Comprehensive Annual Financial Report

For the Year ended

June 30, 2017

City of Wilmington, Delaware
Michael S. Purzycki, Mayor

CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by the Department of Finance
Patrick Carter, 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, 2017

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION
Letter of Transmittal iv
GFOA Certificate of Achievement for Excellence in Financial Reporting xx
Organizational Chart xxi
Listing of Principal Officials xxii

FINANCIAL SECTION
Report of Independent Auditors 1
Management's Discussion and Analysis 4
Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Position 18
Statement of Activities 19
Fund Financial Statements:
Balance Sheet – Governmental Funds 20
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position 21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities 23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund General Fund 25
Statement of Fund Net Position – Proprietary Funds 28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 29
Statement of Cash Flows – Proprietary Funds 30
Statement of Fiduciary Net Position – Pension Trust Funds 32
Statement of Changes in Fiduciary Net Position – Pension Trust Funds 33
Combining Statement of Net Position (Deficit) – Discretely Presented Component Units 34
Combining Statement of Activities – Discretely Presented Component Units 35
Notes to Financial Statements 36

TABLE OF CONTENTS
(continued)

Page

Required Supplementary Information:
Post-Retirement Funding Status and Progress…… 99
Schedule of Contributions……... 99
Schedule of Changes in the Employer's Net Pensions Liability and Related Ratios….. 101
Schedule of Investment Returns…….. 107
Schedule of Changes in Employer's Net OPEB Liability and Related Ratios…… 108
Schedule of Actuarially Determined Contributions Post-Retirement Healthcare Benefit Fund (OPEB)……...110
Schedule of OPEB Investment Returns Post-Retirement Healthcare Benefit Fund (OPEB)……...111

Combining and Individual Fund Financial Statements and Schedules:
General Fund.....113
Schedule of Departmental Expenditures – Budget and Actual.....115
Non-Major Governmental Funds – Special Revenue Funds 122
Combining Balance Sheet 123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 124
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....125
Internal Service Funds 126
Combining Statement of Fund Net Position 127
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....128
Combining Statement of Cash Flows 129
Fiduciary Funds 130
Combining Statement of Fiduciary Net Position – Pension Trust Funds 131
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....132

TABLE OF CONTENTS
(continued)

STATISTICAL SECTION	**Table**	**Page**
Government-wide Net Position Information:		
Net Position by Component	I	134
Changes in Net Position	II	135
Governmental Fund Information:		
Fund Balances of Governmental Funds	III	137
Changes in Fund Balances of Governmental Funds	IV	138
Assessed Value and Estimated Actual Value of Taxable Property	V	139
Direct and Overlapping Property Tax Rates	VI	140
Principal Property Taxpayers	VII	141
Property Tax Levies and Collections	VIII	142
Ratios of Outstanding Debt by Type	IX	143
Ratios of General Bonded Debt Outstanding	X	144
Direct and Overlapping Governmental Activities Debt	XI	145
Legal Debt Margin Information	XII	146
Demographic and Economic Statistics	XIII	147
Principal Employers	XIV	148
Largest Wage tax Withholders	XV	149
Full-Time Equivalent City Government Employees	XVI	150
Operating Indicators by Function	XVII	151
Capital Asset Statistics by Function	XVIII	152

City of Wilmington

MICHAEL S. PURZYCKI
Mayor

January 25, 2018

Honorable Michael S. Purzycki, Mayor
Honorable Members of City Council
Citizens and Stakeholders of the City of Wilmington, Delaware

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wilmington, Delaware (the City) for the fiscal year, which ended on June 30, 2017 as required by the City Charter. 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 LLP, 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 2017 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 Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this 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, 2016. This was the 28th 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 generally accepted accounting principles 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 professionalism, dedication, and efficiency of the entire staff of the Accounting Division of the Department of Finance made the preparation of this report possible. We would like to express our appreciation to other staff of the Department for their assistance and contribution.

Credit must also be given to other professional contributors Citywide.

Respectfully submitted,

Patrick Carter
Director of Finance

LETTER OF TRANSMITTAL

The Comprehensive Annual Financial Report (CAFR) is published annually by the Accounting Division of Department of Finance on the City of Wilmington, Delaware's (City) financial condition and result of operation at the conclusion of the fiscal year. The CAFR is issued as part of the City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

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, demographic and 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 initiatives of the City government.

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 appropriated budget may be amended. Budgetary transfers within a function at the expense category level (e.g., personal services or materials, supplies, equipment) may be made without legislative approval. Appropriation control is maintained through a budget-tracking process within the accounting system at the functional and object levels. Note 2-B presents expenditures and transfers over appropriations and the cause of these variances.

Economic Condition and Outlook

Looking Forward in City Government. The fiscal year 2018 (FY 2018) operating budget represents a 0.6% increase over the fiscal year 2017 budget. The FY 2018 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 2018 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 2018 budget reflects the following:

- The FY 2018 operating budget expenditures total $154,923,078 – up $884,438, or 0.6% from FY 2017. Despite the City having to absorb $3.76 million in personnel cost increases and the loss of $1.4 million in traffic citation revenue, the budget was balanced with a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies, with major cuts focused on non-productive areas.

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

  Mayor's Office

  Two vacant positions were eliminated, a Senior Economic Research & Development Manager and an Administrative Assistant in the Administrative Division. These deletions result in savings of $212,000 in salaries and benefits.

  Community Activities decreased a net total of $63,000. Grants to Agencies was reduced by $160,000, while Miscellaneous Projects was increased by $97,000 and returns the annual allocation to Cityfest to the FY 2016 level.

  Debt Service costs decreased by a net total of $637,494, as older debt issues have matured, and more recent debts have been refinanced at a lower interest rate.

  City Council

  Personal Services increased a total of $123,429. The largest portion of the increase, roughly $130,000 in the General Fund is due to Hospitalization. The increases in Hospitalization and salary and benefits were slightly offset by savings in Temporary Salaries and Pension Contributions of $26,913 and $6,711, respectively.

City Treasurer

In Personal Services, the newly created split-funded (50% General Fund/50% Pension Funds) Debt Manager/Systems Coordinator and two upgrades resulted in an increase of $130,340 or 18.78% across all funds. Hospitalization and Pension Healthcare increased by $50,751 and $21,000 respectively.

The annual self-insurance funding target for retiree Medical Costs was increased by $250,000, bringing the total funding for the program to $3.25 million for FY 2018.

Department of Planning and Development

$125,000 budgeted in Consultants will be used to develop a City-Wide American with Disability Act (ADA) compliance self-evaluation and transition plan. The remaining funds will be used for updates to zoning codes, sign regulation, Design Review District regulations and training for Design Review Commissioners and Planning staff.

Audit Department

Personal Services increased by $30,225. A Staff Auditor was upgraded to Senior Auditor, resulting in $1,559 being added to salary and benefits. Hospitalization is up $13,482 as the City's medical costs continue to rise. The remaining portion is due to regular step increases, a 1% COLA and a $500 one-time payment for all employees in the Department.

Law Department

A comprehensive reorganization of personnel, especially among appointed attorney positions, will result in a net decrease of 2.00 FTEs. Additionally, the Legal Assistant III position received an upgrade through the biennial appeal process, and was upgraded further to Legal Office Administrator during the budget process. The position will now have more responsibilities and oversight over the rest of the administrative staff. The net effect of these personnel changes are a reduction of nearly $335,000 in salary and benefits for FY 2018.

Personal Services decreased a net total of $198,053. Savings generated by the reorganization were eroded by equitable salary adjustments for the remaining solicitors, general increases in hospitalization costs, regular step increases, a 1% COLA and a $500 one-time payment for all personnel.

Department of Finance

Cost of living adjustments and employee step increases added $58,426 to Regular Salaries. Hospitalization and Pension Healthcare also increased a combined total of $92,121.

Overtime decreased by $33,100, due to lesser need for staffing during the Wage Tax filing season.

Professional Fees decreased by $77,500, as the Department will rely more on its internal resources during Wage Tax filing season and for the preparation of the Comprehensive Annual Financial Report.

Collection Expense-Wage & Head Audit decreased by $106,000, due primarily to more efficient use of internal resources to assist accounting and law firms with the collection of Wage Taxes.

Department of Human Resources

Personal Services costs increased $71,646. A net decrease in the actuarially determined Pension target resulted in savings of $5,353, but was offset by increases in Hospitalization of $40,691 and Pension Healthcare of $4,065. The remaining portion of the increase is due to regular step increases, a 1% COLA and a $500 one-time payment for all Department personnel.
Materials, Supplies & Equipment increased $65,443. The bulk of the increase is attributable to two factors: $50,000 for a compensation study and $15,000 in Workshops/Seminars – Training to address issues identified by the Mayor's Transition team. The compensation study is a one-time expense, while at least a portion of the training funds may be ongoing.

Department of Licenses and Inspections

Personal Services increased a net total of $163,233. A net savings in the actuarially determined pension targets of $6,087 were offset by a $102,876 increase in Hospitalization. The remaining portion of the increase is due to regular step increases, a 1% COLA and a $500 one-time payment for all personnel.

Materials, Supplies & Equipment increased a total of $44,800. Property Maintenance continues to rise, up $15,000, and is required to address the growing number of properties in need of immediate repair due to owners failing to comply with violations. Wearing Apparel and Safety Supplies, and Memberships and Registrations make up the largest portions of the remaining increase at $8,000 and $7,900, respectively. The Department is adding shirts to the regular laundry service for uniforms, and increasing training for inspectors through webinars and OSHA modules. The price for International Code Council (I.C.C.) books and fees also increased.

Department of Parks and Recreation

One position, a vacant Projects Manager in the Administration Division, has been deleted with savings of $155,185 in total salary and benefits to the General Fund.

A total of $81,092 was added in Professional Fees. An increase of $30,592 will pay for additional winter season personnel in the Maintenance Division through the Temporary Agency account and a $50,500 increase in Consultants will fund both an educational component to the Fall/Winter recreational programs and the creation of a Safe Haven site in the 6th Councilmanic District.

Department of Fire

In FY 2012 a federal grant paid for a temporary increase in staffing of 13 firefighters in the Fire Department. That grant ended in FY 2014, but the 13 positions were not reduced through a controlled attrition program as had been agreed to by the Department's management. Given this fact, and as part of the new Administration's emphasis to deploy personnel more efficiently, it was determined that the number of authorized firefighter positions could be lowered from 172 to 156 without a negative impact on public safety or alarm response times. Sixteen vacant firefighter positions were deleted for a reduction to the budget of $1.17 million.

Grant funds have supplemented the General Fund Overtime appropriations during the last several years. However, these grants are now exhausted, necessitating an increase in the City's Overtime funding. For FY 2018, $1,200,000 has been earmarked, an increase of $640,000.

The actuarially determined contribution to the City's "Old" Fire Pension plan increased by more than $400,000. But because the state-sponsored County-Municipal Pension Plan decreased, the net effect is an approximate $200,000 increase in total pension costs in the Department.

Department of Police

Following the infusion of federal grants (that have long since ended), the Police Department's total number of sworn officers ballooned to well above the historical and financially sustainable limit of 289. One of the top priorities of the new Administration is the redeployment of officers from administrative areas into the patrol function. This will allow the same or even a higher number of police officers to be on the street while still allowing for a prudent reduction to a more fiscally supportable level of personnel. As such, five vacant patrol officer positions were deleted, lowering the total number of sworn officers from 319 to 314, and saving $454,551.

An increase of almost $419,000 in Hospitalization led to an overall net increase of $425,160 in Employee Benefits.

Professional Fees have increased by a net of $85,605. Consultant costs have increased by $297,870 due to two factors: The biennial promotional exam will occur, and camera watch operators will once again be paid through a contract with Downtown Visions, thus eliminating the need for last year's appropriation of $212,000 in the Temporary Agency account.

Miscellaneous Services will increase by $163,533. Most of this increase is to pay the annual subscription cost for the Department's "ShotSpotter" system that notifies officers of gunshot violence in real-time. Prior to FY 2018, all system costs were borne by grant funds.

Department of Public Works

In Personal Services, two vacant positions, a General laborer II and an Equipment Operator IV, were deleted from the Street Cleaning Division for a savings of $138,012. The savings were slightly offset by an upgrade for the Fleet Manager, costing $5,735, and four other upgrade changes as a result of the FY 2017 Biennial Classification Appeal, totaling $12,963. The result is a net savings of $119,314.

Electricity costs decreased by $100,000, signaling savings from green initiatives implemented over the past several years, such as conversion to LED traffic lights.

A number of factors resulted in Landfill Fees being reduced by $475,000. Last fiscal year, before the new contract with the Delaware Solid Waste Authority (which operates the landfill used by the City) was in place, landfill tipping fees were budgeted at $85 per ton. The final negotiated amount was settled at $70 per ton and is reflected in the FY 2018 budget as a savings of $275,000. In addition, an audit of services revealed 92 non-eligible entities receiving City trash pick-up. Those entities will no longer receive that service in FY 2018. The decrease in trash tonnage as a result will save an additional $200,000.

Debt Service decreased by $392,702. Taking advantage of current low interest rates, two past bond issues were refinanced in FY 2017.

Department of Real Estate and Housing

Personal Services for the Real Estate and Housing Department increased $5,599 in the General Fund. No changes to FTEs were made between the General Fund, NSP and CDBG for the split-funded positions, however costs increased within all of these funds. The increase is mainly attributed to the successive 1% COLA and $500 one-time payment budgeted for all employees, as well as regular step increases.

Miscellaneous Projects will rise by $35,000 for a new Live Where You Work program, which will provide assistance to first-time home buyers purchasing a home in Wilmington.

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

Department of Finance

Personal Services increased $110,230. Seven split-funded positions were upgraded during the Biennial Classification Appeal Process in FY 2017 that added $14,633 to salary and benefits.

The Indirect Costs expense went up by $120,957, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.

Department of Public Works

In total, Personal Services increased by $245,029. Regular Salaries rose by $63,414 as a result of the Biennial Classification Appeals Process that affected 2.00 FTE positions, along with normally occurring salary step increases and a Cost of Living Adjustment awarded in FY 2017. Hospitalization and Pension Healthcare increased by $183,790 and $30,254, respectively.

As a result of the City's new Renewable Energy Bio-solids Facility (REBF), the electricity and bio-solids disposal cost components of the City's contract with VEOLIA to operate the Wastewater Treatment Plant were renegotiated, allowing a overall reduction to the contract of $1.2 million

A comprehensive multi-year program to replace all small water meters (mostly affecting residential customers with 5/8 inch connections) with new, more accurate and more durable models began in earnest in FY 2017. The goal was to replace at least 6,000 of the old meters per year at a cost of $1 million each year through the operating budget. A change in fiscal policy with the new Administration will allow the funding of the project through the Capital Budget, accelerating the program so that it is completed within two years. This also allowed the operating budget to be decreased by $1 million in FY 2018.

The Agricultural and Landscaping account in the Water System Division of Public Works was decreased by $230,000. Time and heavy usage of the Cool Spring Reservoir Park had severely degraded the adjacent decorative pond and the buffering landscaping. Public Works had added $320,000 to the FY 2017 Budget to secure a complete environmental management services contractor to restore the pond to its original condition. That one-time cost was eliminated in FY 2018. However, $90,000 was added to fund ongoing services to control and manage nutrient levels and sedimentation, maintain the proper ecological balance between flora and fauna, work with regulated aquatic species, and maintain proper winter pond ecology.

Based on recent pricing trends and better timing of inventory purchases, the budget for Bulk Chemicals (used to treat drinking water) were reduced by $100,000.
The Indirect Cost expense to the Water/Sewer Fund rose by $230,083, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.

Total Debt Service increased a net $228,450. While direct interest payments rose a total of $700,740, this was offset by a reduction of $472,290, which was the combined net effect of changes in the accounts for amortized bond discount, amortized refunding gain, and amortized bond issuance costs.

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

Department of Human Resources

The Employee Benefits Administrator and the HR Office Assistant were both upgraded during the biennial appeals process, resulting in an increase in salary for both positions and the new title of Employee Benefits Assistant for the HR Office Assistant. The Director of Risk Management & Employee Benefits position was deleted through the budget process. The deletion is necessary as the position functions were separated into two management positions in the FY 2017 budget. The result of the position changes is a net decrease of $131,980 in salary and benefits for FY 2018.

Personal Services decreased $28,015 across all three Internal Services Funds. Savings from position changes were partially offset by regular step increases, general increases in hospitalization, a 1% COLA and a $500 one-time payment for all Department personnel.

Materials, Supplies & Equipment increased $785,162 across all three Internal Services Funds. In the Risk Management Fund, total Insurance costs increased $439,747. Insurance Claims – Legal Defense was the bulk of the increase (up $290,000) based on a new approach for handling suits filed against the City and should be viewed in tandem with savings due to personnel reductions in the Law Department. Liability was increased $105,000 to account for an increase in the premium for the City's general liability excess coverage. Both Fire and Insurance Claims increased roughly $23,000. The increase in Fire is to accommodate a new flood insurance policy and the increase in Insurance Claims is to match the actuarial projection for FY 2018.

In the Workers' Compensation Fund, total Insurance Costs increased $370,000. The unimaginable tragedy of the City losing three of its firefighters in a single house fire last year was then compounded by the fact that the City had no catastrophic Workers' Compensation insurance to cover the nearly $6.5 million in medical bills incurred as a result of the event. To ensure that the City is no longer unprepared for these types of expenditures, Liability increased $400,000 for stop-loss coverage and to begin funding an appropriate reserve to protect the City from future catastrophic events. That increase was slightly offset by an expected $30,000 in savings for unemployment claims.

In the Health and Welfare Fund, Self-Insurance Costs increased by $1.6 million dollars. This account group encompasses the cost centers for employee Medical claims, Prescription and Dental coverage, and Life Insurance. Inflationary pressure and higher utilization continue to drive increases in FY 2018. After two years of double digit growth, Self-Insurance Costs are expected to grow at 7.6% in FY 2018. A Healthcare Task Force was convened through Executive Order with the purpose of reviewing current healthcare benefit plans and identifying areas of potential cost savings, employee health and wellness improvements, and other efficiencies. The Administration is currently working with the labor unions to negotiate the implementation of the recommendations of the Healthcare Task Force Report which was issued in April, 2017.

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

Department of Public Works

Repairs to Equipment increased by $75,000, mostly due to the higher cost of repairs to fleet equipment.

Consultant Fees increased by $90,000, of which $60,000 is for Fleet Administration and Management Assistance and $30,000 for a Fleet Right-Sizing Study.

Contracted Maintenance Services increased by $163,506, due to increases in fleet maintenance costs.

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 an annual average of 9.7% to 6.4% (not seasonally adjusted). Hiring in the Finance and Insurance industry, a core industry of Wilmington's economic base, has exceeded pre-recession levels, with over 11,000 jobs as of the end of 2016. The growth in this sector is due in part to the analytical skillset of our workforce, which has its roots in the chemical and engineering industries, and was further developed by the growth of the credit card industry.

Wilmington, in particular, is uniquely positioned to meet the growing demand for the next generation of financial, technical and predictive analytics jobs in industries such as healthcare and energy, which will come to rely more heavily on information technology and analytical skills.

Business Incentive Program

The Office of Economic Development (OED) manages the City's Economic Development Strategic Fund, which is used to make contractually-based job-creation and job-retention incentive offers to private businesses. The Fund's incentive 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.

Since the enabling legislation and initial appropriation of the Economic Development Strategic Fund in 2002, the City has executed over 35 contracts that have provided a total of $12.2 million in incentive payments. These incentives have yielded over $75 million of wage taxes to the City's General Fund between fiscal years 2002 and 2017. In Fiscal Year 2017, the jobs attributed to the Business Incentive Program accounted for nearly $11 million of the City's wage tax base.

Strategic Fund highlights in FY 2017 include the $2 million Job Retention Incentive agreement with the Chemours Company (formerly a part the DuPont Corporation). After transitioning to an independent company in the summer of 2015 and initiating a search to locate its international headquarters, Chemours announced that it had concluded its search and that Wilmington, Delaware "is the most attractive option for the company to retain and attract a high-quality workforce." Regarding its decision to remain in Wilmington, Chemours went on to state, "[Wilmington] provides Chemours with a stable business and tax climate, and otherwise best positions the company to achieve its future goals."

The Chemours Company headquarters will stay in the historic home of the DuPont Company in the DuPont Building at 1007 N. Market Street in Wilmington. The DuPont Building is currently undergoing extensive improvements and renovations with the support of the Downtown Development District program to fully modernize the office space, providing Chemours with a state-of-the-art headquarters. Additional Strategic Fund highlights include an incentive agreement to retain the local workforce of Archer Group, a rapidly growing advertising and digital media firm headquartered in Wilmington.

After launching the *Grow Wilmington Fund* in late 2014 as a partnership between the National Development Council, Discover Bank, and the Wilmington Urban Development Action Grant Corporation, nearly $3 million has been invested through this loan program to support the growth of small businesses in areas such as light manufacturing, retail, automotive services, digital video, and media production. The *Grow Wilmington Fund* services the market for loans in the range of $125,000 to $4 million and leverages the advantages of low interest rates and extended fixed-rate terms for City businesses looking to expand and new businesses wishing to relocate to Wilmington. This program is exclusive to Wilmington and increases the City's competitiveness and capacity to support the growth of small business.

Downtown Development
Governor Markell established the Downtown Development District (DDD) initiative in 2014. The initiative, modeled after similar programs in other states and cities, is aimed at assisting Delaware cities in attracting private development to their downtown cores. Wilmington was named one of the first designees under the program. Since then, over 40 development projects within the City have received or been designated to receive over $15 million in DDD funds. These DDD funds will leverage over $290 million of private investment to construct new and rehabilitate existing housing, retail, and commercial space in downtown Wilmington.

Notable development projects supported by the program include the Residences at Midtown Park & Garage, which broke ground in June 2016. This new landmark residential development at the former site of the previously vacant and deteriorating Midtown Parking Garage will provide 229 new-construction apartment units and five levels of underground parking. This project expands the heart of Wilmington's downtown residential core westward to Orange Street.

Several other residential buildings along Shipley Street and 9th Street are also targeted for redevelopment, and the creation of a new pedestrian plaza in the middle of the 800 block of Market Street will provide a new east-west connection for the new Midtown project and the Market Street corridor. These new developments are in addition to the projects completed in the 600 block of north Market Street, as well as the three addresses comprising Market Street Village. These recently completed projects provided a total of 152 new units of market-rate and affordable housing for a total investment of $41 million.

OED, in partnership with the Planning Department's historic preservation office, requested a National Register of Historic Places designation for an expanded area of the downtown Market Street corridor as a further means of supporting downtown development. The "Wilmington Downtown Commercial National Register Historic District" was accepted and listed by the National Park Service in March 2017. The boundaries include properties from 6th to 9th Streets and from Shipley to King Streets. The new district unites an area that formerly contained only a scattering of individually listed properties. As a result of this new historic district designation, buildings within a wider swath of the downtown extending north to 9th Street will have access to valuable historic preservation tax credits that support both historic preservation as well as economic development.

The Wilmington Renaissance Corp (WRC) is a public/private partnership funded by many of the leading businesses within the Downtown business district of the City. 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 has garnered wide community support, is to transform a selected area of the Downtown into a 'Creative District' to serve as a hub for Wilmington's artistic, technological, and design communities, and to revitalize the area immediately west of the Market Street commercial corridor. The project is a multi-year initiative involving real estate development as well as programming and public art interventions. The project secured funding for the development of the first installment of artist housing in early 2015 for seven one-bedroom live/work condominium units and three single-family homes. The first units are now available for homeownership.
The new $12 million Marriott Residence Inn hotel, located in the northern section of downtown near the Brandywine River, broke ground in the fall of 2015. The project converts a long-vacant, 67,000 square foot office building into a 96-room extended stay hotel carrying the Marriott luxury brand. It is

The Riverfront
In June 2017, Big Fish Restaurant Group, a food & beverage company with a large presence in Delaware's beach town of Rehoboth, announced plans to expand its business presence in Wilmington with a new $23 million hotel that will be attached to its existing 275-seat Big Fish Grill restaurant on the Riverfront. The Restaurant Group plans to partner with the Kennett Square, PA based real estate development firm Onix Group to build a seven-story, 122-room hotel which will feature a dedicated catering function and banquet hall. This project will represent Onix Group's entry into Wilmington's real estate market and the Big Fish Restaurant Group's continued investment in Wilmington since first arriving in 2009. In 2016, the Restaurant Group opened the Oyster House in the Trolley Square neighborhood and has recently announced its acquisition of two more popular Wilmington eateries: the Washington Street Ale House and Mikimotos.

Now complete and leasing, Phase II of Residences at Harlan Flats brings an additional 73 apartment units to the existing five-story building that was completed in late 2014. With a total of 189 luxury units with covered on-site parking and an in-ground swimming pool, Residences at Harlan Flats is the newest addition in the Justison Landing housing complex. Phase II broke ground in late 2015 and the $20 million project (both phases) features one- and two-bedroom apartments with balconies, river views and an outdoor pool and terrace. The project represents the second of three phases of the 20-acre Justison Landing redevelopment site. Two sites approved for mixed-use development remain for future economic development opportunities.

The Delaware Department of Transportation (DelDOT) broke ground on the multi-modal Christina River Bridge in June 2017 after completing land acquisition, environmental permitting and design. In planning since 2008, this $28 million project will connect US Route 13 on the east bank of the Christina River to Wilmington's Riverfront on the west bank, allowing for vehicular access to the area from I-495. The bridge is also designed for bike and pedestrian use, creating a greenway connection across the Christina River.

East of the Christina River Bridge Project, the City is in the final design phase of the $28 million South Wilmington Wetland Project, which will turn 25 acres of brownfield into a stormwater management park. DelDOT is also exploring a multi-modal connection between the bridge project and the Southbridge Community on the southern edge of the Wetland Park that will open previously landlocked parcels to the south and east to mixed-use development.

Neighborhood Improvements
Phase I of the $100 million redevelopment of The Flats, a ten-acre neighborhood between Bancroft Parkway and Union Street on Wilmington's west side, is complete, with residents occupying 72 new energy-efficient units. Woodlawn Trustees, a 100-year old charitable foundation created by the Wilmington industrialist and philanthropist William Bancroft, broke ground in May 2015 on the first of a six-phase, ten-year project that will result in the demolition of 430 obsolete, residential units and the construction of 450 modern units in their place. Phase I represented a $15.5 million investment in the community in fulfillment of Bancroft's vision to provide clean, affordable housing for the City's working class families. Phase II of the project, currently underway, will bring an additional 72 affordable units to the community.

State legislation allowing the formation of a Neighborhood Conservancy and Land Bank (NCLB), championed by the City and a group of stakeholders in housing and neighborhood revitalization, was passed by the Delaware General Assembly and signed by the Governor in mid-2015. Land banks are a comprehensive tool used to acquire, hold, manage, and dispose of vacant and blighted properties in a coordinated effort for the purpose of more efficiently and effectively putting those properties into productive use. In fall 2015, the Wilmington NCLB was created by legislative action of Wilmington City Council, and by late 2016 it had established its Board and bylaws, and had hired an Executive Director.

The NCLB is allowing the City to be more aggressive, strategic, and transparent in its effort to deal with vacancy and blight.

Conclusion
Strong hiring in the Financial Services and Insurance sector and declining unemployment are key indicators of Wilmington's economic strength. 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 and Riverfront neighborhoods have generated activity, excitement, and a sense of pride in Wilmington. Thoughtful, data driven planning processes that involve collaborations of the business community, nonprofits, neighborhood groups, and government, have set the course for continued future growth in the City.

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.
Wilmington Mayor Mike Purzycki and his appointed managers of City government are positioning Wilmington to be a City that is safer, cleaner and financially stronger in order to create thriving and diverse neighborhoods and businesses as well as support the individuals and families who live, work and enjoy our City.

Wilmington is becoming a City that delivers high-quality and efficient services to residents and businesses alike; it is a City that is the center of the State's economy and a hub for new and existing businesses, providing creative entrepreneurs opportunities to innovate, imagine, invent, and inspire, while opening up new possibilities for employment and investment; Wilmington is a City that provides first-rate cuisine and entertainment options as well as cultural and recreational experiences that appeal to citizens of all tastes and income-levels; Wilmington is a City that is mindful of its rich history, but is refocusing its efforts on innovative and high-tech modernization to position itself for the future.

Wilmington is, in short, a City in which people are eager to visit, work in and call home. To further these goals and ongoing efforts, the Purzycki administration is focused on increased employment and economic development, improved public safety through better policing and community relations, a more streamlined and innovative delivery of services, citywide neighborhood stabilization and an enhanced 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

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, 2016. This was the 28th 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, 2017. 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 P.A. We would like to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. We wish to acknowledge the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wilmington.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wilmington

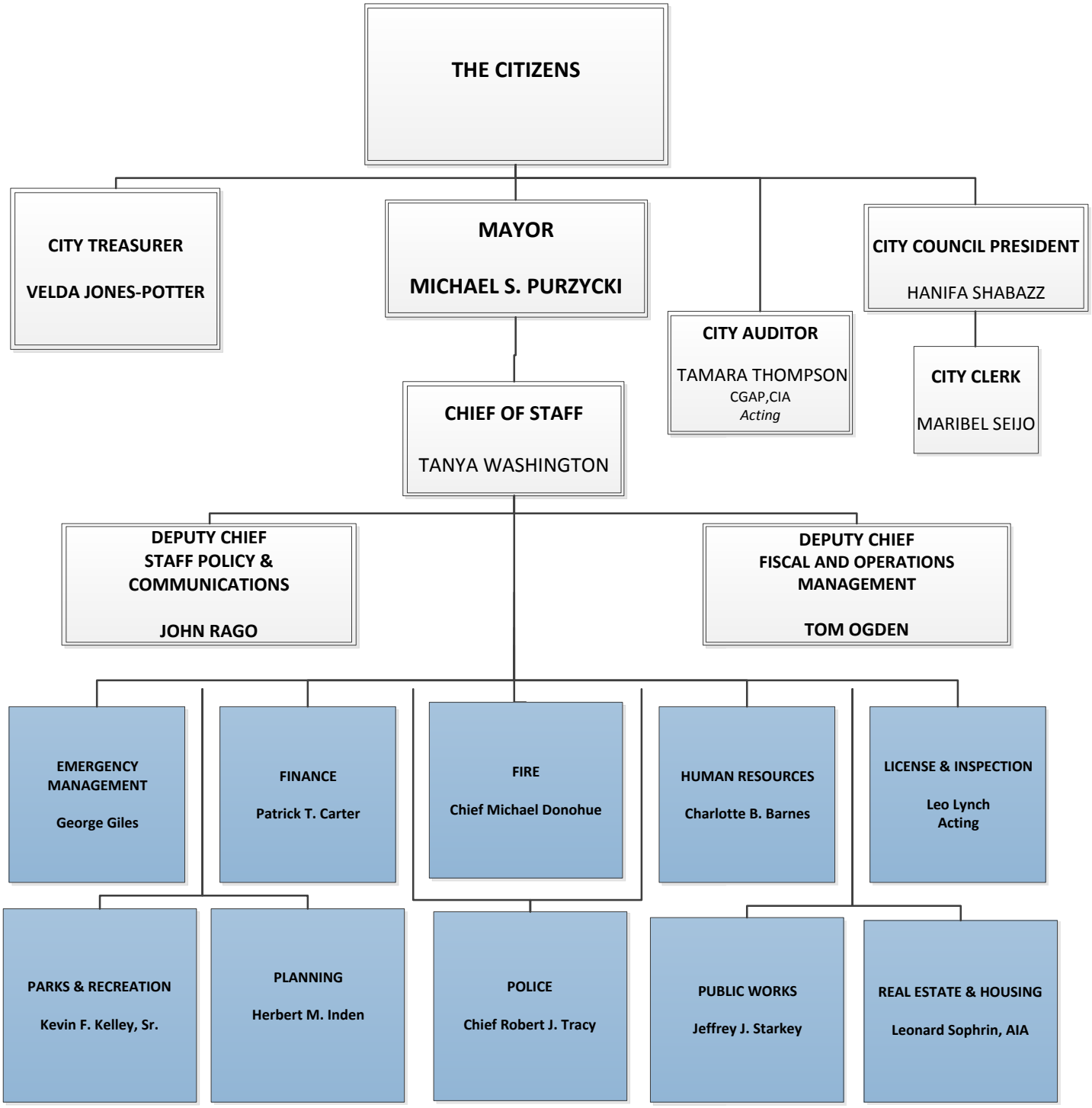
Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY OF WILMINGTON ORGANIZATION CHART



City of Wilmington
Listing of Principal Officials
June 30, 2017

Executive

Mayor	**Michael S. Purzycki**
City Treasurer	Velda Jones – Potter, MBA

City Council

President	Hanifa Shabazz
1st District	Nnamdi O. Chukwuocha
2nd District	Ernest Congo, II
3rd District	Zanthia Oliver
4th District	Michelle Harlee
5th District	Vashun Turner
6th District	Yolanda McCoy
7th District	Robert A. Williams
8th District	Charles M. Freel
Council Person at Large	Rysheena Dixon.
Council Person at Large	Samuel Guy
Council Person at Large	Loretta Walsh
Council Person at Large	Ciro Adams

Department Heads

Chief of Staff	Tanya Washington
City Solicitor	Luke W. Mette, Esquire
City Auditor	Tamara Thompson*
Clerk of Council	Maribel Seijo
Economic Development	Jeff Flynn
Emergency Management	George B. Giles
Finance	Patrick T. Carter
Fire	Michael Donohue
Human Resources	Charlotte B. Barnes
Licenses and Inspections	Leo Lynch*
Parks and Recreation	Kevin Kelley
Planning	Herb Indent
Police	Robert J. Tracy
Policy & Communications	John Rago
Public Works	Jeffrey J. Starkey
Real Estate and Housing	Leonard Sophrin, AIA

*Acting

City Of Wilmington **City Council Members**

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 107th Session of the City Council.

Hanifa G.N. Shabazz
City Council President

Nnamdi O. Chukwuocha,
1st District

Ernest "Trippi" Congo II
2nd District

Zanthia Oliver
3rd District

Michelle Harlee
4th District

Va'Shun "Vash" Turner
5th District

Yolanda McCoy
6th District

Robert A. Williams
7th District

Charles M."Bud" Freel
8th District

Rysheema Dixon
At-Large

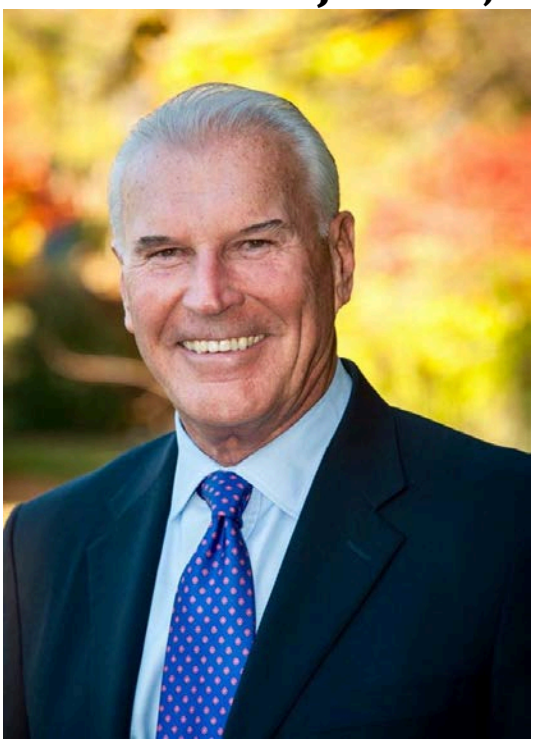
Samuel Guy, Esq.
At-Large

Loretta Walsh
At-Large

Ciro Adams
At-Large

City Of Wilmington
Delaware

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



Michael S. Purzycki
Mayor

Prepared by:
Office of the Director of Finance

Patrick T. Carter
Director of Finance

Accounting Office

Ampofo Offei- Ansah
Leonila Capron
Knisha Clark
Debra Gibbs
Cornelia Henry
Nicole Johnson
Ebony Jackson
Shawnte Manning
Brenda Miller
Roseanne Prado*
Beverly Stokes
Shayne Williams

*Accounting Manager

SEAL OF THE CITY OF WILMINGTON
DELAWARE

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, 2017, 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 97.06%, 97.59%, and 75.61%, 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 Fund Commission, a blended component unit, reported as a nonmajor special revenue fund, which represents 53.52%, 76.85%, and .94%, 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 Fund 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

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perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, 2017, 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 Matter

As discussed in Note 18, during the year ended June 30, 2017, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans* and GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and Schedules 1 through 7 on pages 99 through 111 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 reports 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 January 25, 2018 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.

January 25, 2018
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2017

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, 2017. 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 $ 112,135,630 (net position), an increase of $2,617,751 from the previous year. The net position of governmental activities decreased $10,889,553 from the prior year, while the net position from business activities increased $13,507,304.

- Discretely presented component units reported net position of $51,967,175, an increase of $283,292 from the previous year.

Fund Level

- As of the close of the current fiscal year, the City of Wilmington's governmental funds reported combined ending fund balances of $61,331,695 a decrease of $18,097,745 from the previous year. The Fund Balance reported is: Nonspendable Fund Balance of $4,082,372; Restricted Fund Balance of $21,266,712; Committed Fund Balance of $21,106,122; and an Unassigned Fund Balance totaling $14,876,489 (see page 20 for detail breakdown).

- The Housing Strategic Fund had a committed fund balance in the amount of $386,312 to fund affordable housing in the City.

- The Economic Strategic Fund had a combined fund balance of $3,413,121 consisting of $488,334 of restricted fund balance and $2,924,787 of committed fund balance for current and future economic development activities.

- The Capital Projects Fund had a restricted fund balance in the amount of $15,536,420 to fund current and future City capital improvements.

- The Other Governmental Funds have a combined fund balance of $8,067,068 consisting of $1,023,792 in nonspendable, $5,241,958 of restricted fund balance and $2,064,464 of committed fund balance and ($263,146) in unassigned funds balance.

Long-Term Debt

- The City's total net general obligation debt decreased to $306,558,364 at June 30, 2017, a decrease of $18,475,542.Water and sewer projects had a net decrease in debt of $7,987,771 and governmental capital projects had a net decrease in debt of $10,193,708.

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) and Cityfest, Inc. which are presented as blended component units. The Trust was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington and Cityfest, Inc. manages cultural events.

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

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

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

- *Governmental Funds* – Most of the City's basic services are reported in the governmental funds, which focus on how cash flows into and out of those funds and the balances left at year end that are available for future spending. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided (page 21) to explain the differences between the Governmental Funds Balance Sheet and the Statement of Net 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 99.

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 112.

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 133.

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	
	2017	2016	2017	2016	2017	2016
Current and other Assets	$ 110,579,056	$ 130,287,825	$ 65,797,816	$ 58,914,901	$ 176,376,872	$ 189,202,726
Capital Assets	189,976,230	189,662,187	306,750,918	307,254,735	496,727,148	496,916,922
Total Assets	300,555,286	319,950,012	372,548,734	366,169,636	673,104,020	686,119,648
Deferred outflows of resources	20,958,471	21,720,982	4,630,186	4,166,915	25,588,657	25,887,897
Long Term Liabilities	333,914,548	342,094,137	212,458,439	219,929,148	546,372,987	562,023,285
Other Liabilities	20,064,548	21,170,444	16,012,016	15,295,374	36,076,564	36,465,818
Total Liabilities	353,979,096	363,264,581	228,470,455	235,224,522	582,449,551	598,489,103
Deferred inflows of resources	3,798,376	3,780,575	309,120	219,988	4,107,496	4,000,563
Net Position:						
Net Investment in Capital Assets	80,030,613	73,262,924	120,943,085	117,697,946	200,973,698	190,960,870
Restricted	7,095,826	5,493,479		-	7,095,826	5,493,479
Unrestricted	(123,390,154)	(104,130,565)	27,456,260	17,194,095	(95,933,894)	(86,794,372)
Total Net Position (restated)	$ (36,263,715)	$ (25,374,162)	$ 148,399,345	$ 134,892,041	$ 112,135,630	$ 109,659,977

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 $7,095,826 or unrestricted ($95,933,894). 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 $112,135,630.

Changes in Net Position. A schedule of a comparison of year-to-year changes in activity is on the following page. The combined net position of the City increased by $2,475,653, over the course of this year's operations. The net position of governmental activities decreased $11,031,651, and the net position of business-type activities increased by $13,507,304.

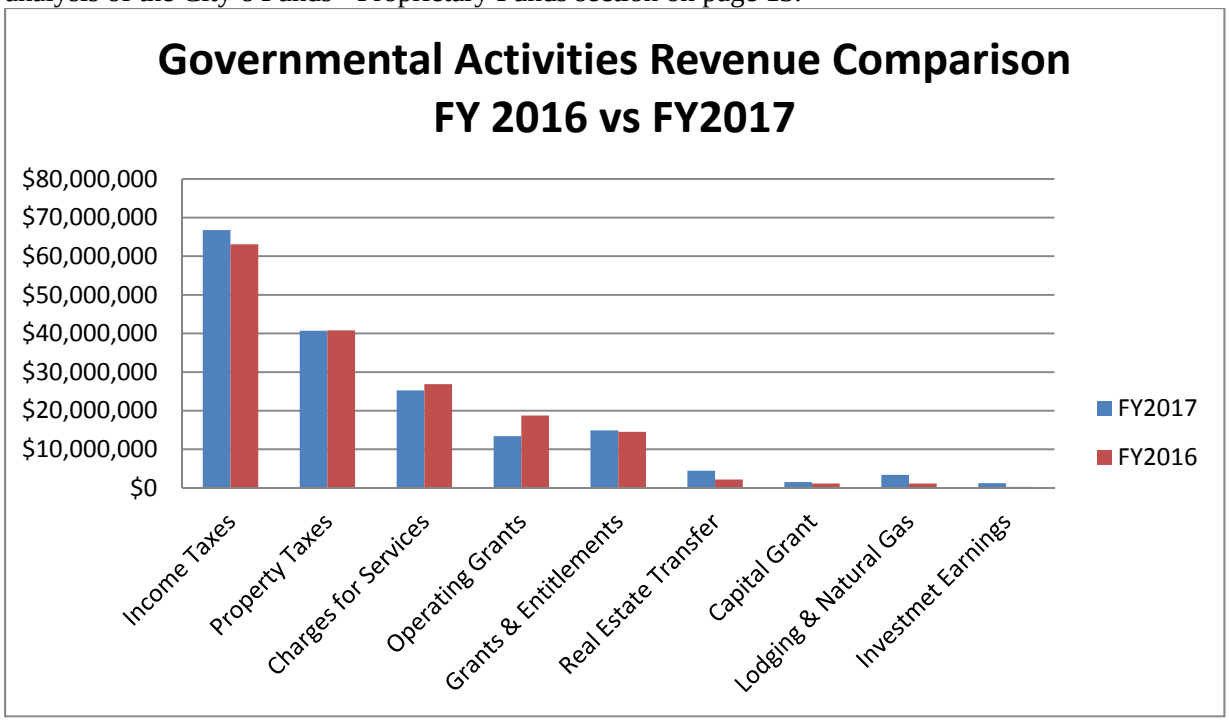
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for Services	$ 25,265,160	$ 26,890,775	$ 83,541,753	$ 77,136,007	$ 108,806,913	$ 104,026,782
Operating Grants & Contributions	13,401,628	18,746,664	-	-	13,401,628	18,746,664
Capital Grants & Contributions	1,544,083	1,136,175	293,155	502,438	1,837,238	1,638,613
General Revenues:						
Total Taxes	115,294,836	107,220,933	-	-	115,294,836	107,220,933
Investment Earnings	1,254,149	270,511	-	3,647	1,254,149	274,158
Other Revenues	14,920,128	14,539,204	-	-	14,920,128	14,539,204
Total Revenues	171,679,984	168,804,262	83,834,908	77,642,092	255,514,892	246,446,354
EXPENSES						
General Government	33,209,538	28,460,217	-	-	33,209,538	28,460,217
Real Estate and Housing	6,310,506	6,874,842	-	-	6,310,506	6,874,842
Public Works	24,429,688	25,374,633	-	-	24,429,688	25,374,633
Parks and Recreation	11,161,909	9,939,326	-	-	11,161,909	9,939,326
Public Safety	103,283,261	89,768,212	-	-	103,283,261	89,768,212
Interest on Long Term Debt	4,316,733	4,602,942	6,715,356	5,842,292	11,032,089	10,445,234
Water/Sewer	-	-	63,612,248	59,601,283	63,612,248	59,601,283
Total Expenses	182,711,635	165,020,172	70,327,604	65,443,575	253,039,239	230,463,747
Change in Net Position	(11,031,651)	3,784,090	13,507,304	12,198,517	2,475,653	15,982,607
Net Position - Beginning (restated)	(25,232,064)	(29,016,154)	134,892,041	122,693,524	109,659,977	93,677,370
Net Position - Ending (restated)	$ (36,263,715)	$ (25,232,064)	$ 148,399,345	$ 134,892,041	$ 112,135,630	$ 109,659,977

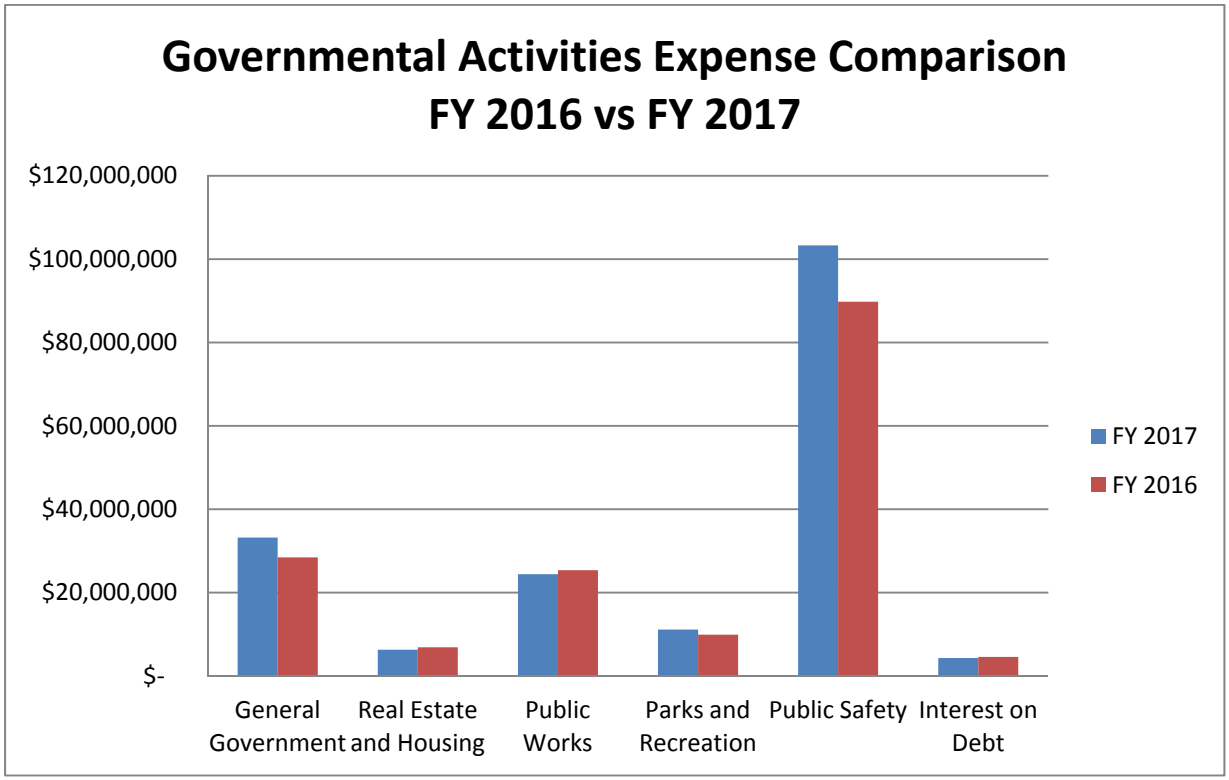
Governmental Activities

Revenues of governmental activities for fiscal year 2017 increased from 2016 by $2,875,722. This net increase reflects a decrease in charges for services of $1,625,615 and an increase in general revenues of $9,438,465. Operating grants decreased by $5,345,036 and capital grants increased by $407,908. The charges for services revenue, which reimburse the City for specific activities, is the second largest source of governmental activity revenue at 14.7%. The key revenue elements are discussed later in the fund statement comparisons. Expenses and transfers of governmental activities for fiscal year 2017 increased by $17,691,463 compared to 2016. Key cost elements are discussed later in the fund statement comparison. The charts on the following page depict a comparative view of the revenues and expenses of the governmental activities for fiscal year 2017 as compared to fiscal year 2016.

Business-type Activities

Net position of business-type activities increased by $6,652,115 for the current fiscal year primarily as a result of increased charges for services. 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 $61,331,695. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with GASB 54:

- $4,082,372 is recorded as Nonspendable due to a $3,058,580 advance to the Motor Vehicle Fund and $1,023,792 in Wilmington Park Trust Fund Commissions;
- $21,266,712 is recorded as Restricted; $16,024,754 for capital projects, $5,163,418 for park operations, $78,540 for Other Purposes;
- $21,106,122 is recorded as Committed; $15,730,559 for the Budget Reserve Account, $386,312 for Affordable Housing, $2,924,787 for Economic Development, $2,064,464 for other purposes; and
- $14,876,489 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, 2017, the fund balance composition included:

- $3,058,580 is recorded as Nonspendable due to an advance to the Motor Vehicle Fund;
- $15,730,559 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 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.
- $15,139,625 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 2017 compared to budget and fiscal year 2016.

The revenues for fiscal year 2017 increased $5,122,773 compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes increased by $350,557 due to decreases in number of property reassessments that lead to decreased property assessed values and Property Tax Revenues in prior years.

- Wage Taxes increased by $2,780,603 and Net Profit Taxes increased by $1,031,865 compared to 2016. The increase in revenues was due to improved economic conditions for both taxes.

- Real Estate Transfer Taxes increased by $2,285,734 due to an increase in sales of commercial properties

- 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 citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues decreased by $1,952,498 as a result of the State eliminating right-turn red light citations and a decrease in on street parking citation revenues.

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

	2016 Actual	2017 Actual	Variance Positive (Negative)	Final Budget	2017 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 40,246,355	$ 40,596,912	$ 350,557	$ 39,566,179	$ 40,596,912	$ 1,030,733
Wage	57,554,177	60,334,780	2,780,603	61,531,600	60,334,780	(1,196,820)
Net Profit	5,545,183	6,577,048	1,031,865	5,700,000	6,577,048	877,048
Franchise	952,421	921,140	(31,281)	916,631	921,140	4,509
Real Estate Transfer	2,174,189	4,459,923	2,285,734	2,357,500	4,459,923	2,102,423
Head	3,926,973	3,853,010	(73,963)	4,054,000	3,853,010	(200,990)
Lodging & Natural Gas	1,167,563	1,207,278	39,715	1,161,833	1,207,278	45,445
Intergovernmental	20,538,810	20,776,372	237,562	20,301,215	20,776,372	475,157
Licenses and Permits	4,829,292	4,694,187	(135,105)	4,790,900	4,694,187	(96,713)
Fines and Forfeitures	7,889,370	5,936,872	(1,952,498)	7,535,000	5,936,872	(1,598,128)
Charges for Services	6,672,709	6,992,734	320,025	6,681,055	6,992,734	311,679
Investment Earnings	236,539	506,098	269,559	240,000	506,098	266,098
Total Revenues	151,733,581	156,856,354	5,122,773	154,835,913	156,856,354	2,020,441
Expenditures:						
General Governmental Services:						
Mayor's Office	12,125,039	11,044,789	1,080,250	12,295,798	11,044,789	1,251,009
City Council	2,206,541	2,242,109	(35,568)	2,255,946	2,242,109	13,837
Audit	713,341	686,278	27,063	720,291	686,278	34,013
Law	2,919,490	3,028,382	(108,892)	2,940,597	3,028,382	(87,785)
Finance	9,419,436	9,464,740	(45,304)	9,973,117	9,464,740	508,377
Human Resources	2,041,958	2,052,498	(10,540)	2,135,026	2,052,498	82,528
Treasurer	490,452	589,779	(99,327)	490,055	589,779	(99,724)
Planning	1,505,606	1,757,221	(251,615)	1,768,306	1,757,221	11,085
Real Estate and Housing	1,434,238	1,932,663	(498,425)	1,789,866	1,932,663	(142,797)
Public Works	23,080,312	22,340,123	740,189	24,775,097	22,340,123	2,434,974
Parks and Recreation	8,710,667	9,639,615	(928,948)	9,082,950	9,639,615	(556,665)
Public Safety:						
Licenses and Inspection	5,248,683	5,008,394	240,289	5,285,059	5,008,394	276,665
Fire	24,645,620	29,212,283	(4,566,663)	26,335,486	29,212,283	(2,876,797)
Police	55,801,994	64,401,412	(8,599,418)	60,835,846	64,401,412	(3,565,566)
Total Expenditures	150,343,377	163,400,286	(13,056,909)	160,683,440	163,400,286	($2,716,846)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,390,204	(6,543,932)	(7,934,136)	(5,847,527)	(6,543,932)	(696,405)
Other Financing Sources (Uses)						
Bonds Issued	-	18,887,944	18,887,944	-	18,887,944	18,887,944
Bond Premiums	-	2,868,201	2,868,201	-	2,868,201	2,868,201
Bond Payments to Escrow Agent	-	(21,523,660)	(21,523,660)	-	(21,523,660)	(21,523,660)
Bond Issuance Costs	-	(232,485)	(232,485)	-	(232,485)	(232,485)
Transfers Out	(2,125,000)	(1,841,656)	283,344	(1,841,656)	(1,841,656)	-
Total Other Financing Sources (Uses)	(2,125,000)	(1,841,656)	283,344	(1,841,656)	(1,841,656)	-
Net Change in Fund Balances	$ (734,796)	$ (8,385,588)	$ (7,650,792)	$ (7,689,183)	$ (8,385,588)	$ (696,405)

The current year's expenditures increased by $13,057,909 and transfers out decreased by $283,344 compared to fiscal year 2016 spending levels. The increase resulted primarily from two events. A single fire that led to the death and significant injury to multiple firefighters that the City cover through self-insurance that cost $6,799,773 and the settlement of prior year union and non-union pay at a cost of $6,702,231, which were allocated between all departments, and totaled $13,502,004.

- Mayor's Office expenditures decreased by $1,080,250, primarily due to a decrease in Materials, Supplies and Equipment of $984,447.

- Real Estate & Housing expenditures increased by $498,425, primarily due to an increase in Materials, Supplies and Equipment of $141,112 and increase in Debt Service of $260,409.

- Public Works expenditures, which represented 14% of the City's General Fund expenditures, decreased by $740,189, due primarily to reduced personal services of $513,090.

- Parks and Recreation expenditures, which represented 6% of the City's General Fund expenditures, increased by $928,948, primarily due to an increase in Materials, Supplies and Equipment of $708,313.

- Fire expenditures, which represented 18% of the City's General Fund expenditures increased by $4,566,663, primarily due to increase in personal services of $1,856,198 attributable to overtime and an increase in Materials, Supplies and Equipment of $2,642,716 attributable to the allocation of increased Workers Compensation.

- Police expenditures, which represented 39% of the City's General Fund expenditures increased by $8,599,528, primarily due to an increase in personal services of $3,203,875 attributable to settlement of prior year union contracts and overtime and an increase in Materials, Supplies and Equipment of $8,023,121 attributable to the allocation of increased Workers Compensation.

Other Major Funds – Comparison to Prior Year

The Housing Strategic Fund reported an ending fund balance of $386,312, a decrease of $729,057 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 $714,073 to $2,283,294; 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 $3,447,888 in fiscal year 2017. As total expenditures increased from $86,243 to $3,447,888, the primary focus of the Economic Strategic Fund for fiscal year 2017 has been providing employment-based incentives to assist new employers to locate their workforce to the City of Wilmington.

The fund balance of $15,536,420 for the Capital Projects Fund was $5,675,070 less than fiscal year 2016 due to a reduction in unspent bond funds for the acquisition, construction, or improvement of capital facilities. The level of Capital Projects Fund expenditures decreased to $7,219,153 from $7,900,085 compared to 2016.

Proprietary Funds

Water/Sewer Funds – Comparison to Prior Year

The operation of the Business-type activities increased the City's net position by $13,507,304 versus an increase of $12,198,517 in fiscal year 2016.

- Direct User Charges for water, sewer, and storm water increased by $4,727,020, primarily as the result of the expedited replacement of obsolete water meters resulting in more efficient usage readings.

- New Castle County sewer charges increased by $3,706,697 as a result of New Castle County's share of increased sewer costs of the City's Renewable Energy BioSolids Facility.

- Capital Grant and Contribution revenue declined from $502,438 in 2016 to $293,155 in 2017.

- Compared to fiscal year 2016 results, total expenses increased by $4,884,029 or 7.5%. This was driven in part by increases in cost of material, supplies and contractual services of $3,539,559, depreciation of $1,245,617, interest expense of $873,063, and a decrease in personal services of $774,211.

General Fund Budgetary Highlights

The City adopted the fiscal year 2017 budget on May 25, 2016, and amended it to meet operational needs during the year. The City's practice is to (a) amend budgeted revenue only for grants or new revenue streams and (b) amend budgeted expenditures primarily to approve new spending authority.

The final budget contained $154,835,913 of revenues, $160,683,440 of expenditures before other financing uses. The original expenditures and transfers out were increased by $8,486,456 through mid-year budget amendments. The actual results were revenues before other financing sources (uses) of $2,020,441 over budget, expenditures of $2,716,846 over budget.

- Property Taxes were $1,030,733 above expectations due new property development and reduction of some properties being re-assessed downward.

- Wage Tax revenues, representing 38.5% of General Fund Tax revenues, were under budget $1,196,820, due to slower than expected economic growth.

- Net Profit Tax revenues, representing were over budget $877,048, due to stronger earnings from partnership and LLC members.

- Real Estate Transfer Taxes were over budget by $2,102,423 primarily due to the significant increase in sales of commercial properties.

- Fines and Forfeitures were under budget by $1,598,128 primarily the result of the State eliminating right-turn-on-red citations that resulted in a decrease of $1,266,122 and reduction on parking ticket collections of $380,652.

- Intergovernmental Revenues were over budget by $475,157 primarily due to increased revenue for the City's share of State collected UCC fees, corporate filing fees, and LLC tax.

- Investment earnings were over the budget by $266,098 due to capital projects spending less than had been anticipated.

- Mayor's Office expenditures were under budget by $1,251,009, primarily due to a decrease in Materials, Supplies and Equipment of $1,056,984. The decrease was due to a transfer to a blended component unit that was originally budgeted as expenditure and grants were received in special revenue funds that offset expenses budgeted in the Mayor's office.

- Finance expenditures were under budget by $508,377, primarily due to a decrease in salaries and benefits for vacant positions.

- Public Works expenditures were under budget by $2,434,974, primarily due to a decrease in personal services of $963,423, attributable to a decrease in salaries and benefits for vacant positions and a decrease in Materials, Supplies and Equipment of $1,292,802 mainly due to mild winter conditions and a decrease in treatment of roads and snow removal.

- Parks and Recreation expenditures were over budget by $556,665, primarily due to an increase in Materials, Supplies and Equipment of $592,351; this is attributable to the allocation of increased Workers Compensation costs.

- Fire expenditures were over budget by $2,876,797, primarily due to an increase in personal services of $997,717 attributable to overtime and an increase in Materials, Supplies and Equipment of $1,908,773 attributable to the allocation of increased Workers Compensation costs.

- Police expenditures were over budget by $3,565,566, primarily due to an increase in personal services of $431,422 attributable to overtime and an increase in Materials, Supplies and Equipment of $3,134,831 attributable to the allocation of increased Workers Compensation costs.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2017, the City had invested $496,727,148, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents fiscal year 2017 asset balances compared to fiscal year 2016 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 ($70,726,759 invested) and in vehicle acquisitions and other equipment ($23,463,594 invested).

Business-type Activities:

- Wastewater Pump & Treatment Facilities placed in service $34,796,715 primarily as a result of the $34,546,051 BioSolids Facility which had been under construction going online.
- Water Lines added $2,954,148 as the City continues its efforts to reline or replace aging water lines.
- Sewer Lines added $1,097,896 as the City continues its efforts to reline or replace aging sewer lines.

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	
	2017	2016	2017	2016	2017	2016
Land	$ 24,090,181	$ 24,090,181	$ 4,060,443	$ 4,060,443	$ 28,150,624	$ 28,150,624
Art	1,960,443	1,952,543	-	-	1,960,443	1,952,543
Construction in Progress	5,052,962	3,036,070	15,026,951	46,096,087	20,079,913	49,132,157
Buildings & Improvements	51,174,479	52,461,578	20,386,282	20,264,267	71,560,761	72,725,845
Parks & Recreation Facilities	13,507,812	12,687,688	-	-	13,507,812	12,687,688
Streets & Signals	70,726,759	70,758,098	-	-	70,726,759	70,758,098
Water Reservoirs, Facilities & Water Lines	-	-	143,100,385	144,164,247	143,100,385	144,164,247
Wastewater Facilities & Sewer Lines	-	-	124,176,857	92,669,690	124,176,857	92,669,690
Vehicles, Equipment & Other	23,463,594	24,650,224	-	-	23,463,594	24,650,224
Totals	$ 189,976,230	$ 189,636,382	$ 306,750,918	$ 307,254,734	$ 496,727,148	$ 496,891,116

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 $306,558,364. Of this amount, $111,028,500 comprises debt related to Governmental activities and $195,529,864 is supported by Business-Type activities. New bond issues authorized during the fiscal year (further detailed in Note 9) include:

- On February 8, 2017, the City issued $40,785,000 of General Obligation Bonds, Series of 2017. The bond matures in varying amounts between December 1, 2019 and December 1, 2028, and bears interest rate of 4.8809%. The net proceeds were used to refund the City's General Obligation Bonds Series of 2008A and partially 2015. As of June 30, 2017, the balance outstanding on this loan is $40,785,000. The 2017 advance refunding reduced total debt service payments over the next 13 years by nearly $4.5 million. This results in an economic gain of approximately $4.3 million.

- On March 29, 2017, the City issued a General Obligation Bond Anticipation Note (Street Repairs Project), Series of 2017, due March 29, 2019, in the amount of $6,000,000. The funding was drawn as needed and the interest rate was 68.5% of (the Adjusted London Interbank Offered Rate (LIBOR) plus 0.52%, not to exceed 5%. As of June 30, 2017, the balance outstanding on this loan is $50,000.

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

The City maintains an Aa2 rating from Moody's Investors Service and AA rating from Standard & Poor's Corporation 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	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	$ 111,028,500	$ 121,516,271	$ 195,529,864	$ 203,517,635	$ 306,558,364	$ 325,033,906

Economic Factors and 2017 Budgets and Rates

Using employment as the predominant gauge for the City of Wilmington's overall standing, there are certainly reasons to be optimistic. Although Head Tax, a tax based on the number of individuals employed over a 5 employee base, declined by just under 2%, Wage Tax increased by 4% and the Net Profits Tax, primarily paid by partnerships and LLCs, increased by over 18%, resulting in a net increase across these three revenue streams of over $3,700,000 or just over 5% from FY 2016.

The continued transformation of the City's Downtown, Riverfront neighborhoods is expected to add to the City's economic growth. In the next six to eighteen months an entire block that once was a dilapidated parking garage will be unveiled as a 200 plus upscale apartment complex, another 200 plus upscale unit residential project is under development along the Brandywine River, two new hotels along the Riverfront are under development and a road connection bridge is being constructed from the developed area of the Riverfront on the Christina River to the under developed area with the expectation that it will act as a catalyst for future development.

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 2017 budget primarily with a mix of fiscal restraints which permitted its citizens to continue to receive the services they expected and deserved from their City government.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2017. The City's budget addresses economic development, public safety, and infrastructure needs.

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

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 Patrick Carter, 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 36 and 37 and the financial statements are listed on page 34.

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Position
June 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 49,870,792	$ 9,829,028	$ 59,699,820	$ 15,764,238
Receivables, Net (Note 4)	27,744,569	36,858,082	64,602,651	2,828,986
Internal Balances	625,672	(625,672)	-	-
Due from Other Funds	6,226,324	-	6,226,324	-
Due from Other Governments	1,968,649	-	1,968,649	-
Due from Component Unit	275,000	-	275,000	-
Other Assets	365,735	-	365,735	76,783
Net Pension Asset	78,144	22,791	100,935	136,784
Restricted Assets:				
Cash and Investments (Note 3)	23,424,171	19,713,587	43,137,758	1,059,864
Capital Assets, Net (Note 6)				
Land	24,090,181	4,060,443	28,150,624	16,647,258
Art	1,960,443	-	1,960,443	-
Intangible Assets	-	-	-	5,000,000
Construction in Progress	5,052,962	15,026,951	20,079,913	1,026,580
Buildings & Improvements	51,174,479	20,386,282	71,560,761	25,216,842
Parks & Recreation Facilities	13,506,812	-	13,506,812	-
Streets & Street Signals	70,727,759	-	70,727,759	-
Water & Sewer Systems	-	267,277,242	267,277,242	-
Vehicles, Equipment, and Other	23,463,594	-	23,463,594	1,138,748
Total Assets	300,555,286	372,548,734	673,104,020	68,896,083
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	17,240,601	767,838	18,008,439	170,499
Deferred on refunding of bonds	3,717,870	3,862,348	7,580,218	-
Total Deferred Outflows of Resources	20,958,471	4,630,186	25,588,657	170,499
LIABILITIES				
Accounts Payable & Accrued Expenses	8,395,915	10,475,984	18,871,899	976,732
Salaries and Benefits Payable	3,662,686	312,124	3,974,810	223,726
Unearned Revenue	1,913,877	-	1,913,877	257,025
Other Liabilities	6,092,070	5,223,908	11,315,978	275,000
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	7,866,138	8,789,180	16,655,318	575,321
Notes Payable	-	-	-	134,169
Capital Leases	2,639,274	-	2,639,274	-
Claims Liabilities	4,907,219	-	4,907,219	-
Compensated Absences	6,165,350	477,377	6,642,727	-
Due in More Than One Year:				
Bonds Payable	113,205,322	197,153,317	310,358,639	12,879,430
Notes Payable	-	-	-	1,466,666
Capital Leases	6,266,833	-	6,266,833	-
Claims Liabilities	14,222,171	-	14,222,171	-
Compensated Absences	2,274,155	-	2,274,155	-
Other Post Employment Benefits Payable	40,268,059	-	40,268,059	-
Net Pension Liability	136,100,027	6,038,565	142,138,592	-
Total Liabilities	353,979,096	228,470,455	582,449,551	16,788,069
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions	3,798,376	309,120	4,107,496	311,338
NET POSITION				
Net Investment in Capital Assets	80,030,613	120,943,085	200,973,698	33,814,715
Restricted for:				
Net Pension Asset	-	-	-	136,784
Capital Projects	-	-	-	-
Debt Service	-	-	-	559,864
Park Operations & Other - Expendable	5,163,418	-	5,163,418	283,688
Park Operations & Other - Nonexpendable	1,932,408	-	1,932,408	2,120,269
Unrestricted	(123,390,154)	27,456,260	(95,933,894)	15,051,855
Total Net Position	$ (36,263,715)	$ 148,399,345	$ 112,135,630	$ 51,967,175

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, 2017

		Program Revenues			Net (Expense) Revenues and Changes in Net Position			
			Grants and Contributions		Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Governmental Services	$ 33,209,538	$ 12,124,423	$ -	$ -	$ (21,085,115)	$ -	$ (21,085,115)	$ -
Real Estate and Housing	6,310,506	317,489	2,677,918	-	(3,315,099)	-	(3,315,099)	-
Public Works	24,429,688	165,377	-	1,544,083	(22,720,228)	-	(22,720,228)	-
Parks and Recreation	11,161,909	510,646	1,474,522	-	(9,176,741)	-	(9,176,741)	-
Public Safety	103,283,261	12,147,225	9,249,188	-	(81,886,848)	-	(81,886,848)	-
Interest on Long-term Debt	4,316,733	-	-	-	(4,316,733)	-	(4,316,733)	-
Total Governmental Activities	182,711,635	25,265,160	13,401,628	1,544,083	(142,500,764)	-	(142,500,764)	-
Business-type Activities:								
Water/Sewer	70,327,604	83,541,753	-	293,155	-	13,507,304	13,507,304	-
Total Primary Governments	$ 253,039,239	$108,806,913	$ 13,401,628	$ 1,837,238	(142,500,764)	13,507,304	(128,993,460)	-
Component Units:								
Christina Gateway Corporation	49,599	-	-	-	-	-	-	(49,599)
Wilmington UDAG Corporation	115,773	$ 197,054	-	-	-	-	-	81,281
Wilmington Parking Authority	6,906,238	$ 7,886,312	-	-	-	-	-	980,074
Downtown Visions	2,777,298	$ 2,950,057	-	-	-	-	-	172,759
Riverfront Business Improvement District	463,853	$ 512,769	-	-	-	-	-	48,916
Rock Manor Golf Corporation	229,164	$ 439,512	-	-	-	-	-	210,348
Total Component Units	$ 10,541,925	$ 11,985,704	$ -	$ -	-	-	-	1,443,779
	General Revenues:							
	Taxes:							
	Property Taxes, Levied for General Purposes				40,691,422	-	40,691,422	-
	Income Taxes				66,747,652	-	66,747,652	-
	Real Estate Transfer				4,459,923	-	4,459,923	-
	Lodging & Franchise Taxes				3,395,839	-	3,395,839	-
	Investment Earnings				1,254,149	-	1,254,149	73,677
	Other Revenues including Capital Asset Gains				176,448	-	176,448	(1,127,785)
	Grants, Entitlements, and Contributions not Restricted to Specific Programs				14,743,680	-	14,743,680	-
	Total General Revenues				131,469,113	-	131,469,113	(1,054,108)
	Transfers				-	-	-	-
	Total General Revenues after Transfers				131,469,113	-	131,469,113	(1,054,108)
	Change in Net Position				(11,031,651)	13,507,304	2,475,653	389,671
	Net Position - Beginning				(25,374,162)	134,892,041	109,517,879	51,683,883
	Prior Period Adjustment (Note 18)				142,098	-	142,098	(106,379)
	Net Position - Ending				$ (36,263,715)	$ 148,399,345	$ 112,135,630	$ 51,967,175

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2017

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 17,635,543	$ 499,312	$ 2,974,787	$ -	$ 3,154,896	$ 24,264,538
Receivables, Net (Note 4)	23,747,480	3,398,372	-	-	591,517	27,737,369
Due from Other Funds (Note 7)	12,674,542	-	-	-	-	12,674,542
Due from Component Unit	275,000	-	-	-	-	275,000
Due from Other Governments	-	-	-	317,386	1,651,556	1,968,942
Prepaid Items & Other Assets	-	-	-	-	10,735	10,735
Advances Due from Other Funds	3,058,580	-	-	-	-	3,058,580
Restricted Assets:						
Cash and Investments (Note 3)	-	-	488,334	16,476,517	6,214,981	23,179,832
TOTAL ASSETS	57,391,145	3,897,684	3,463,121	16,793,903	11,623,685	93,169,538
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	2,441,577	133,000	50,000	1,257,483	515,342	4,397,402
Salaries and Benefits Payable	3,370,031	-	-	-	172,111	3,542,142
Due to Other Funds	-	-	-	-	501,875	501,875
Prepaid Rent	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	1,913,877	1,913,877
Other Liabilities	2,709,632	3,378,372	-	-	4,066	6,092,070
Total Liabilities	8,521,240	3,511,372	50,000	1,257,483	3,107,271	16,447,366
Deferred Inflows of Resources:						
Unavailable Revenues	14,941,131	-	-	-	449,346	15,390,477
Fund Balances:						
Nonspendable						
Advance to Motor Vehicle Fund (Note 7)	3,058,580	-	-	-	-	3,058,580
Advance to Water/Sewer Fund (Note 7)	-	-	-	-	-	-
Trust for Park Operations	-	-	-	-	1,023,792	1,023,792
Restricted						
Capital Projects	-	-	488,334	15,536,420	-	16,024,754
Park Operations	-	-	-	-	5,163,418	5,163,418
Other Purposes	-	-	-	-	78,540	78,540
Committed						
Budget Reserve Account	15,730,559	-	-	-	-	15,730,559
Affordable Housing	-	386,312	-	-	-	386,312
Economic Development	-	-	2,924,787	-	-	2,924,787
Other Purposes	-	-	-	-	2,064,464	2,064,464
Unassigned	15,139,635	-	-	-	(263,146)	14,876,489
Total Fund Balances	33,928,774	386,312	3,413,121	15,536,420	8,067,068	61,331,695
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 57,391,145	$ 3,897,684	$ 3,463,121	$ 16,793,903	$ 11,623,685	$ 93,169,538

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, 2017

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)		$ 61,331,695
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 $20,964,128 of internal service fund assets accounted for in the following line.		169,012,102
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.		3,333,707
Net Pension Asset		78,144
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.		15,390,477
Deferred Outflows of Resources:		
Deferred amounts on refunding of bonds		3,549,984
Deferred amounts on pensions		17,240,601
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	$ (8,239,210)	
Other Post Employment Benefit (OPEB) Liability	(40,268,059)	
Accrued Interest on Long Term Debt	(680,373)	
Capital Leases	(264,193)	
Bond Premiums	(9,529,712)	
Bonds and Notes Payable	(107,320,475)	
Net Pension Liability	(136,100,027)	(302,402,049)
Deferred Inflows of Resources:		
Deferred amounts on pensions		(3,798,376)
Total Net Position of Governmental Activities (Page 18)		$ (36,263,715)

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, 2017

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 40,596,912	$ -	$ -	$ -	$ -	$ 40,596,912
Wage	60,334,780	-	-	-	-	60,334,780
Net Profit	6,577,048	-	-	-	-	6,577,048
Franchise	921,140	-	-	-	1,283,061	2,204,201
Real Estate Transfer	4,459,923	-	-	-	-	4,459,923
Head	3,853,010	-	-	-	-	3,853,010
Lodging & Natural Gas	1,207,278	-	-	-	-	1,207,278
Intergovernmental	20,776,372	-	-	1,544,083	8,040,191	30,360,646
Licenses and Permits	4,694,187	-	-	-	-	4,694,187
Fines and Forfeitures	5,936,872	-	-	-	-	5,936,872
Charges for Services	6,992,734	54,237	-	-	1,768,298	8,815,269
Investment Earnings	506,098	-	-	-	491,691	997,789
Total Revenues	156,856,354	54,237	-	1,544,083	11,583,241	170,037,915
EXPENDITURES						
Current:						
General Governmental Services	25,237,748	-	3,447,888	27,734	1,820,038	30,533,408
Real Estate and Housing	734,872	2,229,057	-	-	3,443,883	6,407,812
Public Works	18,578,515	-	-	-	1,166,421	19,744,936
Parks and Recreation	7,734,720	-	-	-	2,346,929	10,081,649
Public Safety	97,639,599	-	-	-	3,142,520	100,782,119
Debt Service:						
Principal Retirement	8,540,841	-	-	-	-	8,540,841
Interest and Fiscal Charges	4,933,991	54,237	-	-	-	4,988,228
Capital Outlays	-	-	-	7,191,419	-	7,191,419
Total Expenditures	163,400,286	2,283,294	3,447,888	7,219,153	11,919,791	188,270,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,543,932)	(2,229,057)	(3,447,888)	(5,675,070)	(336,550)	(18,232,497)
OTHER FINANCING SOURCES (USES)						
Bond Issuance Costs	(232,485)					(232,485)
Refunding Bonds Issued	18,887,944	-	-	-	-	18,887,944
Bond Premiums	2,868,201	-	-	-	-	2,868,201
Bond Payments to Escrow Agent	(21,523,660)	-	-	-	-	(21,523,660)
Transfers In	-	1,500,000	-	-	341,656	1,841,656
Transfers Out	(1,841,656)	-	-	-	-	(1,841,656)
Total Other Financing Sources (Uses)	(1,841,656)	1,500,000	-	-	341,656	-
Net Change in Fund Balances	(8,385,588)	(729,057)	(3,447,888)	(5,675,070)	5,106	(18,232,497)
Fund Balance - Beginning	42,314,362	1,115,369	6,861,009	21,211,490	7,927,210	79,429,440
Prior Period Adjustment (Note 18)	-	-	-	-	134,752	134,752
Fund Balance - Ending	$ 33,928,774	$ 386,312	$ 3,413,121	$ 15,536,420	$ 8,067,068	$ 61,331,695

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, 2017

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)			$ (18,232,497)
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		$ 6,957,569	
Depreciation Expense		(6,580,999)	376,570
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)		$ (683,008)	
Property and Other Taxes		(69,666)	
Fees and Fines		722,813	(29,861)
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.			
	Debt Issued	Repayments	
General Obligation Bonds	$ (18,887,944)	$ 31,423,240	
Bond Premiums	(2,868,201)	-	
Capital Lease	-	85,506	
Amortization of Premiums and Deferred Losses	-	(411,435)	
Net Adjustment	$ (21,756,145)	$ 31,097,311	$ 9,341,166
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		$ 187,951	
Other Post Employment Benefit (OPEB) Liability		(4,620,743)	
Accrued Interest on Long-Term Debt		(76,081)	(4,508,873)
The cost of pension benefits earned			2,021,844
Change in Net Position of governmental activities (page 19)			$ (11,031,651)

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

COME TO WILMINGTON

City of Wilmington, Delaware

General Fund

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 39,566,179	$ 39,566,179	$ 40,596,912	$ 1,030,733
Wage	61,531,600	61,531,600	60,334,780	(1,196,820)
Net Profit	5,700,000	5,700,000	6,577,048	877,048
Franchise	916,631	916,631	921,140	4,509
Real Estate Transfer	2,357,500	2,357,500	4,459,923	2,102,423
Head	4,054,000	4,054,000	3,853,010	(200,990)
Lodging & Natural Gas	1,161,833	1,161,833	1,207,278	45,445
Intergovernmental	20,301,215	20,301,215	20,776,372	475,157
Licenses and Permits	4,790,900	4,790,900	4,694,187	(96,713)
Fines and Forfeitures	7,535,000	7,535,000	5,936,872	(1,598,128)
Charges for Services	6,681,055	6,681,055	6,992,734	311,679
Investment Earnings	240,000	240,000	506,098	266,098
Total Revenues	154,835,913	154,835,913	156,856,354	2,020,441
Expenditures:				
General Governmental Services:				
Mayor's Office	11,879,557	12,295,798	11,044,789	1,251,009
City Council	2,229,138	2,255,946	2,242,109	13,837
Audit	718,422	720,291	686,278	34,013
Law	2,930,886	2,940,597	3,028,382	(87,785)
Finance	9,872,907	9,973,117	9,464,740	508,377
Human Resources	2,129,232	2,135,026	2,052,498	82,528
Treasurer	463,891	490,055	589,779	(99,724)
Planning	1,762,874	1,768,306	1,757,221	11,085
Real Estate and Housing	1,777,809	1,789,866	1,932,663	(142,797)
Public Works	24,740,393	24,775,097	22,340,123	2,434,974
Parks and Recreation	9,070,747	9,082,950	9,639,615	(556,665)
Public Safety:				
Licenses and Inspection	5,272,375	5,285,059	5,008,394	276,665
Fire	24,879,742	26,335,486	29,212,283	(2,876,797)
Police	56,310,667	60,835,846	64,401,412	(3,565,566)
Total Expenditures	154,038,640	160,683,440	163,400,286	(2,716,846)
Excess (Deficiency) of Revenues Over (Under) Expenditures	797,273	(5,847,527)	(6,543,932)	(696,405)
Other Financing Sources (Use)				
Bonds Issued	-	-	18,887,944	(18,887,944)
Bonds Premiums	-	-	2,868,201	(2,868,201)
Bond Payments to Escrow Agent	-	-	(21,523,660)	21,523,660
Bond Issuance Costs	-	-	(232,485)	232,485
Transfer Out*	-	(1,841,656)	(1,841,656)	-
Total Other Financing Sources (Use)	-	(1,841,656)	(1,841,656)	-
Net Change in Fund Balances	$ 797,273	$ (7,689,183)	(8,385,588)	$ (696,405)
Fund Balance - Beginning			42,314,362	
Fund Balance - Ending			$ 33,928,774	

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

* Reference Note 2C

WILMINGTON WATERFRONT

PROTECTING OUR CITY

City of Wilmington, Delaware
Statement of Fund Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)	9,829,028	$ 25,606,254
Receivables, Net (Note 4)	36,858,082	7,200
Prepaid Items & Other Assets	-	355,000
Restricted Cash and Investments (Note 3)	19,713,587	244,339
Due from Other Governments (Note 7)	-	625,672
Total Current Assets	66,400,697	26,838,465
Noncurrent Assets:		
Net Pension Asset	22,791	-
Capital Assets, Net (Note 6)		
Land	4,060,443	-
Construction in Progress	15,026,951	2,583,928
Buildings & Improvements	20,386,282	3,140,057
Reservoirs and Water Filter Facilities	97,590,275	-
Water Lines	45,510,110	-
Wastewater Pump and Treatment Facilities	95,161,447	-
Sewer Lines	29,015,410	-
Vehicles, Machinery & Equipment	-	15,240,143
Total Noncurrent Assets	306,773,709	20,964,128
Total Assets	373,174,406	47,802,593
DEFERRED OUTFLOW OF RESOURCES		
Deferred amounts on pensions	767,838	-
Deferred on refunding of bonds	3,862,348	167,886
Total Deferred Outflow of Resources	4,630,186	167,886
LIABILITIES		
Current Liabilities:		
Accounts Payable	9,269,724	3,229,779
Salaries and Benefits Payable	312,124	120,544
Due to Other Funds	625,672	5,946,636
Unearned Revenue	5,223,908	-
Accrued Interest Payable	1,206,260	88,361
Bonds Payable	8,789,180	288,562
Capital Leases	-	2,554,742
Compensated Absences	477,377	200,295
Claims Liabilities	-	4,907,219
Total Current Liabilities	25,904,245	17,336,138
Noncurrent Liabilities:		
Advances Due to Other Funds (Note 7)	-	3,058,580
Bonds Payable	197,153,317	3,932,711
Capital Leases	-	6,087,172
Claims Liabilities	-	14,222,171
Net Pension Liabilities	6,038,565	-
Total Noncurrent Liabilities	203,191,882	27,300,634
from Total Liabilities	229,096,127	44,636,772
DEFERRED INFLOW OF RESOURCES		
Deferred amounts on pensions	309,120	-
NET POSITION		
Net Investment in Capital Assets	120,943,085	8,503,391
Unrestricted	27,456,260	(5,169,684)
Total Net Position	$ 148,399,345	$ 3,333,707

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, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Funds
OPERATING REVENUES		
Charges for Services		
Sewer Charges to New Castle County	$ 22,543,855	$ -
Water & Sewer Charges to Direct Users	56,879,496	-
Other Charges for Services	150,039	49,160,733
Employee Contributions	-	1,081,957
Other	3,968,363	145,412
Total Operating Revenues	83,541,753	50,388,102
OPERATING EXPENSES		
Personal Services	9,757,086	2,761,654
Materials, Supplies and Contractual Services	44,601,613	9,564,835
Depreciation and Amortization	9,253,549	3,967,230
Claims Expense	-	33,556,715
Insurance Premiums	-	656,393
Total Operating Expenses	63,612,248	50,506,827
Operating Income	19,929,505	(118,725)
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	-	256,360
Interest Expense	(6,715,356)	(314,083)
Bond Issuance Costs	-	-
Gain on Sale of Assets	-	176,448
Total Non-Operating Revenues (Expenses)	(6,715,356)	118,725
Income (Loss) Before Capital Grants and Contributions and Transfers	13,214,149	-
Capital Grants and Contributions	293,155	-
Change in Net Position	13,507,304	-
Total Net Position - Beginning	134,892,041	3,333,707
Total Net Position - Ending	$ 148,399,345	$ 3,333,707

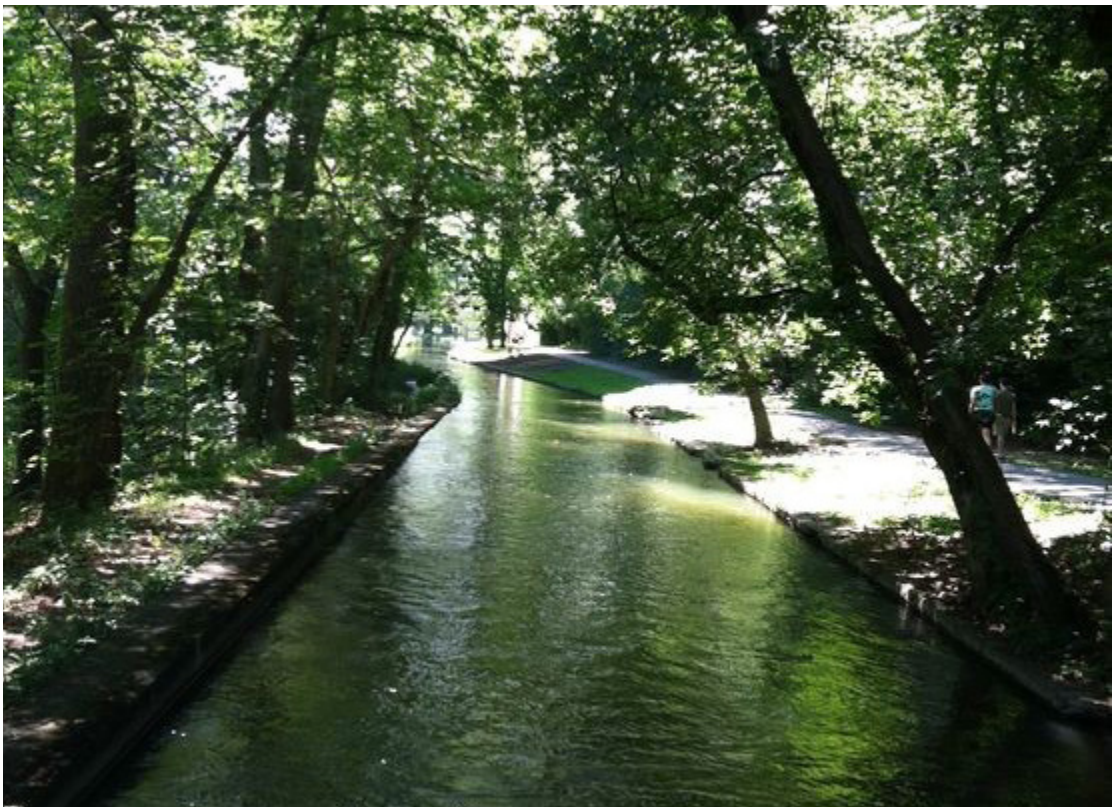
The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from Customers and Users	$ 79,538,295	$ -
Receipts from Interfund Services Provided	-	50,388,102
Payments to Suppliers	(44,656,173)	(43,920,314)
Payments to Employees	(10,362,369)	(2,479,777)
Net Cash Provided by Operating Activities	24,519,753	3,988,011
Cash Flows from Noncapital Financing Activities:		
Advances From Other Funds	(1,614,468)	1,992,427
Advances (To) Other Funds	3,779,944	1,614,468
Net Cash (Used in) Noncapital Financing Activities	2,165,476	3,606,895
Cash Flows From Capital and Related Financing Activities:		
Capital Grants and Contributions	293,155	-
Proceeds from Capital Debt	2,398,762	-
Acquisition and Construction of Capital Assets	(8,749,733)	(3,204,274)
Principal Paid on Bonds	(10,386,543)	(542,486)
Interest Paid on Bonds	(5,502,248)	(244,958)
Proceeds from Capital Lease	-	2,569,520
Principal Paid on Capital Leases	-	(2,402,941)
Interest Paid on Capital Leases	-	(200,740)
Proceeds from Sale of Capital Assets	-	265,642
Net Cash (Used in) Capital and Related Financing Activities	(21,946,607)	(3,760,237)
Cash Flows From Investing Activities:		
Investment Earnings	-	256,360
Interest Received on Unspent Bond Proceeds	-	-
Net Cash provided by Investing Activities	-	256,360
Net Increase (Decrease) in Cash and Cash Equivalents	4,738,622	4,091,029
Cash and Cash Equivalents - June 30, 2016 (including $24,803,993 and $686,009 respectively, reported in restricted accounts)	24,803,993	21,759,564
Cash and Cash Equivalents - June 30, 2017 (including $19,713,587 and $244,339, respectively, reported in restricted accounts)	$ 29,542,615	$ 25,850,593
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 19,929,505	$ (118,725)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	9,253,549	3,967,230
Changes in Assets and Liabilities:		
(Increase) decrease in Receivables	(4,286,978)	-
(Increase) decrease Pension Assets	(22,791)	-
(Increase) decrease Pension Deferred Charges	420,275	-
Increase (decrease) in Accounts Payable	(54,560)	(649,741)
Increase in Accrued Salaries	(15,654)	23,290
Increase in Compensated Absences	39,056	12,539
Increase in Unearned Revenue	283,519	-
Decrease in Claims Liability	-	753,418
Increase (decrease) Pension Liability	(1,115,300)	-
Increase(decrease) Pension Deferred Inflows	89,132	-
Net Cash Provided by Operating Activities	$ 24,519,753	$ 3,988,011

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

ATTRACTIONS FOR CHILDREN AND ADULTS



City of Wilmington

Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2017

	Total Pension Trust Funds
ASSETS	
Cash and Cash Equivalents (Note 3)	$ 9,005,813
Receivables:	
Due from Other Governments	-
Accrued Interest & Other Receivables	523,030
Total Receivables	523,030
Investments, at Fair Value:	
Money Market Mutual Funds	5,163,815
U.S. Treasury Obligations	30,648,921
U.S. Government Agencies - Guaranteed	2,831,212
U.S. Government Agencies - Other	3,873,764
Corporate & Foreign Bonds	34,330,984
Common Equity & Marketable Securities	73,985,559
Global & International Funds	48,214,422
Mutual Funds	39,714,419
Total Investments	238,763,096
Total Assets	248,291,939
LIABILITIES	
Accounts Payable	220,460
Salaries and Benefits Payable	266,320
Due to Other Governments	6,226,324
Compensated Absences	16,363
Pension Checks	178,646
Total Liabilities	6,908,113
Net Position:	
Net Position Restricted for Pensions	223,100,353
Net Position Held in Trust for OPEB Benefits	18,283,473
Total Net Positon	$ 241,383,826

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, 2017

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 16,960,505
Paid by the State	
On-Behalf of the City	5,794,267
Employees	1,588,786
Federal Drug Subsidies & Other	121,847
Total Contributions	24,465,405
Investment Income	
Investment Earnings	4,851,606
Net (Appreciation) in Fair Value	19,367,909
Total Investment Income	24,219,515
Less: Investment Expense	(604,035)
Net Investment Income	23,615,480
Total Additions	48,080,885
DEDUCTIONS	
Benefits Paid	28,158,924
Administrative Expenses	701,406
Total Deductions	28,860,330
Net Increase in Plans' Net Position	19,220,555
Net Position - Beginning	222,163,271
Net Position - Ending	$ 241,383,826

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, 2017

ASSETS	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Total
Cash and Cash Equivalents (Note 3)	$ 1,604,495	$ 3,275,332	$ 1,891,598	$ 844,051	$ 101,013	$ 744,643	8,461,132
Investments	-	-	7,303,106	-	-	-	7,303,106
Receivables, Net	-	2,372,661	37,135	365,856	53,334	-	2,828,986
Restricted Assets:							
Investments	-	500,000	559,864	-	-	-	1,059,864
Net Pension Asset	-	-	136,784	-	-	-	136,784
Deferred Charges & Other Assets	-	-	11,806	64,120	857	-	76,783
Capital Assets, Net:							
Land	328,200	-	16,319,058	-	-	-	16,647,258
Intangible Assets			5,000,000				5,000,000
Construction in Progress	-	653,640	372,940	-	-	-	1,026,580
Building and Improvements	-	-	21,177,925	556,627	-	3,482,290	25,216,842
Vehicles, Machinery & Equipment	-	-	898,992	191,856	47,900	-	1,138,748
Total Assets	1,932,695	6,801,633	53,709,208	2,022,510	203,104	4,226,933	68,896,083
DEFERRED OUTFLOWS OF RESOURCES	-	-	170,499	-	-	-	170,499
LIABILITIES							
Accounts Payable & Accrued Expenses	7,542	408,248	281,651	79,823	22,074	177,394	976,732
Due to Primary Government	-	-	275,000	-	-	-	275,000
Salaries and Benefits Payable	-	-	141,189	82,537	-	-	223,726
Unearned Revenue	-	-	-	37,648	-	219,377	257,025
Long-term Liabilities							
Due within One Year							
Bonds Payable	-	-	575,321	-	-	-	575,321
Notes Payable	-	-	-	24,412	60,000	49,757	134,169
Due in More than One Year							
Bonds Payable	-	-	12,879,430	-	-	-	12,879,430
Notes Payable	-	-	-	543,577	109,073	814,016	1,466,666
Total Liabilities	7,542	408,248	14,152,591	767,997	191,147	1,260,544	16,788,069
DEFERRED INFLOWS OF RESOURCES	-	-	311,338	-	-	-	311,338
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	653,640	30,314,164	180,494	47,900	2,618,517	33,814,715
Restricted for:							
Donor Imposed	-	-	-	283,688	-	-	283,688
Restricted for Net Pension Asset	-	-	136,784	-	-	-	136,784
Debt Service	-	-	559,864	-	-	-	559,864
Under Contractual Agreement	-	500,000	1,620,269	-	-	-	2,120,269
Unrestricted (Deficit)	1,925,153	5,239,745	6,784,697	790,331	(35,943)	347,872	15,051,855
Total Net Position (Deficit)	$ 1,925,153	$ 6,393,385	$ 39,415,778	$ 1,254,513	$ 11,957	$ 2,966,389	$ 51,967,175

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, 2017

		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	Total
Christina Gateway Corporation	$ 49,599	$ -	$ (49,599)	$ -	$ -	$ -	$ -	$ -	$ (49,599)
Wilmington UDAG Corporation	115,773	197,054	-	81,281	-	-	-	-	81,281
Wilmington Parking Authority	6,906,238	7,886,312	-	-	980,074	-	-	-	980,074
Downtown Visions	2,777,298	2,950,057	-	-	-	172,759	-	-	172,759
Riverfront Business Improvement District	463,853	512,769	-	-	-	-	48,916	-	48,916
Rock Manor Golf Corporation	229,164	439,512	-	-	-	-	-	210,348	210,348
	10,541,925	11,985,704	(49,599)	81,281	980,074	172,759	48,916	210,348	1,443,779
General Revenues									
Investment Earnings			-	-	70,614	2,738	325	-	73,677
Grants, Entitlements, and Contributions			-	-	-	-	-	-	-
Other Revenues including Capital Asset Gains			(1,130,132)	-	147	2,200	-	-	(1,127,785)
Total General Revenues			(1,130,132)	-	70,761	4,938	325	-	(1,054,108)
Change in Net Position			(1,179,731)	81,281	1,050,835	177,697	49,241	210,348	389,671
Net Position (Deficit) - Beginning Restated (Note 18)			3,104,884	6,312,104	38,364,943	1,076,816	(37,284)	2,756,041	51,577,504
Net Position (Deficit) - Ending			$ 1,925,153	$ 6,393,385	$ 39,415,778	$ 1,254,513	$ 11,957	$ 2,966,389	$ 51,967,175

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. 82. 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.

Cityfest, 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.

Discretely Presented Component Units

The component units' columns in the entity-wide financial statements include the financial data of the City's six 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 services in the downtown business district. The City appoints the corporation's entire board. The corporation's services are funded by charges assessed on taxable property in the district at a rate approved by the City.

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

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

Wilmington Park Trust Commission
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

Cityfest 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
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 2017 include property taxes levied principally on July 1, 2017 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 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 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 storm water 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 including donated works of art and capital assets received in a service concession arrangement are recorded at acquisition 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

Budgets for Governmental funds have been legally adopted for the year ended June 30, 2017. Governmental funds include the General Fund and the non-major funds, which are shown on page 125. 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. Similar comparison schedules for the non-major funds as well as additional 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 113 and 114.

B. Expenditures Over Appropriations

Annually, all unbudgeted expenditures and transfers are included in a Reconciliation Ordinance submitted to City Council for its approval. The Reconciliation Ordinance is submitted at the time the audited financial statements are submitted to Council. The General Fund overage is primarily due to medical costs being higher than budgeted due to an unexpected increase despite cost containment measures.

General Fund	Budget Amount	Actual Amount	Variance
Law	$ 2,940,597	$ 3,028,382	$ (87,785)
Treasury	490,055	589,779	(99,724)
Real Estate and Housing	1,789,866	1,932,663	(142,797)
Parks and Recreation	9,082,950	9,639,615	(556,665)
Fire	26,335,486	29,212,283	(2,876,797)
Police	60,835,846	64,401,412	(3,565,566)
Total General Funds	101,474,800	108,804,134	(7,329,334)
Non-Major Funds			
Parks Recreation Assistance	1,468,986	1,469,810	(824)
Community Development Bock Grants	2,040,956	2,041,022	(66)
Delaware Neighborhood Stabilization Program	58,057	255,104	(197,047)
Delaware Criminal Justice Planning	1,270,188	1,272,915	(2,727)
Home Partnership Program	197,417	200,275	(2,858)
Total Non-Major Funds	5,035,604	5,239,126	(203,522)
	$ 106,510,404	$ 114,043,260	$ (7,532,856)

C. Transfers

The Mayor's Office transferred $245,060 to Cityfest, Inc., a blended component unit, of the City of Wilmington. This transfer was done in support of various art and cultural programs. The Mayor's Office also transferred $96,596 to the following special revenue funds to support the funds' operations for the year ended June 30, 2017: $47,225 to the Delaware Neighborhood Stabilization, $2,905 to the Delaware Criminal Justice Planning, and $46,466 to Special Projects.

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. Component units use both internal and external management of deposits and investments. Some component units consider certificates of deposit to be investments.

	Primary Government	Pension Funds	Discretely Presented Component Units
Deposits			
Insured Deposits (FDIC)	$ 250,000	$ -	$ 2,955,508
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	7,003,854	1,813,140	-
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	89,368,743	7,123,206	5,282,802
Certificate of Deposits due within 2-5 Years - Collateral held by pledging bank's agent in the City or Unit's name	-	-	-
Uninsured and Uncollateralized	2,021,916	69,467	2,235,649
Total Deposits	$ 98,644,513	$ 9,005,813	$ 10,473,959
Investments			
Money Market Mutual Funds	$ 1,977,055	$ 5,163,815	$ 2,517,875
U.S. Government Obligations	-	30,648,921	950,586
U.S. Agencies - Government Guaranteed	-	2,831,212	-
U.S. Agencies - Other	-	3,873,764	-
Municipal Bonds	-	-	1,581,139
Corporate & Foreign Bonds	-	34,330,984	-
Common Equity & Marketable Securities	-	73,985,559	-
Global & International Funds	-	48,214,422	-
Mutual Funds	2,216,010	39,714,419	800,543
Total Investments	$ 4,193,065	$ 238,763,096	$ 5,850,143
Total Deposits and Investments	$ 102,837,578	$ 247,768,909	$ 16,324,102

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 exchange traded funds and mutual fund assets amounting to $4,193,065.

Component Units - The Wilmington Parking Authority is exposed to this risk in that they held money market fund assets amounting to $2,517,875, U.S. Treasury Notes amounting to $950,586 due within three years, fixed income mutual funds amounting to $800,543, and municipal bonds amounting to $1,581,139, as of June 30, 2017.

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, 2017, the portfolio included $3,873,764 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, 2017.

		Investment Maturities (in Years)				
Investment Type	Fair Value	< 1 year	1-4.9	5-9.9	10-19.9	> 20
U.S. Treasuries	$ 30,648,921	$ 526,874	$ 17,930,712	$ 12,191,335	$ -	$ -
U.S. Govt. Agencies - Guaranteed	2,831,212	-	771,208	639,144	314,371	1,106,489
U.S. Govt. Agencies - Other	3,873,764	- 463,341	3,410,423	-	-	-
Corporate Bonds	34,330,984	4,491,607	20,505,199	9,334,178	-	-
Total	$ 71,684,881	$ 5,481,822	$ 42,617,542	$ 22,164,657	$ 314,371	$ 1,106,489

Fair Value Measurements

The City follows the provisions of GASBS 72, *Fair Value Measurement and Application*. Under GASBS 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASBS 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The City has the following recurring fair value measurements as of June 30, 2017:

	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other Governmental Funds				
Money Market Funds	$ 1,977,055	$ 1,977,055	$ -	$ -
U.S. Treasury Obligations	-	-	-	-
Mutual Funds	-	-	-	-
Exchange Traded Funds	2,216,010	2,216,010	-	-
Total Other Governmental Funds	**$ 4,193,065**	**$ 4,193,065**	**$ -**	**$ -**
Fiduciary Funds Investments				
Money Market Funds	$ 5,163,815	$ 5,163,815	$ -	$ -
Debt Securities				
U.S. Treasury Obligations	30,648,921	30,648,921	-	-
U.S. Government Agencies				
Guaranteed	2,831,212	2,831,212	-	-
Other	3,873,764	3,873,764	-	-
Corporate Bonds	34,330,984	34,330,984	-	-
Total Debt Securities	$ 71,684,881	$ 71,684,881	$ -	$ -

	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Equity Securities				
Materials	$ 3,157,690	$ 3,157,690	$ -	$ -
Industrials	11,020,398	11,020,398	-	-
Telecommunication Services	1,649,291	1,649,291	-	-
Consumer Discretionary	8,957,942	8,957,942	-	-
Consumer Staples	6,959,122	6,959,122	-	-
Energy	1,659,075	1,659,075	-	-
Financial	11,618,844	11,618,844	-	-
Health Care	9,156,434	9,156,434	-	-
Information Technology	17,744,648	17,744,648	-	-
Utilities	2,062,115	2,062,115	-	-
Total Common Equity Securities	73,985,559	73,985,559	-	-
Global & International Funds	48,214,422	48,214,422	-	-
Mutual Funds	39,714,419	39,714,419	-	-
Total Fiduciary Funds Investments	**$ 238,763,096**	**$ 238,763,096**	**$ -**	**$ -**

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, 2017, 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	14.40%	$ 34,330,984
Government	15.67%	37,353,897
	30.06%	$ 71,684,881

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, 2017, 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	$ 171,982	$ 171,982
Total in Foreign Denominated Investments	$ 171,982	$ 171,982

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 0.001%.

Investment Commitments

The Pension Funds had no investment commitments at June 30, 2017.

Reconciliation to Statements of Net Position

The following provides the 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	$ 98,644,513	$ 9,005,813	$ 10,473,959
Investments	4,193,065	238,763,097	5,850,143
	$ 102,837,578	$ 247,768,910	$ 16,324,102
Unrestricted	$ 59,699,820	$ -	$ 15,824,102
Restricted	43,137,758	-	500,000
Fiduciary Funds	-	247,768,910	-
	$ 102,837,578	$ 247,768,910	$ 16,324,102

Restricted Cash and Investments

At June 30, 2017, the City had $6,214,981 of investments in a non-major 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 $36,922,777 in temporarily restricted cash at June 30, 2017. The components were: $3,441,272 related to Water and Sewer Fund contractual requirements and $33,481,505 related to unspent proceeds of bond offerings ($16,272,315 in the Water and Sewer Fund, $16,476,517 in the Capital Projects Fund, $488,334 in the Economic Strategic Fund, $241,830 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. The City classifies these as restricted funds due to the source, the management of the funds, and the expenditure restrictions. The funds have never been used for temporary purposes and City policies prevent this from occurring.

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	$ 6,763,269	$ -	$ -	$ 6,763,269	$ -
Wage Taxes	11,264,068	-	-	11,264,068	-
Parking & Redlight Citations	14,363,793	-	-	14,363,793	-
Business Licenses	1,279,552	-	-	1,279,552	-
Signs and Licenses	8,861,132	-	-	8,861,132	-
Other	1,969,133	3,398,372	591,517	5,959,023	-
Utility Billings	-	-	-	-	46,630,703
Notes - Current	253,314	-	-	253,314	-
Notes - Noncurrent	2,591,742	-	-	2,591,742	-
Gross Receivables	47,346,003	3,398,372	591,517	51,335,893	46,630,703
Less: Allowance for Uncollectibles	(23,598,523)	-	-	(23,598,523)	(9,772,621)
Net Total Receivables	$ 23,747,480	$ 3,398,372	$ 591,517	$ 27,737,370	$ 36,858,082

Internal Service Fund receivables amounting to $7,200 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 2017 increased revenues by $5,126,714.

Discretely Presented Component Units

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

	Downtown Visions	Riverfront Business Improvement District	Wilmington UDAG Corporation	Wilmington Parking Authority	Total
Receivables:					
Accounts	$ 365,856	$ 53,334	$ -	$ 37,135	$ 456,325
Mortgages and Loans	-	-	2,372,661	-	2,372,661
Total Receivables	$ 365,856	$ 53,334	$ 2,372,661	$ 37,135	$ 2,828,986

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, 2017, in the amount of $2,845,056 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.

The City of Wilmington provides a line of construction funding to the Wilmington Housing Partnership Corporation up to a maximum of $4,000,000 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, 2017, in the amount of $3,378,372 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. On September 29, 2016, the line of construction funding agreement was replaced. The new line has substantially the same terms with a maximum of $3,378,372 outstanding at any one time.

6. Capital Assets

A. Primary Government

The June 30, 2016 balances have been restated to include CityFest capital assets.

The capital asset activity for Governmental Activities for the year ended June 30, 2017 was as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,952,543	7,900	-	1,960,443
Construction-In-Progress	3,036,070	3,655,291	(1,638,399)	5,052,962
Total Capital Assets not being Depreciated	29,078,794	3,663,191	(1,638,399)	31,103,586
Capital Assets Being Depreciated:				
Buildings and Improvements	77,989,798	300,307	-	78,290,105
Parks and Recreation Facilities	30,963,789	1,605,899	-	32,569,688
Streets and Street Signals	121,318,156	3,778,262	(2,698,143)	122,398,275
Vehicles, Equipment and Other Assets	66,091,039	3,268,142	(2,436,328)	66,922,853
Total Capital Assets Being Depreciated	296,362,782	8,952,610	(5,134,471)	300,180,921
Less Accumulated Depreciation For:				
Buildings	(25,528,220)	(1,587,406)	-	(27,115,626)
Parks and Recreation Facilities	(18,276,101)	(786,775)	-	(19,062,876)
Streets and Street Signals	(50,560,058)	(3,808,601)	2,698,143	(51,670,516)
Vehicles, Equipment and Other Assets	(41,433,300)	(4,373,093)	2,347,134	(43,459,259)
Total Accumulated Depreciation	(135,797,679)	(10,555,875)	5,045,277	(141,308,277)
Total Capital Assets Being Depreciated, Net	160,565,103	(1,603,265)	(89,194)	158,872,644
Governmental Activities Capital Assets, Net	$ 189,643,897	$ 2,059,926	$ (1,727,593)	$ 189,976,230

The capital asset activity for Business-type Activities for the year ended June 30, 2017 was as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,060,443	$ -	$ -	$ 4,060,443
Construction-In-Progress	46,096,087	5,754,856	(36,823,992)	15,026,951
Total Capital Assets not being Depreciated	50,156,530	5,754,856	(36,823,992)	19,087,394
Capital Assets Being Depreciated:				
Buildings and Improvements	24,420,878	729,840	-	25,150,718
Reservoirs and Water Filter Facilities	131,514,218	240,269	-	131,754,487
Water Lines	64,981,100	2,954,150	(1,915,919)	66,019,331
Wastewater Pump and Treatment Facilities	148,545,120	34,796,715	-	183,341,835
Sewer Lines	36,389,623	1,097,898	(130,602)	37,356,919
Total Capital Assets Being Depreciated	405,850,939	39,818,872	(2,046,521)	443,623,290
Less Accumulated Depreciation For:				
Buildings and Improvements	(4,156,611)	(607,825)	-	(4,764,436)
Reservoirs and Water Filter Facilities	(31,697,638)	(2,466,574)	-	(34,164,212)
Water Lines	(20,633,434)	(1,791,706)	1,915,919	(20,509,221)
Wastewater Pump and Treatment Facilities	(84,526,819)	(3,653,569)	-	(88,180,388)
Sewer Lines	(7,738,236)	(733,875)	130,602	(8,341,509)
Total Accumulated Depreciation	(148,752,738)	(9,253,549)	2,046,521	(155,959,766)
Total Capital Assets Being Depreciated, Net	257,098,201	30,565,323	-	287,663,524
Business-type Activities Capital Assets, Net	$ 307,254,731	$ 36,320,179	$ (36,823,992)	$ 306,750,918

Interest costs related to Proprietary Fund construction is capitalized as part of the capitalized value of the asset constructed. Interest costs of tax-exempt borrowings are capitalized net of related investment earnings on the proceeds. The amount capitalized in 2017 was $223,743.

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

Governmental Activities	
General Government	$ 1,714,928
Real Estate and Housing	29,031
Public Works	5,559,413
Parks and Recreation	1,149,067
Public Safety	2,103,436
Total Depreciation Expense - Governmental Activities	$ 10,555,875
Business-type Activities	
Water/Sewer	$ 9,253,548
Total Depreciation Expense - Business-type Activities	$ 9,253,548

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2017. 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	$ 53,341,349	$ 5,342,813
Reservoirs & Other Water and Wastewater Projects	121,853,902	2,005,360
Total	$ 175,195,252	$ 7,348,172

B. Component Units

The beginning balances noted below do not include the June 30, 2016 capital asset activity for Cityfest. This activity was transferred to the Governmental Activities chart under the Vehicle, Equipment, and Other Assets line for the year ended 2017. Cityfest is now considered a blended component unit instead of component unit.

The Capital asset activity for the City's component units for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 19,044,863	$ -	$ (2,397,605)	$ 16,647,258
Intangible Assets	5,000,000	-		5,000,000
Construction-In-Progress	1,067,499	447,469	(488,388)	1,026,580
Total Capital Assets Not Being Depreciated	25,112,362	447,469	(2,885,993)	22,673,838
Capital Assets Being Depreciated:				
Buildings and Improvements	67,167,464	851,567	(905,649)	67,113,382
Machinery and Equipment	3,994,442	680,610	(41,502)	4,633,550
Vehicles & Other Assets	225,047	26,729	(19,164)	232,612
Total Capital Assets Being Depreciated	71,386,953	1,558,906	(966,315)	71,979,544
Less Accumulated Depreciation For:				
Buildings	(39,950,077)	(2,041,678)	187,859	(41,797,844)
Machinery and Equipment	(3,514,864)	(175,509)	41,502	(3,648,871)
Vehicles & Other Assets	(170,728)	(26,676)	19,164	(178,240)
Total Accumulated Depreciation	(43,635,669)	(2,243,863)	248,525	(45,624,955)
Total Capital Assets Being Depreciated, Net	27,751,284	(684,957)	(717,790)	26,354,589
Capital Assets, Net	$ 52,863,646	$ (237,488)	$ (3,603,783)	$ 49,028,427

7. Interfund Balances and Transfers

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

The General Fund is owed $6,226,324 by the Fiduciary Funds at June 30, 2017. The liability relates to the pension payments disbursed from the General Fund on behalf of the Fiduciary Funds during the year. On October 17, 2017, $4,000,000 of the liability was repaid.

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 Advance totaling $625,672 was repaid during the year ended June 30, 2017 and was the final payment to finance capital construction that was previously financed from working capital. The Advances were payable in various amounts in fiscal years 2014 through 2017 with 1% interest. As of June 30, 2017, $625,672 was due to the Workers' Compensation Internal Service Fund for premiums billed.

The General Fund is owed $3,058,580 by the Motor Vehicle Fund at June 30, 2017; 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 General Fund is also owed $5,946,636 by the Data Processing Fund, the Motor Vehicle Fund, the Communications Fund, the Risk Management Fund, and the Workers' Compensation Fund due to the General Fund's role as receiver, investor and distributor of cash.

The composition of interfund balances as of June 30, 2017, is as follows:

	Payable Funds					
	General	Non Major Govermental Funds	Internal Service Funds	Water & Sewer	Fiduciary Funds	Total
Receivable Funds						
General Fund	$ -	$ 501,875	$ 9,005,216	$ -	$ 6,226,324	$ 15,733,415
Internal Service Funds (Advances)	-	-	-	625,672	-	625,672
Total	$ -	$ 501,875	$ 9,005,216	$ 625,672	$ 6,226,324	$ 16,359,087

8. Short Term Debt

Line of Credit

The City has a Line of Credit with JP Morgan Chase Bank in the amount of $3,378,372. The proceeds of the line are to be used to develop housing within the City. The funds provide a line of construction financing of up to $3,378,372 to the Wilmington Housing Partnership (WHP) (See Note 5) and funds housing projects. Draws on the line occur as construction activity occurs and repayments occur as housing is sold. The line of credit bears interest on the balance outstanding at the Adjusted London Interbank Offered Rate (LIBOR) plus 1.25%. The interest rate at June 30, 2017 was 2.50% and the Line of Credit matures on September 29, 2019. 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
2016 - 2017	$ 3,303,265	$ 75,107	$ -	$ 3,378,372

On September 29, 2016, the City replaced a previous line of credit agreement with J.P. Morgan Chase Bank, N.A. The previous line of credit agreement was in the amount of $4,000,000 and bore interest at the Adjusted LIBO rate plus 1.25% per annum.

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, 2017.

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Government Activities:					
Bonds Payable	$121,516,271	$ 19,244,408	$ (29,438,116)	$111,322,563	$ 7,866,138
Premium on Debts Issued	8,642,330	2,879,814	(1,773,247)	9,748,897	-
Total Bonds Payable	130,158,601	22,124,222	(31,211,363)	121,071,460	7,866,138
Capital Leases	8,002,646	3,388,578	(2,485,117)	8,906,107	2,639,274
Insurance Claims Payables	18,375,972	33,448,391	(32,694,972)	19,129,391	4,907,219
Compensated Absences	8,614,917	5,964,859	(6,140,271)	8,439,505	6,165,350
Net Pension Liability	141,294,851	6,653,111	(11,847,935)	136,100,027	-
Other Post Employment Benefits Payable	35,647,320	8,089,231	(3,468,492)	40,268,059	-
Government Activity Long-Term Liabilities	$342,094,307	$ 79,668,392	$ (87,848,150)	$333,914,549	$ 21,577,981
Business-type Activities					
Bonds Payable	$203,517,635	$ 24,450,241	$ (32,438,012)	$195,529,864	$ 8,789,180
Premium on Debt Issue	8,819,326	3,411,766	(1,818,459)	10,412,633	-
Total Bonds Payable	212,336,961	27,862,007	(34,256,471)	205,942,497	8,789,180
Net Pension Liability	7,153,866	282,236	(1,397,537)	6,038,565	-
Compensated Absences	438,321	586,829	(547,773)	477,377	477,377
Business-type Activities Long-Term Liabilities	$219,929,148	$ 28,731,072	$ (36,201,781)	$212,458,439	$ 9,266,557
Discreetly Presented Component Units					
Wilmington Parking Authority	$ 14,084,430	$ -	$ (629,679)	$ 13,454,751	$ 575,321
Downtown Visions	623,146	-	(55,157)	567,989	24,412
Christina Gateway Corporation	900,000	-	(900,000)	-	-
Rock Manor	912,831	-	(49,058)	863,773	49,757
Riverfront Business Improvement District	228,549	-	(59,476)	169,073	60,000
Component Units Long-Term Liabilities	$ 16,748,956	$ -	$ (1,693,370)	$ 15,055,586	$ 709,490

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 $13,529,069 in fiscal year 2017 was within the statutory debt limit of $28,119,602

The following is a summary of general obligation bonds outstanding as of June 30, 2017:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2017
2002/2025	$ 11,000,000	Series of 2002 - DDWSRF	2.96%	$ 5,608,485
2005/2028	13,700,000	Series of 2005C - DDWSRF	2.37%	9,710,722
2006/2025	46,465,000	Series of 2006A	3.25% - 5.00%	150,000
2006/2019	46,510,000	Series of 2007A	4.00% - 5.00%	19,150,000
2007/2028	2,548,501	Series of 2006 - DDWSRF	2.50%	1,838,482
2007/2028	1,246,499	Series of 2006B - DDWSRF	2.50%	899,221
2007/2028	3,185,000	Series of 2007 - DDWSRF	2.69%	2,308,081
2008/2028	74,750,000	Series of 2008A	3.0% - 5.00%	2,045,000
2009/2030	18,975,000	Series of 2008 DDWSRF	2.92%	16,268,070
2009/2030	5,000,000	Series of 2008B DDWSRF	2.92%	3,876,598
2009/2031	8,899,999	Series of 2009 ARRA/SRF	3.24%	3,415,853
2009/2031	2,800,000	Series of 2009C DDWSRF	2.00%	2,182,139
2010/2025	47,345,000	Series of 2010A	1.10%-5.00%	32,698,112
2011/2031	26,505,000	Series of 2011A	2.00% - 5.00%	25,285,000
2011/2020	17,460,000	Series of 2011B	0.89% - 3.26%	9,235,000
2011/2030	2,700,000	Series of 2011CREB	4.63%	2,700,000
2011/2032	2,500,000	Series of 2011 DDWSRF	2.92%	2,370,720
2011/2032	2,500,000	Series of 2011A DDWSRF	2.00%	2,063,105
2012/2033	2,500,000	Series of 2012A DDWSRF	2.41%	2,500,000
2012/2022	1,556,594	Series of 2011SEU DNREC	1.99%	847,516
2012/2034	2,000,000	Series of 2012B DDWSRF	2.41%	1,829,717
2012/2035	1,200,000	Series of 2012C DDWPCRF	2.41%	1,198,722
		(Only $1,198,722.11 drawn at June 30, 2017)		
2012/2032	1,500,000	Series of 2012D DDWCRF	3.00%	103,202
2014/2034	36,060,000	Series of 2014 SRF CO-GEN	2.00%	36,060,000
2013/2025	37,535,000	Series of 2013A	2.22%	37,531,202
2014/2036	2,500,000	Series of 2014 SRF	2.20%	2,391,421
2014/2036	4,000,000	Series of 2014A SRF	1.50%	3,986,059
2015/2035	39,425,000	Series 2015	2.00%-5.00%	37,765,000
2017/2028	40,785,000	Series 2017	2.00%-5.00%	40,785,000
2017/2019	6,000,000	Series 2017 BAN	1.36%	50,000
	Total General Obligation Bonds Payable			$ 306,852,427

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, 2017, $16,268,037 was outstanding. 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, 2017, $2,370,720 was outstanding. The loan bears an interest and administrative fee rate of 2.92%. 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, 2017, $2,063,105 was outstanding. 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 $1,556,594. The agreement consists of a promissory note and security agreement related to water system pump station upgrades. As of June 30, 2017, $ 847,546 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, 2017, $1,829,717 was outstanding. 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 2012 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, 2017 $36,060,000 was outstanding.

On February 28, 2013, the City issued $37,535,000 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, 2017 balance outstanding on this loan is $37,535,000.

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. As of June 30, 2017 balance outstanding on this loan is $37,765,000.

On February 8, 2017, the City issued $40,785,000 of General Obligation Bonds, Series of 2017. The bond matures in varying amounts between December 1, 2019 and December 1, 2028, and bears interest rate between 2.0% - 5.0%. The net proceeds were used to refund the City's General Obligation Bonds Series of 2008A and partially 2015. As of June 30, 2017 balance outstanding on this loan is $40,785,000. The 2017 advance refunding reduced total debt service payments over the next 13 years by nearly $4.5 million. This results in an economic gain of approximately $4.3 million.

On March 29, 2017, the City issued a General Obligation Bond Anticipation Note (Street Repairs Project), Series of 2017, due March 29, 2019, in the amount of $6,000,000. The funding was drawn as needed and the interest rate was 68.5% of (the Adjusted London Interbank Offered Rate (LIBOR) plus 0.52%, not to exceed 5%. As of June 30, 2017 balance outstanding on this loan is $50,000.

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 each 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 2.41% is related to costs associated with upgrades to the City's Brandywine Water Filter Plant.
- A DDWPCRF agreement dated February 10, 2012, for an amount not to exceed $1,200,000 at an interest rate of 2.41% is related to costs associated with upgrades to the City's storm water drainage and wastewater treatment systems.

- A DDWSRF agreement dated February 10, 2012, for an amount not to exceed $2,000,000 at an interest rate of 2.41% is related to costs associated with upgrades to the City's wastewater treatment system.
- A DDWCRF agreement dated February 10, 2012, for an amount not to exceed $1,500,000 at an interest rate of 3.0% is related to costs associated with the construction cost of the City's Wastewater Treatment Plant Influent Flow Metering Project.
- A SRF CO-GEN agreement dated April 10, 2014, for an amount not to exceed $36,060,000 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
2018	$ 7,866,138	$ 5,001,974	$ 8,789,180	$ 6,553,911
2019	8,862,199	4,469,589	9,363,220	5,459,833
2020	9,537,641	4,133,078	10,244,728	5,132,626
2021	10,047,330	3,753,117	9,949,890	4,781,853
2022	8,115,529	3,383,084	11,492,659	4,401,469
2023-2027	34,914,871	11,566,867	58,736,871	14,953,310
2028-2032	26,647,858	4,252,017	35,938,093	4,756,931
2033-2036	5,330,997	549,592	7,117,241	668,641
	111,322,563	$ 37,109,319	151,631,882	$ 46,708,575
Add: Funds Not Drawn	-		43,897,982	
Total	$ 111,322,563		$ 195,529,864	

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		Rock Manor	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 610,000	$ 474,065	$ 24,412	$ 28,302	$ 60,000	$ -	$ 49,757	$ -
2019	625,000	455,765	25,607	26,919	60,000	-	51,550	-
2020	650,000	430,765	517,970	25,506	49,073	-	53,408	-
2021	680,000	404,765	-	-	-	-	55,332	-
2022	710,000	370,765	-	-	-	-	57,326	-
2023-2027	4,085,000	1,343,013	-	-	-	-	596,400	-
2028-2032	4,805,000	624,960	-	-	-	-	-	-
2033	745,000	26,075	-	-	-	-	-	-
Total	$ 12,910,000	$ 4,130,173	$ 567,989	$ 80,727	$ 169,073	$ -	$ 863,773	$ -

C. Prior Year Defeasance of Debt

In prior years, the City defeased certain 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. As of June 30, 2017 $63,305,000 of bonds outstanding are considered defeased.

D. Conduit Debt Obligations

From time to time, the City has issued revenue bonds for the express purpose of providing capital financing to third parties that are not part of the City or its component units. Although the debt bears the City's name, the City has no obligation for this debt beyond the resources of the third party or the related project as provided for in the bonds. Because the City has no liability for this debt, it is not recorded in the City's financial statements. As of June 30, 2017, seven issues with debt of $61,040,188 remain outstanding.

E. Compensated Absences

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

10. Leases

A. Capital Lease – Lessee - Primary Government

The City has a Master Equipment Lease/Purchase Agreement with PNC Bank N.A. The agreements allow the City to purchase equipment at an adjustable market rate of interest. The City also has a product purchase agreement with VAR Technology Finance for the purchase of information technology (IT) hardware. 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, 2017, payments under these capital leases are as follows:

	Primary Government			
Year Ending June 30	**Data Processing**	**Motor Vehicle**	**Communications**	**General**
2018	$ 221,620	$ 2,623,314	$ 132,135	$ 85,506
2019	221,620	2,135,866	-	85,506
2020	221,620	1,370,562	-	85,506
2021	221,620	1,355,022	-	21,376
2022	-	548,383	-	-
Total Minimum Lease Payments	886,479	8,033,148	132,135	277,893
Less: Amount Representing Interest	(63,922)	(345,149)	(777)	-
Present Value of Lease Payments	$ 822,557	$ 7,687,999	$ 131,358	$ 277,893

Capitalized leases for the City at June 30, 2017, consist of the following capital assets shown at original costs as summarized below:

	Primary Government			
Type of Property	**Data Processing**	**Motor Vehicle**	**Communications**	**General**
Vehicles	$ -	$ 12,024,064	$ -	$ -
Equipment	-	-	913,333	413,828
Construction in Progress	1,037,176	-	-	-
Total	1,037,176	12,024,064	913,333	413,828
Less: Accumulated Depreciation	-	(5,725,408)	(274,000)	(41,384)
Net Assets Under Lease	$ 1,037,176	$ 6,298,656	$ 639,333	$ 372,444

B. Operating Leases - Lessee - Component Unit

On May 31, 2016, Downtown Visions signed a 5 year operating lease agreement for 4,000 square feet of warehouse space in Wilmington, Delaware. The lease requires Downtown Visions to pay $1 per month.

Downtown Visions has an operating lease agreement to lease office space in Wilmington, Delaware through October 31, 2017. The lease requires bargain rent of $0 per month. Subsequent to year end, the lease has been extended for an additional 12 months.

The value of the total donated warehouse and office space was $27,144 and $12,492 for the fiscal years ended June 30, 2017 and 2016, respectively.

C. Operating Leases - Lessor - Component Unit

The Wilmington Parking Authority leases space to commercial tenants at its Brandywine Gateway and Corporate Plaza facilities. All such leases are classified as operating leases. Rental income from these leases during fiscal year 2017 was $145,596. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2017:

Year Ending June 30	Wilmington Parking Authority
2018	$ 150,462
2019	64,581
2020	17,837
2021	-
Total Minimum Future Rental Income	$ 232,880

11. Deferred Revenues and Deferred Inflows of Resources

Governmental Funds report unavailable revenue as deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

	Governmental Fund Financial Statements	Government-wide Financial Statements
Deferred Inflows of Resources:		
Unavailable Revenue		
General Fund		
Property and Wage Taxes	$ 8,609,852	$ -
Permits and Other Revenues	3,486,223	-
Revenue on Notes Receivable	2,845,056	-
Total General Fund	14,941,131	-
Other Governmental Funds		
Extra Duty Revenue	449,346	-
Total Deferred Inflows of Resources	$ 15,390,477	$ -

Unearned 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
Unearned Revenues		
Non-Major Funds		
Unearned Grant Revenues		
Delaware Criminal Justice Planning	$ 701,446	$ 701,446
Special Projects	981,583	981,583
Park Recreation Assisstance	110,537	110,537
Community Development Block Grants	802	802
Home Parternship Program	64,169	64,169
HUD Emergency Shelter Grant	140	140
Delaware Neighborhood Stablization Program	53,168	53,168
Historic Restoration Loan Grant	2,032	2,032
Total Unearned Revenue	$ 1,913,877	$ 1,913,877
Water & Sewer Fund		
Unearned Service Charges		$ 5,223,908

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 $15,139,635 at June 30, 2017. Of the $4,529,644 due from the Motor Vehicle Fund, $3,058,580 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 $15,730,559. 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 $157,305,590 of fiscal year 2017 expenditures budgeted as of the end of June 30, 2017.

Other Major Funds

The Housing Strategic Fund has Committed Fund Balance of $386,312. The Economic Strategic Fund had Restricted Fund Balance of $488,334 consisting of unspent bond funds used for infrastructure incentives and Committed Fund Balance of $2,924,787 to fulfill the City's economic incentive programs. The Capital Project Fund has Restricted Fund Balance of $15,536,420 at June 30, 2017 consisting primarily of unspent bond funds.

Other Funds

The following fund has Fund Balances designated for specific purposes: the Non major Fund Wilmington Park Related Commissions (including one blended component) has Park Maintenance Nonspendable Fund Balance of $1,023,792 and Restricted Fund Balance of $5,163,418. Restricted Fund Balance for Other Purposes totals $78,540.

The Special Revenue Funds report Committed Fund Balances of $2,064,464 related to cable television and internal capital and related programs.

13. Self Insurance Funds

A. Risk Management

The City is self-insured up to the State Tort Immunity Law limitation of $300,000 for state law claims, and insurance threshold/retention of $750,000 for claims not covered by tort immunity 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
2015 - 2016	$ 9,137,723	$ (88,555)	$ (2,954,011)	$ 6,095,157
2016 - 2017	6,095,157	1,758,911	(3,185,461)	4,668,607

B. Workers' Compensation

The City is also self-insured for workers' compensation for the year ended June 30, 2017. Effective July 1, 2017, the City is only self-insured up to the insurance retention of $3 million. 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%. 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
2015 - 2016	$ 12,285,852	$ 1,878,700	$ (3,000,178)	$ 11,164,374
2016 - 2017	11,164,374	11,746,475	(9,604,640)	13,306,209

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 and prescription claims exceeding $175,000 in any year. 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
2015 - 2016	$ 1,174,253	$ 20,940,656	$ (20,998,468)	$ 1,116,441
2016 - 2017	1,116,441	19,943,005	(19,904,871)	1,154,575

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 a co-permittee on the Post-Closure Permit for the Pigeon Point Landfill operated by the Delaware Solid Waste Authority (DSWA). The City is currently a party to an appeal before the Environmental Appeals Board, appealing DNREC's issuance of a Notice of Violation to DSWA and the City. 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 lawsuits arising in the ordinary course of business, including claims alleging property damage, personal injury, discriminatory personnel practices, constitutional violations and/or conduct otherwise inconsistent with federal, state or city law. 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, 2017.

C. Contractual Agreements

The City has entered into the following multi-year contractual agreements:

Fleet Services – On October 1, 2017, the City of Wilmington signed a 5-year contract for the maintenance and repairs of all city vehicles.
Pharmaceutical Benefits – On July 1, 2016, the City of Wilmington entered into a 3-year contract with a pharmacy benefit management service.
Refuse Disposal – On July 1, 2016, the City of Wilmington signed a 5-year contract with the Delaware Solid Waste Authority for solid waste and recyclable materials collections.

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 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	291	467	149	170	279	2
Number of Terminated Employees Entitled to Benefits	0	0	0	144	87	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	54	73	16	81	446	1
Current Year Annual Covered Payroll	$ 2,749,624	$ 4,207,671	$ -	$ 125,182	$ 20,323,708	$ 48,589

The City's current-year total payroll for all employees was $78,349,020.

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 pages 84 through 87 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 three 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, 2017, represented 97% 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, 2017, there were no cash or investments with any one organization or issuer in excess of 5% of the individual plans' net positions.

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, 800 French Street, Wilmington, Delaware 19801. The State Board of Pension Trustees and the State Office of Pensions administer the State Plans. Benefit provisions of the plans 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 publicly available Comprehensive Annual Financial Report of the Delaware Public Employees' Retirement System. This can be obtained from the Office of Pensions, 680 Silver Lake Boulevard, Dover, Delaware, 19904-2402 or website at www.delawarepensions.com.

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 in the City's fund and government-wide statements and as a pension expense. The contributions (Firefighters - $4,061,286; Police - $1,728,260 Plan 1 - $4,739) are included in the pension statements as separately presented component of City contributions to the trusts. Total pension expense recognized by the City for the ended June 30, 2017 was $10,906,130.

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

City of Wilmington, Delaware
Statements of Fiduciary Net Position
For the Year Ended June 30, 2017

	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension
ASSETS				
Cash and Cash Equivalents	$ 7,035	$ 1,072	$ 6,037,063	$ -
Receivables:				
Accrued Interest & Other Receivables	13,814	33,086	152,744	-
Total Receivables	13,814	33,086	152,744	-
Investments, at Fair Value:				
Money Market Funds	100,605	240,958	1,269,801	69,467
U.S. Treasury Obligations	777,467	1,862,113	9,812,951	-
U.S. Government Agencies - Other	170,084	407,369	2,146,751	-
Corporate & Foreign Bonds	870,870	2,085,821	10,991,847	-
Common Equity & Marketable Securities	1,874,053	4,488,546	23,653,715	107,594
Global & International Funds	1,141,908	2,734,983	14,412,801	-
Mutual Funds	653,124	1,564,927	8,243,522	123,972
Total Investments	5,588,111	13,384,717	70,531,388	301,033
Total Assets	5,608,960	13,418,875	76,721,195	301,033
LIABILITIES				
Accounts Payable	678	1,593	186,265	8,910
Salaries and Benefits Payable	4,523	8,867	8,875	-
Due to Other Pension Trust Fund	-	-	230,077	-
Due to Other Funds	-	-	6,226,324	-
Compensated Absences	-	-	16,363	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
Total Liabilities	44,112	18,977	6,676,357	8,910
Net Position				
Net Position Restricted for Pensions	$ 5,564,848	$ 13,399,898	$ 70,044,838	$ 292,123

City of Wilmington, Delaware
Statements of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension
ADDITIONS				
Contributions:				
City				
Paid Directly by the City	$ 137,532	$ 327,005	$ 5,329,433	$ -
Paid by the State				
On Behalf of the City	4,739	-	-	-
Employees	-	-	415,868	-
Other Contributions	-	17,820	5,029	-
Total Contributions	142,271	344,825	5,750,330	-
Investment Income				
Investment Earnings	122,810	282,338	1,342,296	5,118
Net Appreciation (Depreciation) in Fair Value	499,318	1,147,925	5,314,202	16,912
Total Investment Earnings	622,128	1,430,263	6,656,498	22,030
Less: Investment Expense	(16,674)	(38,333)	(177,460)	-
Net Investment Income	605,454	1,391,930	6,479,038	22,030
Total Additions	747,725	1,736,755	12,229,368	22,030
DEDUCTIONS				
Benefits Paid	604,889	928,766	4,850,914	17,820
Administrative Expenses	56,438	95,206	275,564	2,961
Total Deductions	661,327	1,023,972	5,126,478	20,781
Net Increase in Plan Net Position	86,398	712,783	7,102,890	1,249
Net Position - Beginning	5,478,450	12,687,115	62,941,948	290,874
Net Position - Ending	$ 5,564,848	$ 13,399,898	$ 70,044,838	$ 292,123
Change in Total Pension Liability				
Service Cost	$ -	$ (25,607)	$ (1,346,770)	$ (7,738)
Interest	(397,681)	(1,043,065)	(7,316,385)	(18,493)
Difference between expected and actual exp	464,924	566,350	721,159	(862)
Changes of assumptions	(101,205)	(237,807)	622,120	-
Benefit Payments	604,889	928,766	4,850,914	17,820
Net Change	570,927	188,637	(2,468,962)	(9,273)
Pension Liability - Beginning	(6,034,840)	(14,854,502)	(101,248,752)	(284,671)
Pension Liability - Ending	(5,463,913)	(14,665,865)	(103,717,714)	(293,944)
Net Pension Liability	$ 100,935	$ (1,265,967)	$ (33,672,876)	$ (1,821)

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 that did not opt to participate in the new plans. The Firefighters Pension Plan and Police Pension Plans are administered by boards of trustees comprised of 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 Fire and Police Departments of the City, respectively.

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, 2017 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Firefighters Plan			
Balance June 30, 2016	$ 85,736,555	$ 44,030,281	$ 41,706,274
Changes for the Year			
Service Cost	328,135	-	328,135
Interest	6,197,043	-	6,197,043
Difference between expected and actual exp	(1,367,656)	-	(1,367,656)
Changes of assumptions	2,579,588	-	2,579,588
Contributions - State	-	4,061,268	(4,061,268)
Contributions - Employees	-	1,633,480	(1,633,480)
Contributions - Employer	-	170,902	(170,902)
Net Investment Income	-	4,605,151	(4,605,151)
Benefit Payments	(7,193,939)	(7,193,939)	-
Administrative Expense	-	(91,387)	91,387
Net Changes	543,171	3,185,475	(2,642,304)
Balance June 30, 2017	$ 86,279,726	$ 47,215,756	$ 39,063,970
Police Plan			
Balance June 30, 2016	$ 146,850,576	$ 81,148,007	$ 65,702,569
Changes for the Year			
Service Cost	631,591	-	631,591
Interest	10,602,014	-	10,602,014
Difference between expected and actual exp	(3,766,323)	-	(3,766,323)
Changes of assumptions	5,081,048	-	5,081,048
Contributions - State	-	1,728,260	(1,728,260)
Contributions - Employer	-	6,064,563	(6,064,563)
Contributions - Employees	-	252,462	(252,462)
Net Investment Income	-	8,770,524	(8,770,524)
Benefit Payments	(11,253,686)	(11,253,686)	-
Administrative Expense	-	(127,240)	127,240
Net Changes	1,294,644	5,434,883	(4,140,239)
Balance June 30, 2017	$ 148,145,220	$ 86,582,890	$ 61,562,330

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 the 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.

Death Benefit: Same as Survivor Benefit.

Contributions: Employee - none. Employer - actuarially determined.

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 who shall be 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 Council, and four other employees who shall be appointed by the Mayor and confirmed by the City 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 Pension Fund 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 the 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 2017 was 13.80% 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 2017 was 6.80% of covered payroll.

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 $119,796 for the year ended June 30, 2017. This contribution was computed using the aggregate cost method, assuming a 6.50% 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. The Wilmington Parking Authority’s financial statements can be obtained by contacting the Authority at 625 North Orange Street, Wilmington Delaware 19801.

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 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	Cost sharing Multi-Employer	Cost sharing Multi-Employer
Annual Required								
Required Contribution	$ 4,818,613	$ 7,720,417	$ 142,697	$ 327,005	$ 5,329,433	$ 6,871	$ 3,936,472	$ 620,566
Contribution	5,694,748	7,792,823	142,271	344,825	5,334,462	-	3,936,472	620,566
Contribution Excess (Deficiency)	$ 876,135	$ 72,406	$ (426)	$ 17,820	$ 5,029	$ (6,871)	$ -	$ -
Actuarial Valuation Date	July 1, 2016 *(2)*	July 1, 2016 *(2)*	July 1, 2016 *(2)*	July 1, 2016 *(2)*	July 1, 2016 *(2)*	July 1, 2016 *(2)*	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016
Net Pension Liability								
Total Pension Liability	$ 86,279,726	$ 148,145,220	$ 5,463,913	$ 14,665,865	$ 103,717,714	$ 293,944	$ 98,852,109	$ 9,817,844
Plan Fiduciary Net Position	47,215,756	86,582,890	5,564,848	13,399,898	70,044,838	292,123	$ 93,617,651	8,480,538
Net Pension Liability (Asset)	$ 39,063,970	$ 61,562,330	$ (100,935)	$ 1,265,967	$ 33,672,876	$ 1,821	$ 5,234,459	$ 1,337,306
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	54.72%	58.44%	101.85%	91.37%	67.53%	99.38%	94.70%	86.38%
City's Proportionate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	33% (9)	21.58% (9)

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 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
Deferred Outflows of Resources								
Net Difference Due to Change in Proportion	$ -	$ -	$ -	$ -	$ -	$ 646	$ 81,560	$ 177,420
Net Difference Between Projected and Actual Earnings on Plan Investments	1,364,764	2,195,859	145,210	338,775	1,765,318	15,873	5,413,553	500,167
Differences Between Expected and Actual Experience	-	-	-	-	-	-	-	363,170
Changes Of Assumption	-	-	-	-	-	-	893,706	195,376
Contributions Made After the Measurement Date	-	-	-	-	-	-	3,936,472	620,566
	$ 1,364,764	$ 2,195,859	$ 145,210	$ 338,775	$ 1,765,318	$ 16,519	$ 10,325,291	$ 1,856,699
Deferred Inflows of Resources								
Net Difference Between Projected and Actual Earnings on Plan Investments	$ -	$ -	$ -	$ -	$ 1,225,463	$ 1,332	$ -	$ -
Net Difference Due to Change in Proportion	-	-	-	-	497,696	-	-	2,303
Changes Of Assumption	-	-	-	-	-	-	1,376,139	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	891,456	113,105
	$ -	$ -	$ -	$ -	$ 1,723,159	$ 1,332	$ 2,267,595	$ 115,408
Amortization of Net Difference Between Projected and Actual Earnings on Plan Investments								
2018	$ 720,877	$ 1,234,922	$ 85,718	$ 194,999	$ 334,146	$ 6,084	$ 673,248	$ 148,526
2019	720,879	1,234,922	85,716	195,001	334,147	6,084	673,248	148,526
2020	202,709	303,371	17,559	44,326	2,252	3,775	2,045,745	269,825
2021	(279,701)	(577,356)	(43,783)	(95,551)	(628,386)	(756)	1,440,503	215,003
2022	-	-	-	-	-	-	(145,377)	70,394
Thereafter	-	-	-	-	-	-	(566,143)	268,411
Total	$ 1,364,764	$ 2,195,859	$ 145,210	$ 338,775	$ 42,159	$ 15,187	$ 4,121,224	$ 1,120,685

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	
Actuarial Assumptions																
Discount Rate *(3)*	7.4% (3)		7.4% (3)		7.4% (3)		7.4% (3)		7.4% (3)		6.50%		7.2% (8)		7.2% (8)	
Investment Rate of Return *(4)*	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%		7.20%		7.20%	
Asset Class:	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return
Domestic Equity	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	30.0%	6.5%	34.0%	5.7%	34.0%	5.7%
International Equity	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	5.4%	6.5%	14.7%	5.7%	14.7%	5.7%
Fixed Income	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	37.5%	6.5%	25.0%	2.0%	25.0%	2.0%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20.9%	7.8%	20.9%	7.8%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%	0.0%	5.4%	0.0%	5.4%	0.0%
Projected Salary Increases	5.5% (5)		5.5% (5)		5.5% (6)		5.5% (6)		5.5% (6)		4.00%		2.5% *(7)*		2.5% *(7)*	
Includes Inflation Rate of	3.00%		3.00%		3.00%		3.00%		3.00%		n/a		2.5% (10)		2.5% (10)	
Cost-of-Living Adjustments	None		None		None		None		None		None		n/a		n/a	
Mortality Rates	*Healthy Lives:* RP-2000 Mortality Table projected with Scale AA for 15 years none for park trust *Disabled Lives:* 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants (except for Park Trust Pension)												RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and adjusted versions of MP-2015mortality improvement scale on a fully generational basis (10)			

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate								
1% Decrease	$ 46,259,044	$ 75,419,659	$ 272,447	$ 2,695,575	$ 45,505,524	$ 37,757	$ 20,823,570	$ 2,846,847
Discount Rate	39,063,970	61,562,330	(100,935)	1,265,967	33,672,876	1,821	5,234,459	1,337,306
1% Increase	32,834,979	49,747,645	(430,158)	47,982	23,653,705	(28,740)	(7,470,366)	(94,319)
Money-Weighted Rate of Return	11.15%	11.36%	11.83%	11.57%	11.09%	6.50%	n/a	n/a

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 as of the July 1, 2016. The valuation calculates an Annual Required Contribution for each of the following two years; this may be recalculated to reflect significant changes in staff levels or salary increases. Actual contributions are based on the higher of percentage of pay (actual amounts may vary based on actual payroll) or level dollar. The Total Pension Liability as of June 30, 2017 was determined by a roll forward of the actuarial valuations.

3. The discount rate as of June 30, 2017 is 7.40%, which is assumed long-term expected rate of return on plan investments. The discount rate was decreased from 7.50% as of June 30,2016 to 7.40% as of June 30, 2017. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payment for current plan members following the procedures described in paragraphs 39-45 so GASBS No. 67

4. The long-term expected rate of return on pension plan investment's, net of investment expenses, 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, 2017 are summarized by plan on page 86.

5. Based on a service dependent scale, with 5.5% for service of less than 19 years, 4.5% thereafter.

6. For employees under 30, 5.5%; 5% thereafter.

7. The assumptions used are based on the results of an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

8 The discount rate used to measure the total pension liability was 7.2%. The projection of cash flow used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans ' 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 the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

9 The City's proportion of the Plans' collective net pension liability, collective deferred inflows, collective outflows of resources, and collective pension expense is based on the ratio of the City's contributions to the Plans' total employer contribution (excluding contributions for specific individual employer liabilities) during the measurement period.

10 Key assumption changes for the June 30, 2016 measurement date from the June 30, 2015 measurement date were as follows:

- Reduction in the inflation rate from 3% to 2.5%
- Mortality rates were updated from the Sex Distinct RP - 2000 Combined Mortality Table projected to 2015 using scale AA for Males or Females, as appropriate.

16. 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 who are eligible for a City pension or retired employees receiving a pension pursuant to the State "County and Municipal Pension" with not less than 20 years of service as city employees. The Plan is administered by the city's Board of Pension and Retirements 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 who shall be appointed by the mayor and confirmed by the City Council. The plan's benefit terms and contribution requirements were established by, can be diminished or eliminated by the City Council. 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 on 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. As of June 30, 2017, the plan's participants are summarized as follows

Inactive Plan Members Currently Receiving Benefits	
Retirees	284
Spouses and Widows	77
Inactive Plan Members Entitled to Receive Future Benefits	16
Active Plan Members	962
Total Plan Members	1339

Statement of Fiduciary Net Position

	2017
ASSETS	
Cash and Cash Equivalents	$ 116,632
Accrued Interest & Other Receivables	76
Investments, at Fair Value:	
Money Market Funds	1,128,362
Global & International Funds	3,198,728
Mutual Funds	13,842,713
Total Investments	18,169,803
Due from Other Pension Trust Fund	230,077
Total Assets	18,516,588
LIABILITIES	
Accounts Payable	6,202
Accrued Expenses	226,913
Total Liabilities	233,115
Net Position	
Restricted for OPEB	$ 18,283,473

Statement of Changes in Fiduciary Net Position

	2017
ADDITIONS	
Contribution:	
Paid Directly by the City	$ 3,468,492
Employees	749,554
Federal Drug Subsidies & Other	98,998
Total Contributions	4,317,044
Investment Income	
Investment Earnings	377,485
Net Appreciation in Fair Value	1,367,367
Total Investment Earnings	1,744,852
Less: Investment Expense	(3,499)
Net Investment Income	1,741,353
Total Additions	6,058,397
DEDUCTIONS	
Benefits Paid	3,308,910
Administrative Expenses	52,610
Total Deductions	3,361,520
Net Increase in Plan Net Position	2,696,877
Net Position Restricted For OPEB - Beginning	15,586,596
Net Position Restricted For OPEB - Ending	$ 18,283,473

Disclosures Required by GASBS No. 45

Funding Policy

The City's funding policy is for its governmental activities to fund at least the actuarially 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, 2017. (The General Fund will be the source to fund this obligation.) In fiscal year 2017, the City contributed $3,468,492 and retiree premium sharing added $749,554.

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 under GASBS No. 45, 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 the 1,050 active employees covered by the plan) was $54,224,527, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 186.8%. 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, 2016	$ 35,647,320	$ 35,647,320	$ -
Annual Required Contribution	7,846,287	6,936,419	909,868
Interest on Net OPEB Obligation	1,708,761	1,708,761	-
Adjustment to Annual Required Contribution	(1,465,817)	(1,465,817)	-
Annual OPEB Cost	8,089,231	7,179,363	909,868
Less: Employer Contributions	(3,468,492)	(2,558,624)	(909,868)
Net OPEB Obligation at June 30, 2017	$ 40,268,059	$ 40,268,059	$ -

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

Fiscal Year Ending June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 6,260,186	58.1%	$ 31,215,314
2016	7,740,267	42.7%	35,647,320
2017	8,089,231	42.9%	40,268,059

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 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	4.78%
Ultimate Rate of Medical Inflation	4.5%
Mortality Rates	RP-2000 projected with Scale AA 15 years
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of $38.05

To Year Beginning July 1,	Annual Increase Pre-Medicare	Annual Increase Medicare Eligible
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	$ 9,129	$ 2,748
- Retiree and Spouse	$ 16,426	$ 5,496
Plan 240		
- Retiree Only	$ 9,129	$ 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.

Disclosures Required by GASBS No. 74

Contribution Requirements

The City's funding policy is for its governmental activities to fund at least the actuarially determined Annual Required Contribution (ARC), calculated in accordance with GASBS No. 45, of the explicit liability and the City's business-activities fund its full ARC. For the year ended June 30, 2017, the City contributed $3,468,492 and retiree premium sharing added $749,554.

Investments

The Plan' assets are invested in accordance with the City's Board of Pension and Retirement's Investment Policy Statement.

No investment that is not insured by the U.S Government represented 5% or more the Plan's investments as of June 30, 2017.

The Plan's long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 excluding inflation for each major asset class and the Plan's target asset allocation as of June 30, 2017 are as follows:

Asset Class	Expected Long-Term Real Rate of Return	Target Asset Allocation
Domestic Equity	6.80%	47%
International Equity	8.30%	18%
Fixed Income	1.10%	35%
Cash	0.00%	0%

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 10.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan's Total OPEB Liability, Plan Fiduciary Net Position and Net OPEB Liability

The following summarizes the changes in Plan's Total OPEB Liability, Plan Fiduciary Net Position and Net OPEB Liability for the year ended June 30, 2017:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance June 30, 2016	$ 57,737,116	$ 15,586,596	$ 42,150,520
Changes for the Year			
Service Cost	1,829,043	-	1,829,043
Interest	4,218,769	-	4,218,769
Contributions - State		3,468,492	(3,468,492)
Contributions - Employees	-	98,998	(98,998)
Contributions - Employer	-	749,554	(749,554)
Net Investment Income	-	1,741,353	(1,741,353)
Benefit Payments	(3,308,910)	(3,308,910)	-
Administrative Expense	-	(52,610)	52,610
Net Changes	2,738,902	2,696,877	42,025
Balance June 30, 2017	$ 60,476,018	$ 18,283,473	$ 42,192,545

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.23%
Covered Payroll	$ 57,356,023
Net OPEB Liability as a Percentage of Covered Payroll	73.56%

OPEB Liability Actuarial Assumptions

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 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:

Measurement Date	June 30, 2017, updated from the June 30, 2016 actuarial valuation
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method
Discount Rate	7.4%
Cash Flows	Pay as you go contributions plus an additional $600,000 per year
Expected Return on Plan Assets	7.4% per year, net of investment expenses
Healthcare Trend Rate - As follows from July 1, 2017 through July 1, 2032	
Pre-Medicare	Decreasing .3% per year from 9% to 4.5%
Medicare Eligible	Decreasing .1% per year from 6% to 4.5%
Payroll Increase	3% Annually
Rate of Mortality	
Healthy Lives	RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table
Administrative Expenses	Average monthly per capita cost of $35.81

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2010 through July 1, 2014. The following changes were made between the July 1, 2014 and July 1, 2016 valuations:

- Healthy mortality rates were updated to fully incorporate fully generational mortality improvement.

- NonUniform and Uniform disabled mortality rates were updated from the Sex Distinct PBGC Disability Mortality with a 50% / 50% blend based on Social Security eligibility to RP-2000 Disabled Mortality. Disability rates now differ between unformed and non-uniformed.

- Retirement Rates were updated for non-uniform Plan II actives with 34 or more years of service and extended from age 65 to age 70 for City Council Plan II.

- The discount rate was increased from 4.78% to 7.4%.

- Salary scale was adjusted from 4% to 3%.

Sensitivity of the Net OPEB Liability

The following presents the Plan's net OPEB liability using a discount rate that is 1-percentage point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
Total OPEB Liability	$ 68,158,381	$60,476,018	$ 54,072,036
Plan Fiduciary Net Position	18,283,473	18,283,473	18,283,473
Net OPEB Liability	$ 49,874,908	$42,192,545	$ 35,788,563
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	26.8%	30.2%	33.8%

The following presents the Plan's net OPEB liability using a healthcare trend rate that is 1-percentage point lower and 1-percentage-point higher than the current healthcare trend rate:

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	$ 55,131,515	$60,476,018	$ 67,086,676
Plan Fiduciary Net Position	18,283,473	18,283,473	18,283,473
Net OPEB Liability	$ 36,848,042	$42,192,545	$ 48,803,203
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33.2%	30.2%	27.3%

17. Tax Abatements

The City of Wilmington offers a comprehensive array of services designed to assist businesses considering a move to or expansion within Wilmington. To facilitate capital investment and encourage employment within the boundaries of Wilmington, the City offers several tax abatement programs:

- A 5-year abatement of the employer's Head Tax ($15/month/employee) for businesses new to the City that hire at least 50 new employees, or if less than 25 employees, invest in a City location or commit to a City tenure of at least 5 years; abatements are also available for existing businesses meeting certain conditions. The Head Tax abatement is authorized under City Code Section 5-102A. The city currently has three active head tax abatements
    - A Chemical Company – Under the abatement program and an agreement with the City, the Company retained approximately 550 full time employees in the City. The City of Wilmington forgoes $99,000 a year in head tax revenue but in return receives $875,000 a year in wage tax revenue. The Company agrees to maintain an average payroll of $70M a year for 10 years. Additionally, under an Employment Incentive Agreement, the Company received a cash advance in the amount of $1.65M for committing to keep its location within the City of Wilmington and $350,000 for building infrastructure improvements.
    - A Financial Services Company – This Company has relocated approximately 135 full time employees to the City. The City of Wilmington will forgo $22,500 per year in head tax revenue but in return receives $285,000 per year in wage tax revenue.
    - An Advertising & Marketing Company – This company must retain at least 70 full time employees and an annual payroll of at least $6.5M for 10 ½ years. In return the City forgoes $8,400 a year in head tax revenue but receives $81,250 a year in wage tax revenue. Additionally the company received $300,000 for capital improvements to its leased space.

- A 10-year abatement of City Real Estate Taxes on a citywide basis for commercial new construction, commercial redevelopment, or commercial renovation, regardless of use. The abatement is applied to the incremental increase in the building assessment resulting from the project. During years 1-5, 100% of the incremental assessment is abated. Throughout years 6-10, the incremental assessment value is phased in 20% per year. This is roughly equivalent to 7.5 year 100% abatement on the difference in the building assessment before and after the project. The City of Wilmington also offers a 20-year abatement of Real Estate Taxes for off-street parking structures. The Property Tax abatement is authorized under several sections in City Code Chapter 44
    - As of June 30, 2017, the City of Wilmington had an assessment reduction of $47,147,000, resulting in a $940,583 reduction in property tax revenue.
    - The benefits of these reductions are unquantifiable but include increased jobs, wage tax revenue, head tax revenue and license and inspection fees.

18. Implementation of New Pronouncements and Prior Period Adjustments

For the year ended June 30, 2017, the City has implemented Governmental Accounting Standards Board Statement Number 74 (GASB No. 74), "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement establishes accounting and financial reporting standards to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The City also implemented Governmental Accounting Standards Board Statement Number 77 (GASB No. 77), "Tax Abatement Disclosures." This statement improves financial reporting by giving users of the financial statements disclosure of information about the nature and magnitude of tax abatements and the impact those abatements have on a government's financial position and economic condition.

In addition, there was a prior period adjustment. The June 30, 2016 net position as reported for Governmental Activities was restated to adjust for the change of Cityfest, Inc. from a discretely presented component unit to a blended component unit.

This change is a result of changes to the governance of Cityfest, Inc. and its financial relationship to the City during the year ended 2017. A prior period adjustment was made to decrease the beginning net position for the City's Component Unit portion of the Government-wide Statement of Net position. A corresponding prior period adjustment was made to increase the beginning net position for the City's Governmental Activities portion of the Government-wide Statement of Net position.

The net position of the Wilmington Park Trust Fund Commission, a blended component unit, in the June 30, 2016 Government-wide financial statements was restated to reflect updated actuarially prepared financial information pertaining to the Commission's pension plan.

Downtown Visions, a discretely presented component unit, restated its June 30, 2016 financial statements that overstate accrued payroll and expenses and understated net assets by $28,373 related to employee benefit costs attributed to the year ended June 30, 2017.

Beginning net position for the City's Net position as of June 30, 2016 has been restated as follows:

	Government Wide Governmental Activities	Other Governmental Funds	Component Units
Net Position as reported at June 30, 2016	$ (25,374,162)	$ 7,927,210	$ 51,683,883
Component Unit Reclassification	134,752	134,752	(134,752)
Downtown Visions Restatement	-	-	28,373
Wilmington Park Trust Commission Restatement	7,346	-	-
Net Position, as restated	$ (25,232,064)	$ 8,061,962	$ 51,577,504

19. Subsequent Events

Management has evaluated subsequent events through the date of the independent's auditor's report, which was the date that the financial statements were available to be issued, for possible adjustment to the financial statements or disclosures in the notes to the financial statements.

Schedule 1 - Post-Retirement Funding Status and Progress

In accordance with GASB No. 45, 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 four completed valuations covering eight years.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
	1	2	(2-1)	(1 / 2)	5	((2-1) / 5)
Pension Healthcare						
7/1/2008	$ 4,916,523	$ 55,083,567	$ 50,167,044	8.9%	$ 64,850,293	77.4%
7/1/2010	7,214,969	65,321,683	58,106,714	11.0%	65,744,569	88.4%
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 No. 67 and 68, the following required supplementary information is provided with respect to historical contributions. 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	2017	$ 4,818,613	$ 5,694,748	$ (876,135)	$ 2,749,624	207.11%
Police	2017	7,720,417	7,792,823	(72,406)	4,207,671	185.21%
Plan I	2017	142,697	142,271	426	-	0.00%
Plan II	2017	327,005	344,825	(17,820)	125,182	275.46%
Plan III	2017	5,329,433	5,334,462	(5,029)	20,323,708	26.25%
County & Municipal						
Police and Firefighters	2017	3,936,472	3,936,472	-	28,557,308	13.78%
Other Employees	2017	620,566	620,566	-	9,213,913	6.74%
Park Trust	2017	6,871	-	6,871	48,589	0.00%
Firefighters	2016	4,976,363	5,763,606	(787,243)	2,512,968	229.35%
Police	2016	7,924,320	7,951,533	(27,213)	4,050,903	196.29%
Plan I	2016	191,336	181,075	10,261	-	0.00%

Schedule 2 (Cont.)

Plan	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
Plan II	2016	$ 344,868	$ 344,868	$ -	$ 154,882	222.66%
Plan III	2016	5,281,751	5,281,751	-	21,315,013	24.78%
County & Municipal						
Police and Firefighters	2016	3,343,522	3,343,522	-	24,141,030	13.85%
Other Employees	2016	483,619	483,619	-	7,787,744	6.21%
Park Trust	2016	12,370	14,147	(1,777)	49,790	28.41%
Firefighters	2015	4,715,554	4,250,239	465,315	3,057,532	139.01%
Police	2015	7,949,984	7,806,453	143,531	4,900,751	159.29%
Plan I	2015	260,008	193,527	66,481	42,426	456.15%
Plan II	2015	420,806	341,395	79,411	189,905	179.77%
Plan III	2015	5,504,662	5,436,184	68,478	21,571,117	25.20%
County & Municipal						
Police and Firefighters*	2015	3,348,608	3,348,608	-	23,615,373	14.18%
Other Employees*	2015	363,062	363,062	-	5,527,605	6.57%
Park Trust	2015	12,370	48,765	(36,395)	47,875	101.86%
Firefighters	2014	4,715,554	4,715,554	-	3,527,279	133.69%
Police	2014	7,949,984	7,949,984	-	5,496,728	144.63%
Plan I	2014	260,008	260,008	-	86,057	302.13%
Plan II	2014	420,806	420,806	-	286,614	146.82%
Plan III	2014	5,504,662	5,504,662	-	22,807,717	24.14%
Park Trust	2014	12,370	24,740	(12,370)	47,875	51.68%

* 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 No. 67 and 68, 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 2017	Police 2017	Plan I Non-uniformed 2017	Plan II Non-uniformed 2017	Plan III Non-uniformed 2017	Park Trust 2017
Total Pension Liability						
Service Cost	$ 328,135	$ 631,591	$ -	$ 25,607	$ 1,346,770	$ 7,738
Interest Cost	6,197,043	10,602,014	397,681	1,043,065	7,316,385	18,493
Difference Between Expected and Actual expenses	(1,367,656)	(3,766,323)	(464,924)	(566,350)	(721,159)	862
Changes in Assumptions	2,579,588	5,081,048	101,205	237,807	(622,120)	
Benefit Payments	(7,193,939)	(11,253,686)	(604,889)	(928,766)	(4,850,914)	(17,820)
Net Change in Total Pension Liability	543,171	1,294,644	(570,927)	(188,637)	2,468,962	9,273
Total Pension Liability, beginning	85,736,555	146,850,576	6,034,840	14,854,502	101,248,752	284,671
Total Pension Liability, ending (a)	$ 86,279,726	$ 148,145,220	$ 5,463,913	$ 14,665,865	$ 103,717,714	$ 293,944
Plan Fiduciary Net Position						
Contributions from Employer	$ 4,061,268	$ 6,064,563	$ 137,532	$ 327,005	$ 5,329,433	$ -
Contributions from Member	170,902	252,462	-	-	415,868	-
Contributions from State / Other	1,633,480	1,728,260	4,739	17,820	5,029	-
Net Investment Income	4,605,151	8,770,524	605,454	1,391,930	6,479,038	22,030
Administrative Expenses	(91,387)	(127,240)	(56,438)	(95,206)	(275,564)	(2,961)
Benefit Payments	(7,193,939)	(11,253,686)	(604,889)	(928,766)	(4,850,914)	(17,820)
Net Change in Fiduciary Net Position	3,185,475	5,434,883	86,398	712,783	7,102,890	1,249
Plan Fiduciary Net Position, Beginning	44,030,281	81,148,007	5,478,450	12,687,120	62,941,948	290,874
Plan Fiduciary Net Position, Ending (b)	$ 47,215,756	$ 86,582,890	$ 5,564,848	$ 13,399,903	$ 70,044,838	$ 292,123
Net Pension Liability - Ending (a) - (b)	$ 39,063,970	$ 61,562,330	$ (100,935)	$ 1,265,962	$ 33,672,876	$ 1,821
Plan Fiduciary Net Position as a % of Total Pension Liability	54.72%	58.44%	101.85%	91.37%	67.53%	99.38%
Covered Employee Payroll	$ 2,749,624	$ 4,207,671	$ -	$ 125,182	$ 20,323,708	$ 48,589
Net Pension Liability as a % of Covered Employee Payroll	1420.70%	1463.10%	0.00%	1011.30%	165.68%	3.75%

Sch. 3 (Cont.)

Fiscal Year Ended June 30,	Firefighters *2016*	Police *2016*	Plan I Non-uniformed *2016*	Plan II Non-uniformed *2016*	Plan III Non-uniformed *2016*	Park Trust *2016*
Total Pension Liability						
Service Cost	$ 500,997	$ 1,066,300	$ 2,224	$ 17,301	$ 1,617,572	$ 7,512
Interest Cost	6,237,408	10,636,025	443,380	1,070,180	7,223,825	17,927
Benefit Payments	(7,202,381)	(10,999,382)	(629,168)	(952,272)	(4,504,066)	(17,820)
Net Change in Total Pension Liability	(463,976)	702,943	(183,564)	135,209	4,337,331	7,619
Total Pension Liability, beginning	86,200,531	146,147,633	6,218,404	14,719,293	96,911,421	277,052
Total Pension Liability, ending (a)	$ 85,736,555	$ 146,850,576	$ 6,034,840	$ 14,854,502	$ 101,248,752	$ 284,671
Plan Fiduciary Net Position						
Contributions from Employer	$ 1,605,363	$ 6,007,320	$ 176,336	$ 344,868	$ 5,281,751	$ 14,147
Contributions from Member	157,144	253,095	-	-	442,476	-
Contributions from State / Other	4,158,242	1,944,213	4,739	17,820	6,242	-
Net Investment Income	877,188	1,668,329	115,105	258,960	1,434,763	(2,312)
Administrative Expenses	(100,096)	(112,632)	(64,380)	(97,803)	(250,752)	(3,058)
Benefit Payments	(7,202,381)	(10,999,382)	(629,168)	(952,272)	(4,504,066)	(17,820)
Net Change in Fiduciary Net Position	(504,540)	(1,239,057)	(397,368)	(428,427)	2,410,414	(9,043)
Plan Fiduciary Net Position, Beginning	44,534,821	82,387,064	5,875,818	13,115,547	60,531,534	299,917
Plan Fiduciary Net Position, Ending (b)	$ 44,030,281	$ 81,148,007	$ 5,478,450	$ 12,687,120	$ 62,941,948	$ 290,874
Net Pension Liability - Ending (a) - (b)	$ 41,706,274	$ 65,702,569	$ 556,390	$ 2,167,382	$ 38,306,804	$ (6,203)
Plan Fiduciary Net Position as a % of Total Pension Liability	51.36%	55.26%	90.78%	85.41%	62.17%	102.18%
Covered Employee Payroll	$ 2,512,968	$ 4,050,903	$ -	$ 154,882	$ 21,315,013	$ 49,790
Net Pension Liability as a % of Covered Employee Payroll	1659.64%	1621.92%	0.00%	1399.38%	179.72%	-12.46%

Sch. 3 (Cont.)

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
Differences between Actual and Expected Experience	(1,493,659)	(3,633,046)	(333,954)	(97,011)	(1,621,340)	(3,327)
Benefit Payments	(7,025,062)	(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 Member	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)
Benefit Payments	(7,025,062)	(10,678,644)	(664,605)	(966,673)	(4,384,850)	(17,820)
Net Change in Fiduciary Net Position	(1,881,656)	(1,167,041)	(352,852)	(363,090)	2,673,098	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)	$ 44,534,821	$ 82,387,064	$ 5,875,818	$ 13,115,547	$ 60,531,534	$ 299,917
Net Pension Liability - Ending (a) - (b)	$ 41,665,710	$ 63,760,569	$ 342,586	$ 1,603,746	$ 36,379,887	$ (22,865)
Plan Fiduciary Net Position as a % of Total Pension Liability	51.66%	56.37%	94.49%	89.10%	62.46%	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%	1301.04%	807.49%	844.50%	168.65%	-47.76%

Sch. 3 (Cont.)

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 (Liability)	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 / Liability
County & Municipal Pension Plans as of June 30, 2016					
Police and Firefighters	33.00%	$ (5,234,459)	$ 28,557,308	-18.33%	94.70%
Other Employees	21.58%	(1,337,306)	9,213,913	-14.51%	86.38%
County & Municipal Pension Plans as of June 30, 2015					
Police and Firefighters	33.08%	1,743,533	24,141,030	-7.22%	101.97%
Other Employees	21.78%	(9,293)	7,787,744	0.12%	99.89%
County & Municipal Pension Plans as of June 30, 2014					
Police and Firefighters	33.96%	3,698,693	23,615,373	-15.66%	104.47%
Other Employees	20.75%	76,367	5,527,605	-1.38%	101.07%

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

Sch. 3 (Cont.)

Notes to Required Supplementary Information

Note 1 - Methods and Assumptions Used to Determine Contributions Rates

	Firefighters		Police		Plan I Non-uniformed		Plan II Non-uniformed		Plan III Non-uniformed		Park Trust	
June 30, 2017												
Actuarial Valuation Date	July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016		July 1, 2016	
Measurement Date	June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017		June 30, 2017	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay										Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029										15 years	
Asset Valuation Method	5 Year Smoothed Market										Market Value	
Discount Rate	7.4% (3)		7.4% (3)		7.4% (3)		7.4% (3)		7.4% (3)		6.50%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Asset Class:	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return	Target Allocation	Return
Domestic Equity	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%	30.0%	6.5%
Non-U.S. Equity	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	5.4%	6.5%
Fixed Income	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	37.5%	6.5%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%	0.0%
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 none for Park Trust Disabled Lives:2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants except for Park Trust											
June 30, 2016												
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, 2016		June 30, 2016		June 30, 2016		June 30, 2016		June 30, 2016		June 30, 2016	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay										Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029										15 years	
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											

Sch. 3 (Cont.)

Note 1 - Methods and Assumptions Used to Determine Contributions Rates (Continued)

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%	7.40%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.40%	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					

	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					

(1) Based on a service dependent scale, with 5.5% for service of less than 19 years, 4.5% thereafter.
(2) For employees under 30, 5.5%; 5% thereafter

Note 2 - Methods and Assumptions Used to Determine Contributions Rates

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.

Schedule 4 - Schedule of Investment Returns

In accordance with GASB No. 67, 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.

Year Ended June 30	Firefighters	Police	Plan I Non-uniformed	Plan II Non-uniformed	Plan III Non-uniformed	Park Trust
2017	11.15%	11.36%	11.83%	11.57%	11.09%	6.50%
2016	2.27%	2.27%	2.48%	2.22%	2.42%	6.50%
2015	2.27%	2.37%	2.25%	2.31%	2.15%	6.50%
2014	11.80%	11.60%	2.80%	11.50%	24.60%	6.50%

Schedule 5 - Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios
Post-Retirement Healthcare Benefit Fund

In accordance with GASB No. 74, the following required supplementary information is provided with respect to the City's Net OPEB Liability. Information prior to 2017 is not readily available.

Total OPEB Liability		
Service Cost	$	1,829,043
Interest Cost		4,218,769
Benefit Payments		(3,308,910)
Net Change in Total OPEB Liability		2,738,902
Total OPEB Liability, beginning		57,737,116
Total OPEB Liability, ending (a)	$	60,476,018
Plan Fiduciary Net Position		
Contributions from Employer	$	3,468,492
Contributions from Member		98,998
Contributions from State/Other		749,554
Net Investment Income		1,741,353
Administrative Expenses		(52,610)
Benefit Payments		(3,308,910)
Net Change in Fiduciary Net Position		2,696,877
Plan Fiduciary Net Position, Beginning		15,586,596
Plan Fiduciary Net Position, Ending (b)	$	18,283,473
Net OPEB Liability - Ending (a) - (b)	$	42,192,545
Plan Fiduciary Net Position as a % of Total OPEB Liability		30.23%
Covered Employee Payroll	$	57,356,023
Net OPEB Liability as a % of Covered Employee Payroll		73.56%

Schedule 5 (Cont.)

Notes to Required Supplementary Information
OPEB Liability Methods and Assumptions
June 30, 2017

Actuarial Valuation Date	July 1, 2016	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.40%	
Investment Rate of Return	7.40%	
Asset Class:		
	Target Allocation	Long-term Expected Return
Domestic Equity	47.00%	6.80%
Non-U.S. Equity	18.00%	8.30%
Fixed Income	35.00%	1.10%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2017 through July 1, 2032		
Pre-Medicare	.3% per year from 9% to 4.5%	
Medicare Eligible	.1% per year from 6% to 4.5%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of $35.81	

The following changes were made between the July 1, 2014 and July 1, 2016 valuations:

- Healthy mortality rates were updated to fully incorporate fully generational mortality improvement.
- NonUniform and Uniform disabled mortality rates were updated from the Sex Distinct PBGC Disability Mortality with a 50% / 50% blend based on Social Security eligibility to RP-2000 Disabled Mortality. Disability rates now differ between unformed and no uniformed.
- Retirement Rates were updated for non-uniform Plan II actives with 34 or more years of service and extended from age 65 to age 70 for City Council Plan II.
- The discount rate was increased from 4.78% to 7.4%.
- Salary scale was adjusted from 4% to 3%.

Schedule 6 - Schedule of Actuarially Determined Contributions
Post-Retirement Healthcare Benefit Fund (OPEB)

In accordance with GASB No. 74, the following required supplementary information is provided with respect to the City's Actuarially Determined OPEB Contribution. Information prior to 2017 is not readily available.

	June 30, 2017
Actuarially Determined Contribution (ADC)	$ 7,846,287
Actual Contribution Related to ADC	3,567,490
Contribution Deficiency Relative to ADC	$ 4,278,797
Covered Payroll	$ 57,356,023
Actual Contribution as a Percentage of Covered Payroll	6.22%

Notes to the Schedule of Actuarially Determined Contributions

Actuarial Valuation Date	July 1, 2014
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation.
Actuarial Cost Method	Projected Unit Cost
Amortization Method	30 year open amortization
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Amortization Growth Rate	4.00%
Projected Salary Increases	4.00%
Discount Rate	4.78%
Ultimate Rate of Medical Inflation	4.50%
Mortality Rates	RP-2000 projected with Scale AA 15 years.
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of $38.05.

Schedule 7 - Schedule of OPEB Investment Returns
Post-Retirement Healthcare Benefit Fund (OPEB)

In accordance with GASBS No. 74, the following required supplementary information is provided indicating the annual money-weighted rate of return, net of investment expense. Information prior to 2017 is not readily available.

Year Ended June 30	Money Weighted Rate of Return
2017	10.60%

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, 2016, 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, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	$ 1,594,507	$ 1,601,377	$ 1,671,731	$ (70,354)
Materials, Supplies and Equipment	937,480	1,185,020	822,472	362,548
Special Purpose	553,834	553,834	476,335	77,499
Debt Service	1,369,317	1,369,317	1,354,003	15,314
Office of the Mayor	4,455,138	4,709,548	4,324,541	385,007
Management and Budget				
Personal Services	545,674	547,858	585,682	(37,824)
Materials, Supplies and Equipment	174,947	174,947	122,625	52,322
Management and Budget	720,621	722,805	708,307	14,498
Office of Emergency Management				
Personal Services	67,357	68,132	67,167	965
Materials, Supplies and Equipment	326,853	326,853	11,154	315,699
Debt Service	61,899	61,899	52,873	9,026
Office of Emergency Management	456,109	456,884	131,194	325,690
Economic Development				
Personal Services	747,987	749,423	551,577	197,846
Materials, Supplies and Equipment	181,708	181,708	157,705	24,003
Debt Service	3,940,493	3,940,493	3,922,854	17,639
Economic Development	4,870,188	4,871,624	4,632,136	239,488
Cultural Affairs				
Personal Services	295,125	295,836	246,554	49,282
Materials, Supplies and Equipment	432,860	582,861	303,094	279,767
Cultural Affairs	727,985	878,697	549,648	329,049
Constituent Services				
Personal Services	522,591	523,315	588,683	(65,368)
Materials, Supplies and Equipment	126,925	132,925	110,280	22,645
Constituent Services	649,516	656,240	698,963	(42,723)
Mayor's Offices Total				
Personal Services	3,773,241	3,785,941	3,711,394	74,547
Materials, Supplies and Equipment	2,180,773	2,584,314	1,527,330	1,056,984
Special Purpose	553,834	553,834	476,335	77,499
Debt Service	5,371,709	5,371,709	5,329,730	41,979
Mayor's Offices Total	$ 11,879,557	$ 12,295,798	$ 11,044,789	$ 1,251,009
CITY COUNCIL				
City Council				
Personal Services	$ 638,599	$ 633,211	$ 636,764	$ (3,553)
Materials, Supplies and Equipment	659,124	697,096	657,349	39,747
Debt Service	683	683	683	-
City Council	$ 1,298,406	$ 1,330,990	$ 1,294,796	$ 36,194

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 846,070	$ 847,169	$ 871,639	$ (24,470)
Materials, Supplies and Equipment	84,662	77,787	75,674	2,113
City Clerk	930,732	924,956	947,313	(22,357)
City Council Offices Total				
Personal Services	1,484,669	1,480,380	1,508,403	(28,023)
Materials, Supplies and Equipment	743,786	774,883	733,023	41,860
Debt Service	683	683	683	-
City Council Offices Total	$ 2,229,138	$ 2,255,946	$ 2,242,109	$ 13,837
AUDIT				
Audit Department				
Personal Services	$ 423,498	$ 425,195	$ 395,113	$ 30,082
Materials, Supplies and Equipment	294,924	295,096	291,165	3,931
Audit Department	$ 718,422	$ 720,291	$ 686,278	$ 34,013
LAW				
Law Department				
Personal Services	$ 2,231,854	$ 2,241,565	$ 2,327,537	$ (85,972)
Materials, Supplies and Equipment	699,032	699,032	700,845	(1,813)
Law Department	$ 2,930,886	$ 2,940,597	$ 3,028,382	$ (87,785)
FINANCE				
Finance Administrative				
Personal Services	$ 262,974	$ 265,333	$ 300,881	$ (35,548)
Materials, Supplies and Equipment	125,135	125,635	142,357	(16,722)
Debt Service	38,237	38,237	37,027	1,210
Finance Administrative	426,346	429,205	480,265	(51,060)
Earned Income Tax				
Personal Services	1,493,890	1,493,813	1,378,425	115,388
Materials, Supplies and Equipment	1,042,527	902,527	831,328	71,199
Earned Income Tax	2,536,417	2,396,340	2,209,753	186,587
Accounting				
Personal Services	894,285	896,366	741,925	154,441
Materials, Supplies and Equipment	267,444	336,944	291,707	45,237
Accounting	$ 1,161,729	$ 1,233,310	$ 1,033,632	$ 199,678

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 413,377	$ 413,748	$ 300,590	$ 113,158
Materials, Supplies and Equipment	147,193	147,193	137,242	9,951
Procurement and Records	560,570	560,941	437,832	123,109
Delinquent Accounts Division				
Personal Services	255,350	256,504	229,776	26,728
Materials, Supplies and Equipment	70,272	100,272	215,844	(115,572)
Delinquent Accounts Division	325,622	356,776	445,620	(88,844)
Central Cashier				
Personal Services	427,551	431,502	433,865	(2,363)
Materials, Supplies and Equipment	278,358	379,358	399,379	(20,021)
Central Cashier	705,909	810,860	833,244	(22,384)
Billing & Customer Service				
Personal Services	204,534	205,493	228,478	(22,985)
Materials, Supplies and Equipment	81,515	66,515	84,902	(18,387)
Billing & Customer Service	286,049	272,008	313,380	(41,372)
Finance Parking				
Personal Services	1,379,740	1,389,152	1,274,288	114,864
Materials, Supplies and Equipment	2,490,525	2,524,525	2,436,726	87,799
Finance Parking	3,870,265	3,913,677	3,711,014	202,663
Finance Department Total				
Personal Services	5,331,701	5,351,911	4,888,228	463,683
Materials, Supplies and Equipment	4,502,969	4,582,969	4,539,485	43,484
Debt Service	38,237	38,237	37,027	1,210
Finance Department Total	$ 9,872,907	$ 9,973,117	$ 9,464,740	$ 508,377
HUMAN RESOURCES				
Personnel - Admin				
Personal Services	$ 347,728	$ 350,250	$ 388,480	$ (38,230)
Materials, Supplies and Equipment	277,019	276,259	229,857	46,402
Personnel - Admin	624,747	626,509	618,337	8,172
Human Resource and Services				
Personal Services	1,017,708	1,020,980	973,326	47,654
Materials, Supplies and Equipment	462,016	462,776	439,675	23,101
Debt Service	24,761	24,761	21,160	3,601
Human Resource and Services	1,504,485	1,508,517	1,434,161	74,356
Human Resources Department Total				
Personal Services	1,365,436	1,371,230	1,361,806	9,424
Materials, Supplies and Equipment	739,035	739,035	669,532	69,503
Debt Service	24,761	24,761	21,160	3,601
Human Resources Department Total	$ 2,129,232	$ 2,135,026	$ 2,052,498	$ 82,528
TREASURER				
Treasurer's Office				
Personal Services	$ 329,189	$ 330,353	$ 396,000	$ (65,647)
Materials, Supplies and Equipment	134,702	159,702	193,779	(34,077)
Treasurer's Office Department Total	$ 463,891	$ 490,055	$ 589,779	$ (99,724)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PLANNING				
Planning				
Personal Services	$ 998,007	$ 1,003,213	$ 1,008,539	$ (5,326)
Materials, Supplies and Equipment	522,949	523,175	509,229	13,946
Debt Service	241,918	241,918	239,453	2,465
Planning	$ 1,762,874	$ 1,768,306	$ 1,757,221	$ 11,085
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	$ 75,630	$ 80,695	$ 85,968	$ (5,273)
Materials, Supplies and Equipment	182,873	182,873	168,694	14,179
Debt Service	1,179,404	1,179,404	1,144,000	35,404
Real Estate and Housing - Admin	1,437,907	1,442,972	1,398,662	44,310
Real Estate and Housing - Rehabilitation				
Personal Services	71,839	78,831	178,926	(100,095)
Materials, Supplies and Equipment	212,920	212,920	301,284	(88,364)
Debt Service	55,143	55,143	53,791	1,352
Real Estate and Housing - Rehabilitation	339,902	346,894	534,001	(187,107)
Real Estate & Housing Department Total				
Personal Services	147,469	159,526	264,894	(105,368)
Materials, Supplies and Equipment	395,793	395,793	469,978	(74,185)
Debt Service	1,234,547	1,234,547	1,197,791	36,756
Real Estate & Housing Department Total	$ 1,777,809	$ 1,789,866	$ 1,932,663	$ (142,797)
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 824,303	$ 827,402	$ 551,435	$ 275,967
Materials, Supplies and Equipment	601,453	641,453	685,322	(43,869)
Debt Service	423,706	423,706	418,482	5,224
Public Works - Admin	1,849,462	1,892,561	1,655,239	237,322
Street Maintenance				
Personal Services	54,681	55,290	58,603	(3,313)
Materials, Supplies and Equipment	349,286	403,185	406,996	(3,811)
Debt Service	1,740,398	1,740,398	1,682,834	57,564
Street Maintenance	2,144,365	2,198,873	2,148,433	50,440
Transportation/WILDOT				
Personal Services	1,318,015	1,322,231	1,266,541	55,690
Materials, Supplies and Equipment	1,328,412	1,329,412	997,666	331,746
Debt Service	1,049,276	1,049,276	1,044,578	4,698
Transportation/WILDOT	$ 3,695,703	$ 3,700,919	$ 3,308,785	$ 392,134

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 3,252,831	$ 3,259,737	$ 2,780,900	$ 478,837
Materials, Supplies and Equipment	2,061,246	2,074,946	1,848,443	226,503
Street Cleaning	5,314,077	5,334,683	4,629,343	705,340
Rubbish Collection				
Personal Services	3,710,045	3,714,157	3,560,375	153,782
Materials, Supplies and Equipment	4,427,669	4,332,668	3,958,426	374,242
Debt Service	114,856	114,856	-	114,856
Rubbish Collection	8,252,570	8,161,681	7,518,801	642,880
Property Maintenance				
Personal Services	340,295	340,661	365,201	(24,540)
Materials, Supplies and Equipment	2,504,190	2,505,988	2,097,997	407,991
Debt Service	639,731	639,731	616,324	23,407
Property Maintenance	3,484,216	3,486,380	3,079,522	406,858
Public Works Department Total				
Personal Services	9,500,170	9,519,478	8,583,055	936,423
Materials, Supplies and Equipment	11,272,256	11,287,652	9,994,850	1,292,802
Debt Service	3,967,967	3,967,967	3,762,218	205,749
Public Works Department Total	$ 24,740,393	$ 24,775,097	$ 22,340,123	$ 2,434,974
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 596,639	$ 599,209	$ 659,523	$ (60,314)
Materials, Supplies and Equipment	400,084	400,810	374,606	26,204
Debt Service	991,753	991,753	992,550	(797)
Parks and Recreation - Admin	1,988,476	1,991,772	2,026,679	(34,907)
Park Maintenance				
Personal Services	1,864,607	1,866,387	1,838,118	28,269
Materials, Supplies and Equipment	1,181,872	1,183,372	1,493,648	(310,276)
Debt Service	851,285	851,285	827,089	24,196
Park Maintenance	3,897,764	3,901,044	4,158,855	(257,811)
Recreation				
Personal Services	506,636	510,649	556,101	(45,452)
Materials, Supplies and Equipment	370,744	391,961	531,487	(139,526)
Recreation	$ 877,380	$ 902,610	$ 1,087,588	$ (184,978)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 803,898	$ 804,406	$ 768,596	$ 35,810
Materials, Supplies and Equipment	462,507	440,188	497,749	(57,561)
Debt Service	92,691	92,691	84,645	8,046
William Hicks Anderson Center	1,359,096	1,337,285	1,350,990	(13,705)
Youth and Families				
Personal Services	733,033	733,576	687,648	45,928
Materials, Supplies and Equipment	214,998	216,663	327,855	(111,192)
Youth and Families	948,031	950,239	1,015,503	(65,264)
Parks and Recreation Department Total				
Personal Services	4,504,813	4,514,227	4,509,986	4,241
Materials, Supplies and Equipment	2,630,205	2,632,994	3,225,345	(592,351)
Debt Service	1,935,729	1,935,729	1,904,284	31,445
Parks and Recreation Department Total	$ 9,070,747	$ 9,082,950	$ 9,639,615	$ (556,665)
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 3,503,300	$ 3,515,949	$ 3,344,159	$ 171,790
Materials, Supplies and Equipment	1,164,285	1,164,320	1,059,444	104,876
Special Purpose	600,000	600,000	600,000	-
Debt Service	4,790	4,790	4,791	(1.00)
License and Inspection	$ 5,272,375	$ 5,285,059	$ 5,008,394	$ 276,665
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 4,906,144	$ 4,994,382	$ 5,559,670	$ (565,288)
Materials, Supplies and Equipment	794,821	814,707	636,112	178,595
Debt Service	707,707	707,707	678,014	29,693
Fire - Admin	6,408,672	6,516,796	6,873,796	(357,000)
Fire - Suppression				
Personal Services	15,298,014	16,565,529	17,048,679	(483,150)
Materials, Supplies and Equipment	1,641,849	1,647,884	3,024,651	(1,376,767)
Fire - Suppression	16,939,863	18,213,413	20,073,330	(1,859,917)
Fire - Prevention				
Personal Services	1,231,569	1,308,159	1,257,438	50,721
Materials, Supplies and Equipment	299,638	297,118	1,007,719	(710,601)
Fire - Prevention	1,531,207	1,605,277	2,265,157	(659,880)
Fire Department Total				
Personal Services	21,435,727	22,868,070	23,865,787	(997,717)
Materials, Supplies and Equipment	2,736,308	2,759,709	4,668,482	(1,908,773)
Debt Service	707,707	707,707	678,014	29,693
Fire Department Total	$ 24,879,742	$ 26,335,486	$ 29,212,283	$ (2,876,797)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 5,255,846	$ 5,596,090	$ 5,504,430	$ 91,660
Materials, Supplies and Equipment	1,343,138	1,350,975	1,835,850	(484,875)
Police - Admin	6,598,984	6,947,065	7,340,280	(393,215)
Police - Patrol				
Personal Services	21,734,755	24,081,828	25,195,221	(1,113,393)
Materials, Supplies and Equipment	2,750,441	2,750,441	4,408,171	(1,657,730)
Debt Service	277,871	277,871	280,002	(2,131)
Police - Patrol	24,763,067	27,110,140	29,883,394	(2,773,254)
Police - Special Operations				
Personal Services	4,633,775	5,078,236	4,661,495	416,741
Materials, Supplies and Equipment	402,653	402,341	532,488	(130,147)
Police - Special Operations	5,036,428	5,480,577	5,193,983	286,594
Police - Support Services				
Personal Services	1,245,867	1,273,299	1,243,693	29,606
Materials, Supplies and Equipment	991,413	983,888	759,716	224,172
Police - Support Services	2,237,280	2,257,187	2,003,409	253,778
Police - Investigations				
Personal Services	11,014,265	12,312,964	12,243,060	69,904
Materials, Supplies and Equipment	1,026,645	1,046,999	1,544,313	(497,314)
Police - Investigations	12,040,910	13,359,963	13,787,373	(427,410)
Police - Communications				
Personal Services	3,903,529	3,950,799	3,876,740	74,059
Materials, Supplies and Equipment	1,135,227	1,134,873	1,578,910	(444,037)
Debt Service	115,009	115,009	112,190	2,819
Police - Communications	5,153,765	5,200,681	5,567,840	(367,159)
Police Operations				
Materials, Supplies and Equipment	480,233	480,233	625,133	(144,900)
Police Operations	480,233	480,233	625,133	(144,900)
Police Department Total				
Personal Services	47,788,037	52,293,216	52,724,639	(431,423)
Materials, Supplies and Equipment	8,129,750	8,149,750	11,284,581	(3,134,831)
Debt Service	392,880	392,880	392,192	688
Police Department Total	$ 56,310,667	$ 60,835,846	$ 64,401,412	$ (3,565,566)
Total Expenditures	$ 154,038,640	$ 160,683,440	$ 163,400,286	$ (2,716,846)

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 unit Wilmington Park Trust Commission.

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 **CityFest Fund** accounts for arts and cultural programs sponsored by the City of Wilmington and private contributions.

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, 2017

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	City Fest	Cable Television	Special Projects	Total Nonmajor Governmental Funds
Cash and Cash Equivalents (Note 3)	$ 25,891	$ -	$ -	$ 9,268	$ -	$ 89,721	$ 505,441	$ 249,590	$ 1,920,191	$ 354,794	$ 3,154,896
Restricted Assets:											
Cash and Investments (Note 3)	-	6,214,981	-	-	-	-	-	-	-	-	6,214,981
Receivables, Net (Note 4)	1,314	15,682	-	-	-	-	-	-	-	574,521	591,517
Due from Other Governments	135,784	-	408,598	52,810	122,600	56,791	292,467	-	-	582,506	1,651,556
Prepaid Items & Other Assets	-	5,724	-	-	-	-	-	5,011	-	-	10,735
Total Assets	162,989	6,236,387	408,598	62,078	122,600	146,512	797,908	254,601	1,920,191	1,511,821	11,623,685
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	109,066	-	104,645	-	60,064	14,804	44,029	85,755	18,129	78,850	515,342
Salaries and Benefits Payable	29,258	4,259	26,306	767	611	-	23,399	-	29,998	57,513	172,111
Due to Other Funds	-	28,136	287,512	-	62,108	-	-	-	18,196	105,923	501,875
Unearned Revenue	110,537	-	802	64,169	-	53,168	701,446	-	-	983,755	1,913,877
Other Liabilities	-	4,066	-	-	-	-	-	-	-	-	4,066
Total Liabilities	248,861	36,461	419,265	64,936	122,783	67,972	768,874	85,755	66,323	1,226,041	3,107,271
Deferred Inflows of Resources:											
Unavailable Revenues	-	-	-	-	-	-	-	-	-	449,346	449,346
Fund Balances:											
Nonspendable	-	1,023,792	-	-	-	-	-	-	-	-	1,023,792
Restricted	-	5,163,418	-	-	-	78,540	-	-	1,853,868	-	7,095,826
Committed	-	12,716	-	-	-	-	29,034	168,846	-	-	210,596
Unassigned	(85,872)	-	(10,667)	(2,858)	(183)	-	-	-	-	(163,566)	(263,146)
Total Fund Balances	(85,872)	6,199,926	(10,667)	(2,858)	(183)	78,540	29,034	168,846	1,853,868	(163,566)	8,067,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 162,989	$ 6,236,387	$ 408,598	$ 62,078	$ 122,600	$ 146,512	$ 797,908	$ 254,601	$ 1,920,191	$ 1,511,821	$ 11,623,685

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, 2017

	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	City Fest	Cable Television	Special Projects	Total Nonmajor Governmental Funds
REVENUES											
Intergovernmental	$ 1,368,471	$ 99,901	$ 1,869,649	$ 197,417	$ 698,977	$ (88,125)	$ 1,270,188	$ 6,150	$ -	$ 2,617,563	$ 8,040,191
Franchise Tax Revenue	-	-	-	-	-	-	-	-	1,283,061	-	1,283,061
Program Revenue	100,515	1,172	171,307	-	-	146,182	-	232,828	-	940,163	1,592,167
Public Contributions	-	-	-	-	-	-	-	176,131	-	-	176,131
Investment Earnings	-	491,676	-	-	-	-	-	15	-	-	491,691
Total Revenues	1,468,986	592,749	2,040,956	197,417	698,977	58,057	1,270,188	415,124	1,283,061	3,557,726	11,583,241
EXPENDITURES											
Current:											
General Governmental Services	-	74,986	-	-	-	-	-	-	1,123,288	621,764	1,820,038
Real Estate and Housing	-	-	2,041,022	200,275	698,977	255,104	-	-	-	248,505	3,443,883
Public Works	-	-	-	-	-	-	-	-	-	1,166,421	1,166,421
Parks and Recreation	1,469,810	184,923	-	-	-	-	-	626,091	-	66,105	2,346,929
Public Safety	-	-	-	-	-	-	1,272,915	-	-	1,869,605	3,142,520
Total Expenditures	1,469,810	259,909	2,041,022	200,275	698,977	255,104	1,272,915	626,091	1,123,288	3,972,400	11,919,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	(824)	332,840	(66)	(2,858)	-	(197,047)	(2,727)	(210,967)	159,773	(414,674)	(336,550)
Other Financing Sources											
Transfers in	-	-	-	-	-	47,225	2,905	245,060	-	46,466	341,656
Total Other Financing Sources (Uses)	-	-	-	-	-	47,225	2,905	245,060	-	46,466	341,656
Net change in Fund Balances	(824)	332,840	(66)	(2,858)	-	(149,822)	178	34,093	159,773	(368,208)	5,106
Fund Balance - Beginning	(85,048)	5,867,086	(10,601)	-	(183)	228,362	28,856	134,753	1,694,095	204,642	8,061,962
Fund Balance - Ending	$ (85,872)	$ 6,199,926	$ (10,667)	$ (2,858)	$ (183)	$ 78,540	$ 29,034	$ 168,846	$ 1,853,868	$ (163,566)	$ 8,067,068

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, 2017

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 1,468,986	$ 1,468,986	$ 1,468,986	$ -
Expenditures	1,468,986	1,468,986	1,469,810	824
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (824)	$ (824)
Commmunity Development Block Grant				
Revenues	$ 2,040,956	$ 2,040,956	$ 2,040,956	$ -
Expenditures	2,040,956	2,040,956	2,041,022	66
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (66)	$ (66)
Home Partnership Program				
Revenues	$ 197,417	$ 197,417	$ 197,417	$ -
Expenditures	197,417	197,417	200,275	2,858
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (2,858)	$ (2,858)
Home for People With AIDS				
Revenues	$ 698,977	$ 698,977	$ 698,977	$ -
Expenditures	698,977	698,977	698,977	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ -	$ -
Delaware Neighborhood Stablization Program				
Revenues	$ 58,057	$ 58,057	$ 58,057	$ -
Expenditures	58,057	58,057	255,104	197,047
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (197,047)	$ (197,047)
Delaware Criminal Justice Planning				
Revenues	$ 1,270,188	$ 1,270,188	$ 1,270,188	$ -
Expenditures	1,270,188	1,270,188	1,272,915	2,727
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (2,727)	$ (2,727)
Cable Television				
Revenues	$ 1,283,061	$ 1,283,061	$ 1,283,061	$ -
Expenditures	1,283,061	1,283,061	1,123,288	(159,773)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 159,773	$ 159,773

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, 2017

	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)	$ -	$ 25,866	$ 34,484	$ 22,748	$ 31,297	$ -	$ 103	$ 7,879,863	$ 12,583,661	$ 5,028,232	$ 25,606,254
Restricted Assets:											
Cash and Investments (Note 3)	241,830	-	-	-	-	2,509	-	-	-	-	244,339
Receivables, Net (Note 4)	-	-	-	-	-	7,200	-	-	-	-	7,200
Due from Other Funds (Note 7)	-	-	-	-	-	-	-	-	625,672	-	625,672
Prepaid Items and Other Assets	-	-	-	-	-	-	-	-	355,000	-	355,000
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Total Current assets	241,830	25,866	34,484	22,748	31,297	9,709	103	7,879,863	13,564,333	5,028,232	26,838,465
Noncurrent Assets:											
Advances to Other Funds (Note 7)	-	-	-	-	-	-	-	-	-	-	-
Capital Assets, Net:											
Construction In Progress	1,835,625	-	-	-	-	748,303	-	-	-	-	2,583,928
Buildings and Improvements	11,843	-	-	-	-	3,121,643	6,571	-	-	-	3,140,057
Machinery and Equipment	1,533,838	-	-	-	-	771,305	1,466,174	-	9,775	-	3,781,092
Vehicles	-	-	-	-	-	11,459,051	-	-	-	-	11,459,051
Total Noncurrent Assets	3,381,306	-	-	-	-	16,100,302	1,472,745	-	9,775	-	20,964,128
Total Assets	3,623,136	25,866	34,484	22,748	31,297	16,110,011	1,472,848	7,879,863	13,574,108	5,028,232	47,802,593
DEFERRED OUTFLOWS OF RESOURCES											
Deferred on Refunding of Bonds	26,213	-	-	-	-	137,303	4,370	-	-	-	167,886
Total Deferred Outflows of Resources	26,213	-	-	-	-	137,303	4,370	-	-	-	167,886
LIABILITIES											
Current Liabilities:											
Accounts Payable	260,221	3,310	27,181	15,660	12,344	256,075	111,744	495,474	194,808	1,852,962	3,229,779
Salaries and Benefits Payable	46,081	5,638	1,349	1,134	8,393	-	10,230	5,927	34,246	7,546	120,544
Accrued Interest Payable	25,795	-	-	-	-	45,311	1,111	8,072	8,072	-	88,361
Due to Other Funds	1,160,765	-	-	-	-	1,471,064	1,120,372	2,188,697	5,738	-	5,946,636
Bonds Payable	113,440	-	-	-	-	170,162	4,960	-	-	-	288,562
Capital Lease	213,711	-	-	-	-	2,209,673	131,358	-	-	-	2,554,742
Claims Liability	-	-	-	-	-	-	-	1,416,015	2,336,629	1,154,575	4,907,219
Compensated Absences	84,276	16,918	5,954	5,954	10,560	-	28,866	9,582	25,036	13,149	200,295
Total Current Liabilities	1,904,289	25,866	34,484	22,748	31,297	4,152,285	1,408,641	4,123,767	2,604,529	3,028,232	17,336,138
Noncurrent Liabilities:											
Advances Due to Other Funds (Note 7)	-	-	-	-	-	3,058,580	-	-	-	-	3,058,580
Bonds Payable	1,157,904	-	-	-	-	2,704,089	70,718	-	-	-	3,932,711
Capital Lease	608,846	-	-	-	-	5,478,326	-	-	-	-	6,087,172
Claims Liability	-	-	-	-	-	-	-	3,252,592	10,969,579	-	14,222,171
Total Noncurrent Liabilities	1,766,750	-	-	-	-	11,240,995	70,718	3,252,592	10,969,579	-	27,300,634
Total Liabilities	3,671,039	25,866	34,484	22,748	31,297	15,393,280	1,479,359	7,376,359	13,574,108	3,028,232	44,636,772
NET POSITION											
Net Investement in Capital Assets	1,555,448	-	-	-	-	5,677,864	1,270,079	-	-	-	8,503,391
Unassigned	(1,577,138)	-	-	-	-	(4,823,830)	(1,272,220)	503,504	-	2,000,000	(5,169,684)
Total Net Position	$ (21,690)	$ -	$ -	$ -	$ -	$ 854,034	$ (2,141)	$ 503,504	$ -	$ 2,000,000	$ 3,333,707

City of Wilmington, Delaware

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	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	$ 4,817,271	$ 278,052	$ 258,856	$ 185,021	$ 336,914	$ 7,076,712	$ 1,896,807	$ 2,496,597	$ 12,585,968	$ 19,228,535	$ 49,160,733
Employee Contributions	-	-	-	-	-	-	-	-	-	1,081,957	1,081,957
Other	-	-	-	-	-	-	-	145,412	-	-	145,412
Total Operating Revenues	4,817,271	278,052	258,856	185,021	336,914	7,076,712	1,896,807	2,642,009	12,585,968	20,310,492	50,388,102
OPERATING EXPENSES											
Personal Services	1,162,234	145,785	32,030	28,820	213,348	-	268,121	199,201	516,406	195,709	2,761,654
Materials, Supplies, Equipment and Contractual Services	3,121,343	132,267	226,826	156,201	123,566	3,919,672	1,214,555	170,878	327,748	171,779	9,564,835
Depreciation and Amortization	431,237	-	-	-	-	3,131,442	404,551	-	-	-	3,967,230
Claims Expense	-	-	-	-	-	-	-	1,758,717	11,854,994	19,943,004	33,556,715
Insurance Premiums	-	-	-	-	-	-	-	641,393	15,000	-	656,393
Total Operating Expenses	4,714,814	278,052	258,856	185,021	336,914	7,051,114	1,887,227	2,770,189	12,714,148	20,310,492	50,506,827
Operating Income (Loss)	102,457	-	-	-	-	25,598	9,580	(128,180)	(128,180)	-	(118,725)
NON-OPERATING REVENUES (EXPENSES)											
Investment Earnings	-	-	-	-	-	-	-	128,180	128,180	-	256,360
Interest Expense	(102,457)	-	-	-	-	(202,046)	(9,580)	-	-	-	(314,083)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	176,448	-	-	-	-	176,448
Total Non-Operating Revenues (Expenses)	(102,457)	-	-	-	-	(25,598)	(9,580)	128,180	128,180	-	118,725
Income before Capital Grants and Transfers	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	(2,000,000)	-	2,000,000	-
Change in Net Position	-	-	-	-	-	-	-	(2,000,000)	-	2,000,000	-
Total Net Position - Beginning	(21,690)	-	-	-	-	854,034	(2,141)	2,503,504	-	-	3,333,707
Total Net Position - Ending	$ (21,690)	$ -	$ -	$ -	$ -	$ 854,034	$ (2,141)	$ 503,504	$ -	$ 2,000,000	$ 3,333,707

City of Wilmington, Delaware

Combining Statement of Cash Flows
Internal Service Funds
June 30, 2017

	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	$ 4,817,271	$ 278,052	$ 258,856	$ 185,021	$ 336,914	$ 7,076,712	$ 1,896,807	$ 2,642,009	$ 12,585,968	$ 20,310,492	$ 50,388,102
Payments to Suppliers	(3,404,393)	(153,991)	(230,608)	(149,912)	(130,547)	(4,610,239)	(1,217,582)	(3,793,972)	(10,155,072)	(20,073,998)	(43,920,314)
Payments to Employees	(1,012,174)	(121,713)	(24,510)	(21,536)	(194,898)	-	(229,228)	(203,053)	(504,433)	(168,232)	(2,479,777)
Net Cash Provided by (Used in) Operating Activities	400,704	2,348	3,738	13,573	11,469	2,466,473	449,997	(1,355,016)	1,926,463	68,262	3,988,011
Cash Flows from Noncapital Financing Activities											
Advances From Other Funds	23,618	-	-	-	-	(6,126)	(219,500)	2,188,697	5,738	-	1,992,427
Advances (To) Other Funds	-	-	-	-	-	-	-	807,234	807,234	-	1,614,468
Investment Earnings	-	-	-	-	-	-	-	128,180	128,180	-	256,360
Transfers From Other Funds	-	-	-	-	-	-	-	(2,000,000)	-	2,000,000	-
Net Cash Provided by (Used in) Noncapital Financing Activities	23,618	-	-	-	-	(6,126)	(219,500)	1,124,111	941,152	2,000,000	3,863,255
Cash Flows from Capital and Related Financing Activities:											
Proceeds from Capital Debt	-	-	-	-	-	-	-	-	-	-	-
Acquisition and Construction of Capital Assets	(461,691)	-	-	-	-	(2,732,808)	-	-	(9,775)		(3,204,274)
Principal Paid on Bonds	(321,380)	-	-	-	-	(189,257)	(31,849)	-	-	-	(542,486)
Interest Paid / Accrued on Bonds	(65,648)	-	-	-	-	16,404	(2,088)	(96,813)	(96,813)	-	(244,958)
Proceeds from Capital Lease	-	-	-	-	-	2,569,520	-	-	-	-	2,569,520
Principal Paid on Capital Leases	-	-	-	-	-	(2,213,171)	(189,770)	-	-	-	(2,402,941)
Interest Paid on Capital Leases	(17,273)	-	-	-	-	(176,677)	(6,790)	-	-	-	(200,740)
Bond Issuance Costs Capitalized		-	-	-	-	-		-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	265,642	-	-	-	-	265,642
Funds Paid to Escrow	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	(865,992)	-	-	-	-	(2,460,347)	(230,497)	(96,813)	(106,588)	-	(3,760,237)
Net Increase (Decrease) in Cash and Cash Equivalents	(441,670)	2,348	3,738	13,573	11,469	-	-	(327,718)	2,761,027	2,068,262	4,091,029
Cash and Cash Equivalents - July 1, 2016 (including $683,500 for the Data Processing Fund & $2,509 for the Motor Vehicle Fund reported in restricted accounts)	683,500	23,518	30,746	9,175	19,828	2,509	103	8,207,581	9,822,634	2,959,970	21,759,564
Cash and Cash Equivalents - June 30, 2017 (including $241,830 for the Data Processing Fund & $2,509 for the Motor Vehicle Fund reported in restricted accounts)	$ 241,830	$ 25,866	$ 34,484	$ 22,748	$ 31,297	$ 2,509	$ 103	$ 7,879,863	$ 12,583,661	$ 5,028,232	$ 25,850,593
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:											
Operating Income (Loss)	$ 102,457	$ -	$ -	$ -	$ -	$ 25,598	$ 9,580	$ (128,180)	$ (128,180)	$ -	(118,725)
Adjustments to Reconcile Operating Income to Cash Provided by (Used in) Operating Activities:											
Depreciation and Amortization	431,237	-	-	-	-	3,131,442	404,551	-	-	-	3,967,230
Changes in Assets and Liabilities:											
Increase in Receivables	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-
Employee Travel Advances	-	-	-	-	-	-	-	-			-
Refundable Deposits	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(152,693)	832	3,521	13,377	11,972	(690,567)	36,069	203,566	(99,164)	23,346	(649,741)
Increase (Decrease) in Compensated Absences	12,249	809	41	41	(1,567)	-	(790)	(1,940)	(804)	4,500	12,539
(Decrease) in Accrued Salaries	7,454	707	176	155	1,064	-	587	(1,912)	12,777	2,282	23,290
Increase (decrease) in Accrued Interest	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	(1,426,550)	2,141,834	38,134	753,418
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used In) Operating Activities	$ 400,704	$ 2,348	$ 3,738	$ 13,573	$ 11,469	$ 2,466,473	$ 449,997	$ (1,355,016)	$ 1,926,463	$ 68,262	$ 3,988,011

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, 2017

	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)	$ 2,213,914	$ 630,097	$ 7,035	$ 1,072	$ 6,037,063	$ -	$ 8,889,181	$ 116,632	$ 9,005,813
Receivables:									
Accrued Interest & Other Receivables	111,115	212,195	13,814	33,086	152,744	-	522,954	76	523,030
Total Receivables	111,115	212,195	13,814	33,086	152,744	-	522,954	76	523,030
Investments, at Fair Value:									
Money Market Funds	809,237	1,545,385	100,605	240,958	1,269,801	69,467	4,035,453	1,128,362	5,163,815
U.S. Treasury Obligations	6,253,741	11,942,649	777,467	1,862,113	9,812,951	-	30,648,921	-	30,648,921
U.S. Government Agencies - Guaranteed	577,693	1,103,209	71,819	172,014	906,477	-	2,831,212	-	2,831,212
U.S. Government Agencies - Other	790,420	1,509,450	98,265	235,355	1,240,274	-	3,873,764	-	3,873,764
Corporate & Foreign Bonds	7,005,045	13,377,401	870,870	2,085,821	10,991,847	-	34,330,984	-	34,330,984
Common Equity & Marketable Securities	15,074,385	28,787,266	1,874,053	4,488,546	23,653,715	107,594	73,985,559	-	73,985,559
Global & International Funds	9,185,200	17,540,802	1,141,908	2,734,983	14,412,801	-	45,015,694	3,198,728	48,214,422
Mutual Funds	5,253,552	10,032,609	653,124	1,564,927	8,243,522	123,972	25,871,706	13,842,713	39,714,419
Total Investments	44,949,273	85,838,771	5,588,111	13,384,717	70,531,388	301,033	220,593,293	18,169,803	238,763,096
Due from Other Pension Trust Fund	-	-	-	-	-	-	-	230,077	230,077
Total Assets	47,274,302	86,681,063	5,608,960	13,418,875	76,721,195	301,033	230,005,428	18,516,588	248,522,016
LIABILITIES									
Accounts Payable	6,006	10,806	678	1,593	186,265	8,910	214,258	6,202	220,460
Salaries and Benefits Payable	7,114	10,028	4,523	8,867	8,875	-	39,407	226,913	266,320
Due to Other Pension Trust Fund	-	-	-	-	230,077	-	230,077	-	230,077
Due to Other Governments	-	-	-	-	6,226,324	-	6,226,324	-	6,226,324
Compensated Absences	-	-	-	-	16,363	-	16,363	-	16,363
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	178,646	-	178,646
Total Liabilities	58,546	98,173	44,112	18,977	6,676,357	8,910	6,905,075	233,115	7,138,190
Net Position									
Held in Trust for Pension & OPEB Benefits	$ 47,215,756	$ 86,582,890	$ 5,564,848	$ 13,399,898	$ 70,044,838	$ 292,123	$ 223,100,353	$ 18,283,473	$ 241,383,826

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2017

	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	$ 1,633,480	$ 6,064,563	$ 137,532	$ 327,005	$ 5,329,433	$ -	$ 13,492,013	$ 3,468,492	$ 16,960,505
Paid by the State									
On-Behalf of the City	4,061,268	1,728,260	4,739	-	-	-	5,794,267	-	5,794,267
Employees	170,902	252,462	-	-	415,868	-	839,232	749,554	1,588,786
Federal Drug Subsidies & Other	-	-	-	17,820	5,029	-	22,849	98,998	121,847
Total Contributions	5,865,650	8,045,285	142,271	344,825	5,750,330	-	20,148,361	4,317,044	24,465,405
Investment Income									
Investment Earnings	941,074	1,780,485	122,810	282,338	1,342,296	5,118	4,474,121	377,485	4,851,606
Net Appreciation (Depreciation) in Fair Value	3,790,660	7,231,525	499,318	1,147,925	5,314,202	16,912	18,000,542	1,367,367	19,367,909
Total Investment Earnings	4,731,734	9,012,010	622,128	1,430,263	6,656,498	22,030	22,474,663	1,744,852	24,219,515
Less: Investment Expense	(126,583)	(241,486)	(16,674)	(38,333)	(177,460)	-	(600,536)	(3,499)	(604,035)
Net Investment Income	4,605,151	8,770,524	605,454	1,391,930	6,479,038	22,030	21,874,127	1,741,353	23,615,480
Total Additions	10,470,801	16,815,809	747,725	1,736,755	12,229,368	22,030	42,022,488	6,058,397	48,080,885
DEDUCTIONS									
Benefits Paid	7,193,939	11,253,686	604,889	928,766	4,850,914	17,820	24,850,014	3,308,910	28,158,924
Administrative Expenses	91,387	127,240	56,438	95,206	275,564	2,961	648,796	52,610	701,406
Total Deductions	7,285,326	11,380,926	661,327	1,023,972	5,126,478	20,781	25,498,810	3,361,520	28,860,330
Net Increase in Plan Net Position	3,185,475	5,434,883	86,398	712,783	7,102,890	1,249	16,523,678	2,696,877	19,220,555
Net Position - Beginning	44,030,281	81,148,007	5,478,450	12,687,115	62,941,948	290,874	206,576,675	15,586,596	222,163,271
Net Position - Ending	$ 47,215,756	$ 86,582,890	$ 5,564,848	$ 13,399,898	$ 70,044,838	$ 292,123	$ 223,100,353	$ 18,283,473	$ 241,383,826

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 134

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 139

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

Debt Capacity 143

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 147

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

Operating Information 150

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.

Table I

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	$ 77,387,019	$ 75,133,657	$ 81,867,549	$ 82,216,326	$ 79,317,727	$ 68,699,894	$ 70,032,240	$ 74,784,855	$ 73,262,924	$ 80,030,613
Restricted	32,130,891	21,463,882	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160
Unrestricted	39,978,018	31,145,169	25,986,816	23,402,664	25,864,401	17,545,747	(119,636,657)	(116,324,021)	(104,130,565)	(123,390,154)
Total Governmental Activities Net Position	$ 149,495,928	$ 127,742,708	$ 112,825,012	$ 111,089,827	$ 111,116,467	$ 107,648,958	$ (30,918,607)	$ (29,158,252)	$ (25,374,162)	$ (35,775,381)
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	$ 102,115,411	$ 109,256,602	$ 110,672,786	$ 112,071,075	$ 118,391,959	$ 118,345,142	$ 116,604,537	$ 116,858,039	$ 117,697,946	$ 120,943,085
Restricted	35,632,265	19,441,751	-	-	-	-	-	-	-	-
Unrestricted	(50,893,003)	(41,690,813)	(25,777,628)	(14,446,190)	(16,294,598)	(8,337,387)	(3,290,174)	5,835,485	17,194,095	27,456,260
Total Business-type Activities Net Position	$ 86,854,673	$ 87,007,540	$ 84,895,158	$ 97,624,885	$ 102,097,361	$ 110,007,755	$ 113,314,363	$ 122,693,524	$ 134,892,041	$ 148,399,345
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	$ 179,502,430	$ 184,390,259	$ 192,540,335	$ 194,287,401	$ 197,709,686	$ 187,045,036	$ 186,636,777	$ 191,642,894	$ 190,960,870	$ 200,973,698
Restricted	67,763,156	40,905,633	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160
Unrestricted	(10,914,985)	(10,545,644)	209,188	8,956,474	9,569,803	9,208,360	(122,926,831)	(110,488,536)	(86,936,470)	(95,933,894)
Total Primary Government Net Position	$ 236,350,601	$ 214,750,248	$ 197,720,170	$ 208,714,712	$ 213,213,828	$ 217,656,713	$ 82,395,756	$ 93,535,272	$ 109,517,879	$ 112,623,964

Note: Net position reflects any prior year restatements

Table II

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental Activities:										
General Government	$ 22,779,627	$ 26,059,767	$ 26,393,092	$ 29,488,557	$ 35,708,148	$ 28,485,274	$ 27,630,002	$ 28,495,073	$ 28,460,217	$ 33,209,538
Commerce	7,022,739	9,454,881	7,711,248	-	-	-	-	-	-	-
Real Estate and Housing	7,427,235	8,156,663	11,672,335	9,558,053	10,276,370	4,925,920	5,431,791	6,434,211	6,874,842	6,310,506
Public Works	21,562,949	22,601,418	23,110,033	23,033,197	23,177,193	23,242,074	23,807,433	23,447,957	25,374,633	24,429,688
Parks and Recreation	11,460,259	10,027,975	10,605,259	9,423,690	9,632,204	9,196,053	9,077,378	10,317,892	9,939,326	11,161,909
Public Safety	74,915,049	86,901,639	86,039,994	82,913,341	84,777,539	90,571,399	90,737,719	83,938,497	89,768,212	103,283,261
Interest on Long-Term Debt	4,569,496	5,352,455	4,519,308	5,616,097	4,768,486	5,150,078	4,743,372	4,342,767	4,602,942	4,316,733
Total Governmental Activities Expenses	149,737,354	168,554,798	170,051,269	160,032,935	168,339,940	161,570,798	161,427,695	156,976,397	165,020,172	182,711,635
Business-type Activities:										
Water/Sewer	48,562,013	53,181,200	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604
Total Business-Type Activities Expenses	48,562,013	53,181,200	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604
Total Primary Government Expenses	$198,299,367	$221,735,998	$225,085,206	$214,756,554	$229,224,584	$221,479,572	$226,411,971	$221,069,304	$ 230,463,747	$ 253,039,239
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	$ 7,137,885	$ 7,438,126	$ 7,619,652	$ 8,906,826	$ 8,937,613	$ 9,710,578	$ 10,378,709	$ 10,471,882	$ 11,935,090	$ 13,029,923
Commerce	1,360	30,893	161,203	-	-	-	-	-	-	-
Real Estate and Housing	527,971	39,798	541,183	795,318	1,915,305	-	-	247,075	339,598	317,489
Public Works	263,071	254,077	273,147	374,128	283,289	294,972	224,135	162,702	148,264	165,377
Parks and Recreation	85,311	-	22,964	59,026	284,258	312,783	190,332	79,359	20,714	510,646
Public Safety	11,609,610	12,854,296	15,433,702	13,774,372	16,408,085	10,843,278	15,380,748	14,612,394	14,447,109	12,147,225
Operating Grants and Contributions	18,322,960	17,706,081	19,236,629	20,569,251	19,362,707	17,388,953	16,907,582	19,095,300	18,746,664	14,684,689
Capital Grants and Contributions	1,639,225	1,841,887	1,103,155	1,908,256	1,311,524	1,933,252	1,377,611	2,341,802	1,136,175	1,544,083
Total Governmental Activities Revenues	39,587,393	40,165,158	44,391,635	46,387,177	48,502,781	40,483,816	44,459,117	47,010,514	46,773,614	42,399,432
Business-type Activities:										
Charges for Services:										
Water	52,221,925	53,020,756	52,217,917	58,346,241	64,744,275	67,065,579	76,491,666	73,926,346	77,136,007	83,541,753
Operating Grants and Contributions	-	-	572,410	9,092,105	574,876	469,271	67,784	167,892	502,438	293,155
Total Business-type Activities Revenues	52,221,925	53,020,756	52,790,327	67,438,346	65,319,151	67,534,850	76,559,450	74,094,238	77,638,445	83,834,908
Total Primary Government Revenues	$ 91,809,318	$ 93,185,914	$ 97,181,962	$113,825,523	$113,821,932	$108,018,666	$121,018,567	$121,104,752	$ 124,412,059	$ 126,234,340

Table II

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	$ 30,268,835	$ 32,690,788	$ 35,207,881	$ 39,428,237	$ 39,334,457	$ 38,383,979	$ 40,031,479	$ 40,289,471	$ 40,785,515	$ 40,691,422
Income Taxes	54,438,848	57,543,505	57,426,347	55,958,208	63,519,580	61,873,590	62,058,990	62,286,478	63,093,666	66,747,652
Other Taxes	4,978,122	2,668,996	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923
Lodging & Natural Gas Taxes	1,227,140	1,306,744	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278
Investment Earnings	3,471,478	1,168,607	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,461	270,511	1,254,149
Payments from Component Units	500,000	500,000	-	-			-	-	-	-
Other Revenues including Capital Asset			110,976	-						-
Sales Gains	-	-	-	-	-	-	84,681	-	-	176,448
Grants, Entitlements, and Contributions not Restricted to Specific Programs	12,006,845	10,757,780	13,243,382	11,897,908	12,437,046	12,505,037	13,621,030	14,137,931	14,539,204	14,743,680
Transfers	-	-	-	-	-	(232,176)	-	2,976	-	-
Total Governmental Activities	106,891,268	106,636,420	110,741,938	111,378,392	119,863,799	117,619,473	120,102,692	120,813,199	122,030,648	129,280,552
Business-type Activities:										
Investment Earnings	379,799	313,311	131,228	15,000	37,969	52,142	4,135	3,502	3,647	-
Transfers	-	-	-	-	-	232,176	-	-	-	-
Other Revenues including Capital Asset Sales Gains	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	379,799	313,311	131,228	15,000	37,969	284,318	4,135	3,502	3,647	-
Total Primary Government	$107,271,067	$106,949,731	$110,873,166	$111,393,392	$119,901,768	$117,903,791	$120,106,827	$120,816,701	$ 122,034,295	$ 129,280,552
CHANGE IN NET POSITION										
Governmental Activities	$ (3,258,693)	$ (21,753,220)	$ (14,917,696)	$ (2,267,366)	$ 26,640	$ (3,467,509)	$ 3,134,114	$ 10,847,316	$ 3,784,090	$ (11,031,651)
Business-type Activities	4,039,711	152,867	(2,112,382)	12,729,727	4,472,476	7,910,394	11,579,309	10,004,833	12,198,517	13,507,304
Total Primary Government	$ 781,018	$ (21,600,353)	$ (17,030,078)	$ 10,462,361	$ 4,499,116	$ 4,442,885	$ 14,713,423	$ 20,852,149	$ 15,982,607	$ 2,475,653

Table III

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	$ 3,121,642	$ 3,058,580
Committed										
Special Designations	18,562,766	-	-	-	-	-	-	-	-	-
Budget Reserve Account	15,200,256	14,560,571	14,761,419	13,933,709	14,292,802	14,537,615	15,003,965	15,169,686	15,403,864	15,730,559
Other Purposes	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	23,788,856	15,139,635
Total General Fund	$ 60,035,085	$ 32,729,925	$ 31,044,506	$ 37,801,380	$ 45,245,468	$ 46,572,452	$ 46,057,266	$ 43,049,158	$ 42,314,362	$ 33,928,774
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	-	-	-	820,344	799,803	879,788	991,205	977,910	968,468	1,023,792
Restricted										
Capital Projects Funds	25,490,794	16,820,184	10,756,912	11,301,494	22,033,428	14,826,533	11,551,577	6,778,734	21,340,305	16,024,754
Park Operations	5,865,380	4,554,207	4,970,647	4,650,493	5,134,536	5,696,996	6,143,028	5,123,545	4,931,600	5,163,418
Other Purposes	447,309	89,491	-	-	-	-	245,392	478,635	433,004	78,540
Committed										
Affordable Housing	1,880,167	5,378,951	3,603,392	2,219,614	1,329,261	1,178,585	631,127	(346,207)	1,115,369	386,312
Economic Development	178,878	8,793,057	8,124,949	6,685,727	5,639,243	5,550,802	5,550,802	5,215,443	6,732,194	2,924,787
Other Purposes	407,628	608,060	874,627	790,556	775,204	1,644,281	1,742,099	1,891,276	1,694,095	2,064,464
Unassigned	-	-	-	-	-	-	(118,672)	(127,655)	(100,017)	(263,146)
Total All Other Governmental Funds	$ 34,270,156	$ 36,243,950	$ 28,330,527	$ 26,468,228	$ 35,711,475	$ 29,776,985	$ 26,736,559	$ 19,991,681	$ 37,115,018	$ 27,402,921

Table IV

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 30,503,671	$ 31,911,858	$ 35,398,064	$ 39,187,019	$ 39,013,879	$ 38,181,077	$ 38,140,803	$ 40,046,863	$ 40,246,355	$ 40,596,912
Wage Taxes	49,791,625	51,845,669	54,146,338	51,732,408	55,815,188	56,558,250	55,819,469	57,891,999	57,554,177	60,334,780
Net Profit	4,599,819	4,059,847	4,693,460	4,818,119	5,040,088	5,439,220	5,547,134	5,746,392	5,545,183	6,577,048
Franchise	1,814,216	2,006,557	1,775,266	1,771,473	1,716,982	1,863,137	916,631	899,239	952,421	921,140
Real Estate Transfer	4,978,122	2,668,996	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923
Head Taxes	2,420,998	2,787,027	3,178,931	3,665,320	3,662,183	3,538,656	4,071,552	4,260,172	3,926,973	3,853,010
Lodging & Natural Gas	1,227,140	1,306,744	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278
Intergovernmental	31,908,829	31,977,973	35,914,336	34,753,438	34,272,415	32,911,841	32,162,180	36,276,503	35,513,456	31,643,707
Licenses and Permits	4,380,848	4,382,137	4,489,246	3,987,861	4,843,537	4,573,516	3,880,469	4,296,561	4,829,292	4,694,187
Fines and Forfeitures	5,422,146	6,395,262	7,583,731	8,698,896	9,484,531	7,096,186	8,466,787	7,387,420	7,889,370	5,936,872
Charges for Services	6,241,932	4,610,583	5,035,301	5,958,581	7,495,032	5,865,902	6,626,184	6,826,272	7,083,670	8,815,269
Investment Earnings	3,471,478	1,162,296	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,455	326,238	997,789
Other	-	-	-	-	-	-	-	-	1,704,229	-
Total Revenues	146,760,824	145,114,949	156,968,025	158,667,154	165,916,551	161,116,828	159,937,721	167,727,758	168,913,116	170,037,915
EXPENDITURES										
General Government	21,429,638	25,436,843	25,033,199	31,650,965	34,037,673	26,751,489	26,295,676	28,053,730	27,773,804	30,533,408
Commerce	6,892,580	9,324,722	7,711,248	-	-	-	-	-	-	-
Real Estate and Housing	7,356,072	8,137,793	11,099,966	9,543,270	10,253,569	4,909,695	5,411,073	6,544,038	6,849,812	6,407,812
Public Works	17,531,847	18,488,759	18,883,832	18,619,338	18,629,588	18,596,378	19,342,030	19,682,837	20,505,252	19,744,936
Parks and Recreation	10,113,079	9,133,636	9,636,781	8,452,461	8,607,042	8,145,406	8,104,354	9,537,746	8,861,133	10,081,649
Public Safety	74,091,861	84,168,848	82,336,748	79,671,627	80,231,287	85,840,469	87,586,989	91,138,795	88,769,676	100,782,119
Debt Service:										
Principal	12,490,844	10,134,948	6,477,638	2,775,559	5,615,432	7,177,478	6,840,368	7,570,521	8,041,584	8,540,841
Interest	5,059,028	5,352,913	5,002,246	5,403,006	5,315,850	5,071,563	5,196,196	4,937,476	5,087,280	4,988,228
Capital Outlay - Capital Projects	7,110,040	4,649,853	7,607,704	2,021,953	7,198,258	9,121,210	4,775,999	6,747,270	8,634,350	6,957,569
Total Expenditures	162,074,989	174,828,315	173,789,362	158,138,179	169,888,699	165,613,688	163,552,685	174,212,413	174,522,891	188,036,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,314,165)	(29,713,366)	(16,821,337)	528,975	(3,972,148)	(4,496,860)	(3,614,964)	(6,484,655)	(5,609,775)	(17,998,647)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	500,000	500,000	110,976	3,566,586	-	-	-	-	-	-
Capital Lease Issued	-	-	-	-	-	-	-	413,828	-	-
Bond Anticipation Notes	-	-	-	-	-	-	-	-	-	-
Bond Anticipation Note Repayment	-	-	-	-	-	-	-	-	-	(232,485)
Bonds Issued	34,100,000	3,882,000	35,598,915	799,014	33,404,051	16,853,656	-	-	18,317,711	-
Bond Refunding	-	-	-	-	-	-	-	-	-	18,887,944
Premium on Debt Issued	1,061,991	-	3,042,569	-	686,181	3,604,591	-	-	3,145,040	2,868,201
Payment to Refunded Bond Escrow Agent	(13,692,378)	-	(31,529,965)	-	(12,012,682)	(20,275,357)	-	-	(238,505)	(21,523,660)
Transfers In	1,666,236	21,795,110	1,497,943	1,549,497	6,500,356	676,363	139,434	43,421	2,125,000	1,841,656
Transfers Out	(1,666,236)	(21,795,110)	(1,497,943)	(1,549,497)	(6,500,356)	(969,899)	(54,753)	(40,445)	(2,180,727)	(1,841,656)
Total Other Financing Sources (Uses)	21,969,613	4,382,000	7,222,495	4,365,600	22,077,550	(110,646)	84,681	416,804	21,168,519	-
Net Change in Fund Balances	6,655,448	(25,331,366)	(9,598,842)	4,894,575	18,105,402	(4,607,506)	(3,530,283)	(6,067,851)	15,558,744	(17,998,647)
Prior Period Adjustments	-	-	-	-	-	-	(25,329)	(372,073)	-	134,752
Net Change in Fund Balances	$ 6,655,448	$ (25,331,366)	$ (9,598,842)	$ 4,894,575	$ 18,105,402	$ (4,607,506)	$ (3,555,612)	$ (6,439,924)	$ 16,388,601	$ (17,863,895)
Debt Service as a Percentage of Noncapital Expenditures	11.33%	9.10%	6.91%	5.24%	6.72%	7.83%	7.58%	7.47%	7.91%	7.47%

Notes: For 2011, $3,566,586 has been reclassified from capital outlays to General Government Services as these assets were not retained by the City.

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[1]	Total Taxable Assessed Value[1]	Total Direct Tax Rate
	Residential Property[1]	Commercial / Industrial[1]	Public Utilities[1]	Other[1]			
2017	$ 1,023,680,150	$ 1,043,252,760	$ 102,091,200	$ 1,396,165,748	$ 1,390,336,833	$ 2,174,853,025	$ 1.9950
2016	1,022,984,750	1,035,348,960	101,798,000	1,399,989,148	1,409,849,628	2,150,271,230	1.8550
2015	1,023,886,650	1,044,702,260	99,982,500	1,397,270,150	1,417,368,498	2,148,473,062	1.8550
2014	1,024,679,550	1,082,958,860	98,233,600	1,375,022,050	1,435,955,650	2,144,938,410	1.7670
2013	1,024,913,050	1,075,701,160	107,892,500	1,373,198,450	1,400,528,750	2,181,176,410	1.7670
2012	1,023,334,086	1,093,993,660	118,312,800	1,375,814,250	1,388,865,950	2,222,588,846	1.7670
2011	1,026,282,336	1,112,256,660	110,102,079	1,387,286,850	1,396,000,000	2,239,927,925	1.7670
2010	1,023,574,236	1,104,886,660	110,016,900	1,385,965,250	1,404,261,490	2,220,181,556	1.6064
2009	1,008,914,100	1,123,514,260	105,256,100	1,343,427,250	1,398,063,065	2,183,048,645	1.3969
2008	988,275,200	1,087,989,910	123,729,300	1,342,013,700	1,241,121,950	2,300,886,160	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] Assessment and Exemption values as established annually by the Board of Assessment of the City of Wilmington's Certification

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
2017	1.8550	0.1400	1.9950	0.2265	0.0171	0.2436	2.1740	-	2.1740	4.4126
2016	1.7050	0.1500	1.8550	0.2265	0.0171	0.2436	1.9840	-	1.6320	3.7306
2015	1.7250	0.1300	1.8550	0.2217	0.0219	0.2436	1.7710	-	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	0.2192	0.0244	0.2436	1.6620	-	1.6320	3.6426
2012	1.6470	0.1200	1.7670	0.2192	0.0244	0.2436	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

Table VII

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

	2008			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Buccini Pollin Group	$ -		-	$ 95,453,800	1	4.39%
JP Morgan Chase	-		-	56,696,600	2	2.61%
Bank of America (MBNA)	86,565,600	2	2.30%	52,866,300	3	2.43%
M&T Bank	-		-	52,803,060	4	2.43%
Delmarva Power & Light	80,923,200	3	2.15%	45,446,000	5	2.09%
DCL Leasing Partners	-		-	41,000,000	6	1.89%
1201 Market Street LLC	51,775,000	7	1.38%	35,000,000	7	1.61%
Calpine Mid-Atlantic	-		-	32,703,400	8	1.50%
TRC Rubenstein	-		-	28,548,300	9	1.31%
Verizon	27,706,000	10	0.74%	26,679,500	10	1.23%
222 Delaware Partners, LP	27,609,000	11	0.73%	22,000,000	11	1.01%
Brandywine Office Investment	-		-	21,329,800	12	0.98%
BPG Office Partners VIII, LLC	102,656,000	1	2.73%	-		-
MacQuarie BDN Christina	59,472,000	4	1.58%	-		-
Hercules Inc	58,084,300	5	1.54%	-		-
E.I. DuPont Nemours & Co	52,839,800	6	1.40%	-		-
B&R 919, LLC	42,389,100	8	1.13%	-		-
Hub Properties Trust	31,120,000	9	0.83%	-		-
Rodney Square Investors, LP	27,054,360	12	0.72%	-		-
Totals	$ 648,194,360		17.23%	$ 510,526,760		23.48%

Source: City of Wilmington, Finance Department
City of Wilmington, Office of Management and Budget

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
2017	$ 40,668,276	$ 39,149,761	96.3%	$ 145,857	$ 39,295,618	96.6%
2016	40,870,003	38,674,616	94.6%	85,165	38,759,781	94.8%
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%

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			Percentage	
Fiscal Year	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	of Personal Income	Per Capita[1]
2017	$ 121,071,460	$ 8,906,107	$ 205,942,497	$ -	$ 335,920,064	17.90%	$ 4,702
2016	130,158,601	8,002,476	212,336,961	-	350,498,038	18.77%	4,880
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

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 note 9 to the financial statements.
[1] See Table XIII 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]
2017	$ 327,013,957	15.04%	$ 4,577
2016	342,495,562	15.93%	4,769
2015	306,856,166	14.28%	4,273
2014	309,212,356	14.42%	4,348
2013	308,596,060	14.15%	4,329
2012	293,263,726	11.62%	4,025
2011	262,961,144	11.74%	3,711
2010	258,426,801	11.64%	3,648
2009	250,708,712	10.55%	3,530
2008	259,508,315	10.99%	3,646

Source: City of Wilmington, Treasurer's Office

Note:
[1] See Table V for Actual Taxable Value of Property data.
[2] See Table XIII for population data.

Table XI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County Debt	$ 487,230,000	15.3%	$ 74,546,190
Various School Districts	348,315,778	15.6%	54,337,261
Subtotal - Overlapping Debt			128,883,451
City of Wilmington Direct Debt	129,977,567	100%	129,977,567
Totals			$ 258,861,018

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Budget	$ 132,211,249	$ 157,594,361	$ 147,521,170	$ 143,952,638	$ 140,363,055	$ 145,043,428	$ 147,325,316	$ 150,039,645	$ 151,696,858	$ 154,038,640
Debt Service Limit	23,136,969	27,579,013	25,816,205	25,191,712	24,563,535	25,382,600	25,781,930	26,256,938	26,546,950	26,956,762
Total Net Debt Service Applicable to Limit	11,772,993	11,713,497	11,479,884	8,178,565	10,931,282	12,249,041	10,768,172	12,478,444	13,078,215	13,474,832
Legal Debt Service Margin	$ 11,363,976	$ 15,865,516	$ 14,336,321	$ 17,013,147	$ 13,632,253	$ 13,133,559	$ 15,013,758	$ 13,778,494	$ 13,468,735	$ 13,481,930
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	51.00%	42.00%	44.00%	32.00%	45.00%	48.00%	42.00%	48.00%	49.00%	50.00%

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
2017	71,442	$ 1,876,281,246	$ 26,263	31,918	7.5%	35.30	$ 40,065
2016	71,948	1,867,122,548	25,951	32,622	7.0%	35.10	38,979
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

Sources: Delaware Office of Occupational and Labor
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)

	Calendar Year 2008			Calendar Year 2017		
Taxpayer	Employees	Rank	Percentage of Total [1] Employment	Employees	Rank	Percentage of Total [1] Employment
State of Delaware	7,400	4	2.91%	18,800	1	6.68%
Christiana Care Health System	9,985	1	3.93%	11,100	2	3.94%
DuPont Company (Science and Engineering)	-	-	0.00%	6,000	3	2.13%
University of Delaware	4,002	7	1.57%	4,000	4	1.42%
Nemours (A.I. DuPont Hospital)	2,700	8	1.06%	3,740	5	1.33%
Christina School District	2,300	9	0.90%	2,485	6	0.88%
YMCA of Delaware	-	-	0.00%	2,469	7	0.88%
Red Clay School District	1,860	12	0.73%	2,305	8	0.82%
AstraZeneca Pharmaceuticals LP	4,751	6	1.87%	2,100	9	0.75%
M&T Bank (Wilmington Trust Corp.)	2,162	10	0.85%	1,835	10	0.65%
New Castle County Government	1,615	14	0.64%	1,800	11	0.64%
Brandywine School District	1,482	16	0.58%	1,472	12	0.52%
Delmarva Power/Pepco. (Connectiv)	1,483	15	0.58%	1,400	13	0.50%
Computer Aid, INC (CAI)	-	-	0.00%	1,200	14	0.43%
St. Francis Healthcare	-	-	0.00%	1,200	14	0.43%
DuPont Pharmaceuticals	-	-	0.00%	1,001	15	0.36%
Wilmington VA Medical Center	-	-	0.00%	980	16	0.35%
Goodwill of Delaware	-	-	0.00%	900	17	0.32%
AAA	-	-	0.00%	890	18	0.32%
WSFS Bank	-	-	0.00%	801	19	0.28%
Aetna	-	-	0.00%	750	20	0.27%
Christiana Care Visiting Nurses Association	-	-	0.00%	670	21	0.24%
Incyte Corporation	-	-	0.00%	500	22	0.18%
Berkshire Hathaway	-	-	0.00%	339	23	0.12%
Patterson-Schwartz	-	-	0.00%	330	25	0.12%
AIG Marketing	1,372	18	0.54%	-	-	0.00%
AMB-Delaware	1,250	21	0.49%	-	-	0.00%
Bank of America (MBNA)	8,590	3	3.38%	-	-	0.00%
Chase Manhattan Bank	5,700	5	2.24%	-	-	0.00%
City of Wilmington	1,200	22	0.47%	-	-	0.00%
Colonial School District	1,400	17	0.55%	-	-	0.00%
Dade Behring, Inc	1,367	19	0.54%	-	-	0.00%
E.I. DuPont Nemours & Company	8,867	2	3.49%	-	-	0.00%
General Motors Corp.	1,300	20	0.51%	-	-	0.00%
PNC Financial Services Group	1,721	13	0.68%	-	-	0.00%
Walgreen's, Inc	1,998	11	0.79%	-	-	0.00%
Totals	74,505		29.30%	69,067		24.56%

Sources: City of Wilmington, Department of Finance
City of Wilmington, Office of Management and Budget

Note: [1] Total Employment in New Castle County

Table XV

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

Company	2016 Withholdings	Rank	% of Total
Total of Ten Largest Wage Taxpayers	$ 21,043,574		37.08%
Total Wage Tax Collected	$ 56,756,631		100.00%

Source: City Finance Department - Wage Tax
(1) Prepared on a calendar year basis.

Table XVI

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Mayor's Office	60.00	60.00	60.00	59.00	58.00	57.00	60.00	59.00	59.00	59.00
City Council	29.00	29.00	29.00	29.00	28.00	27.00	29.00	29.00	29.00	29.00
Audit	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Law	23.00	23.00	23.00	23.00	21.00	21.00	21.00	20.00	20.00	20.00
Finance	68.00	70.00	75.00	97.00	93.00	90.00	87.00	88.00	88.00	86.00
Human Resources	22.00	23.00	23.00	23.00	22.00	22.00	21.00	22.00	22.00	24.00
Treasurer	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Planning	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	10.00
Real Estate and Housing	17.00	17.00	17.00	17.00	16.00	15.00	15.00	12.00	12.00	11.00
Parks and Recreation	54.00	58.00	53.00	50.00	44.00	44.00	44.00	42.00	41.00	41.00
Public Safety										
Police	429.00	431.00	416.00	402.00	390.00	382.00	382.00	382.00	382.00	381.00
Fire	177.00	180.00	172.00	172.00	177.00	177.00	177.00	177.00	177.00	177.00
License and Inspection	45.00	46.00	44.00	42.00	38.00	38.00	38.00	38.00	38.00	38.00
Public Works	231.00	235.00	229.00	229.00	226.00	226.00	224.00	223.00	223.00	221.00
Totals	**1,179.00**	**1,196.00**	**1,165.00**	**1,167.00**	**1,134.00**	**1,120.00**	**1,119.00**	**1,113.00**	**1,112.00**	**1,107.00**

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Physical Arrests/Charges	6,155	n/a	11,737	n/a	16,051	12,991	17,143	9,765	10,259	10,335
Police Calls - Incident	110,177	n/a	119,412	n/a	183,041	106,470	102,903	96,703	103,786	97,747
Police Calls - Administrative	261,462	n/a	56,072	n/a	28,449	31,345	60,972	61,544	50,863	104,208
Fire/EMS Calls	15,584	16,976	17,659	18,448	18,932	20,201	20,401	21,992	22,448	23,829
Inspections	614	1,802	1,862	1,589	1,677	1,416	1,959	1,756	1,682	1,538
Parking Violations Issued	87,327	79,262	70,030	83,149	71,229	68,465	68,365	66,300	68,365	60,069
Redlight Tickets Issued	n/a	n/a	32,948	25,318	58,708	60,004	41,861	37,764	42,711	38,044
Building Permits Issued	2,848	4,330	4,225	4,077	3,419	3,119	3,150	2,818	2,818	2,961
Health and Welfare										
Meals served-Summer	294,708	325,381	192,159	235,608	211,263	213,549	161,948	225,392	209,052	169,486
Meals served-Evening	71,928	120,631	229,590	112,850	114,201	98,555	91,888	136,437	150,120	154,000
Emergency Shelter	443	354	469	438	230	516	1,370	1,449	672	2,649
HOPWA (Housing) *	126	169	141	230	177	147	114	114	210	211
HPRP	n/a	n/a	726	726	24	-	-	-	-	-
Water										
Water Production (millions of gallons)	6,830	6,720	6,154	6,541	6,541	5,835	5,749	5,561	5,547	5,760
Water Sold (millions of gallons)	5,419	5,069	4,705	6,690	6,690	3,286	3,262	3,270	3,152	3,337
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	71.60	69.32	85.03	72.35	72.35	75.00	75.00	70.38	65.83	65.83
Landfill										
Annual Tons of Refuse	37,837	29,727	29,527	30,331	20,904	16,838	17,922	20,329	19,853	21,016

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

Table XVIII

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police Patrol Units	251	239	267	247	241	233	213	213	206	203
Paramedic Units	3	3	3	3	3	3	3	3	3	3
Fire Units	47	45	42	44	41	42	42	42	41	41
Highways, Streets, and Bridges										
Roads & Streets (miles)	147	147	147	147	147	148	148	148	148	148
Health and Welfare										
Buses	2	2	2	2	2	2	3	3	3	3
Water										
Production Capacity (millions of gallons per day)	40	40	40	40	40	40	50	42	42	42
Wastewater										
Watewater Treatment Capacity (millions of gallons per day)	105	105	105	105	105	105	168	168	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.

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