4,039,711	152,867	(2,112,382)	12,729,727	4,472,476	7,910,394	11,579,309	10,004,833
Total Primary Government	$ 32,540,075	$ 32,792,936	$ 781,018	$ (21,600,353)	$ (17,030,078)	$ 10,462,361	$ 4,499,116	$ 4,442,885	$ 14,713,423	$ 20,852,149

Note: Governmental activities infrastructure was not fully included in net position until June 30, 2006.
Net position 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 position to 2004.
Net position for 2007 are as restated in 2008 to record $945,996 less revenue than anticipated when a grant ended.
The Net Position as of June 30, 2015 has been restated as detailed in Note 19 to the financial statements.

Table III

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	$ -	$ -	$ 10,987,648	$ 7,962,476	$ 10,508,968	$ 6,500,000	$ 9,988,293	$ 8,771,914	$ 5,460,671	$ 3,184,707
Committed										
Special Designations	20,378,110	5,500,000	18,562,766	-	-	-	-	-	-	-
Budget Reserve Account	37,466,306	46,352,802	15,200,256	14,560,571	14,761,419	13,933,709	14,292,802	14,537,615	15,003,965	15,169,686
Other Purposes	200,000	250,000	1,633	294,828	-	430,000	-	-	-	-
Unassigned										
Other Purposes	-	-	15,282,782	9,912,050	5,774,119	16,937,671	20,964,373	23,262,923	25,592,630	24,694,765
Total General Fund	$ 58,044,416	$ 52,102,802	$ 60,035,085	$ 32,729,925	$ 31,044,506	$ 37,801,380	$ 45,245,468	$ 46,572,452	$ 46,057,266	$ 43,049,158
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	-	-	-	-	-	820,344	799,803	879,788	991,205	977,910
Restricted										
Capital Projects Funds	23,757,025	13,934,737	25,490,794	16,820,184	10,756,912	11,301,494	22,033,428	14,826,533	11,551,577	6,778,734
Park Operations	5,911,539	6,429,519	5,865,380	4,554,207	4,970,647	4,650,493	5,134,536	5,696,996	6,143,028	5,123,545
Other Purposes	6,395,446	5,208,207	447,309	89,491	-	-	-	-	245,392	478,635
Committed										
Affordable Housing	-	2,300,000	1,880,167	5,378,951	3,603,392	2,219,614	1,329,261	1,178,585	631,127	(346,207)
Economic Development	10,517,702	8,620,524	178,878	8,793,057	8,124,949	6,685,727	5,639,243	5,550,802	5,550,802	5,215,443
Other Purposes	-	-	407,628	608,060	874,627	790,556	775,204	1,644,281	1,742,099	1,891,276
Unassigned										
Other Purposes	-	-	-	-	-	-	-	-	(118,672)	(127,655)
Total All Other Governmental Funds	$ 46,581,712	$ 36,492,987	$ 34,270,156	$ 36,243,950	$ 28,330,527	$ 26,468,228	$ 35,711,475	$ 29,776,985	$ 26,736,559	$ 19,991,681

Notes: The components of fund balances for 2003 to 2008 have been restated for comparative purposes after the implementation of GASB 54 (see Note 1).
The Net Position as of June 30, 2015 has been restated as detailed in Note 19 to the financial statements.

Table IV

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 30,289,277	$ 30,227,452	$ 30,503,671	$ 31,911,858	$ 35,398,064	$ 39,187,019	$ 39,013,879	$ 38,181,077	$ 38,140,803	$ 40,046,863
Wage Taxes	51,536,049	47,836,558	49,791,625	51,845,669	54,146,338	51,732,408	55,815,188	56,558,250	55,819,469	57,891,999
Net Profit	3,541,769	4,093,904	4,599,819	4,059,847	4,693,460	4,818,119	5,040,088	5,439,220	5,547,134	5,746,392
Franchise	2,841,710	2,044,715	1,814,216	2,006,557	1,775,266	1,771,473	1,716,982	1,863,137	916,631	899,239
Real Estate Transfer	5,663,155	5,940,697	4,978,122	2,668,996	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244
Head Taxes	2,239,433	2,154,655	2,420,998	2,787,027	3,178,931	3,665,320	3,662,183	3,538,656	4,071,552	4,260,172
Lodging & Natural Gas	495,389	1,303,322	1,227,140	1,306,744	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638
Intergovernmental	52,478,305	40,398,789	31,908,829	31,977,973	35,914,336	34,753,438	34,272,415	32,911,841	32,162,180	36,276,503
Licenses and Permits	4,395,440	4,597,081	4,380,848	4,382,137	4,489,246	3,987,861	4,843,537	4,573,516	3,880,469	4,296,561
Fines and Forfeitures	3,705,122	4,512,276	5,422,146	6,395,262	7,583,731	8,698,896	9,484,531	7,096,186	8,466,787	7,387,420
Charges for Services	4,865,271	4,512,407	6,241,932	4,610,583	5,035,301	5,958,581	7,495,032	5,865,902	6,626,184	6,826,272
Investment Earnings	5,268,048	6,523,991	3,471,478	1,162,296	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,455
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	167,318,968	154,145,847	146,760,824	145,114,949	156,968,025	158,667,154	165,916,551	161,116,828	159,937,721	167,727,758
EXPENDITURES										
General Government	18,009,115	20,628,512	21,429,638	25,436,843	25,033,199	31,650,965	34,037,673	26,751,489	26,295,676	28,019,881
Commerce	1,746,783	1,613,148	6,892,580	9,324,722	7,711,248	-	-	-	-	-
Real Estate and Housing	7,157,916	6,567,453	7,356,072	8,137,793	11,099,966	9,543,270	10,253,569	4,909,695	5,411,073	6,543,782
Public Works	12,490,776	15,202,695	17,531,847	18,488,759	18,883,832	18,619,338	18,629,588	18,596,378	19,342,030	19,505,124
Parks and Recreation	7,164,413	9,228,449	10,113,079	9,133,636	9,636,781	8,452,461	8,607,042	8,145,406	8,104,354	9,471,175
Public Safety	65,640,898	74,677,708	74,091,861	84,168,848	82,336,748	79,671,627	80,231,287	85,840,469	87,586,989	90,516,021
Debt Service:										
Principal	11,490,624	11,649,630	12,490,844	10,134,948	6,477,638	2,775,559	5,615,432	7,177,478	6,840,368	7,570,521
Interest	4,818,692	6,173,566	5,059,028	5,352,913	5,002,246	5,403,006	5,315,850	5,071,563	5,196,196	4,937,476
Capital Outlay - Capital Projects	19,966,777	29,783,000	7,110,040	4,649,853	7,607,704	2,021,953	7,198,258	9,121,210	4,775,999	6,914,338
Total Expenditures	148,485,994	175,524,161	162,074,989	174,828,315	173,789,362	158,138,179	169,888,699	165,613,688	163,552,685	173,478,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,832,974	(21,378,314)	(15,314,165)	(29,713,366)	(16,821,337)	528,975	(3,972,148)	(4,496,860)	(3,614,964)	(5,750,560)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	1,579,114	10,002,069	500,000	500,000	110,976	3,566,586	-	-	-	-
Capital Lease Issued	-	-	-	-	-	-	-	-	-	413,828
Bond Anticipation Note Repayment	-	-	-	-	-	-	-	-	-	-
Bonds Issued	34,155,000	27,356,540	34,100,000	3,882,000	35,598,915	799,014	33,404,051	16,853,656	-	-
Premium on Debt Issued	1,365,925	883,112	1,061,991	-	3,042,569	-	686,181	3,604,591	-	-
Payment to Refunded Bond Escrow Agent	-	(27,893,746)	(13,692,378)	-	(31,529,965)	-	(12,012,682)	(20,275,357)	-	-
Transfers In	645,992	8,859,255	1,666,236	21,795,110	1,497,943	1,549,497	6,500,356	676,363	139,434	43,421
Transfers Out	(645,992)	(13,859,255)	(1,666,236)	(21,795,110)	(1,497,943)	(1,549,497)	(6,500,356)	(969,899)	(54,753)	(40,445)
Total Other Financing Sources (Uses)	37,100,039	5,347,975	21,969,613	4,382,000	7,222,495	4,365,600	22,077,550	(110,646)	84,681	416,804
Net Change in Fund Balances	55,933,013	(16,030,339)	6,655,448	(25,331,366)	(9,598,842)	4,894,575	18,105,402	(4,607,506)	(3,530,283)	(5,333,756)
Prior Period Adjustments	2,556,183	-	-	-	-	-	-	-	(25,329)	(4,419,230)
Net Change in Fund Balances	$ 58,489,196	$ (16,030,339)	$ 6,655,448	$ (25,331,366)	$ (9,598,842)	$ 4,894,575	$ 18,105,402	$ (4,607,506)	$ (3,555,612)	$ (9,752,986)
Debt Service as a Percentage of Noncapital Expenditures	12.69%	12.23%	11.33%	9.10%	6.91%	5.24%	6.72%	7.83%	7.58%	7.51%

Notes Within expenditures of 2003 to 2008, departments have been reclassified to their current categories for comparative purposes.
For 2011, $3,566,586 has been reclassified from capital outlays to General Government Services as these assets were not retained by the City.
The Net Position as of June 30, 2015 has been restated as detailed in Note 19 to the financial statements.

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			
2015	$ 1,023,581,550	$ 1,031,938,360	$ 101,798,000	$ 1,401,944,550	$ 1,411,411,213	2,147,851,247	$ 1.8550
2014	1,025,801,750	2,459,341,010	98,100,900	262,138,400	1,416,654,350	2,166,589,310	1.7670
2013	1,025,801,750	2,459,341,010	98,100,900	262,138,400	1,418,575,450	2,164,668,210	1.7670
2012	1,023,791,286	2,469,541,410	118,312,800	263,908,000	1,405,372,460	2,470,181,036	1.7670
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

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			School Districts		Total	Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	School District Millage	Direct & Overlapping Rates
2015	1.7250	0.1300	$ 1.8550	0.2217	0.0219	0.2436	1.6320	-	1.6320	3.7306
2014	1.6470	0.1200	$ 1.7670	0.2217	0.0219	0.2436	1.7410	-	1.7410	3.7516
2013	1.6470	0.1200	1.7670	0.0219	0.0024	0.0244	1.6620	-	1.6320	3.4234
2012	1.6470	0.1200	1.7670	0.0219	0.0024	0.0244	1.6620	-	1.6620	3.4534
2011	1.6770	0.0900	1.7670	0.2192	0.0244	0.2436	1.6870	-	1.6870	3.6976
2010	1.4964	0.1100	1.6064	0.1754	0.0195	0.1949	1.6740	-	1.6740	2.8883
2009	1.2969	0.1000	1.3969	0.1754	0.0195	0.1949	1.0870	-	1.6240	3.2158
2008	1.2969	0.1000	1.3969	0.1793	0.0156	0.1949	1.0870	-	1.4830	3.0748
2007	1.2969	0.1000	1.3969	0.1559	0.0100	0.1659	1.0870	-	1.3310	2.8938
2006	1.2267	0.0800	1.3067	0.1485	0.0095	0.1580	1.0870	-	1.2270	2.6917

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)

	2006			2015		
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	$ -		-	$ 115,573,000	1	4.41%
Chase Bank	-		-	54,755,200	2	2.09%
M & T Bank				53,147,960	3	2.03%
Bank of America	91,247,900	1	2.46%	52,992,000	4	2.02%
Chemours Co. (formerly Dupont)	57,119,200	4	1.54%	43,032,000	5	1.64%
Delmarva Power	81,916,300	2	2.21%	42,626,500	6	1.63%
DCL Leasing Partners			-	41,000,000	7	1.56%
1201 Market Street LLC	51,775,000	6	1.40%	35,000,000	8	1.34%
Calpine Mid-Atlantic	-		-	32,703,400	9	1.23%
Verizon	42,725,500	7	1.15%	29,844,100	10	1.14%
TRC/Rubenstein	-		0.00%	28,548,300	11	1.09%
Rodney Square Investors, LP	29,217,520	10	0.73%	-		-
Tatten Partners	27,608,600	9	0.74%	-		-
Hub Properties Trust	36,072,400	8	0.97%	-		-
Hercules Inc	58,084,300	5	1.57%	-		-
Brandywine Partners	63,704,500	3	1.72%	-		-
and Related Entities			-	-		-
Totals	$ 539,471,220		14.49%	$ 529,222,460		20.18%

Source: City of Wilmington, 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
2015	$ 40,483,896	$ 39,025,330	96.4%	$ 106,780	$ 39,132,110	96.7%
2014	38,093,079	37,124,677	97.5%	185,624	37,310,301	97.9%
2013	38,259,246	37,731,960	98.6%	28,896	37,760,856	98.7%
2012	39,745,263	38,702,002	97.4%	n/a	38,702,002	97.4%
2011	38,895,688	38,125,142	98.0%	197,494	38,322,636	98.5%
2010	35,194,544	34,274,358	97.4%	735,955	35,010,313	99.5%
2009	30,584,384	29,860,037	97.6%	612,904	30,472,941	99.6%
2008	30,655,108	29,066,946	94.8%	1,491,236	30,558,182	99.7%
2007	30,077,143	28,873,327	96.0%	1,173,881	30,047,208	99.9%
2006	29,795,315	28,611,393	96.0%	1,172,459	29,783,852	100.0%

Source: City of Wilmington, Finance Department

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

Table IX

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

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2015	$ 118,554,593	$ 6,342,315	$ 188,301,573	$ -	$ 313,198,481	17.31%	4,361
2014	123,749,602	8,923,438	185,462,754	-	318,135,794	17.56%	4,473
2013	131,313,797	7,826,042	177,282,263	-	316,422,102	17.34%	4,438
2012	138,515,466	5,563,191	154,748,260	-	298,826,917	16.03%	4,103
2011	121,026,852	5,622,812	141,934,292	-	268,583,956	15.48%	3,791
2010	123,300,093	4,617,605	135,126,708	351,043	263,395,449	14.96%	3,718
2009	122,296,222	1,203,743	128,412,490	1,470,834	253,383,289	15.70%	3,568
2008	128,955,298	2,067,918	130,553,017	2,893,623	264,469,856	15.20%	3,715
2007	119,616,161	2,897,922	93,391,609	4,247,003	220,152,695	11.85%	3,084
2006	131,113,471	3,930,893	88,539,446	5,549,470	229,133,280	12.57%	3,201

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

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1] See Table XIII on page 128 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]
2015	$ 306,856,166	14.29%	$ 4,273
2014	309,212,356	14.27%	4,348
2013	308,596,060	14.26%	4,329
2012	293,263,726	11.62%	4,025
2011	262,961,144	11.43%	3,711
2010	258,426,801	11.69%	3,648
2009	250,708,712	10.55%	3,530
2008	259,508,315	10.99%	3,646
2007	213,007,770	9.16%	2,984
2006	219,652,917	9.58%	3,068
2005	156,788,619	6.81%	2,185

Source: City of Wilmington, Treasurer's Office

Note:
1 See Table V on page 120 for Actual Taxable Value of Property data.
2 See Table XIII on page 128 for population data.

Table XI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County Debt	$ 416,310,000	15%	$ 63,695,430
Various School Districts	657,835,677	16%	102,622,366
Subtotal - Overlapping Debt			166,317,796
City of Wilmington Direct Debt	124,896,895	100%	124,896,895
Totals			$ 291,214,691

Sources: New Castle County Finance Department
State of Delaware, Treasurer's Office

Note: The Estimated Percentage Applicable is based on the real estate assessable base estimated to be within City boundaries.

Table XII

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Budget	$ 104,480,969	$ 120,349,099	$ 132,211,249	$ 157,594,361	$ 147,521,170	$ 143,952,638	$ 140,363,055	$ 145,043,428	$ 147,325,316	$ 150,039,645
Debt Service Limit	18,284,170	21,061,092	23,136,969	27,579,013	25,816,205	25,191,712	24,563,535	25,382,600	25,781,930	26,256,938
Total Net Debt Service Applicable to Limit	9,076,566	11,921,182	11,772,993	11,713,497	11,479,884	8,178,565	10,931,282	12,249,041	10,768,172	12,478,444
Legal Debt Service Margin	$ 9,207,604	$ 9,139,910	$ 11,363,976	$ 15,865,516	$ 14,336,321	$ 17,013,147	$ 13,632,253	$ 13,133,559	$ 15,013,758	$ 13,778,494
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	50.00%	57.00%	51.00%	42.00%	44.00%	32.00%	45.00%	48.00%	42.00%	48.00%

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

Table XIII

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Population	Personal Income	Per Capita Income	Employment	Unemployment Rate	Median Age	Median Household Effective Buying Income
2015	71,817	$ 1,809,142,047	$ 25,191	30,320	5.1%	34.80	$ 38,727
2014	71,119	1,811,472,049	25,471	28,652	9.6%	34.80	39,761
2013	71,292	1,824,362,280	25,590	27,985	11.2%	33.70	39,019
2012	71,305	1,824,694,950	25,590	27,718	10.3%	34.40	37,352
2011	70,851	1,734,928,437	24,487	27,418	12.1%	34.90	38,325
2010	70,839	1,761,128,379	24,861	26,990	11.7%	34.00	32,884
2009	71,014	1,614,290,248	22,732	28,562	12.1%	35.60	34,381
2008	71,182	1,740,471,082	24,451	30,233	7.7%	37.80	39,154
2007	71,394	1,857,100,728	26,012	30,403	6.5%	37.90	37,149
2006	71,588	1,822,558,892	25,459	30,345	5.2%	37.70	36,069

Sources: Delaware Office of State Planning
United States Census Bureau
United State Department of Labor - Bureau of Labor Statistics

Notes: [1] Numbers for prior years revised due to releases of updated data by the United States Census Bureau and the United States Department of Labor.

Table XIV

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer		Calendar Year 2006 Employees	Rank	Percentage of Total [1] Employment	Calendar Year 2015 Employees	Rank	Percentage of Total [1] Employment
State of Delaware	*	14,573	1	5.73%	13,000	1	4.62%
Christiana Care Health Services	*	7,300	4	2.87%	10,400	2	3.69%
E.I. Du Pont Nemours & Company	*	9,900	3	3.90%	8,100	3	2.88%
Bank of America (MBNA)	*	10,326	2	4.06%	7,100	4	2.52%
AstraZeneca, Inc.	*	4,500	6	1.77%	4,500	5	1.60%
Wal-Mart Stores, Inc.		-	-	0.00%	4,700	6	1.67%
University of Delaware	*	3,860	7	1.52%	4,000	7	1.42%
A. I. Dupont Institute		-	-	0.00%	2,821	8	1.00%
Christina School District	*	2,789	11	1.10%	2,300	9	0.82%
The Y of Delaware		-	-	0.00%	2,300	10	0.82%
Citibank Delaware		-	-	0.00%	2,000	11	0.71%
Red Clay School District	*	1,862	17	0.73%	1,750	12	0.62%
M&T Bank (Wilmington Trust Corp.)	*	2,289	14	0.90%	1,700	13	0.60%
Walgreen's, Inc (Happy Harry's)	*	1,397	24	0.55%	1,700	14	0.60%
Siemens		-	-	0.00%	1,630	15	0.58%
Delaware Park		-	-	0.00%	1,550	16	0.55%
Brandywine School District	*	1,355	25	0.53%	1,450	17	0.52%
Comcast		-	-	0.00%	1,450	18	0.52%
Delmarva Power/Pepco. (Connectiv)	*	1,482	22	0.58%	1,438	19	0.51%
Amtrak		-	-	0.00%	1,400	20	0.50%
Colonial School District	*	1,400	23	0.55%	1,271	21	0.45%
New Castle County Government		-	-	0.00%	1,250	22	0.44%
St. Francis Hospital		-	-	0.00%	1,200	23	0.43%
ING Direct (Capital One)		-	-	0.00%	1,122	24	0.40%
Total County/Municipal Government	*	6,800	5	2.68%			
PNC Financial Services Group	*	1,705	19	0.67%	1,100	25	0.39%
Bank One Card Services	*	2,800	10	1.10%	-		0.00%
U.S. Government	*	2,709	12	1.07%			
Nemours	*	2,566	13	1.01%			
J.P. Morgan Bank	*	3,500	8	1.38%	-		0.00%
Sears, Roebuck & Co.	*	1,557	20	0.61%	-		0.00%
Totals		84,670		33.31%	81,232		28.86%

Sources: City of Wilmington Department of Economic Development
City of Wilmington Annual Budget FY2015

Note: [1] Total employment in New Castle County.

Table XV

TEN LARGEST WAGE TAX WITHHOLDERS[1]
CURRENT YEAR
(Unaudited)

Company	2014 Withholdings	Rank	% of Total
CHASE BANK USA NA	4,104,220.00	1	7.50%
STATE OF DELAWARE	3,459,448.00	2	6.32%
E I DUPONT DE NEMOURS & CO	3,579,712.00	3	6.54%
FIA CARD SERVICES NA	1,756,802.00	4	3.21%
BARCLAYS BANK DE	1,972,340.00	5	3.60%
CHRISTIANA CARE HEALTH SYSTEMS	1,790,407.00	6	3.27%
CAPTIAL ONE SERVICES II LLC	1,732,781.00	7	3.16%
RICHARDS LAYTON & FINGER PA	1,291,306.00	8	2.36%
JP MORGAN CHASE BANK NA	1,646,960.00	9	3.01%
CITY OF WILMINGTON	894,848.33	10	1.63%
Total of Ten Largest	$ 22,228,824.33		40.60%
Total Wage Tax Collected	$ 56,543,029.95		100.00%

Source: City Finance Department - Wage Tax

(1) Prepared on a calendar year basis.

Note: Wage Tax Withholders table added in fiscal year 2014, 2006 data readily not available.

Table XVI

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

(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Mayor's Office	46.00	61.00	60.00	60.00	60.00	59.00	58.00	57.00	60.00	59.00
City Council	29.00	29.00	29.00	29.00	29.00	29.00	28.00	27.00	29.00	29.00
Audit	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Law	20.00	21.00	23.00	23.00	23.00	23.00	21.00	21.00	21.00	20.00
Finance	67.00	60.00	68.00	70.00	75.00	97.00	93.00	90.00	87.00	88.00
Human Resources	21.00	22.00	22.00	23.00	23.00	23.00	22.00	22.00	21.00	22.00
Treasurer	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Planning	11.00	11.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00
Real Estate and Housing	20.00	16.00	17.00	17.00	17.00	17.00	16.00	15.00	15.00	12.00
Parks and Recreation	52.00	53.00	54.00	58.00	53.00	50.00	44.00	44.00	44.00	42.00
Public Safety										
Police	386.00	407.00	429.00	431.00	416.00	402.00	390.00	382.00	382.00	382.00
Fire	176.00	177.00	177.00	180.00	172.00	172.00	177.00	177.00	177.00	177.00
License and Inspection	39.00	44.00	45.00	46.00	44.00	42.00	38.00	38.00	38.00	38.00
Public Works	212.00	228.00	231.00	235.00	229.00	229.00	226.00	226.00	224.00	223.00
Totals	**1,091.00**	**1,141.00**	**1,179.00**	**1,196.00**	**1,165.00**	**1,167.00**	**1,134.00**	**1,120.00**	**1,119.00**	**1,113.00**

Sources: City of Wilmington, Office of Management and Budget

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

Table XVII

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Physical Arrests/Charges	10,230	9,534	6,155	n/a	11,737	n/a	16,051	12,991	17,143	9,765
Police Calls - Incident	n/a	126,614	110,177	n/a	119,412	n/a	183,041	106,470	102,903	96,703
Police Calls - Administrative	n/a	114,000	261,462	n/a	56,072	n/a	28,449	31,345	60,972	61,544
Fire/EMS Calls	15,124	16,596	15,584	16,976	17,659	18,448	18,932	20,201	20,401	21,992
Inspections	778	1,710	614	1,802	1,862	1,589	1,677	1,416	1,959	1,756
Parking Violations Issued	68,719	72,990	87,327	79,262	70,030	83,149	71,229	68,465	68,365	66,300
Redlight Tickets Issued	n/a	n/a	n/a	n/a	32,948	25,318	58,708	60,004	41,861	37,764
Building Permits Issued	n/a	4,250	2,848	4,330	4,225	4,077	3,419	3,119	3,150	2,818
Health and Welfare										
Meals served-Summer	231,189	252,706	294,708	325,381	192,159	235,608	211,263	213,549	161,948	225,392
Meals served-Evening	n/a	77,092	71,928	120,631	229,590	112,850	114,201	98,555	91,888	136,437
Emergency Shelter	329	911	443	354	469	438	230	516	1,370	1,449
HOPWA (Housing) *	352	474	126	169	141	230	177	147	114	114
HPRP	n/a	n/a	n/a	n/a	726	726	24	-	-	-
Water										
Water Production (millions of gallons)	7,201	6,877	6,830	6,720	6,154	6,541	6,541	5,835	5,749	5,561
Water Sold (millions of gallons)	6,032	5,933	5,419	5,069	4,705	6,690	6,690	3,286	3,262	3,270
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	78.48	82.43	71.60	69.32	85.03	72.35	72.35	75.00	75.00	70.38
Landfill										
Annual Tons of Refuse	41,689	42,500	37,837	29,727	29,527	30,331	20,904	16,838	17,922	20,329

Sources: Various City of Wilmington Departments

Notes: Quantifiable and meaningful operating indicators are not available for all functions.
* = Housing for Persons with AIDS
n/a = Not available
More accurate figures were used for the FY2011-FY2014 Health and Welfare Meals served

Table XVIII

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety											
Police Patrol Units	n/a	n/a	n/a	251	239	267	247	241	233	213	213
Paramedic Units	3	3	3	3	3	3	3	3	3	3	3
Fire Units	n/a	n/a	n/a	47	45	42	44	41	42	42	42
Highways, Streets, and Bridges											
Roads & Streets (miles)	147	147	147	147	147	147	147	147	148	148	148
Health and Welfare											
Buses	2	2	2	2	2	2	2	2	2	3	3
Water											
Production Capacity (millions of gallons per day)	40	40	40	40	40	40	40	40	40	50	42
Wastewater											
Watewater Treatment Capacity (millions of gallons per day)	105	105	105	105	105	105	105	105	105	168	168

Sources: Various City of Wilmington departments.

Note: Quantifiable and meaningful capital asset indicators are not available for all functions.
Public Safety Police Patrol Units report the units in active duty use.
n/a = Not available
Public Safety Police Patrol Units and Fire Units figures prior to FY2008 are marked as n/a due to the unreliability of previously reported figures.