Comprehensive Annual Financial Report

For the Year ended

June 30, 2019

City of Wilmington, Delaware

Michael S. Purzycki, Mayor

CITY OF WILMINGTON, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by the Department of Finance
J. Brett Taylor, 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, 2019

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SEAL OF THE CITY OF WILMINGTON
DELAWARE

City of Wilmington

MICHAEL S. PURZYCKI
Mayor

December 30, 2019

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, 2019, 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 PA, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor expressed an opinion that the City's financial statements for the fiscal year 2019 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, 2018. This was the 30th 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,

J. Brett Taylor
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 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 General Fund operating budget for FY 2020 has expenditures of $167.4 million, up by almost $5.1 million over last fiscal year. The budget contains a $1.5 million allowance for up to a 2.0% cost of living adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added $380,000 to the budget. Lastly, increases of 30.42 full-time equivalents and other salary and grade adjustments, resulted in a net increase of $2.91 million.

The fiscal year 2020 budget reflects the following:

- The FY 2020 operating budget expenditures total $167,387,739 – up $5,088,738 or 3.1% from FY 2019. The budget was balanced without a Property Tax increase or use of the newly establish Tax Stabilization Reserve (formerly known as the Unrestricted Fund Balance).

- In the Water/Sewer Fund, the FY 2020 operating budget expenditures total $77,925,640 – up $2,476,020, or 3.2% from FY 2019. The FY 2020 Budget continues to support the high-priority initiatives begun in recent years deemed essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. There is an approved rate increase to the water and sewer customer classes and rates that will result in a weighted average increase of 3.2% for City residential customers. There is no increase for customers residing outside of the City. Stormwater rates will remain the same as last fiscal year.

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

  Mayor's Office

  The Mayor's Office Internal Service Funds were consolidated into the new Department of Information Technologies in the General Fund. The new Department has an FY 2020 budget of just under $8.6 million. However, the costs of the services of data processing, document management, mail, duplication & printing, mapping & graphics, and communications will no longer be prorated back to users. This allowed the elimination of the departmental internal service chargeback accounts across all City funds and departments, saving the General Fund $6.5 million and largely offsetting the cost of the new department. The remaining $2.1 million net cost increase to the General Fund ($8.6 million minus $6.5 million) was covered by a corresponding equal increase in Indirect Costs revenue. Thus, the net effect of the new department on the bottom line of the General Fund was zero.

  City Council

  Two position changes resulted in a net savings of $85,155 in Regular Salaries. The Chief Strategist/Deputy Chief of Staff position was changed to a Legislative & Community Director at a total savings of $27,655, while the Legislative & Policy Analyst position was eliminated, resulting in a savings of $57,500. These savings were offset by a $96,212 increase to Temporary Salaries, which will be used to fund strategy and policy analysis. In Materials, Supplies & Equipment (MS&E), consultants increased by a net $10,000 to fund collaboration on Council's Strategic Plan updates.

  City Treasurer

  In Personal Services, the Debt Manager/Systems Coordinator received a salary increase of $8,100 (split between General Fund 50% and Pension Funds 50%). Temporary salaries increased by

$34,000 across all funds to assist in departmental duties such as records management, reconciliations, and cash flow analysis and projections. Total Professional Fees in the Pension Funds decreased by $134,800 or 12.7%. The City has its actuary perform a full review every other fiscal year. Since FY 2020 will be an off-year for actuarial review, Consultant Costs were reduced by $120,000. Trustee Fees, based on the projected value of all pension funds managed, were reduced by $14,800. The annual self-insurance funding target for retiree Medical Costs was increased by $250,000, bringing the total funding for the program to $3.75 million for FY 2020.

Department of Planning and Development

Two positions were upgraded in the biennial reclassification appeals process. One Planner II position was upgraded to a Senior Planner III, leading to a total increase of $2,010, and the Senior Planner Design & Review position was upgraded to a higher grade and step, leading to an increase of $5,965. Materials, Supplies, and Equipment increased by a total of $226,915, largely because of a $225,000 increase to Consultants for ongoing expenses related to the Americans with Disabilities Act (ADA) Plan. Debt Service decreased by $41,100 per the existing debt service schedule.

Audit Department

Accounting costs were allocated between the General and Water/Sewer Funds (68% and 32%, respectively). The result is a $680 decrease in the General Fund and a $11,680 increase in the Water Fund. To properly fund temporary office assistance and other temporary accounting-related services needed throughout the year, Temporary Agencies are being budgeted at $20,000 in the FY 2020 General Fund, a $7,665 increase.

Law Department

Through the biennial reclassification appeals process, the Nuisance Property Administrator position was upgraded at a cost of $1,732 to the General Fund. Total MS&E is budgeted at $560,123, a $41,592 decrease from FY 2019. To align the budget more closely with historical actual costs, Court Cost & Notary Fees are budgeted at $125,000 in FY 2020, a $42,000 reduction from FY 2019.

Department of Finance

Personal Services increased by a net 0.20 FTE. A new split-funded (50% General Fund and 50% Water/Sewer Fund) Senior Accountant position added 0.50 FTE at a cost of $51,810. The funding for the Revenue Manager position, previously split-funded 65% General Fund and 35% Water/Sewer Fund was reversed to 35% General Fund and 65% Water/Sewer Fund, resulting in a 0.30 FTE decrease and a savings of $34,424. Finally, $2,676 was added to cover the upgrade of a Purchasing Agent II (Grade P) to a Senior Procurement Specialist (Grade Q).

Pension contributions and hospitalization increased a combined total of $11,700. Overtime increased by $12,500 due to staffing needs during the Wage Tax filing season. Workshop/Seminars–Training increased by $18,500 for inhouse training and workshops in relation to preparation of the Comprehensive Annual Financial Report (CAFR).

Because sheriff sale activity is trending upward, collection expenses and legal and sheriff sale increased by $75,000. Parking citation collection commissions rose by $212,000 to cover the increase in the cost of fees associated with the Paylock digital parking permit application, validation, and enforcement system (based on license plate scanning), and the parking citations

contract, which increased by 2.5%. Also included in the increase was $50,000 for a separate comprehensive accounts receivable review and expanded collection effort. Due to an increased number of customers using a credit card for payments, credit cards fees increased by $10,000. Lockbox charges rose by $10,000 to cover an increase in the number of transactions processed. Wage & head tax collection costs decreased by $160,000 based on current year expenditures to date.

Department of Human Resources

Ordinance 18-055 implemented a reorganization of the Human Resources Department. Four positions (Director of Labor Relations & Classification, Payroll Manager, and two Payroll Specialists) were deleted. The HR Information & Systems Analyst position was downgraded. Additionally, the HR Information Systems Administrator was upgraded, and five positions (Deputy Director of HR, Director of Employment Services, Compliance Specialist, Employee Engagement Administrator, and Retirement Specialist) were added. The net effect from the ordinance is an additional $28,145 in costs in the General Fund and $113,795 in additional costs in the Internal Service Funds in FY 2020.

Personal Services increased $288,090. Regular Salaries and Hospitalization both increased significantly, rising $205,365 and $88,658, respectively. Offsetting these increases was a decrease in Pension Contribution, which is budgeted at $170,404, a decrease of $41,211. In addition to the departmental reorganization, the allowance for a 2% COLA was budgeted, two positions were added, and one was upgraded.

A Director of Classification & Compensation position was added. This position will handle the classification function of the now-deleted Director of Labor Relations & Classification position. The total cost to the General Fund of adding this position will be $123,493. In addition, a Labor Relations Specialist position was added. This position will handle the labor relations function of the now-deleted Director of Labor Relations & Classification position. The total cost to the General Fund is $100,214.

The HR Compensation & Research Technician position (NUC, Grade O) was upgraded to a Compensation Specialist (NUC, Grade Q). The cost to the General Fund is $1,015. Consultants costs, which were budgeted at $0 in the prior year, are budgeted at $100,000 in FY 2020. Of this amount, $50,000 is budgeted in the Employment Services Division for the implementation of City University, a varied series of employee training and development opportunities.

Furthermore, $50,000 is budgeted in the Compensation & Classification Division to study the implementation of a new classification and compensation system.

To handle external investigations, $50,000 is being added to the Compliance Division. Additionally, support for the new payroll vendor is being budgeted in the Compensation & Classification Division at a total cost of $93,115.

Department of Licenses and Inspections

All 18 Code Enforcement Inspectors were upgraded through the biennial appeals process at a total cost of $46,901. Additionally, an Administrative Clerk I position was also upgraded to an Administrative Clerk III at a cost of $2,400. The Zoning Manager position was upgraded at a cost of $6,875. As part of a succession plan for the assumption of duties now performed by the Zoning Manager, a new position of Zoning Enforcement Officer (1.00 FTE) was created in Licenses & Inspections at cost of $85,319. To more accurately reflect historical costs, both Property

Maintenance and Demolition costs were reduced in FY 2020. Property Maintenance is budgeted at $150,000 (a $75,000 reduction from FY 2019), while Demolition is budgeted at $400,000 (a $100,000 reduction from FY 2019).

Department of Parks and Recreation

Relative to the FY 2019 original budget, General Fund full-time equivalents (FTEs) increased by net 1.60, at a total cost of $128,787, which included:

- In the Youth & Families Division, a new Nutrition Program Coordinator position (split-funded 60% General Fund and 40% federal grant) has been added at a cost of $52,720;
- In the Youth & Families Division, the Accounts & Program Support Coordinator has been upgraded to a Programs & Grants Coordinator at a cost of $15,551;
- In the William "Hicks" Anderson Community Center (WHACC) Division, an Activities Coordinator position has been added at a cost of $82,016, but this was more than offset by the $92,900 in savings that resulted from the deletion of the Executive Director of WHACC position;
- In the Recreation Division, a second Recreation Program Coordinator position has been added at a cost of $82,016;
- In the Maintenance Division, the Technical Landscape Foreman has been downgraded to a Labor Foreman II, saving $10,616.

Temporary Agencies are budgeted to increase by a net $56,326. This includes a $93,076 increase in the Maintenance Division in order to add additional parks maintenance staff. Partially offsetting this is a $36,750 decrease in the Recreation Division, as the new Recreation Program Coordinator position will handle sports league activities previously performed by outside temp agencies. Temporary Salaries have risen by $48,189. This covers costs associated with the increased minimum wage for temp workers, year-round youth development programs, as well as a year-round aquatics coordinator and lifeguards at the WHACC pool. Total budgeted overtime has been reduced by $30,149, due in part to the offsetting increase in Temp Agencies funding in the Maintenance Division.

Contracted Maintenance Services in the Maintenance Division, which is used for a variety of electrical, water, plumbing, and fencing repairs, has been reduced by $21,698. However, these savings have largely been reprogrammed to other lines in the Maintenance Division. The largest of these offsetting increases is for Agricultural and Landscaping, which includes an additional $13,800 to pay for mulch for playground surfaces. In the Maintenance Division, Other Noncapitalized Equipment is budgeted to increase by $20,275, which includes replacement lawn mowers, leaf blowers, and snow removal equipment. Overall Debt Service is budgeted to decrease by $138,276, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

Department of Police

Relative to the FY 2019 original budget, total uniformed and civilian Police Department staffing increased by a net total of 3.57 FTE, at a total cost of $93,382 to the General Fund. Uniformed staffing (authorized strength) increased by 1.00 FTE, to 315 FTEs. Changes include:

- Addition of a civilian Cold Case Investigator position at a cost of $96,783;
- As part of the mid-year budget amendment, deletion of an Administrative Assistant for a savings of $89,696;
- Addition of a Police Policy & Communications Director for an increase of $121,844; and the
- Addition of one School Resource Officer (SRO);

- Downgrade of a vacant Property Technician from an M to a G, for a savings of $35,549.

Because the funding provided by certain schools for the five School Resource Officers does not cover 100% of the salary and benefits costs of the actual officers assigned to the schools, the dollar amount of the shortfall was (and is again this year) budgeted in the General Fund. However, in previous years, the FTE count for the SROs was not altered to reflect the shortfall. This has been adjusted this year, resulting in a shift of 2.57 FTE into the General Fund.

Exclusive of the State Pension Contribution, Employee Benefits are budgeted to increase by $120,517. Decreases in Hospitalization (largely due to new employees moving to the less expensive PPO2 plan) were largely offset by increases to the City and State Pension plans. The State Pension Contribution pass through will decrease by $187,027. As this is matched by an equivalent decrease in revenue, there is no impact on fund balance.

In order to more accurately match historical trends, Comp Time Payouts have been increased by $200,000, to a new total of $750,000. The budget for Consultants has increased by $165,437 to cover the cost of the biennial promotional process. Contracted Maintenance Services increased by a net $90,857, mainly due to technology maintenance agreements and warrantee costs associated with the Real Time Crime Center's NC4 Street Smart software and related equipment. Overall Debt Service is budgeted to decrease by $65,260, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

Department of Fire

Exclusive of the State Pension Contribution, Employee Benefits are budgeted to decrease by a $444,255. Increases in Hospitalization and County / Municipal Pension Contributions are more than fully offset by a $644,000 reduction to the actuarially determined contribution to the City's "old" Fire Pension plan. The State Pension Contribution passthrough will increase by $587,399. However, this increase is matched by an equivalent increase in revenue, and consequently has no impact on fund balance. Accessories and Parts for Equipment is budgeted to increase by $141,000, which includes the purchase of a Knox Box replacement, Cradlepoint connectivity for trucks, and outfitting for two fire engines and a ladder truck.

Consultant costs are up $67,000, largely due to the biennial promotional process that will occur in FY 2020. Registration fees have been increased by a net $8,000, mainly due to training costs associated with a rookie class of 13 Probationary Firefighters. Contracted Maintenance is budgeted to decrease by $12,000 due to reductions in building and boat maintenance costs. Overall Debt Service is budgeted to decrease by $207,513, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

Department of Public Works

In Personal Services, a General Laborer II position (1.00 FTE) was added to support the increased workload in the Property Maintenance Division caused by the aging buildings of the Municipal Complex. The Department also obtained upgrades for the CADD/GIS Engineering Coordinator and Assistant Building Services Manager in the mid-FY 2019 budget amendment. The total cost of the new position and upgrades is $68,795. Also, nine positions were upgraded (including seven that are split-funded) through the Biennial Classification Appeal Process in FY 2019 that cost $14,532.

Overtime increased by $45,000 to cover special events, snow removal, and the Mayor's special cleanup program. Contracted Maintenance increased by $71,300 due to the high cost of maintenance to existing structures. Almost the entire increase of $105,000 in Consultants will be used to support and assist with 5G and small cell wireless infrastructure deployment in the City. Temporary Agencies increased $132,000 for additional laborers to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation.

Engineering costs increased by $20,000 for traffic signal improvements to help reduce the congestion projected to result from the upcoming DelDOT Interstate 95 viaduct project. A delay in the full implementation of the proposed city-wide municipal solid waste container and recycling program allowed a $268,000 reduction in the Recycle Bank Program account. Material and Supplies – Roads costs increased by $117,000, due to the purchase of special paint epoxy used for road markings. Debt Service decreased by $175,170, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

Department of Real Estate and Housing

Miscellaneous projects increased by $414,800, $400,000 of which will support Wilmington's Beautiful City Initiative (WBCI). Launched in 2017, WBCI is a sustained drive by City government and the community to clean the City and keep it clean. The $400,000 increase will be used to hire local residents to clean streets and neighborhoods, providing them with an opportunity to earn money throughout the summer while providing an important benefit for the entire city. Debt Service decreased by $126,353 per the existing debt service schedule.

General Changes

The budget contains a $1.5 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. However, much of the increase has been offset by reductions in Healthcare and Hospitalizations. In addition, mandatory anniversary salary step increases for certain employees added $381,000 to the budget. Staffing increased by a net total of 30.42 full-time equivalents (FTE), which includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of $2.91 million. The total cost of the appeals process in the General Fund was $120,031.

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

The FY 2020 operating budget expenditures total $77,925,640 – up $2,476,020, or 3.2% from FY 2019. The FY 2020 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These included an accelerated Combined Sewer Overflow (CSO) mitigation effort and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware's water supply, especially in times of drought.

The budget contains a $161,100 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added $75,650 to the budget. Staffing increased by a net total of 1.80 full-time equivalents (FTE) and includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of $177,804. The total cost of the appeals processing the Water/Sewer Fund was $45,271.

The Indirect Cost expense to the Water/Sewer Fund rose by nearly $2.3 million, reflecting the effect of the new Department of Information Technologies created in the General Fund. However, that increase is almost completely offset by the approximately $2.2 million in savings resulting from the elimination of the Internal Service Funds departmental chargeback accounts.

Depreciation increased $1.35 million, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.

There is a $1 million increase in the Contracted Maintenance Services account. The vast majority of the rise is attributable to the $935,000 increase in the cost of the contract with Veolia to operate and maintain the City's sewage treatment plant. The fee paid to Veolia is adjusted each year using mutually agreed upon cost indices.

In the Finance Department, the Miscellaneous Services account group rose by over $553,000. The Department is implementing a Water Utility Call Center to be hosted by a third-party entity at a cost of $400,000. Since the transition from quarterly to monthly water/sewer billing, the Department has seen a sizeable increase in customer calls and inquires, that at times, has overwhelmed the existing City customer service employees. The change to monthly billing has also increased the payments flowing through the Department's lockbox service, necessitating an increase of $140,000 in the Lockbox Charges account. The $259,000 increase in the Postage-Direct Charge account reflects the cost for the monthly processing and mailing of water/sewer bills that had previously been paid through the now-eliminated postage internal service chargeback account. The postage chargeback account was budgeted at $190,000 last fiscal year. Thus, the net cost of mailing water/sewer bills has increased $69,000 or 36%.

The Repairs to Equipment account in the Water System Division was reduced by $836,000, reflecting the better alignment of projected spending with electrical and mechanical preventative maintenance and testing program schedules. Total Debt Service decreased by just over $981,400. The City continues to benefit from participation in the State's low-cost revolving loan fund, low bond interest rates, and the use of cash-on-hand for smaller water and sewer infrastructure projects. Although there are no increases in stormwater rates, there were revisions to some water and sewer customer classes and rates that will result in a weighted-average increase of 3.82% in the water/sewer bills of City residential customers. The typical City residential customer using 4,000 gallons per month will see their bill increase by $2.21.

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

Mayor's Office

The Mayor's Office Internal Service Funds were consolidated into the new Department of Information Technologies in the General Fund. The new Department has an FY 2020 budget of just under $8.6 million. However, the costs of the services of data processing, document management, mail, duplication & printing, mapping & graphics, and communications will no longer be prorated back to users. This allowed the elimination of the departmental internal service chargeback accounts across all City funds and departments, saving the General Fund $6.5 million and largely offsetting the cost of the new department. The remaining $2.1 million net cost increase to the General Fund ($8.6 million minus $6.5 million) was covered by a corresponding equal increase in Indirect Costs revenue. Thus, the net effect of the new department on the bottom line of the General Fund was zero.

ECONOMIC DEVELOPMENT ACTIVITY

Employment as reported by the Delaware Department of Labor, the total number of jobs within City limits remained steady at approximately 49,500 in calendar year 2018. This figure represents the total number of jobs located within the City, regardless of residency. The number of jobs within City limits has averaged close to 50,000 since 2008. Of those jobs, over 25% (about 13,000) are in the Financial Services/Technology Sector, followed in rank by the Legal, Technical, Professional, Government, and Healthcare Sectors. It is worth highlighting that the number of employed Wilmington residents is 32,000 (out of a population of about 71,000), its highest point since the mid-2000's. The unemployment rate for City residents at the end of 2018 was 5.9%, trending down from a rolling average of 6.2% in 2018 and 6.5% and 6.7% in 2017 and 2016, respectively. This parallels the national trend and is consistent with the historical gap of about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 3.5%.

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 41 companies of varying sizes and types. The wage taxes collected from this "index" of 41 companies remained steady at $15 million in 2018 as compared to 2017, but represents an increase from $14.5 million in 2016 and $14 million in 2015. This upward trend of annual wage taxes generated from the Program is a key indicator of its efficacy. As incentive contracts expire, participating businesses continue to generate wage tax revenue as they grow. Since the initial creation of the Strategic Fund in 2002, the Program has provided approximately $15 million in incentive payments to businesses, yielding approximately $85 million in Wage Taxes to the City's General Fund.

Delaware is home to a talented financial services and technology workforce, which has its roots in the 1981 State of Delaware Financial Center Development Act and the expansion of the consumer finance and credit card industries that followed. Delaware has nearly 48,000 jobs in the broad financial activities sector, with about 37,000 jobs in core financial services industries. Accordingly, Wilmington has a deep pool of existing financial services and technology talent. As stated before, over one-fourth of the almost 50,000 total jobs located in Wilmington are related to financial and technology services, with sub-type specialization in Consumer Lending, Bank Operations, Digital Banking and User Experience, Risk Management, and Predictive Analytics. This concentration of financial services and technology jobs in the City of Wilmington is represented by a Location Quotient of 5.5, which means that the concentration of financial services and technology jobs in Wilmington is 5.5 times the national average. Wilmington also has a strong pipeline of new financial services and technology talent coming from local colleges and universities, as 6,000 related degrees were awarded in 2018 within a 45-minute drive of Wilmington. The Wilmington corporate banking community remains strong in Wilmington, with national brands like Bank of America, Capital One, JP Morgan Chase, Citi, Navient, and TD Bank having a strong presence in the City. New job growth in the sector also includes startups such Fairsquare, College Ave, Acorn, Epic Research, Compass Red Analytics, and The Archer Group.

Notable developments in the Financial Services and Technology Sector this year include:

- Regional Banking leader M&T announced plans to add 200 new banking technology jobs to Wilmington starting in the third quarter of 2019;
- Acorn Financial announced plans to create 50 new banking technology jobs in Wilmington;
- Capital One completed consolidation of its 2,500 employees into 800 Delaware Avenue under a new 10-year lease with options to extend;
- TD Bank's regional headquarters at 1313 Market Street leased additional space to grow to 80 employees, with another 20 to 40 more expected in the coming years;
- Bank of America consolidated its 900 employees into 1100 French Street;
- Although BarclayCard USA announced plans to relocate about 500 IT jobs from its existing workforce of 2,200 persons to a new IT Center in New Jersey, its US credit card operations will remain headquartered in Wilmington with room for expansion.

The Chemours Company completed its $120 million renovation of 250,000 square feet in the Historic DuPont Building at 1007 Market Street, committing its presence of 750 employees to Wilmington. Chemours' revenues and net income have increased since its 2015 spin-off from DuPont, securing its position in the market as a modern, sustainable chemical company. Its renovated headquarters reflects its new image and is a tremendous source of pride for the company and the City of Wilmington. Of special note is that as a good corporate citizen and as part of its goal to develop greater diversity in its workforce, Chemours has partnered with the City of Wilmington to offer scholarships to local students to attend historically black colleges and universities. As part of the Chemours headquarters renovation at 1007 Market Street, DECO Food Hall, a contemporary dining and gathering hall with eight dining options, opened this year. DECO is the latest example of the growing restaurant and entertainment district in Wilmington's downtown, which is drawing more visitors to the City and increasing overall economic activity.

The long-awaited public-private partnership between the Diamond State Port Corporation and international port operations company Gulftainer USA was finalized in late 2018. Gulftainer USA has assumed daily operations of the Port of Wilmington under a 50-year lease with commitments to invest $300 million in the existing facility. Gulftainer USA plans to generate additional revenue at the Port by increasing throughput, (as measured by tonnage equivalent units (TEU)), from a historical average of 300,000 TEU to 750,000 TEU by 2021. It is anticipated that this growth in volume will result in additional longshoreman and dock labor positions at the Port, as well as other ancillary blue-collar jobs. Other real estate developments are also helping to drive economic activity in the City.

The 76ers Fieldhouse, a 140,000-square-foot multi-purpose sports complex and youth training center on the southeast side of the Christina River opened in the first quarter of 2019. The facility is the new home for the Philadelphia 76ers NBA G-League affiliate team, the Delaware Blue Coats. The complex contains a 3,000-seat basketball and entertainment arena, three indoor turf multi-purpose fields, one outdoor multi-purpose turf field, the Nemours Physical Therapy group, Titus Sports and Performance Training, and the BPG Sports Corporation. The complex will host youth athletic training sessions and competitions year-round. As part of the 76ers Fieldhouse development, The Delaware Department of Transportation (DelDOT) invested $15 million in a new road network surrounding the Fieldhouse that will eventually be connected to the new $45 million multi-modal Christina River Bridge. The bridge, which will connect US Route 13 on the east side of the Christina River to Wilmington's Riverfront on the west side, will allow vehicular access to the area from Interstate 495. The bridge is scheduled for completion in 2020 and will open access to 170 acres of formerly industrial land located along the east bank of the Christina River. That side of the Riverfront will be a great asset to the City and State of Delaware, with strong potential for further large-scale economic and housing developments.

Private investment in the residential housing market remains an area of growth for the City. Six new market-rate housing projects will break ground in the Downtown and Riverfront neighborhoods, generating another 500 units to be ready for occupancy in 2020. Additionally, there are 466 market-rate luxury units under construction outside of Downtown and the Riverfront slated to be completed in late 2020. Significantly, this expansion in new housing is motivating people to relocate to the City, contributing to wage tax growth and helping to support local businesses. Highlights include:

- 101 Avenue of the Arts, a $20 million residential development by the Capano Corporation on the Christina River with 80 new units completed in the first quarter of 2019;
- A new seven-story, 200-unit building at 5th and Shipley streets, which is slated to break ground in the fourth quarter of 2019;
- The conversion of 901 Market Street from an unoccupied office building to 60 new market-rate units for delivery in the second quarter of 2020;
- A new four-story, 60-unit building at 2nd and Market Streets, which will incorporate the historic Cooper Building façade into the new structure;

- Conversion of office space at 10th and Orange Streets into 150 new units for delivery in the fourth quarter of 2020;
- Bancroft Mills, a $70 million residential development on the south bank of the Brandywine River near Rockford Park, is expected to break ground in the fourth quarter of 2019;
- The $40 million Galleria at 2000 Pennsylvania Avenue, a mixed-use retail/residential development under construction by the Tsionas Development Corporation near the intersection of Union Street and Pennsylvania Avenue, is scheduled for delivery in the fourth quarter of 2019.

Wilmington is a key component of the $400 billion Philadelphia-Wilmington-Camden metropolitan economy, enjoying all of the metro-wide area's economic advantages, but with a lower comparable cost-of-living, shorter commutes, and a centralized location that allows easy access to all the major mid-Atlantic metro areas. These fundamental strengths, combined with the ongoing transformation of the City's Downtown, Riverfront, and residential neighborhoods, will help Wilmington continue to grow in the competitive regional and national environment.

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, his Department Directors and other key staff have completed another year of initiatives and innovations to move Wilmington forward as a more residential and business-friendly City that is also safer, cleaner, more efficiently-managed and more culturally rich. The City's financial position remains strong as does its bond rating. A five-year budgeting plan has kept the City in a very stable position that supports public and private efforts to create stronger neighborhoods and thriving businesses.

Wilmington continues to set priorities that center on strengthening neighborhoods, improving public safety and keeping Wilmington's financial outlook solid. These include:

- Preserving neighborhoods and improving the quality of life for residents by reducing vacant and blighted properties. We will continue to push for housing code revisions to reduce the time it takes for landlords to be required to repair their properties per the City code and keep tenants protected from unhealthy or unsafe conditions. We must have better tools to hold landlords and vacant property owners accountable for what their actions or inactions are doing to harm neighborhoods and residents.
- Overall crime continues to decrease as the relationship between the community and the police continues to improve. Crime is at a 15-year low. While gun-related crime is up from 2018, the last 12 months has produced lower crime results across most categories. Under Chief Robert Tracy, consistent community engagement efforts along with data-driven policing are making Wilmington a safer place to live, work and enjoy life.
- The City's fiscal picture continues to look bright. In 2020, as we have done for the past three years, we are controlling costs and keeping within budgets. The City's solid bond rating, which is important when the City needs to borrow money at a reasonable rate for bigger ticket projects like replacing parts of a century-old water and sewer system, was reaffirmed in 2019. When the Mayor took office in 2017, he mapped out a five-year budget plan and, so far, we've been able to stay the course and keep spending under control while innovating parts of the government.

Our efforts to innovate City government are bearing fruit. By improving the various ways that government operates, we are improving the delivery of services to residents, businesses and visitors alike. The government is becoming more efficient as we hold our managers more accountable for improving their operations. We encourage innovation and creativity that produces results. Among the innovative programs already unveiled, or soon to be, include:

- 311 customer service system. Beginning in early 2020, residents and businesses will call just one number—311—to request a city service like special trash pickup, to ask about a parks and recreation program, to pay a bill over the phone, or to tell us about something that needs immediate attention such as a pothole or a traffic signal malfunction. Soon, 311 will connect you to a City customer service representative.
- CompStat, which is an innovative data-driven system used daily by the Wilmington Police Department to track crime and crime trends and determine how best to deploy police officers to prevent crime from occurring.
- CitiStat, which, like CompStat, is a data-driven process used by the Mayor's Office to keep track of how well city departments are operating and whether service to citizens is improving. Government managers are held accountable for their departmental data and are expected to keep their operations on an upward trend.

- On Base is a new way for large and small developers to submit their plans on-line for permit and licensing review. When it launches, developers will submit their plans so they can be reviewed in a consistent and timely manner. We don't want to be in a position of holding up progress, especially when a company wants to grow, or a resident wants to improve their property. This is another tool to take the hassle out of doing business with City Government.
- OpenGov is Wilmington's way of supporting transparency and accountability by ensuring that the details of the government are available for all to review. OpenGov was launched in 2019 and enables anyone to read or download information from the City's website (www.WilmingtonDE.gov), such as general fund and water/sewer fund budgets, the cost of city services, laws, policies, and capital projects. We will continue to add more information to the site throughout 2020.

Mayor Purzycki believes that a City can be judged by how well it treats its children and their families. In that regard:

- Wilmington has spent millions of dollars to upgrade and repair its parks and recreational systems, so children and their families have more places to play, relax and even compete. The renovation of Eden Park, the Baynard Stadium Sports Complex and the William "Hicks" Anderson Community Center are among the notable recent projects that will encourage people to enjoy recreational and sporting opportunities.
- Wilmington's Beautiful City campaign, begun in 2017, has produced a cleaner City with less trash and debris on the streets. Our children and families should be able to live and play on clean streets. That's why we've supplemented the great work of our Public Works street cleaning teams by collaborating with local non-profits to hire residents as day workers to clean city streets.
- We have provided hundreds of young people with employment opportunities and internships through our Youth Career Development Program and the Wilmington Youth Environmental Corps. Wilmington is proud to help these young people prepare for future careers.
- Education is key for our City's younger residents, so we have awarded more than $90,000 in academic scholarships through the Mayor's Office, and Wilmington's Historically Black Colleges and Universities (HBCU) Week is gaining a national reputation, helping more than 2,000 young people go to college while securing almost $4 million in scholarships.

The City is committed to supporting individuals and families who enjoy living, working and having fun in Wilmington, many of whom use various communications platforms to tell others about the benefits of living in our City. Wilmington's many improvements as a municipality and its overall financial stability help also to sustain the State of Delaware's economy. Our City is the State's hub for new and existing businesses. We will continue to provide creative opportunities for entrepreneurs to innovate, imagine, invent, and inspire. In doing so, the City is creating new possibilities for employment and investment.

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, 2018. This was the 30th 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, 2019. 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.

SEAL OF THE CITY OF WILMINGTON
DELAWARE

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wilmington

Delaware

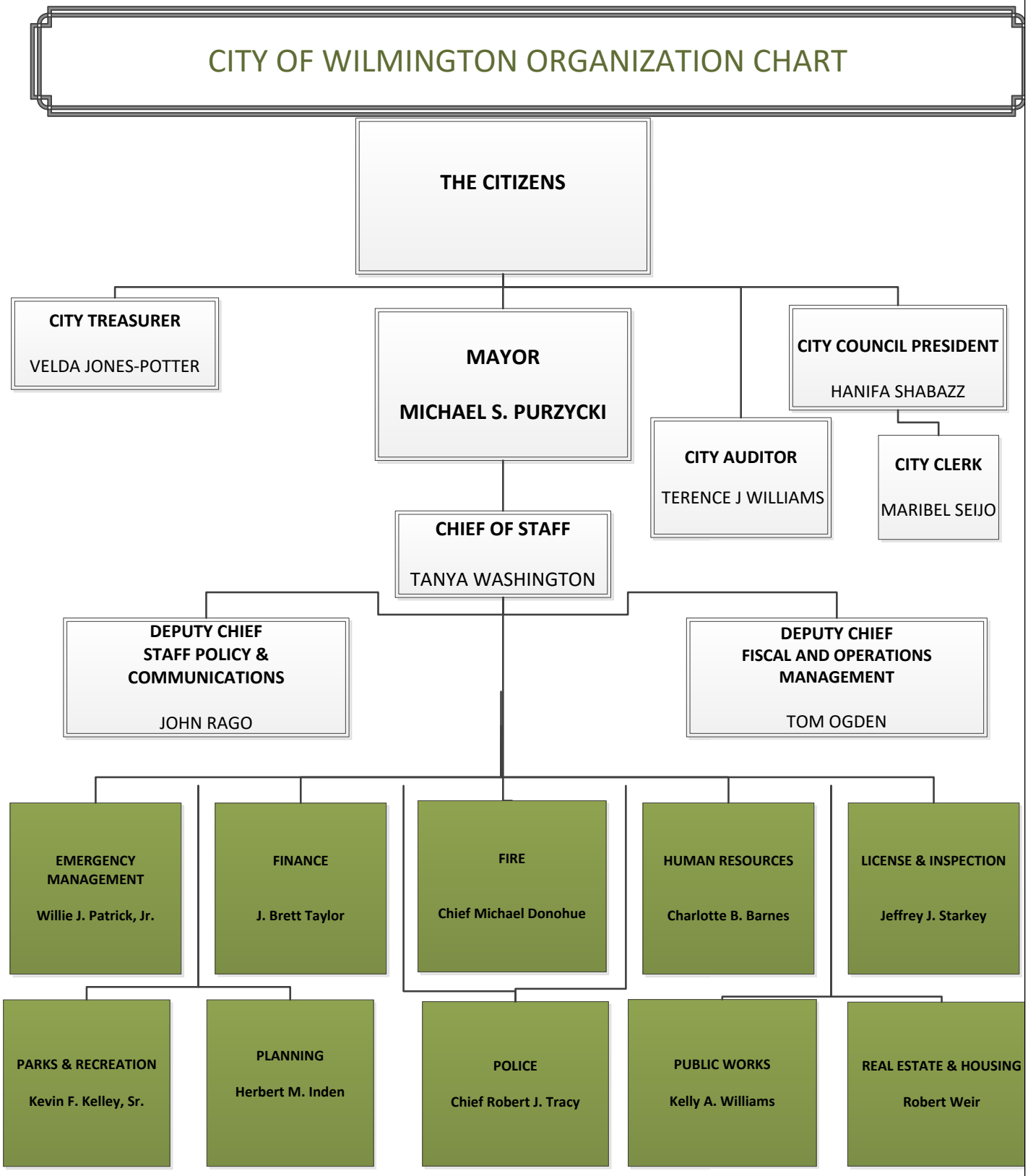
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF WILMINGTON ORGANIZATION CHART



City of Wilmington
Listing of Principal Officials
June 30, 2019

Executive

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

City Council

President	Hanifa Shabazz
1st District	Linda M. Gray
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	Robert M. Goff, Jr.
City Auditor	Terence J. Williams
Clerk of Council	Maribel Seijo
Economic Development	Jeff Flynn
Emergency Management	Willie J. Patrick, Jr.
Finance	J. Brett Taylor
Fire	Michael Donohue
Human Resources	Charlotte B. Barnes
Licenses and Inspections	Jeffrey J. Starkey
Parks and Recreation	Kevin F. Kelley, Sr.
Planning	Herb M. Inden
Police	Robert J. Tracy
Policy & Communications	John Rago
Public Works	Kelly A. Williams
Real Estate and Housing	Robert L. Weir

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

Linda M. Gray
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

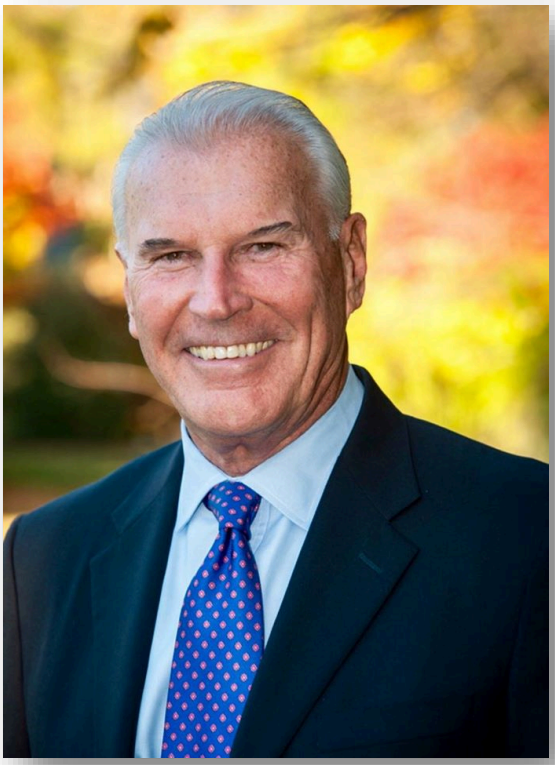
Samuel Guy, Esq.
At-Large

Loretta Walsh
At-Large

Ciro Adams
At-Large

City Of Wilmington
Delaware

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019



Michael S. Purzycki
Mayor

Prepared by:
Office of the Director of Finance

J. Brett Taylor
Director of Finance

Accounting Office

Leonila Byrd
Knisha Clark
Debra Gibbs
Cornelia Henry
*Accounting Manager

Ebony Jackson
Brenda Miller
Ampofo Offei- Ansah
Roseanne Prado*

Herbert Sheldon
Lakeisha Thomas
Shayne Williams

SEAL OF THE CITY OF WILMINGTON
DELAWARE

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmington, Delaware (City), as of and for the year ended June 30, 2019, 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.

Auditors' 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 discretely presented component units: Christina Gateway Corporation, Wilmington Parking Authority, Rock Manor Golf Corporation, Wilmington UDAG Corporation, and Riverfront Wilmington Business Improvement District, which represent 96.7%, 97.2%, and 74.3%, respectively, of assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the following blended component units: Wilmington Park Trust Fund Commission and Cityfest, Inc. which are reported as nonmajor special revenue funds, which represent 53.0%, 65.9%, and 11.9%, 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, Wilmington Park Trust Fund Commission, and Cityfest, Inc. is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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

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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, 2019, 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 Notes 1 and 18 to the financial statements, the financial data of the Wilmington Housing Partnership, a blended component unit of the City, is included in the governmental-type activities reported for the year ended June 30, 2019. Fiscal year ended June 30, 2019 is the initial reporting period that Wilmington Housing Partnership is presented in the City's financial statements. The City's Housing Strategic Fund beginning fund balance and governmental-type activities beginning net position were restated to include the Wilmington Housing Partnership's beginning fund balance and net position.

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 17 and Schedules 1 through 6 on pages 103 through 119 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.

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

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 December 31, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

December 31, 2019
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE
Management's Discussion and Analysis

June 30, 2019

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, 2019. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $159,519,807 (net position), an increase of $23,116,589 from the previous year. The net position of governmental activities increased by $12,395,241 from the prior year, while the net position from business activities increased by $10,721,348. The net position of the governmental activities includes ($1,617,795) net position from the inclusion of the Wilmington Housing Partnership Corporation (WHPC), a blended component unit. Due to the City assuming certain financial obligations of the WHPC and due to City officials becoming a voting majority of the board of directors, the City reevaluated its relationship with the WHPC, resulting in its classification as a blended component unit, included in the City's Housing Strategic Fund.

- Discretely presented component units reported net position of $55,605,073, an increase of $1,735,035 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 $59,310,743, an increase of $871,504 from the previous year. A prior period adjustment of ($3,435,639) for the effects of the inclusion of WHPC in the Housing Strategic Fund reduced fund balances. The Fund Balance reported is: Non-spendable Fund Balance of $4,017,229; Restricted Fund Balance of $14,013,339; Committed Fund Balance of $44,620,837 and Unassigned Fund Balance of $($3,340,662). (See page 20 for a detailed breakdown).

- The General Fund had a combined fund balance of $46,596,816 consisting of $2,932,453 of non-spendable fund balance and $43,664,363 of committed fund balance.

- The Housing Strategic Fund had an unassigned fund balance of ($3,340,479).

- The Economic Strategic Fund had combined fund balance of $1,085,363 consisting of $343,261 of restricted fund balance and $742,102 of Committed Fund Balance for current and future economic development activities.

- The Capital Projects Fund had a Restricted Fund Balance in the amount of $5,770,576 to fund current and future City capital improvements.

- The Other Governmental Funds have a combined fund balance of $9,198,467.

Long-Term Debt

- The City's total net general obligation debt increased to $305,964,134 at June 30, 2019, an increase of $9,621,454. Water and sewer projects had a net increase in debt of $8,770,490 and governmental capital projects had a net increase in debt of $850,963.

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 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).

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), Cityfest, Inc. and the Wilmington Housing Partnership Corporation (WHPC) 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, Cityfest, Inc. manages cultural events and WHPC supports housing initiatives.

- *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. Business-type Activities also includes the operations of the Wilmington Neighborhood Conservancy Land Bank, a blended component unit that was formed to address blight and vacant property issues with the City of Wilmington.

- *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, Rock Manor Golf Corporation, Wilmington Downtown Business Improvement District (Downtown Visions), and 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. 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 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 (page 21) 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 funds report activities that provide supplies and services to the general public: water, sewer, and stormwater management services through the Water and Sewer Fund, and the development of vacant and abandoned property through the Wilmington Neighborhood Conservancy Land Bank Corporation (a blended component unit). 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 and other post-employment benefits to its employees. The required supplementary information can be found beginning on page 102.

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 120

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 140

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	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Current and other assets	$114,523,611	$108,197,707	$89,617,347	$72,968,088	$204,140,958	$181,165,795
Capital assets(net)	198,493,703	193,388,531	313,942,895	309,059,708	512,436,598	$502,448,239
Total Assets	313,017,314	301,586,238	403,560,242	382,027,796	716,577,556	683,614,034
Deferred outflows of resources	24,390,361	13,947,533	3,636,330	3,734,019	28,026,691	17,681,552
Long-term liabilities	296,898,685	291,217,162	201,430,557	194,198,063	498,329,242	$485,415,225
Other Liablilities	43,383,082	45,430,844	31,998,796	28,949,826	75,381,878	$74,380,670
Total Liabilities	340,281,767	336,648,006	233,429,353	223,147,889	573,711,120	$559,795,895
Deferred inflows of resources	10,722,816	4,877,914	650,504	218,559	11,373,320	$5,096,473
Net Position						
Net Investment in Capital Assets	82,867,080	85,923,514	131,329,111	127,230,361	214,196,191	213,153,875
Restricted	18,828,715	8,771,679	39,571,786	35,165,006	58,400,501	43,936,685
Unrestricted	(115,292,703)	(120,687,342)	2,215,818	-	(113,076,885)	(120,687,342)
Total Net Position	($13,596,908)	($25,992,149)	$173,116,715	$162,395,367	$159,519,807	$136,403,218

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, $224,040,628. 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 or unrestricted and show balances of $18,828,715 and $39,571,786, respectively. 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 $159,519,807.

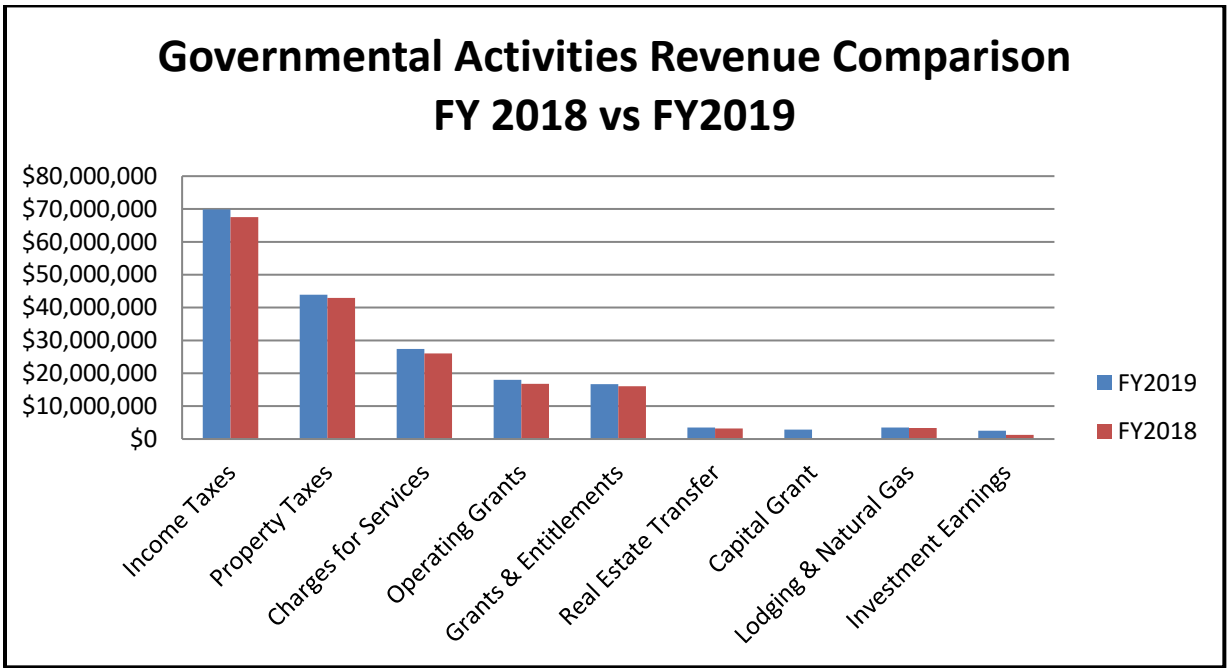
Changes in Net Position. A schedule of a comparison of year-to-year changes in activity is on the following page. The combined net position of the City increased by $24,991,847, over the course of this year's operations. The net position of governmental activities increased $14,270,499, and the net position of business-type activities increased by $10,721,348.

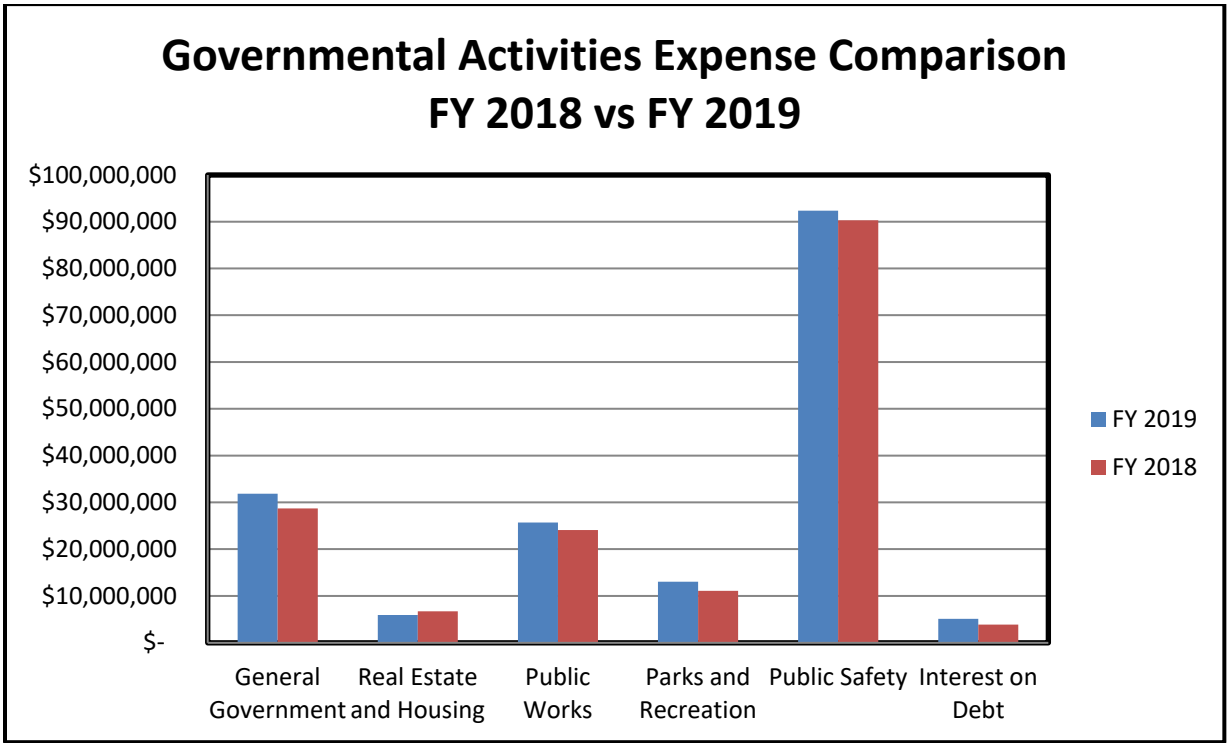
Year Ended June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	$ 27,387,922	$ 26,060,447	$ 84,633,077	$ 83,329,958	$ 112,020,999	$ 109,390,405
Operating Grants & Contributions	18,001,181	16,805,129	-	-	18,001,181	16,805,129
Capital Grants & Contributions	2,872,181	202,539	1,320,726	4,264,405	4,192,907	4,466,944
General Revenues:						
Total Taxes	120,782,234	117,012,053	-	-	120,782,234	117,012,053
Investment Earnings	2,499,919	1,253,510	-	-	2,499,919	1,253,510
Other Revenues	16,676,378	16,073,953	110,000	-	16,786,378	16,073,953
Total Revenues	188,219,815	177,407,631	86,063,803	87,594,363	274,283,618	265,001,994
EXPENSES						
General Government	31,837,983	28,701,894	-	-	31,837,983	28,701,894
Real Estate and Housing	5,934,884	6,708,205	-	-	5,934,884	6,708,205
Public Works	25,703,685	24,080,545	-	-	25,703,685	24,080,545
Parks and Recreation	13,040,301	11,098,419	-	-	13,040,301	11,098,419
Public Safety	92,335,897	90,296,885	-	-	92,335,897	90,296,885
Interest on Long Term Debt	5,096,566	3,883,054	5,028,632	5,579,041	10,125,198	9,462,095
Business Type Activities	-	-	70,313,823	68,076,423	70,313,823	68,076,423
Total Expenses	173,949,316	164,769,002	75,342,455	73,655,464	249,291,771	238,424,466
Change in Net Position	14,270,499	12,638,629	10,721,348	13,938,899	24,991,847	26,577,528
Net Position - Beginning (restated)	(25,992,149)	(38,630,778)	162,395,367	148,456,468	136,403,218	109,825,690
Prior Period Adjustment	(1,875,258)	-	-	-	(1,875,258)	-
Net Position - Ending (restated)	$ (13,596,908)	$ (25,992,149)	$ 173,116,715	$ 162,395,367	$ 159,519,807	$ 136,403,218

Governmental Activities

Revenues of governmental activities for fiscal year 2019 increased from 2018 by $10,812,184. This net increase reflects an increase in charges for services of $1,327,475 and an increase in general revenues of $5,619,015. Operating grants increased by $1,196,052 and capital grants increased by $2,669,642. The charges for services revenue, which reimburse the City for specific activities, is the second largest source of governmental activity revenue at 14.6%. The key revenue elements are discussed later in the fund statement comparisons. Expenses of governmental activities for fiscal year 2019 increased by $9,180,314 compared to 2018. 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 2019 as compared to fiscal year 2018.





Business-type Activities

Net position of business-type activities increased by $10,721,348 for the current fiscal year primarily as a result of increased charges for services. Detail explanations of the variances 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 $59,310,743. Of the current ending fund balances, the following categories are recorded and their primary uses noted in accordance with GASB 54:

- $4,017,229 is recorded as Non-Spendable due to a $2,932,453 advance to the Motor Vehicle Fund by the General Fund and $1,084,776 in the Wilmington Park Trust Fund Commission;
- $14,013,339 is recorded as Restricted; $6,113,837 for capital projects, $4,809,017 for park operations, $3,090,485 for Other Purposes;
- $44,620,837 is recorded as Committed; $16,229,900 for the Budget Reserve Account, $742,102 for Economic Development, $27,434,463 for the Tax Stabilization Reserve and $214,372 for Other Purposes;
- $(3,340,662) is the recorded as Unassigned.

Governmental Funds

General Fund – Comparison to Prior Year

The General Fund is the City's chief operating fund. At June 30, 2019, the fund balance composition included:

- $2,932,453 is recorded as non-spendable due to an advance to the Motor Vehicle Fund;

- $16,229,900 is recorded as Committed for the Budget Reserve Account. The Budget Reserve Account is 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 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.

- $27,434,463 is recorded as Tax Stabilization Reserve. The Tax Stabilization Reserve provides future tax stabilization for the General Fund. This reserve is funded based on the amount of the General Fund's net unrestricted fund balance. The City is authorized to access the Tax Stabilization Reserve as may be necessary when authorized by City Council by ordinance

The schedule on the following page presents General Fund revenues and expenditures for fiscal year 2019 compared to budget and fiscal year 2018.

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

	2018 Actual	2019 Actual	Variance Positive (Negative)	Final Budget	2019 Actual	Variance Positive (Negative)
Revenues:						
Taxes:						
Property	$ 43,266,138	$ 42,747,587	$ (518,551)	$ 42,567,487	$ 42,747,587	$ 180,100
Wage	60,924,351	61,686,959	762,608	61,916,600	61,686,959	(229,641)
Net Profit	6,449,989	6,746,611	296,622	6,500,000	6,746,611	246,611
Franchise	888,718	899,562	10,844	921,140	899,562	(21,578)
Real Estate Transfer	3,182,700	3,508,035	325,335	2,804,650	3,508,035	703,385
Head	3,693,366	3,764,224	70,858	3,874,000	3,764,224	(109,776)
Lodging & Natural Gas	1,268,092	1,425,278	157,186	1,298,033	1,425,278	127,245
Intergovernmental	21,847,536	21,957,744	110,208	21,705,634	21,957,744	252,110
Licenses and Permits	5,734,367	5,108,362	(626,005)	5,188,900	5,108,362	(80,538)
Fines and Forfeitures	5,670,871	6,553,856	882,985	7,680,000	6,553,856	(1,126,144)
Charges for Services	7,032,356	8,223,110	1,190,754	7,318,804	8,223,110	904,306
Investment Earnings	989,567	1,947,184	957,617	550,000	1,947,184	1,397,184
Total Revenues	160,948,051	164,568,512	3,620,461	162,325,248	164,568,512	2,243,264
Expenditures:						
General Governmental Services:						
Mayor's Office	9,603,027	10,366,300	(763,273)	11,507,389	10,366,300	1,141,089
City Council	2,133,087	2,093,767	39,320	2,255,663	2,093,767	161,896
Audit	728,431	860,877	(132,446)	950,948	860,877	90,071
Law	2,881,761	2,828,029	53,732	3,004,818	2,828,029	176,789
Finance	9,082,346	9,544,212	(461,866)	10,166,266	9,544,212	622,054
Human Resources	1,991,580	2,137,850	(146,270)	2,502,769	2,137,850	364,919
Treasurer	556,821	572,683	(15,862)	547,974	572,683	(24,709)
Planning	1,496,303	1,865,070	(368,767)	1,870,462	1,865,070	5,392
Real Estate and Housing	1,525,980	3,430,330	(1,904,350)	1,903,462	3,430,330	(1,526,868)
Public Works	23,808,873	24,627,852	(818,979)	26,543,862	24,627,852	1,916,010
Parks and Recreation	8,868,945	8,999,087	(130,142)	9,228,233	8,999,087	229,146
Public Safety:						
Licenses and Inspection	4,689,781	5,398,787	(709,006)	5,953,818	5,398,787	555,031
Fire	28,039,917	25,918,779	2,121,138	26,398,574	25,918,779	479,795
Police	58,872,550	59,499,529	(626,979)	60,479,751	59,499,529	980,222
Total Expenditures	154,279,402	158,143,152	(3,863,750)	163,313,989	158,143,152	5,170,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,668,649	6,425,360	(243,289)	(988,741)	6,425,360	7,414,101
Other Financing Sources (Uses)						
Bonds Issued	-	6,585,945	6,585,945	-	6,585,945	6,585,945
Bond Premiums	-	204,473	204,473	-	204,473	204,473
Bond Payments to Escrow Agent	-	(6,596,250)	(6,596,250)	-	(6,596,250)	(6,596,250)
Bond Issuance Costs	-	(96,891)	(96,891)	-	(96,891)	(96,891)
Transfers Out	(523,244)	-	523,244	-	-	-
Total Other Financing Sources (Uses	(523,244)	97,277	620,521	-	97,277	97,277
Net Change in Fund Balances	$ 6,145,405	$ 6,522,637	$ 377,232	$ (988,741)	$ 6,522,637	$ 7,511,378

The revenues for fiscal year 2019 increased $3,620,461 compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes decreased by $518,551, there was no property tax increase for FY 2019.

- Wage Taxes increased by a modest $762,608, while Net Profit Taxes increased by $296,622.

- Real Estate Transfer Taxes increased by $325,335.Activity remained high and the value of commercial properties sold increased as compared to FY2018.

- 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 increased by $882,985 primarily due to an increase in on-street parking citation revenue collections.

- Charges for Services increased by $1,190,754 due mainly to an increase in indirect costs charged.

- Investment earnings increased by $957,617 due to larger balances of investable funds on hand during fiscal year 2019.

The current year's expenditures increased by $3,863,750 and transfers out were $0, decreasing by $523,244, compared to fiscal year 2018 spending levels.

- Mayor's Office expenditures increased by $763,273, primarily due to an increase of $639,232 in Materials, Supplies and Equipment.

- Real Estate & Housing expenditures increased by $1,904,350, primarily due to $1,393,392 expended to support the housing-related activities of the Wilmington Housing Partnership Corporation.

- Public Works expenditures, which represented 16% of the City's General Fund expenditures, increased by $818,979, due primarily to an increase of $157,281 in Personal Services, $425,041 in Materials Supplies and Equipment, and $236,657 in Debt Service.

- Parks and Recreation expenditures, which represented 6% of the City's General Fund expenditures, increased by $130,142, primarily due to an increase of $200,660 in Materials, Supplies and Equipment and $217,326 in Debt Service and with an offsetting decrease of $287,844 in Personal Services.

- Fire expenditures, which represented 17% of the City's General Fund expenditures decreased by $2,121,138, primarily due to a decreases in Personal Services of $1,639,948 and Materials, Supplies and Equipment of $681,770.

- Police expenditures, which represented 38% of the City's General Fund expenditures increased by $626,979, primarily due to an increase in Materials, Supplies and Equipment of $1,019,364.

Other Major Funds – Comparison to Prior Year

The Housing Strategic Fund reported an ending fund balance of ($3,340,479), a decrease of $904,445 from the prior fiscal year due to the expenditure of $791,500 to fund the City's affordable housing programs and due to the inclusion of the activities of the Wilmington Housing Partnership Corporation, which is now reported as a blended component unit.

The fund balance of the Economic Strategic Fund decreased by $1,331,152 in fiscal year 2019 due to an increase in employment-based incentives to assist new employers to locate their workforce to the City of Wilmington. There was no offsetting revenue gain.

The fund balance of $5,770,576 for the Capital Projects Fund was $3,687,612 less than fiscal year 2018 due to an increase in capital outlays.

Proprietary Funds

Water/Sewer Funds – Comparison to Prior Year

The operation of the Business-type activities increased the City's net position by $10,721,348 in fiscal year 2019.

- Direct User Charges for water, sewer, and storm water increased by $1,196,264 due mainly to an increase in rates effective September 1, 2018.
- New Castle County sewer charges increased by $76,374.
- Capital Grant and Contribution revenue increased from $592,005 in 2018 to $853,714 in 2019.
- Other Income decreased by $81,630 due to decreased fines and penalties with the conversion from quarterly to monthly billings in fiscal year 2019.

Compared to fiscal year 2018 results, total expenses increased by $1,674,450 or 2.0%. This was driven mainly by an increase of $1,538,853 in materials, supplies and contractual services.

General Fund Budgetary Highlights

The City adopted the fiscal year 2019 budget on May 17, 2018 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 General Fund budget contained $162,325,248 of revenues, an increase of $4,744,656 or 3% over FY 2018 and $163,313,989 of expenditures – up $8,739,595 or 5.6% from FY 2018.

- Property Taxes were $180,100 above expectations due to increased collection efforts.
- Wage Tax revenues, representing 38.0% of General Fund revenues, were under budget by $229,641, which is not a significant amount (0.4%), due to stability in the labor market.
- Net Profit Tax revenues, representing 4% of General Fund revenues were over budget by $246,611, due to stronger earnings from partnership and LLC members.
- Real Estate Transfer Taxes were over budget by $703,385 primarily due to continued growth in the commercial market.
- Fines and Forfeitures were under budget by $1,126,144 primarily due to the reduction of parking ticket revenues.
- Intergovernmental Revenues were over budget by $252,110 due to increased revenue for the City's share of all State collected fees.

- Investment earnings were over the budget by $1,397,184 due to more funds invested because of capital projects spending being less than anticipated.

- Mayor's Office expenditures were under budget by $1,141,089, primarily due to the elimination of positions, and a decrease in Materials, Supplies and Equipment.

- Finance expenditures were under budget by $622,054, due to a decrease in Personal Services and Material Supplies and Equipment.

- Public Works expenditures were under budget by $1,916,010 attributable mainly to a decrease in salaries and benefits for vacant positions.

- Real Estate and Housing expenditures were over budget by $1,526,868 attributable to an increase in housing expenditures related to the Wilmington Housing Partnership Corporation.

- Fire expenditures were under budget by $479,795 due to a decrease in personal services costs attributable to vacant positions and lower overtime cost, and also attributable to lower Workers Compensation costs.

- Police expenditures were under budget by $980,222 due to lower healthcare and overtime costs.

A budget amendment was passed during fiscal year 2019 amending the Fiscal Year 2019 position allocation list. The budgets of most departments were increased, while the Mayor's Office was decreased. The overall increase was $1,014,988 (0.6%).

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2019, the City had invested $512,436,598, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents fiscal year 2019 asset balances compared to fiscal year 2018 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:

- Vehicles, Equipment and Other Assets increased due to the purchase of $3.4 million of vehicles and equipment.
- Parks and Recreation Facilities increased $3.8 million due to the renovation of various City parks and facilities.
- Streets and Streets signals increased $2.7 million as the City completes necessary renewals of infrastructure.
- Buildings and Improvements increased $2.3 million primarily due to improvements to various Public Safety Buildings.

Business-type Activities:

- Construction in Progress increased $9,694,304 during the year ended June 30, 2019 due significant water system improvement projects that were in progress at year end.
- Additional capital improvements included $2,106,517 for reservoirs and water filter facilities.
- Water Lines added $2,652,889 as the City continues its efforts to reline or replace aging water 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	
	2019	2018	2019	2018	2019	2018
Land	$ 24,090,181	$ 24,090,181	$ 4,060,443	$ 4,060,443	$ 28,150,624	$ 28,150,624
Art	1,969,203	1,960,443	-	-	1,969,203	1,960,443
Construction in Progress	9,485,442	7,517,855	28,870,735	19,176,431	38,356,177	26,694,286
Buildings & Improvements	50,143,473	49,581,586	19,240,630	19,849,908	69,384,103	69,431,494
Parks & Recreation Facilities	16,349,878	13,408,365	-	-	16,349,878	13,408,365
Streets & Signals	70,425,193	71,614,582	-	-	70,425,193	71,614,582
Water Reservoirs, Facilities & Water Lines	-	-	144,013,910	143,502,427	144,013,910	143,502,427
Wastewater Facilities & Sewer Lines	-	-	117,757,177	121,980,500	117,757,177	121,980,500
Vehicles, Equipment & Other	26,030,333	25,215,519	-	490,000	26,030,333	25,705,519
Totals	$ 198,493,703	$ 193,388,531	$ 313,942,895	$ 309,059,709	$ 512,436,598	$ 502,448,240

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 $305,964,134. Of this amount, $105,710,985 comprises debt related to Governmental activities and $200,253,149 is supported by Business-Type activities. Additionally, there are $202,809,012 in long-term liabilities, such as capital leases, insurance claims payables, compensated absences, net pension liability and net OPEB liability. Similar long-term liabilities of $5,798,409 exist on the Business-Type activities.

- On October 10, 2018 the City issued $37,030,000 of General Obligation Bonds, Series of 2018. The bonds mature in varying amounts between June 1, 2019 and June 1, 2038, and bear interest between 3.0% - 5.0%. The net proceeds were used to refund the City's General Obligation Bonds Series of 2007A. As of June 30, 2019, balance outstanding on these bonds is $33,840,000. The advance refunding reduced total debt service payments over the next 5 years by nearly $406,000. This resulted in an economic gain of approximately $384,189.

- On November 21, 2018, the City issued a General Obligation Bond Anticipation Note (Capital Projects – Capital Budget 2016), Series of 2018, due November 21, 2020 in the amount of $17,000,000. The funding is drawn as needed and the interest rate is 80% of the Adjusted London Interbank Offered Rate (LIBOR) plus 0.45%, not to exceed 5%. As of June 30, 2019, balance outstanding on this loan is $2,180,000.

- On September 20, 2019, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2019A and 2019B. The BANs mature on November 21, 2020. Series of 2019A (Street Repairs Project - Capital Budgets 2018 and 2020) was issued in the amount of $12,200,000 and bears interest at 79% of the daily London Interbank Offered Rate (LIBOR) plus 0.49%, not to exceed 6%. Series of 2019B (WHP Refinancing Project - Capital Budget 2020), was issued in the amount of $3,400,000 in order to refinance the JP Morgan Chase Line of Credit. The interest rate is the one-month LIBOR plus 0.55%, not to exceed 6%.

- The City has entered into General Obligation Financing agreements with the DDWSRF acting through the Delaware Department of Health & Social Services, Division of Public Health and the 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' interest rates are set at the time the loans are drawn down. Payments are due every six months, with a term of twenty years. The loans supplement other funding for the costs for the projects specified and are recorded in the Water and Sewer Fund.

    - - A DDWSRF agreement dated December 27, 2018, for an amount not to exceed $4,000,000 at an interest rate of 1.197% is related to costs associated with upgrades to the Phase II Transmission and Distribution Water Main Improvements Project.

    - A DWPCRF agreement dated May 8, 2019 for an amount not to exceed $15,107,399 at an interest rate of 2.00% is related to cost associated with construction of the Wetland Park Project.

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	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	$ 105,710,985	$ 104,860,022	$ 200,253,149	$ 191,482,659	$ 305,964,134	$ 296,342,681

Economic Factors and 2019 Budgets and Rates

Wilmington's economy continues to be driven by its position as an employment center for corporate banking. There are 11,809 employees in the Finance and Insurance industry, which equates to about one-fourth of the City's nearly 50,000-person total workforce, making it the largest employment sector in Wilmington. Areas of notable growth over the past year include the construction industry, which involves the construction of buildings as well as specialty trades, and the Information industry, which involves data processing and telecommunications, among other things.

The City continues to experience robust growth in various industry sectors and geographic regions. The Riverfront continues its redevelopment with the addition of two new hotels and the near-completion of the bridge joining the eastern and western sides of the Christina River. Redevelopment efforts are underway on the eastern side of the River, which will include mixed use commercial and residential properties. The new Philadelphia 76ers 2,500 seat fieldhouse serves as an anchor for the eastern redevelopment and has hosted a number of specialty sporting and entertainment events. New projects are appearing throughout

neighborhoods in the City, such as the REACH Riverside purpose-built community, with mixed residential and commercial development; Avenue of the Arts, another Riverfront residential development and the Galleria, a residential apartment complex nearing completion on the western portion of the City. Industry sectors are growing as well with Chemours, a spinoff of the Dow DuPont merger, has made the City its headquarters with the renovation of the DuPont Building. A public-private partnership between the Diamond State Port Corporation and international port operations company Gulftainer USA was finalized in late 2018, securing on-going employment and growth at the Port of Wilmington. Most importantly, employment in Wilmington is at its highest point since the mid-2000's. The unemployment rate for City residents at the end of 2018 was 5.9%, trending down from a rolling average of 6.2% in 2018. These jobs bring needed wage and head tax revenue to City.

As the City prepares its budget, focus remains on fiscal responsibility while also improving services to its customers – the citizens, visitors, and utility users within and outside the City. Crime rates, particularly violent and drug related crime, has dropped significantly over the past year, improving the quality of life for our neighborhoods.

All of these economic factors were taken into account when adopting the General Fund budget for fiscal year 2019. The City's budget addresses economic development, public safety, and infrastructure needs.

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 J. Brett Taylor, Director of Finance, 800 N. French Street, 5th Floor, City of Wilmington, Delaware 19801.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units from sources listed in Note 1, page 37 and 38 and the financial statements are listed on page 34.

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Position
June 30, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	$ 63,117,825	$ 23,014,297	$ 86,132,122	$ 19,291,511
Receivables, Net (Note 4)	25,522,154	37,288,589	62,810,743	2,190,175
Internal Balances	478,573	(478,573)	-	-
Due from Other Funds (Note 7)	7,091,970	-	7,091,970	-
Due from Other Governments	2,196,872	1,304,298	3,501,170	-
Due from Component Unit	275,000	-	275,000	-
Prepaid Items & Other Assets	610,595	130,206	740,801	63,474
Property Held for Future Use	847,399	-	847,399	
Net Pension Asset	1,032,139	139,007	1,171,146	485,276
Restricted Cash and Investments (Note 3)	12,537,158	27,868,910	40,406,068	1,616,316
Capital Assets, Net (Note 6):				
Land	24,090,181	4,060,443	28,150,624	16,319,059
Intangible Assets	-	-	-	5,000,000
Art	1,969,203	-	1,969,203	-
Construction in Progress	9,485,442	28,870,735	38,356,177	660,092
Buildings & Improvements	50,143,473	19,240,630	69,384,103	24,553,072
Parks & Recreation Facilities	16,349,878	-	16,349,878	-
Streets & Street Signals	70,425,193	-	70,425,193	-
Water & Sewer Systems	-	261,771,087	261,771,087	-
Vehicles, Equipment, and Other	26,030,333	-	26,030,333	1,068,508
Property Held for Future Use	813,926	350,613	1,164,539	-
Total Assets	313,017,314	403,560,242	716,577,556	71,247,483
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	21,668,862	716,889	22,385,751	211,203
Deferred on refunding of bonds	2,721,499	2,919,441	5,640,940	-
Total Deferred Outflows of Resources	24,390,361	3,636,330	28,026,691	211,203
LIABILITIES				
Accounts Payable & Accrued Expenses	11,989,399	11,766,888	23,756,287	648,921
Salaries and Benefits Payable	4,064,009	357,189	4,421,198	369,427
Unearned Revenue	2,328,034	4,526,384	6,854,418	183,682
Other Liabilities	2,051,234	1,153,721	3,204,955	275,000
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	9,612,354	13,788,998	23,401,352	615,321
Notes Payable	3,761,601	-	3,761,601	128,343
Capital Leases	1,850,878	-	1,850,878	-
Claims Liabilities	3,141,592	-	3,141,592	-
Compensated Absences	4,583,981	405,616	4,989,597	-
Due in More Than One Year:				
Bonds Payable	103,666,124	196,037,764	299,703,888	11,535,071
Notes Payable	-	-	-	1,398,156
Capital Leases	2,659,095	-	2,659,095	-
Claims Liabillities	19,793,604	-	19,793,604	-
Compensated Absences	4,552,019	-	4,552,019	-
Net Other Post Employment Benefits Liability	46,068,828	-	46,068,828	-
Net Pension Liability	120,159,015	5,392,793	125,551,808	-
Total Liabilities	340,281,767	233,429,353	573,711,120	15,153,921
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	10,722,816	650,504	11,373,320	566,149
Deferred parking revenue	-	-	-	133,543
Total Deferred Inflows of Resources	10,722,816	650,504	11,373,320	699,692
NET POSITION				
Net Investment in Capital Assets	92,711,517	131,329,111	224,040,628	33,923,840
Restricted for:				
Net Pension Asset	-	-	-	485,276
Capital Projects	-	423,799	423,799	-
Operation and Maintenance Reserve	-	13,247,359	13,247,359	-
Rate Stabilization Reserve	-	25,900,628	25,900,628	-
Debt Service	-	-	-	580,813
Park Operations & Other - Expendable	5,893,793	-	5,893,793	
Park Operations & Other - Nonexpendable	3,090,485	-	3,090,485	2,620,269
Other Purposes	-		-	439,541
Unrestricted	(115,292,703)	2,215,818	(113,076,885)	17,555,334
Total Net Position	$ (13,596,908)	$ 173,116,715	$ 159,519,807	$ 55,605,073

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

City of Wilmington, Delaware

Statement of Activities
For the Year Ended June 30, 2019

		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	$ 31,837,983	$ 14,809,049	$ 2,341,310	$ 672,317	$ (14,015,307)	$ -	$ (14,015,307)	$ -
Real Estate and Housing	5,934,884	135,260	4,112,432	-	(1,687,192)	-	(1,687,192)	-
Public Works	25,703,685	181,463	1,317,197	176,156	(24,028,869)	-	(24,028,869)	-
Parks and Recreation	13,040,301	151,455	2,621,995	998,717	(9,268,134)	-	(9,268,134)	-
Public Safety	92,335,897	12,110,695	7,608,247	1,024,991	(71,591,964)	-	(71,591,964)	-
Interest on Long-term Debt	5,096,566	-	-	-	(5,096,566)	-	(5,096,566)	-
Total Governmental Activities	173,949,316	27,387,922	18,001,181	2,872,181	(125,688,032)	-	(125,688,032)	-
Business Type Activities	75,342,455	84,633,077	-	1,320,726	-	10,611,348	10,611,348	-
Total Primary Governments	$ 249,291,771	$112,020,999	$ 18,001,181	$ 4,192,907	(125,688,032)	10,611,348	(115,076,684)	-
Component Units:								
Christina Gateway Corporation	$ 26,044	$ -	$ -	$ -	-	-	-	(26,044)
Wilmington UDAG Corporation	753,558	137,553	-	-	-	-	-	(616,005)
Wilmington Parking Authority	7,315,078	8,521,447	-	-	-	-	-	1,206,369
Downtown Visions	3,190,520	3,030,738	-	-	-	-	-	(159,782)
Riverfront Business Improvement District	459,185	483,071	-	-	-	-	-	23,886
Rock Manor Golf Corporation	251,529	317,131	-	-	-	-	-	65,602
Total Component Units	$ 11,995,914	$ 12,489,940	$ -	$ -	-	-	-	494,026
	General Revenues:							
	Taxes:							
	Property Taxes, Levied for General Purposes				43,926,250	-	43,926,250	-
	Income Taxes				69,881,277	-	69,881,277	-
	Real Estate Transfer				3,508,035	-	3,508,035	-
	Lodging & Franchise Taxes				3,466,672	-	3,466,672	-
	Investment Earnings				2,499,919	-	2,499,919	399,182
	Other Revenues including Capital Asset Gains				191,643	110,000	301,643	(10,880)
	Grants, Entitlements, and Contributions not Restricted to Specific Programs				16,484,735	-	16,484,735	852,707
	Total General Revenues				139,958,531	110,000	140,068,531	1,241,009
	Transfers				-	-	-	-
	Total General Revenues after Transfers				139,958,531	110,000	140,068,531	1,241,009
	Change in Net Position				14,270,499	10,721,348	24,991,847	1,735,035
	Net Position - Beginning				(25,992,149)	162,395,367	136,403,218	53,870,038
	Prior Period Adjustment (Note 18)				(1,875,258)	-	(1,875,258)	-
	Net Position - Ending				$ (13,596,908)	$ 173,116,715	$ 159,519,807	$ 55,605,073

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

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2019

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 27,822,167	$ 38,545	$ 742,102	$ 580,534	$ 4,452,065	$ 33,635,413
Receivables, Net (Note 4)	23,980,405	-	-	-	556,093	24,536,498
Due from Other Funds (Note 7)	18,861,475	5,170	-	156,000	-	19,022,645
Due from Other Component Unit	275,000	-	-	-	-	275,000
Due From Other Governments	-	-	-	549,837	1,631,944	2,181,781
Prepaid Items & Other Assets	185,958				40,608	226,566
Advances Due From Other Funds	2,932,453	-	-	-	-	2,932,453
Property Held for Future Use	-	847,399	-	-	-	847,399
Restricted Assets:						
Cash and Investments (Note 3)	-	-	343,261	6,738,104	5,452,268	12,533,633
TOTAL ASSETS	74,057,458	891,114	1,085,363	8,024,475	12,132,978	96,191,388
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 4,353,575	$ 469,992	$ -	$ 1,636,421	$ 708,754	$ 7,168,742
Salaries and Benefits Payable	3,814,456	-	-	-	131,550	3,946,006
Due to Other Funds	-	-	-	-	394,889	394,889
Unearned Revenue	2,548,246	-	-	617,478	1,480,220	4,645,944
Other Liabilities	2,051,234	3,761,601	-	-	-	5,812,835
Total Liabilities	12,767,511	4,231,593	-	2,253,899	2,715,413	21,968,416
Deferred Inflows of Resources:						
Unavailable Revenues	14,693,131	-	-	-	219,098	14,912,229
Fund Balances:						
Nonspendable						
Advance to Motor Vehicle Fund (Note 7)	2,932,453	-	-	-	-	2,932,453
Trust for Park Operations	-	-	-	-	1,084,776	1,084,776
Restricted						
Capital Projects	-	-	343,261	5,770,576	-	6,113,837
Park Operations	-	-	-	-	4,809,017	4,809,017
Other Purposes	-	-	-	-	3,090,485	3,090,485
Committed						
Budget Reserve Account	16,229,900	-	-	-	-	16,229,900
Economic Development	-	-	742,102	-	-	742,102
Other Purposes	-	-	-	-	214,372	214,372
Tax Stabilization Reserve	27,434,463	-	-	-	-	27,434,463
Unassigned	-	(3,340,479)	-	-	(183)	(3,340,662)
Total Fund Balances	46,596,816	(3,340,479)	1,085,363	5,770,576	9,198,467	59,310,743
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 74,057,458	$ 891,114	$ 1,085,363	$ 8,024,475	$ 12,132,978	$ 96,191,388

The notes to 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, 2019

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)		$ 59,310,743
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 $21,396,034 of internal service fund assets accounted for in the following line.		177,097,398
Long-Term receivables applicable to the Governmental Activities are not due and receivable in the current year and accordingly, are not reported as fund assets		
Notes Receivable (Net)		864,121
Prepaid Items & Other Assets		44,637
Property Held for Future Use		813,926
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		1,032,139
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.		14,912,229
The Port of Wilmington prepaid the sales proceeds including interest due on future payments during the year ended June 30, 2019. The prepayment of the sales proceeds are unearned revenue in the fund financial statements.		2,317,910
Deferred Outflows of Resources:		
Deferred amounts on refunding of bonds		2,594,154
Deferred amounts on pensions		21,668,862
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	$ (8,935,029)	
Other Post Employment Benefit (OPEB) Liability	(46,068,828)	
Accrued Interest on Long Term Debt	(626,221)	
Capital Leases	(1,074,170)	
Bonds and Notes Payable	(110,000,655)	
Net Pension Liability	(120,159,015)	(286,863,918)
Deferred Inflows of Resources:		
Deferred amounts on pensions		(10,722,816)
Total Net Position of Governmental Activities (Page 18)		$ (13,596,908)

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, 2019

	General	Housing Strategic	Economic Strategic	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 42,747,587	$ -	$ -	$ -	$ -	$ 42,747,587
Wage	61,686,959	-	-	-	-	61,686,959
Net Profit	6,746,611	-	-	-	-	6,746,611
Franchise	899,562	-	-	-	1,211,410	2,110,972
Real Estate Transfer	3,508,035	-	-	-	-	3,508,035
Head	3,764,224	-	-	-	-	3,764,224
Lodging & Natural Gas	1,425,278	-	-	-	-	1,425,278
Intergovernmental	21,957,744	310,699	-	2,450,932	9,250,938	33,970,313
Licenses and Permits	5,108,362	-	-	-	-	5,108,362
Fines and Forfeitures	6,553,856	-	-	-	-	6,553,856
Charges for Services	8,223,110	821,077	226,120	-	3,133,371	12,403,678
Investment Earnings	1,947,184	-	-	-	229,568	2,176,752
Total Revenues	164,568,512	1,131,776	226,120	2,450,932	13,825,287	182,202,627
EXPENDITURES						
Current:						
General Governmental Services	25,308,184	1,394,999	1,557,272	10,786	3,707,318	31,978,559
Real Estate and Housing	1,177,043	1,853,708	-	-	3,417,446	6,448,197
Public Works	20,082,547	-	-	-	1,317,196	21,399,743
Parks and Recreation	7,327,589	-	-	957,268	1,964,614	10,249,471
Public Safety	89,553,226	-	-	-	3,642,991	93,196,217
Debt service:						
Principal retirement	8,450,389	-	-	1,449,724	-	9,900,113
Interest	4,451,319	123,639	-	-	-	4,574,958
Capital Outlays	-	-	-	12,612,170	-	12,612,170
Total Expenditures	156,350,297	3,372,346	1,557,272	15,029,948	14,049,565	190,359,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,218,215	(2,240,570)	(1,331,152)	(12,579,016)	(224,278)	(8,156,801)
OTHER FINANCING SOURCES (USES)						
Bond Anticipation Note Issued	-	3,378,372	-	2,154,500		5,532,872
Bond Issued	6,585,945			5,435,000	63,931	12,084,876
Bond Premiums	204,473			643,615	1,985	850,073
Bond Payments to Escrow Agent	(6,596,250)				(65,916)	(6,662,166)
Capital Lease Issued	-	-	-	658,289	-	658,289
Transfers In	-	1,393,392	-	-	496,354	1,889,746
Transfers Out	(1,889,746)	-	-	-	-	(1,889,746)
Total Other Financing Sources (Uses)	(1,695,578)	4,771,764	-	8,891,404	496,354	12,463,944
Net Change in Fund Balances	6,522,637	2,531,194	(1,331,152)	(3,687,612)	272,076	4,307,143
Fund Balance - Beginning	40,074,179	(2,436,034)	2,416,515	9,458,188	8,926,391	58,439,239
Prior Period Adjustment (Note 18)	-	(3,435,639)	-	-	-	(3,435,639)
Fund Balance - Ending	$ 46,596,816	$ (3,340,479)	$ 1,085,363	$ 5,770,576	$ 9,198,467	$ 59,310,743

The notes to financial statements are an integral part of this 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, 2019

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

Net Change in Fund Balances - Total Governmental Funds (Page 22)			$ 4,307,143
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		$ 12,639,668	
Depreciation Expense		(7,461,054)	5,178,614
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)		$ (273,832)	
Property and Other Taxes		2,626,369	
Fees and Fines		(758,969)	1,593,568
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	
Bond Anticipation Note Issued	$ (17,643,248)	$ 16,395,581	
Bond Premiums	(850,073)	1,724,685	
Capital Lease	(665,339)	194,540	
Amortization of Premiums and Deferred Losses	-	(599,516)	
Net Adjustment	$ (19,158,660)	$ 17,715,290	$ (1,443,370)
The governmental fund reports outlays for properties held for future use as expenditures. However in the government-wide statement of net position these amounts are reported as the cost of assets held for development, net of a subsidy allowance.			162,302
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		$ (1,109,050)	
Other Post Employment Benefit (OPEB) Liability		(96,573)	
Accrued Interest on Long-Term Debt		45,327	(1,160,296)
The cost of pension benefits earned			5,632,538
Change in Net Position of governmental activities (page 19)			$ 14,270,499

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

CHASE

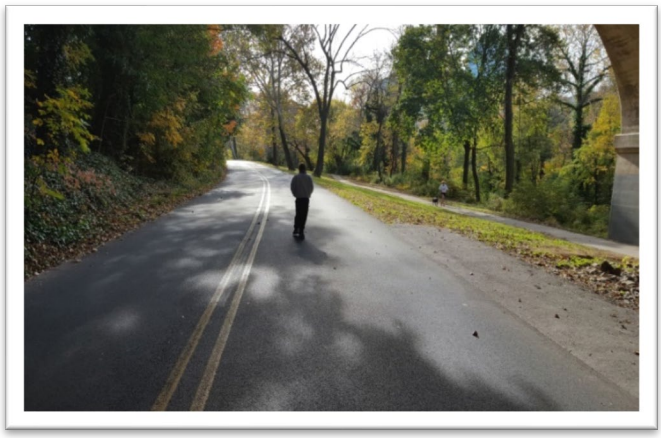
City of Wilmington, Delaware

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

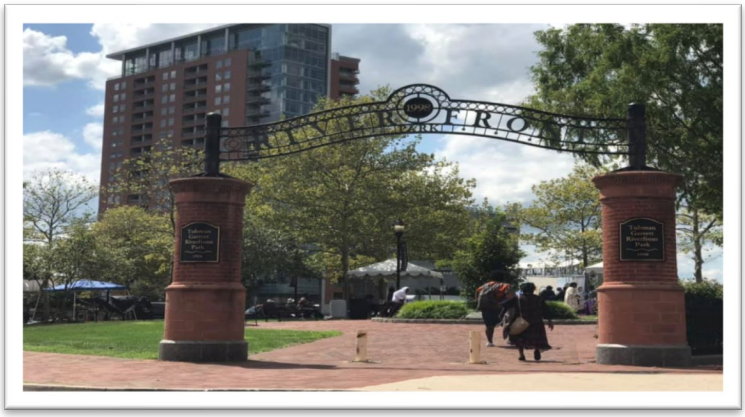
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes:				
Property	$ 42,567,487	$ 42,567,487	$ 42,747,587	$ 180,100
Wage	61,916,600	61,916,600	61,686,959	(229,641)
Net Profit	6,500,000	6,500,000	6,746,611	246,611
Franchise	921,140	921,140	899,562	(21,578)
Real Estate Transfer	2,804,650	2,804,650	3,508,035	703,385
Head	3,874,000	3,874,000	3,764,224	(109,776)
Lodging & Natural Gas	1,298,033	1,298,033	1,425,278	127,245
Intergovernmental	21,705,634	21,705,634	21,957,744	252,110
Licenses and Permits	5,188,900	5,188,900	5,108,362	(80,538)
Fines and Forfeitures	7,680,000	7,680,000	6,553,856	(1,126,144)
Charges for Services	7,318,804	7,318,804	8,223,110	904,306
Investment Earnings	550,000	550,000	1,947,184	1,397,184
Total Revenues	162,325,248	162,325,248	164,568,512	2,243,264
Expenditures:				
General Govermental Services:				
Mayor's Office	11,729,259	11,507,389	10,366,300	1,141,089
City Council	2,255,663	2,255,663	2,093,767	161,896
Audit	946,856	950,948	860,877	90,071
Law	2,859,818	3,004,818	2,828,029	176,789
Finance	10,094,649	10,166,266	9,544,212	622,054
Human Resources	2,357,538	2,502,769	2,137,850	364,919
Treasurer	547,974	547,974	572,683	(24,709)
Planning	1,705,462	1,870,462	1,865,070	5,392
Real Estate and Housing	1,766,462	1,903,462	3,430,330	(1,526,868)
Public Works	26,144,955	26,543,862	24,627,852	1,916,010
Parks and Recreation	9,226,071	9,228,233	8,999,087	229,146
Public Safety:				
Licenses and Inspection	5,923,818	5,953,818	5,398,787	555,031
Fire	26,272,431	26,398,574	25,918,779	479,795
Police	60,468,045	60,479,751	59,499,529	980,222
Total Expenditures	162,299,001	163,313,989	158,143,152	5,170,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,247	(988,741)	6,425,360	7,414,101
Other Financing Sources (Use)				
Bonds Issued	-	-	6,585,945	(6,585,945)
Bonds Premiums	-	-	204,473	(204,473)
Bond Payments to Escrow Agent	-	-	(6,596,250)	6,596,250
Bond Issuance Costs	-	-	(96,891)	96,891
Transfers Out*	-	-	-	-
Total Other Financing Sources (Uses)	-	-	97,277	(97,277)
Net Change in Fund Balances	$ 26,247	$ (988,741)	6,522,637	$ 7,316,824
Fund Balance - Beginning			40,074,179	
Fund Balance - Ending			$ 46,596,816	

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

*Reference Note 2C



Eden
Park



Clifford Brown
Jazz Festival

RIVERFRONT BLUES FESTIV

City of Wilmington, Delaware

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities			Governmental Activities
	Water/Sewer	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and Cash Equivalents (Note 3)	$ 21,282,892	$ 1,731,405	$ 23,014,297	$ 29,585,786
Receivables, Net (Note 4)	36,829,589	459,000	37,288,589	23,085
Prepaid Items & Other Assets	-	130,206	130,206	355,000
Due From Other Governments	1,304,298	-	1,304,298	-
Total Current Assets	59,416,779	2,320,611	61,737,390	29,963,871
Noncurrent assets:				
Restricted Cash and Investments (Note 3)	27,868,910	-	27,868,910	3,525
Net Pension Asset	139,007	-	139,007	-
Capital Assets, Net (Note 6):				
Land	4,060,443	-	4,060,443	-
Construction in Progress	28,870,735	-	28,870,735	1,080,065
Building and Improvements	19,240,630	-	19,240,630	3,279,235
Reservoirs and Water Filter Facilities	99,146,869	-	99,146,869	-
Water Lines	44,867,041	-	44,867,041	-
Wastewater Pump and Treatment Facilities	90,026,043	-	90,026,043	-
Sewer Lines	27,731,134	-	27,731,134	-
Vehicles, Machinery & Equipment	-	-	-	17,037,004
Property Held for Future Use	-	350,613	350,613	-
Total Noncurrent Assets	341,950,812	350,613	342,301,425	21,399,829
Total Assets	401,367,591	2,671,224	404,038,815	51,363,700
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	716,889	-	716,889	-
Deferred amounts on refunding of bonds	2,919,441	-	2,919,441	127,343
Total Deferred Outflow of Resources	3,636,330	-	3,636,330	127,343
LIABILITIES				
Current Liabilities:				
Accounts Payable	11,740,695	26,193	11,766,888	4,118,954
Salaries and Benefits Payable	351,775	5,414	357,189	139,729
Due to Other Funds	478,573	-	478,573	11,062,656
Unearned Revenue	4,526,384	-	4,526,384	-
Accrued Interest Payable	1,153,721	-	1,153,721	62,853
Bonds Payable	13,788,998	-	13,788,998	450,264
Capital Leases	-	-	-	1,850,877
Compensated Absences	405,616	-	405,616	191,869
Claims Liability	-	-	-	3,141,592
Total Current Liabilities	32,445,762	31,607	32,477,369	21,018,794
Noncurrent Liabilities:				
Advances from Other Funds (Note 7)	-	-	-	2,932,453
Bonds Payable	196,037,764	-	196,037,764	2,827,560
Capital Leases	-	-	-	1,584,925
Claims Liabilities	-	-	-	19,793,604
Net Pension Liability	5,392,793	-	5,392,793	-
Total Noncurrent Liabilities	201,430,557	-	201,430,557	27,138,542
Total Liabilities	233,876,319	31,607	233,907,926	48,157,336
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts on Pensions	650,504	-	650,504	-
NET POSITION				
Net investment in capital assets	131,329,111		131,329,111	11,467,201
Restricted for:				
Capital Projects	-	423,799	423,799	-
Operation and Maintenance Reserve	13,247,359	-	13,247,359	-
Rate Stabilization Reserve	25,900,628	-	25,900,628	-
Unrestricted	-	2,215,818	2,215,818	(8,133,494)
Total Net Position	$ 170,477,098	$ 2,639,617	$ 173,116,715	$ 3,333,707

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

City of Wilmington, Delaware

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities			Governmental Activities
	Water/Sewer	**Wilmington Land Bank**	**Total Enterprise Funds**	**Internal Service Funds**
OPERATING REVENUES				
Charges for Services				
Sewer Charges for New Castle County	$ 21,599,273	$ -	$ 21,599,273	$ -
Water & Sewer Charges for Direct Users	55,626,654	-	55,626,654	-
Other Charges for Services	133,253	-	133,253	45,396,983
Employee Contributions	-	-	-	2,107,861
Other	7,273,897	467,012	7,740,909	59,617
Total Operating Revenues	84,633,077	467,012	85,100,089	47,564,461
OPERATING EXPENSES				
Personnel Services	10,650,067	128,794	10,778,861	2,956,865
Materials, Supplies and Contracted Services	49,448,471	354,674	49,803,145	11,299,159
Subsidy Allowance on Properties Held	-	563,248	563,248	-
Depreciation and Amortization	9,154,983	-	9,154,983	4,507,969
Claims Expense	-	-	-	25,241,192
Insurance Premiums	-	14,571	14,571	3,878,309
Total operating expenses	69,253,521	1,061,287	70,314,808	47,883,494
Operating Income (loss)	15,379,556	(594,275)	14,785,281	(319,033)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	-	985	985	372,366
Interest Expense	(5,028,632)	-	(5,028,632)	(244,976)
Gain on Sale of Assets	110,000	-	110,000	191,643
Total Non-Operating Revenues (Expenses)	(4,918,632)	985	(4,917,647)	319,033
Income (Loss) Before Capital Grants and Contributions and Transfers	10,460,924	(593,290)	9,867,634	-
Capital Grants and Contributions	853,714	-	853,714	-
Change in net position	11,314,638	(593,290)	10,721,348	-
Total Net Position - Beginning	159,162,460	3,232,907	162,395,367	3,333,707
Total Net Position - Ending	$ 170,477,098	$ 2,639,617	$ 173,116,715	$ 3,333,707

The notes to 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, 2019

	Business-type Activities		Governmental Activities
	Water and Sewer Fund	Wilmington Land Bank	Internal Service Funds
Cash Flows From Operating Activities:			
Receipts from Customers and Users	$ 86,096,428	$ -	$ -
Receipts from Government Grants	-	133,554	-
Receipts from Corporate Grants	-	60,600	-
Receipts from Interfund Services Provided	1,070,481	-	47,548,576
Payments to Suppliers	(49,123,795)	(322,865)	(38,709,997)
Payments to Employees	(11,119,148)	(123,380)	(2,923,655)
Sale of Property	-	13,558	
Grant Payments Made	-	-	-
Acquisition of Property	-	(254,788)	-
Other Receipts	-	6,112	-
Net Cash Provided by Operating Activities	26,923,966	(487,209)	5,914,924
Cash Flows from Noncapital Financing Activities:			
Advances From Other Funds	682,922	-	128,157
Advances (To) Other Funds	-	-	-
Investment Earnings	-	-	372,366
Transfers From Other Funds	-	-	-
Net Cash (Used in) Noncapital Financing Activities	682,922	-	500,523
Cash Flows From Capital and Related Financing Activities:			
Capital Grants and Contributions	860,941	-	-
Proceeds from Capital Debt	29,655,446	-	-
Acquisition and Construction of Capital Assets	(14,528,172)	-	(4,222,158)
Principal Paid on Bonds	(18,486,918)	-	(412,857)
Interest Paid on Bonds	(6,444,862)	-	(104,236)
Principal Paid on Capital Leases	-	-	(2,297,401)
Interest Paid on Capital Leases	-	-	(132,468)
Proceeds from Sale of Capital Assets	-	-	362,808
Net Cash (Used in) Capital and Related Financing Activities	(8,943,565)	-	(6,806,312)
Cash Flows From Investing Activities:			
Proceeds from sales and maturiies of investments	-	-	-
Interest received on Notes	-	985	-
Net Cash provided by Investing Activities	-	985	-
Net Increase (Decrease) in Cash and Cash Equivalents	18,663,323	(486,224)	(390,865)
Cash and Cash Equivalents - June 30, 2018 (including $16,611,169 and $6,034, respectively, reported in restricted accounts)	30,488,479	2,217,629	29,980,176
Cash and Cash Equivalents - June 30, 2019 (including $27,868,910 and $3,525 reported in restricted accounts respectively)	$ 49,151,802	$ 1,731,405	$ 29,589,311
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 15,379,556	$ (594,275)	$ (319,033)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:			
Subsidy on Allowance on Properties Held	-	563,248	-
Cost of Property Sold	-	42,000	-
Contributed Poperty Revenue	-	(254,500)	-
Purchases of Property Held	-	(254,788)	-
Depreciation and Amortization	9,154,983	-	4,507,969
Changes in Assets and Liabilities:			
Increase (decrease) in Receivables	1,438,742	-	(15,885)
Increase (decrease) Pension Assets	(107,634)	-	-
(Increase) decrease Pension Deferred Charges	(397,633)	-	-
Increase (decrease) in Accounts Payable	324,676	25,070	(188,602)
Increase in Accrued Salaries	20,794	5,414	7,988
Increase in Compensated Absences	(51,840)	-	25,222
Increase in Unearned Revenue	1,095,089	-	-
(Increase) decrease Other Assets	-	1,312	-
(Increase) decrease Property Held	-	(20,690)	-
Decrease in Claims Liability	-	-	1,897,265
Increase (decrease) Pension Liability	(364,712)	-	-
Increase(decrease) Pension Deferred Inflows	431,945	-	-
Net Cash Provided by Operating Activities	$ 26,923,966	$ (487,209)	$ 5,914,924
Non -Cash Capital Activities			
Capital Asset Acquired with Accounts Payable	-	-	413,000
	$ -	$ -	$ 413,000

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

DELAWARE STATE
A.F.L.- C.I.O.

ONE
WAY

City of Wilmington, Delaware

Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2019

	Total Pension Trust Funds
ASSETS	
Cash and Cash Equivalents (Note 3)	$ 9,143,011
Receivables:	
Accrued Interest & Other Receivables	474,965
Total Receivables	474,965
Investments, at Fair Value:	
Money Market Mutual Funds	1,872,207
U.S. Treasury Obligations	17,049,051
U.S. Government Agencies - Guaranteed	755,958
U.S. Government Agencies - Other	-
Corporate & Foreign Bonds	17,626,845
Common Equity & Marketable Securities	67,781,078
Global & International Funds	68,529,197
Mutual Funds	79,984,360
Real Estate Investment Trust	12,094,725
Total Investments	265,693,421
Total Assets	275,311,397
LIABILITIES	
Accounts Payable	45,635
Salaries and Benefits Payable	17,003
Due to Other Governments	7,086,801
Compensated Absences	35,331
Pension Checks	178,646
Total Liabilities	7,363,416
Net Position:	
Net Position Restricted for Pensions	244,547,833
Net Position Held in Trust for OPEB Benefits	23,400,148
Total Net Positon	$ 267,947,981

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, 2019

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
City	
Paid Directly by the City	$ 16,888,818
Paid by the State	
On-Behalf of the City	5,549,115
Employees	1,663,820
Federal Drug Subsidies & Other	50,622
Total Contributions	24,152,375
Investment Income	
Investment Earnings	10,793,108
Net (Appreciation) in Fair Value	7,364,540
Total Investment Income	18,157,648
Less: Investment Expense	(552,717)
Net Investment Income	17,604,931
Total Additions	41,757,306
DEDUCTIONS	
Benefits Paid	30,439,955
Administrative Expenses	803,719
Total Deductions	31,243,674
Net Increase in Plans' Net Position	10,513,632
Net Position - Beginning	257,434,349
Net Position - Ending	$ 267,947,981

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, 2019

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)	$ 1,544,043	$ 2,967,079	$ 5,176,381	$ 1,144,622	$ 197,558	$ 661,658	$ 11,691,341
Investments at Fair Value	-	-	7,600,170	-	-	-	7,600,170
Receivables, Net	-	1,691,050	61,405	375,078	52,478	10,164	2,190,175
Restricted Assets:							
Cash and Cash Equivalents (Note 3)	-	-	-	35,503	-	-	35,503
Investments at Cost	-	1,000,000	-	-	-	-	1,000,000
Investments at Fair Value	-	-	580,813	-	-	-	580,813
Net Pension Asset	-	-	485,276	-	-	-	485,276
Deferred Charges & Other Assets	-	1,342	-	62,067	65	-	63,474
Capital Assets, Net:							
Land	-	-	16,319,059	-	-	-	16,319,059
Intangible Assets	-	-	5,000,000	-	-	-	5,000,000
Construction in Progress	-	484,640	175,452	-	-	-	660,092
Building and Improvements	-	-	19,846,312	602,235	-	4,104,525	24,553,072
Vehicles, Machinery & Equipment	-	-	622,435	115,850	46,695	283,528	1,068,508
Total Assets	1,544,043	6,144,111	55,867,303	2,335,355	296,796	5,059,875	71,247,483
DEFERRED OUTFLOWS OF RESOURCES	-	-	211,203	-	-	-	211,203
LIABILITIES							
Accounts Payable & Accrued Expenses	2,685	305,902	320,246	11,895	8,193	-	648,921
Due to Primary Government	-	-	275,000	-	-	-	275,000
Salaries and Benefits Payable	-	-	167,751	201,676	-	-	369,427
Unearned Revenue	-	-	-	38,070	54,910	90,702	183,682
Long-term Liabilities							
Due within One Year							
Bonds Payable	-	-	615,321	-	-	-	615,321
Notes Payable	-	-	-	21,728	-	106,615	128,343
Due in More than One Year							
Bonds Payable	-	-	11,535,071	-	-	-	11,535,071
Notes Payable	-	-	-	495,156	-	903,000	1,398,156
Total Liabilities	2,685	305,902	12,913,389	768,525	63,103	1,100,317	15,153,921
DEFERRED INFLOWS OF RESOURCES							
Deferred Parking Revenue	-	-	133,543	-	-	-	133,543
Deferred Pension Related Activities	-	-	566,149	-	-	-	566,149
Total Deferred Inflows of Resources	-	-	699,692	-	-	-	699,692
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	484,640	29,812,866	201,201	46,695	3,378,438	33,923,840
Restricted for:							
Donor Imposed	-	-	-	439,541	-	-	439,541
Restricted for Net Pension Asset	-	-	485,276	-	-	-	485,276
Debt Service	-	-	580,813	-	-	-	580,813
Under Contractual Agreement	-	1,000,000	1,620,269	-	-	-	2,620,269
Unrestricted (Deficit)	1,541,358	4,353,569	9,966,201	926,088	186,998	581,120	17,555,334
Total Net Position (Deficit)	$ 1,541,358	$ 5,838,209	$ 42,465,425	$ 1,566,830	$ 233,693	$ 3,959,558	$ 55,605,073

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, 2019

		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	$ 26,044	$ -	$ (26,044)	$ -	$ -	$ -	$ -	$ -	$ (26,044)
Wilmington UDAG Corporation	753,558	137,553	-	(616,005)	-	-	-	-	(616,005)
Wilmington Parking Authority	7,315,078	8,521,447	-	-	1,206,369	-	-	-	1,206,369
Downtown Visions	3,190,520	3,030,738	-	-	-	(159,782)	-	-	(159,782)
Riverfront Business Improvement District	459,185	483,071	-	-	-	-	23,886	-	23,886
Rock Manor Golf Corporation	251,529	317,131	-	-	-	-	-	65,602	65,602
	11,995,914	12,489,940	(26,044)	(616,005)	1,206,369	(159,782)	23,886	65,602	494,026
General Revenues									
Investment Earnings			-	43,126	340,692	3,362	4,347	7,655	399,182
Grants, Entitlements, and Contributions			-	-	-	494,272	103,299	255,136	852,707
Other Revenues including Capital Asset Gains/Losses			-	-	(14,615)	-	3,735	-	(10,880)
Total General Revenues			-	43,126	326,077	497,634	111,381	262,791	1,241,009
Change in Net Position			(26,044)	(572,879)	1,532,446	337,852	135,267	328,393	1,735,035
Net Position (Deficit) - Beginning			1,567,402	6,411,088	40,932,979	1,228,978	98,426	3,631,165	53,870,038
Net Position (Deficit) - Ending			$ 1,541,358	$ 5,838,209	$ 42,465,425	$ 1,566,830	$ 233,693	$ 3,959,558	$ 55,605,073

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. 86 and GASB No. 88. 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. Blended component units are, in substance, part of the primary government even though they are legally separate entities.

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 of 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 Units

Wilmington Park Trust Commission (WPC) is a municipal trust. WPC was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington. WPC consists of three Commissioners: two appointed by the Mayor of the City of Wilmington, and the third is the Director of Parks and Recreation of the City. WPC is included in the City's non-major funds.

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. Cityfest, Inc. is included in the City's non-major funds.

Wilmington Neighborhood Conservancy Land Bank Corporation (Land Bank) was organized to address blight and vacant property issues in the City of Wilmington and is dedicated to the productive and adaptive re-use of problem parcels. The source of funding, decisions about what property to buy and other operational decisions are made by a 15-member board comprised of City Council members, City officials, officials from Wilmington Housing Partnership and representatives from the Governor's office, State Senate and State House of Representatives. The corporation is engaged in only business-type activities and has a December 31 fiscal year end. Land Bank is included in the City's business type activities.

Wilmington Housing Partnership Corporation (WHP) is a nonprofit organization. WHP was organized to assist residents of the City of Wilmington in obtaining affordable housing. It collaborates with select private, nonprofit, and government entities to increase the City's affordable housing stock by promoting renovation and rehabilitation of existing homes and limited construction of new homes in strategically selected areas. Prior to 2019, the WHP was considered a related organization. In 2018, the City took on certain financial obligations of the Wilmington Housing Partnership Corporation and in 2019, City officials became a voting majority of the board of directors. The Director of the City's Department of Real Estate and Housing serves as President of the Corporation. These factors resulted in a reevaluation of the relationship between the City and WHP and the classification of WHP as a blended component unit, included in the City's Housing Strategic Fund.

Discretely Presented Component Units

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

Rock Manor Golf Corporation (Rock Manor) was organized for the purpose of assisting the City in the administration of the golf course operations of the Rock Manor Golf Course and the Ed "Porky" Oliver 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.

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 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

Wilmington Neighborhood Conservancy
Land Bank Corporation
1007 N Orange Street
Wilmington, DE 19801

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

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

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

Wilmington Housing Partnership
c/o City of Wilmington
Real Estate and Housing Department
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 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 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 2019 include property taxes levied principally on July 1, 2019 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 transfers 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 Wilmington Housing Partnership Corporation, a blended component unit, is accounted for in this fund (See Note 18).

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 operating revenues for 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

Cash and Cash Equivalents 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. The following is a summary of investment policy statement targets adopted by the Board of Pensions and Retirement: U.S. equities at 45%, Non-U.S. equities at 18%, real estate at 5%, and fixed income at 32%. 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. Effective July 1, 2019, the City code was amended to change the provisions related to penalty and interest due on delinquent property taxes. A one-time penalty is imposed on delinquent taxes on August 31 at a ten percent (10%) rate ($20 minimum) and interest is imposed on October 1 and the first of each month thereafter at the rate of one and one-half percent (1 ½%) on the unpaid principal 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. Effective July 1, 2019, the City code was amended to change the penalty and interest due on delinquent water, sewer, and stormwater customer charges. Penalty is imposed on the fifteenth (15) day after the due date of the charge at a ten percent (10%) rate ($20 minimum) and interest is imposed on the first day of each month thereafter at the rate of one and one-half percent (1 ½%) on the unpaid principal 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. Under 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 expenditure

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, cyberisk 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 and specific excess insurance for workers compensation 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 Balance

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 constraints. 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. The General Fund is the only fund that reports a positive unassigned fund balance.

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, 2019. Governmental funds include the General Fund and the non-major funds, which are shown on page 133. 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 121 and 122.

B. Expenditures Over Appropriations

Expenditures for the year ended June 30, 2019, exceeded appropriations in the following funds:

General Fund	Budget Amount	Actual Amount	Variance
Treasury	$ 547,974	$ 572,683	$ (24,709)
Real Estate and Housing	1,903,462	3,430,330	(1,526,868)
Total General Funds	2,451,436	4,003,013	(1,551,577)
Non-Major Funds			
Delaware Neighborhood Stabilization Program	104,429	186,934	(82,505)
Delaware Criminal Justice Planning	1,691,927	1,692,380	(453)
Total Non-Major Funds	1,796,356	1,879,314	(82,958)
	$ 4,247,792	$ 5,882,327	$ (1,634,535)

C. Transfers

During the year ended June 30, 2019, the Mayor's Office transferred $127,533, $368,821 and $1,393,392 to various special revenue funds, Cityfest, Inc., a blended component unit, of the City of Wilmington and the Housing Strategic Fund respectively.

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 Trust Funds	Discretely Presented Component Units
Deposits			
Insured Deposits (FDIC)	$ 1,399,260	$ -	$ 2,163,998
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	8,191,876	1,230,113	4,182,661
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	109,970,151	7,912,898	-
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	1,524,635	-	5,380,185
Total Deposits	$ 121,085,922	$ 9,143,011	$ 11,726,844
Investments			
Money Market Mutual Funds	$ 2,331,380	$ 1,872,207	$ 615,960
U.S. Government Obligations	-	17,049,051	-
U.S. Agencies - Government Guaranteed	-	755,958	4,708,763
U.S. Agencies - Other	-	-	-
Municipal Bonds	-	-	509,489
Corporate & Foreign Bonds	-	17,626,845	2,346,771
Common Equity & Marketable Securities	-	67,781,078	-
Global & International Funds	-	68,529,197	-
Mutual Funds	3,120,888	79,984,360	-
Real Estate Investment Trust and Other	-	12,094,725	1,000,000
Total Investments	$ 5,452,268	$ 265,693,421	$ 9,180,983
Total Deposits and Investments	$ 126,538,190	$ 274,836,432	$ 20,907,827

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 $5,452,268. The City's policy is to limit interest rate risk and to maximize safety and liquidity by investing excess general cash in insured and fully collateralized certificates of deposit.

Component Units - The Wilmington Parking Authority is exposed to this risk in that they held money market fund assets amounting to $51,319 U.S. Treasury Notes amounting to $4,493,115 and Treasury Bills of $199,476 due within five years, Corporate & Foreign Bonds amounting to $2,346,771, due within five years and municipal bonds amounting to $509,489, as of June 30, 2019.

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 following is a maturity schedule summarizing fixed income and short-term investments as of June 30, 2019.

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**< 1 year**	**1-4.9**	**5-9.9**	**10-19.9**	**> 20**
U.S. Treasuries	$ 17,049,052	$ 747,272	$ 14,077,121	$ 2,224,659	$ -	$ -
U.S. Govt. Agencies - Guaranteed	755,958	248,573	507,385	-	-	-
Corporate Bonds	17,626,844	2,859,390	11,744,288	3,023,166	-	-
Total	$ 35,431,854	$ 3,855,235	$ 26,328,794	$ 5,247,825	$ -	$ -

Fair Value Measurements

The City follows the provisions of GASBS No.72, *Fair Value Measurement and Application*. Under No 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 No.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, 2019:

	June 30, 2019	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	$ 2,331,380	$ 2,331,380	$ -	$ -
Mutual Funds	3,120,888	3,120,888	-	-
Total Other Governmental Funds	**$ 5,452,268**	**$ 5,452,268**	**$ -**	**$ -**
Fiduciary Funds Investments				
Money Market Funds	$ 1,872,207	$ 1,872,207	$ -	$ -
Debt Securities				
U.S. Treasury Obligations	17,049,051	17,049,051	-	-
U.S. Government Agencies Guaranteed	755,958	755,958	-	-
Corporate Bonds	17,626,845	17,626,845	-	-
Total Debt Securities	$ 37,304,061	$ 37,304,061	$ -	$ -

	June 30, 2019	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	$ 2,132,918	$ 2,132,918	$ -	$ -
Industrials	9,453,355	9,453,355	-	-
Telecommunication Services	5,321,922	5,321,922	-	-
Consumer Discretionary	8,199,228	8,199,228	-	-
Consumer Staples	4,244,956	4,244,956	-	-
Energy	3,367,290	3,367,290	-	-
Financial	8,077,875	8,077,875	-	-
Health Care	6,451,289	6,451,289	-	-
Information Technology	15,539,813	15,539,813	-	-
Utilities	2,396,685	2,396,685	-	-
Real Estate	2,595,747	2,595,747	-	-
Total Common Equity Securities	67,781,078	67,781,078	-	-
Global & International Funds	68,529,197	68,529,197	-	-
Mutual Funds	79,984,360	79,984,360	-	-
Real Estate Investment Trust	12,094,725	-	-	12,094,725
Total Fiduciary Funds Investments	**$ 265,693,421**	**$ 253,598,696**	**$ -**	**$ 12,094,725**

The Real Estate Investment consists of investment in two partnerships, the objective of the investments is to combine an attractive income yield with long-term capital growth by investing primarily in institutional quality real estate assets and real estate related investments within the United States. These investments are valued at the net asset value (NAV) of interests in the partnerships. The NAV, as provided by the General Partners, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities The General Partners will generally determine the NAV of the Funds on at least a quarterly basis. Limited Partners may elect, upon at least 90 days' written notice to the General Partners, to have some or all their Interests redeemed at the Net Asset Value Per Share as of the last day the calendar quarter immediately preceding the date of the redemption. To the extent that liquid assets of the Funds, as determined by the General Partners, are insufficient to satisfy redemption requests, interests are generally expected to be redeemed on a pro rata basis as liquid assets become available. The General Partners cannot be required to sell investments to satisfy redemption requests. As of June 30, 2019, the fair value for this investment was $12,094,725.

Component Units

Wilmington Parking Authority

	June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Unrestricted Investments				
Money Market Mutual Funds	$ 51,319	$ 51,319	$ -	$ -
U.S. Treasury Bills	199,476	199,476	-	-
U.S. Treasury Obligations	4,493,115	4,493,115	-	-
Municipal Bonds	509,489	509,489	-	-
Corporate Bonds	2,346,771	2,346,771	-	-
Total Unrestricted Investments	$ 7,600,170	$ 7,600,170	$ -	$ -
Restricted Investments				
Certificate of deposit	$ 564,641	$ 564,641	$ -	$ -
Treasury obligation fund	16,172	16,172	-	-
Total Restricted Investments	$ 580,813	$ 580,813	$ -	$ -

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, 2019, 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	6.41%	$ 17,626,845
Government	6.48%	17,805,009
	12.89%	$ 35,431,854

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, 2019, 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	$ 52,410	$ 52,410
Total in Foreign Denominated Investments	$ 52,410	$ 52,410

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, 2019.

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	Pension Trust Funds	Component Units
Cash and Cash Equivalents	$ 121,085,922	$ 9,143,011	$ 11,726,844
Investments	5,452,268	265,693,421	9,180,983
	$ 126,538,190	$ 274,836,432	$ 20,907,827
Unrestricted	$ 86,132,122	$ -	$ 19,291,511
Restricted	40,406,068	-	1,616,316
Fiduciary Funds	-	274,836,432	-
	$ 126,538,190	$ 274,836,432	$ 20,907,827

Restricted Cash and Investments

At June 30, 2019, the City had $5,452,268 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 $34,953,800 in temporarily restricted cash at June 30, 2019. The components were: $3,575,373 related to Water and Sewer Fund contractual requirements and $31,378,427 related to unspent proceeds of bond offerings ($24,293,537 in the Water and Sewer Fund, $6,738,104 in the Capital Projects Fund, $343,261 in the Economic Strategic Fund, and $3,525 in the Data Processing Fund) The proceeds are invested primarily in certificates of deposit and are tracked and managed separately from operating cash by the City Treasurer. The funds can only be spent on capital projects. 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.

Component Unit

UDAG- Grow Wilmington Fund

On October 28, 2014 Wilmington UDAG Corp (WUC) entered into a Multi-Party Loan and Participation Agreement (MPLPA) with Grow America Fund, Inc. (GAF) and Discover Bank to establish a revolving loan fund (the Grow Wilmington Fund) intended to make loans to small businesses (Program Loans) in the City of Wilmington under the Small Business Act. As of June 30, 2019, WUC's equity interest in the Grow Wilmington Fund was $1,000,000 with $0 related liability. At the termination of the MPLPA, originally set for 2024 or earlier as mutually agreed, WUC will receive back its equity interest in the Grow Wilmington Fund, plus earnings, minus fees and any defaults not covered by collateral. WUC will provide assistance in marketing the Grow Wilmington Fund to potential borrowers. The Program Loans are made in GAF's name as the lender. GAF, with input from WUC, determines the terms for each Program Loan, including the amount of the loan and the security collateral for repayment of the loan. At June 30, 2019 there were eight Program Loans outstanding, all in current status, with 74% concentrated in one borrower.

4. Receivables

Primary Government

Receivables as of yearend for the Government's major and non-major funds (including applicable allowances for uncollectible accounts) are as follows:

	General	Housing Strategic	Non-Major Funds	Total Governmental Funds	Water & Sewer Fund
Receivables:					
Property Taxes	$ 8,943,625	$ -	$ -	$ 8,943,625	$ -
Wage taxes	13,514,821	-	-	13,514,821	-
Parking & Red Light Citations	14,995,469	-	-	14,995,469	-
Business Licenses	1,277,953	-	-	1,277,953	-
Signs and Licenses	8,415,027	-	-	8,415,027	-
Other	2,138,407	-	763,613	2,902,020	-
Notes - NonCurrent	-	1,676,744	-	1,676,744	-
Utility Bills	-	-	-	-	49,101,351
Gross Receivables	49,285,302	1,676,744	763,613	51,725,659	49,101,351
Less: Allowance for Uncollectibles	(25,281,812)	(812,623)	(207,520)	(26,301,955)	(11,812,762)
Net Total Receivables	$ 24,003,490	$ 864,121	$ 556,093	$ 25,423,704	$ 37,288,589

Internal Service Fund receivables amounting to $23,085 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 2019 decreased revenues by $973,436.

Housing Strategic Blended Component Unit – Wilmington Housing Partnership Corporation
The Housing Strategic Fund includes the blended component unit, Wilmington Housing Corporation. Its Notes Receivable are comprised of the following:

- Low Income and Down Payment Settlement Assistance Loans (LIDPSA/DPSA) – Individual loans are subject to a maximum amount of $7,500. Loans are subject to 0% or 5% interest, depending on the borrower's income, due when the property is sold or when the first mortgage is repaid, secured by second mortgages on the properties.
- Other Notes Receivable – Notes receivable from various projects and purchasers of properties constructed by Wilmington Housing Partnership Corporation with interest rates ranging from 0% to 9% with maturity dates through January 2029. Certain other notes receivable are self-amortizing and are forgiven each year if the individual does not sell the home.

Discretely Presented Component Units

Net receivables as of yearend for the Component Units are as follows:

	Downtown Visions	Riverfront Business Improvement District	Wilmington UDAG Corporation	Rock Manor Golf Corporation	Wilmington Parking Authority	Total
Receivables:						
Accounts	$ 375,078	$ 52,478	$ -	$ 10,164	$ 61,405	$ 499,125
Mortgages and Loans	-	-	1,691,050	-	-	1,691,050
Total Receivables	$ 375,078	$ 52,478	$ 1,691,050	$ 10,164	$ 61,405	$ 2,190,175

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. On October 3, 2018 the Diamond State Port Corporation paid the outstanding balance of the note in the amount of $2,591,742. $2,548,246 is reported as unearned revenue in the government-wide statement of net position and governmental funds balance sheet. The amount is also disclosed in the schedule in Note 11.

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. During the year ended June 30, 2019, due to economic factors, the receivable from Wilmington Housing Partnership Corporation became impaired and an allowance for the doubtful portion of the receivable was established by the City. The net receivable at June 30, 2019, is $0 ($3,653,109 in principal and $151,112 in interest less allowance of $3,804,221) is included in the government-wide statement of net position and governmental funds balance sheet. The Wilmington Housing Partnership has become a blended component unit of the City of Wilmington, as discussed in Note 1. On October 3, 2019 City of Wilmington entered into a forbearance agreement with the Wilmington Housing Partnership Corporation for eighteen months.

A new note receivable was established with the Wilmington Housing Partnership Corporation on November 30, 2018 in the amount of $274,737. Interest at the rate of 3% shall accrue on the unpaid principal balance. All outstanding sums of principal, interest and other charges are due and payable on November 21, 2038. The net receivable at June 30, 2019 is $0. ($274,737 in principal less allowance of $274,737) is included in the government-wide statement of net position and governmental funds balance sheet.

6. Capital Assets

A. Primary Government

The capital asset activity for Governmental Activities for the year ended June 30, 2019 was as follows:

Governmental activities:	June 30, 2018	Increases	Decreases	June 30, 2019
Capital Assets Not Being Depreciated:				
Land	$ 24,090,181	$ -	$ -	$ 24,090,181
Art	1,960,443	8,760	-	1,969,203
Construction-In-Progress	7,517,856	4,675,444	(2,707,858)	9,485,442
Total Capital Assets not being Depreciated	33,568,480	4,684,204	(2,707,858)	35,544,826
Capital Assets Being Depreciated:				
Buildings and Improvements	78,290,105	2,230,791	-	80,520,896
Parks and Recreation Facilities	33,272,039	3,813,570	-	37,085,609
Streets and Street Signals	124,287,416	2,715,903	(1,856,507)	125,146,812
Vehicles, Equipment and Other Assets	70,278,844	6,065,981	(1,007,576)	75,337,249
Total Capital Assets Being Depreciated	306,128,404	14,826,245	(2,864,083)	318,090,566
Less Accumulated Depreciation For:				
Buildings and Improvements	(28,708,519)	(1,668,904)	-	(30,377,423)
Parks and Recreation Facilities	(19,863,674)	(872,057)	-	(20,735,731)
Streets and Street Signals	(52,672,834)	(3,892,419)	1,843,634	(54,721,619)
Vehicles, Equipment and Other Assets	(45,063,326)	(5,080,312)	836,722	(49,306,916)
Total Accumulated Depreciation	(146,308,353)	(11,513,692)	2,680,356	(155,141,689)
Total Capital Assets Being Depreciated, Net	159,820,051	3,312,553	(183,727)	162,948,877
Governmental Activities Capital Assets, Net	$ 193,388,531	$ 7,996,757	$ (2,891,585)	$ 198,493,703

The capital asset activity for Business-type Activities for the year ended June 30, 2019 was as follows:

	June 30, 2018	Increases	Decreases	June 30, 2019
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,060,443	$ -	$ -	$ 4,060,443
Construction-In-Progress	19,176,431	14,305,935	(4,611,631)	28,870,735
Total Capital Assets not being Depreciated	23,236,874	14,305,935	(4,611,631)	32,931,178
Capital Assets Being Depreciated:				
Buildings and Improvements	25,223,622	-	-	25,223,622
Reservoirs and Water Filter Facilities	135,974,107	2,106,517	-	138,080,624
Water Lines	66,088,738	2,652,889	(702,839)	68,038,788
Wastewater Pump and Treatment Facilities	185,178,157	72,193	-	185,250,350
Sewer Lines	37,499,528	2,268	(474)	37,501,322
Total Capital Assets Being Depreciated	449,964,152	4,833,867	(703,313)	454,094,706
Less Accumulated Depreciation For:				
Buildings and Improvements	(5,373,714)	(609,278)	-	(5,982,992)
Reservoirs and Water Filter Facilities	(36,526,499)	(2,407,256)	-	(38,933,755)
Water Lines	(22,033,919)	(1,840,667)	702,839	(23,171,747)
Wastewater Pump and Treatment Facilities	(91,660,688)	(3,563,619)	-	(95,224,307)
Sewer Lines	(9,036,498)	(734,164)	474	(9,770,188)
Total Accumulated Depreciation	(164,631,318)	(9,154,984)	703,313	(173,082,989)
Total Capital Assets Being Depreciated, Net	285,332,834	(4,321,117)	-	281,011,717
Business-type Activities Capital Assets, Net	$ 308,569,708	$ 9,984,818	$ (4,611,631)	$ 313,942,895

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 2019 was $378,482.

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

Governmental Activities	
General Government	$ 1,968,202
Real Estate and Housing	9,758
Public Works	7,457,019
Parks and Recreation	1,007,731
Public Safety	1,070,982
Total Depreciation Expense - Governmental Activities	$ 11,513,692
Business-type Activities	
Water/Sewer	$ 9,154,984
Total Depreciation Expense - Business-type Activities	$ 9,154,984

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2019. 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	$ 38,811,286	$ 9,216,222
Reservoirs & Other Water and Wastewater Projects	89,874,891	32,545,956
Total	$ 128,686,178	$ 41,762,177

B. Component Units

The Capital asset activity for the City's component units for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 16,319,059	$ -	$ -	$ 16,319,059
Intangible Assets	5,000,000	-		5,000,000
Construction-In-Progress	2,370,971	169,982	(1,880,861)	660,092
Total Capital Assets Not Being Depreciated	23,690,030	169,982	(1,880,861)	21,979,151
Capital Assets Being Depreciated:				
Buildings and Improvements	68,069,812	2,298,743	(95,571)	70,272,984
Machinery and Equipment	4,701,425	34,317	-	4,735,742
Vehicles & Other Assets	290,637	315,035	-	605,672
Total Capital Assets Being Depreciated	73,061,874	2,648,095	(95,571)	75,614,398
Less Accumulated Depreciation For:				
Buildings	(43,790,243)	(2,010,580)	80,909	(45,719,914)
Machinery and Equipment	(3,853,999)	(194,581)	20,573	(4,028,007)
Vehicles & Other Assets	(210,255)	(35,516)	874	(244,897)
Total Accumulated Depreci	(47,854,497)	(2,240,677)	102,356	(49,992,818)
Total Capital Assets Being Depreciated, N	25,207,377	407,418	6,785	25,621,580
Capital Assets, Net	$ 48,897,407	$ 577,400	$ (1,874,076)	$ 47,600,731

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 $7,086,801 by the Fiduciary Funds at June 30, 2019. The liability relates to the pension payments disbursed from the General Fund on behalf of the Fiduciary Funds during the year. On November 6, 2019, $6,000,000 of the liability was repaid.

The General Fund is owed $2,932,453 by the Motor Vehicle Fund at June 30, 2019; 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 $11,062,656 by the Data Processing Fund, the Motor Vehicle Fund, the Communications Fund, and the Risk Management Fund at June 30, 2019, due to the General Fund's role as receiver, investor and distributor of cash.

During the year ended June 30, 2019, the City of Wilmington transferred $127,533 to various special revenue funds, $368,821 to Cityfest, Inc., and $1,393,392 to the Housing Strategic Fund.

The composition of interfund balances as of June 30, 2019, is as follows:

	Payable Funds					
	General	Other Govermental Funds	Internal Service Funds	Water & Sewer	Fiduciary Funds	Total
Receivable Funds						
General Fund	$ -	$ 394,889	$ 13,995,109	$ 478,573	$ 7,086,801	$ 21,955,372
Other Govermental Funds	161,170	-	-	-	-	161,170
Water & Sewer Fund	-	-	-	-	-	-
Total	$ 161,170	$ 394,889	$ 13,995,109	$ 478,573	$ 7,086,801	$ 22,116,542

8. Short Term Debt

Primary Government -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. 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, 2019 was 3.6875% 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. The line of credit was satisfied on September 18, 2019 with the proceeds of a General Obligation Bond Anticipation Note issued September 20, 2019 as disclosed in Note 9.

	Beginning Fiscal Year Liability	Draws	Repayments	Ending Fiscal Year Liability
2018 - 2019	$ 3,378,372	$ -	$ -	$ 3,378,372

Housing Strategic Fund Blended Component – Wilmington Housing Partnership Corporation

During 2019, the Wilmington Housing Partnership Corporation (WHPC), a not-for-profit organization, became a blended component unit within the City's Housing Strategic Fund. The WHPC is separately incorporated and the City is not liable for its debts. The following is a summary of WHPC's outstanding notes payable as of June 30, 2019:

- Barclays Line of Credit – Line of credit that bears interest equal to the London Inter-bank Offer Rate (LIBOR) plus 200 basis points. WHPC has pledged various properties to support the line of credit. WHPC has not made payments of principal or interest on the line of credit since February 2018 and is in default as of June 30, 2019. The balance at June 30, 2019, including accrued interest, is $3,228,816.

- Wilmington UDAG Corporation – Short term loan entered during the year ended June 30, 2018 that bears at the default interest rate of 5% that was due on December 31, 2018. WHPC has pledged various properties to support this loan. No payment of principal or interest has been made on this loan and WHPC is in default as of June 30, 2019. The balance at June 30, 2019, including accrued interest and fees, is $532,785.

The following is a summary of debt and accrued interest activity for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Barclays Line of Credit	$ 2,810,303	$ -	$ -	$ 2,810,303
Wilmington UDAG Corporation	500,000	-	-	500,000
Accrued Interest	297,073	154,225	-	451,298
	$ 3,607,376	$ 154,225	$ -	$ 3,761,601

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, 2019.

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Government Activities:					
Bonds Payable	$ 104,860,022	$ 18,354,233	$ (17,503,270)	$ 105,710,985	$ 9,612,354
Premium on Debts Issued	8,471,493	872,447	(1,776,447)	7,567,493	-
Total Bonds Payable	113,331,515	19,226,680	(19,279,717)	113,278,478	9,612,354
Capital Leases	6,336,575	665,339	(2,491,941)	4,509,973	1,850,878
Insurance Claims Payables	21,037,931	3,441,289	(1,544,024)	22,935,196	3,141,592
Compensated Absences	8,001,726	5,694,774	(4,560,500)	9,136,000	4,583,981
Net Pension Liability	122,690,631	4,228,149	(6,759,765)	120,159,015	-
Net OPEB Liability	42,968,772	7,080,275	(3,980,219)	46,068,828	-
Government Activity Long-Term Liabilities	$ 314,367,150	$ 40,336,506	$ (38,616,166)	$ 316,087,490	$ 19,188,805
Business-type Activities					
Bonds Payable	$ 191,482,659	$ 27,257,408	$ (18,486,918)	$ 200,253,149	$ 13,788,998
Premium on Debt Issue	9,136,244	2,398,038	(1,960,669)	9,573,613	-
Total Bonds Payable	200,618,903	29,655,446	(20,447,587)	209,826,762	13,788,998
Net Pension Liability	5,757,505	-	(271,818)	5,485,687	-
Compensated Absences	457,456	596,612	(648,452)	405,616	405,616
Business-type Activities Long-Term Liabilities	$ 206,833,864	$ 30,252,058	$ (21,367,857)	$ 215,718,065	$ 14,194,614

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Discreetly Presented Component Units					
Wilmington Parking Authority	$ 12,810,072	$ -	$ (659,680)	$ 12,150,392	$ 615,321
Downtown Visions	543,043	-	(26,159)	516,884	21,728
Rock Manor	815,849	297,939	(104,173)	1,009,615	106,615
Riverfront Business					-
Improvement District	110,000	-	(110,000)	-	-
					-
Component Units					
Long-Term Liabilities	$ 14,278,964	$ 297,939	$ (900,012)	$ 13,676,891	$ 743,664

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, General obligation bonds recorded in the business-type activities section are payable from revenues of the Water & Sewer Fund. These include general obligation financing agreements with the Delaware Drinking Water State Revolving Fund (DDWSRF) acting through the Delaware Department of Health & Social Services and the Delaware Water Pollution Control Revolving Fund (DWPCRF) of the Delaware Department of Natural Resources and Environmental Control. General obligation 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. 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 if the resources of the Authority are insufficient to cover debt service on the bonds.

The City is subject to the rules and regulations established by the Internal Revenue Code and the U.S. Treasury that, under certain conditions, may create an arbitrage rebate to be paid to the federal government.

The City's debt service payments of $8,378,435 in fiscal year 2019 were within the statutory debt limit of $28,484,573.

The following is a summary of general obligation bonds outstanding as of June 30, 2019:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2019
2002/2025	$ 11,000,000	Series of 2002 - DDWSRF	2.96%	$ 4,327,436
2005/2028	13,700,000	Series of 2005C - DDWSRF	2.37%	8,127,036
2007/2028	2,548,501	Series of 2006 - DDWSRF	2.50%	1,555,273
2007/2028	1,246,499	Series of 2006B - DDWSRF	2.50%	760,700
2007/2028	3,185,000	Series of 2007 - DDWSRF	2.69%	1,955,868
2009/2030	18,975,000	Series of 2008 DDWSRF	2.92%	14,328,149
2009/2030	5,000,000	Series of 2008B DDWSRF	2.92%	3,414,325
2009/2031	8,899,999	Series of 2009 ARRA/SRF	3.24%	3,016,768
2009/2031	2,800,000	Series of 2009C DDWSRF	2.00%	1,917,258
2010/2025	47,345,000	Series of 2010A	1.10%-5.00%	26,374,604
2011/2031	26,505,000	Series of 2011A	2.00% - 5.00%	25,055,000
2011/2020	17,460,000	Series of 2011B	0.89% - 3.26%	5,095,000
2011/2030	2,700,000	Series of 2011CREB	4.63%	2,700,000
2011/2032	2,500,000	Series of 2011 DDWSRF	2.00%	2,104,311
2011/2032	2,500,000	Series of 2011A DDWSRF	2.00%	1,831,265
2012/2033	2,500,000	Series of 2012A DDWSRF	2.41%	2,255,918
2012/2022	1,556,594	Series of 2011SEU DNREC	1.99%	585,346
2012/2034	2,000,000	Series of 2012B DDWSRF	2.41%	1,651,076
2012/2035	1,200,000	Series of 2012C DDWPCRF	2.41%	1,098,489
2012/2032	1,500,000	Series of 2012D DDWCRF	3.00%	142,092
2014/2034	36,060,000	Series of 2014 SRF CO-GEN	3.00%	32,492,534
2013/2025	37,535,000	Series of 2013A	2.22%	34,585,036
2014/2036	2,500,000	Series of 2014 SRF	2.20%	2,183,573
2014/2036	4,000,000	Series of 2014A SRF	2.20%	3,804,873
2015/2035	39,425,000	Series 2015	2.00%-5.00%	36,570,000
2017/2028	40,785,000	Series 2017	2.00%-5.00%	40,783,013
2016/2037	5,000,000	Series of 2016 SRF	2.00%	4,591,993
2017/2019	17,000,000	Series 2018 BAN	Floating	2,180,000
2018/2034	3,490,753	Series of 2017 SRF	2.00%	1,954,528
2018/2038	37,030,000	Series 2018	3% -5.00%	33,840,000
2018/2019	3,378,372	JP Morgan Chase Line of Credit	Floating	3,378,372
2018/2039	4,000,000	Series of 2018B SRF	2.39%	1,304,298
	Total General Obligation Bonds Payable			$ 305,964,134

Primary Government

On October 10, 2018 the City issued $37,030,000 of General Obligation Bonds, Series of 2018. The bonds mature in varying amounts between June 1, 2019 and June 1, 2038, and bear interest between 3.0% - 5.0%. The net proceeds were used to refund the City's General Obligation Bonds Series of 2007A. As of June 30, 2019, balance outstanding on these bonds is $33,840,000. The advance refunding reduced total debt service payments over the next 5 years by nearly $406,000. This resulted in an economic gain of approximately $384,189.

On November 21, 2018, the City issued a General Obligation Bond Anticipation Note (Capital Projects – Capital Budget 2016), Series of 2018, due November 21, 2020 in the amount of $17,000,000. The funding is drawn as needed and the interest rate is 80% of the Adjusted London Interbank Offered Rate (LIBOR) plus 0.45%, not to exceed 5%. As of June 30, 2019, balance outstanding on this loan is $2,180,000.

On September 20, 2019, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2019A and 2019B. The BANs mature on November 21, 2020. Series of 2019A (Street Repairs Project - Capital Budgets 2018 and 2020) was issued in the amount of $12,200,000 and bears interest at 79% of the daily London Interbank Offered Rate (LIBOR) plus 0.49%, not to exceed 6%. Series of 2019B (WHP Refinancing Project - Capital Budget 2020), was issued in the amount of $3,400,000 in order to refinance the JP Morgan Chase Line of Credit. The interest rate is the one-month LIBOR plus 0.55%, not to exceed 6%.

The City has entered into General Obligation Financing agreements with the DDWSRF acting through the Delaware Department of Health & Social Services, Division of Public Health and the 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' interest rates are set at the time the loans are drawn down. Payments are due every six months, with a term of twenty years. The loans supplement other funding for the costs for the projects specified and are recorded in the Water and Sewer Fund.

- A DDWSRF agreement dated December 27, 2018, for an amount not to exceed $4,000,000 at an interest rate of 1.197% is related to costs associated with upgrades to the Phase II Transmission and Distribution Water Main Improvements Project.

- A DWPCRF agreement dated May 8, 2019 for an amount not to exceed $15,107,399 at an interest rate of 2.00% is related to cost associated with construction of the Wetland Park Project.

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

General Obligation Bonds				
Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	$ 9,612,354	$ 4,318,238	$ 13,788,998	$ 6,740,421
2021	17,115,150	3,977,328	13,199,533	6,338,725
2022	8,483,982	3,575,433	14,858,753	5,877,782
2023	7,816,363	3,228,962	14,714,226	5,378,118
2024	7,327,214	2,859,905	15,510,951	4,821,168
2025-2029	32,649,653	6,594,426	72,030,296	18,371,669
2030-2034	18,372,890	1,047,609	43,039,637	7,062,882
2035-2039	4,333,379	338,371	8,834,135	852,820
	105,710,985	$ 25,940,272	195,976,529	$ 55,443,585
Add: Construction Bonds	-		4,276,620	
Total	$ 105,710,985		$ 200,253,149	

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 June 30	Wilmington Parking Authority		Downtown Visions		Riverfront Business Improvement District		Rock Manor	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 650,000	$ 430,765	$ 21,728	$ -	$ -	$ -	$ 49,506	$ 36,678
2021	680,000	404,765	27,292	-	-	-	52,089	34,095
2022	710,000	370,765	28,686	-	-	-	57,446	28,738
2023	750,000	335,265	30,150	-	-	-	60,257	25,927
2024	785,000	297,765	31,690	-	-	-	58,257	28,164
2025-2029	4,380,000	1,050,589	377,338	-	-	-	491,033	113,043
2030-2034	3,720,000	310,429	-	-	-	-	-	-
Total	$11,675,000	$ 3,200,343	$ 516,884	$ -	$ -	$ -	$ 768,588	$ 266,645

C. 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, 2019, five issues with debt of $38,220,905 remain outstanding.

D. 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, 2019, payments under these capital leases are as follows:

	Primary Government			
Year Ending June 30	**Data Processing**	**Motor Vehicle**	**Communications**	**General**
2020	221,620	1,409,530	-	308,091
2021	192,194	1,377,217	-	276,409
2022	-	357,577	-	251,265
2023	-	-	-	193,756
2024	-	-	-	113,143
Total Minimum Lease Payments	413,814	3,144,324	-	1,142,664
Less: Amount Representing Interest	(20,568)	(101,768)		(68,493)
Present Value of Lease Payments	$ 393,246	$ 3,042,556	-	$ 1,074,171

Capitalized leases for the City at June 30, 2019, 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	$ -	$ 15,503,418	$ -	$ -
Equipment	1,037,176	-	-	1,584,667
Construction in Progress	-	-	-	-
Total	1,037,176	15,503,418	-	1,584,667
Less: Accumulated Depreciation	(370,420)	(10,640,656)	-	(426,685)
Net Assets Under Lease	$ 666,756	$ 4,862,762	$ -	$ 1,157,982

B. Operating Leases - Lessee - Primary Government

On October 18, 2018, the City entered an operating lease agreement to lease Baynard Stadium, an athletic stadium located in the City's Brandywine Park, to Salesianum School, Inc., a private high school located in the City near the stadium. The lease term is fifty years with the option to renew for fifty additional one-year terms. The annual lease amount is $10. Future minimum lease payments total $490 over the original term. Salesianum School, Inc. will be required to renovate Baynard Stadium with an investment of $15 million to $20 million over a period of five years and provide existing users of the stadium with access to use the facility. The City's cost and carrying amounts of Baynard Stadium are not determinable.

C. Leases - Lessee - Component Unit - Downtown Visions

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, 2019. The lease requires bargain rent of $0 per month. Downtown Visions recorded the fair market value of the contributed rent at the inception of the lease as a contribution.

The value of the total donated warehouse and office space was $27,144 and $16,360 for the fiscal years ended June 30, 2018 and 2017, respectively.

D. Operating Leases - Lessor - Component Units

Wilmington Parking Authority

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 2019 was $137,081. The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2019:

Year Ending June 30	Wilmington Parking Authority
2020	$ 64,337
2021	7,750
Total Minimum Future Rental Income	$ 72,087

In June 2016, the Authority acquired the rights to a subterranean parcel of airspace (the Property) for $5,000,000 (the Purchase Price). In turn, the Authority entered into a lease with Midtown Parking, LLC, the tenant who intends to construct a public parking garage. The tenant entered into a mortgage with M&T Bank (the Lender) in the amount of $13,250,000 to which the Authority joined in such mortgage. This non-recourse joiner was executed for the purpose of granting the Lender, a fee mortgage interest in the Ground Lessor's (Midtown Parking, LLC) interest in and to the property.

Rental payments are contingent upon the profitability of the garage and were scheduled to begin on July 30, 2018. The minimum annual guaranteed rent is $200,000. Should such payments be less than $200,000 per year, such deficiencies shall be added to the purchase price as noted hereafter.

The lease includes provisions for both a put and a call option. The put option grants the Authority the irrevocable option to sell the Property to the tenant at the Purchase Price under certain parameters. The call option grants the tenant the exclusive and irrevocable right to purchase the Property at the Purchase Price under certain parameters.

As of October 29, 2019, neither the put or call option has been exercised.

Rock Manor Golf Corporation

The Rock Manor Golf Corporation has entered into agreements with the City of Wilmington and an independent management company to license the operations of Rock Manor Golf Course and Ed "Porky" Oliver Golf Course. These licenses are for initial 20-year terms beginning in 2007 and 2009, respectively, and provide the management company the full use of these golf course facilities and require it to be responsible for staffing and the acquisition of certain equipment.

The agreements further provide for the management company to pay an annual base rent and an additional revenue sharing payment contingent on operating revenues exceeding certain threshold amounts. The revenue sharing payments for the years ended June 30, 2019 and 2018 were $30,968 and $37,305, respectively.

The following is a schedule of minimum future annual base license fee income for the lease agreement license arrangements:

Year Ending June 30	Rock Manor
2020	$ 130,000
2021	130,000
2022	130,000
2023	130,000
2024	130,000
Total Minimum Future Rental Income	$ 650,000

E. Capital Lease - Lessee - Component Unit - Rock Manor

During the year ended June 30, 2019 Rock Manor leased equipment for a term of five years. The interest rate related to the lease obligation is 3.577%, and the maturity date of the lease period is March 2024. Future minimum lease payments under capital leases for the year ended June 30 are as follows:

2020	$ 65,626
2021	65,626
2022	65,626
2023	65,626
Total minimum lease payments	262,504
Less : Amount representing interest	30,191
Present value of minimum lease payments	$ 232,313

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	$ 11,703,683	$ -
Permits and Other Revenues	2,989,448	-
Total General Fund	14,693,131	-
Other Governmental Funds		
Extra Duty Revenue	219,098	-
Total Deferred Inflows of Resources	$ 14,912,229	$ -

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		
General Fund		
Revenue on Notes Receivable	$ 2,548,246	$ 230,336
Non-Major Funds		
Unearned Grant Revenues		
Delaware Criminal Justice Planning	588,538	588,538
Special Projects	633,556	633,556
Park Recreation Assisstance	258,126	258,126
Capital Projects	617,478	617,478
Total Non-Major Funds	2,097,698	2,097,698
Total Unearned Revenue	$ 4,645,944	$ 2,328,034
Water & Sewer Fund		
Unearned Service Charges		$ 4,526,384

12. Fund Balance/Net Position

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 no Unassigned Fund Balance as of June 30, 2019. Of the $10,286,566 due from the Motor Vehicle Fund, $2,932,453 related to the acquisition of garage assets and motor vehicles and 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 and the Tax Stabilization Reserve.

- The Budget Reserve Account of $16,229,900 was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or a public emergency. This is equal to 10% of the fiscal year 2019 expenditures budgeted as of the end of June 30, 2019.

- On October 4, 2018, the City Code was amended to also create a Tax Stabilization Reserve, retroactively, effective for the year ended June 30, 2018, to provide future tax stabilization for the General Fund. This reserve of $27,434,463 is funded based on the amount of the General Fund's net unrestricted fund balance. The City is authorized to access the Tax Stabilization Reserve as may be necessary when authorized by City Council by ordinance.

Other Major Funds

The Economic Strategic Fund had Restricted Fund Balance of $343,261 consisting of unspent bond funds used for infrastructure incentives and Committed Fund Balance of $742,102 to fulfill the City's economic incentive programs. The Capital Project Fund has Restricted Fund Balance of $5,770,576 at June 30, 2019 consisting primarily of unspent bond funds.

Other Funds

The following fund had Fund Balances designated for specific purposes: the Non major Fund, Wilmington Park Related Commissions (including one blended component) had Park Maintenance Nonspendable Fund Balance of $1,064,243 Restricted Fund Balance of $4,809,017 for Park Operations.

The Special Revenue Funds had a Restricted Fund Balances of $3,090,485 related to cable television and internal capital and related programs.

Business Type Activities / Water and Sewer Fund

The Water and Sewer Fund had a net position of $170,477,098 as of June 30, 2019. The Operation and Maintenance Reserve provides funding in the event of adverse economic conditions or a public emergency as certified by the Mayor that impacts the operations and maintenance of the Water and Sewer Fund such that immediate action is required. This reserve is determined at the end of each fiscal year and is equal to seventeen percent of the following fiscal year's Water and Sewer Fund operating budget as authorized by City Council by ordinance. The City is authorized to access the Operation and Maintenance

Reserve when approved by City Council by ordinance. The restricted net position for the Operation and Maintenance Reserve as of June 30, 2019 was $13,247,359.

The Rate Stabilization Reserve within the Water and Sewer Fund provides a reserve to provide future rate stabilization for the Water and Sewer fund. The Water and Sewer Fund Rate Stabilization Reserve amount is the net unrestricted Water and Sewer Fund balance as determined at the fiscal year end. The City is authorized to access the Rate Stabilization Reserve when approved by City Council by ordinance. The restricted net position for the Rate Stabilization Reserve as of June 30, 2019 was $25,900,628.

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, and cyber risk. Claims have not exceeded insurance coverage. 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
2017 - 2018	$ 4,668,607	$ 1,752,231	$ (1,698,682)	$ 4,722,156
2018 - 2019	4,722,156	3,017,951	(2,690,669)	5,049,438

B. Workers' Compensation

The City is also self-insured for workers' compensation for the year ended June 30, 2019. Effective July 1, 2018, the City is only self-insured up to the insurance retention of $3 million. Claims have not exceeded insurance coverage. 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
2017 - 2018	$ 13,306,209	$ 5,555,904	$ (4,090,362)	$ 14,771,751
2018 - 2019	14,771,751	5,290,104	(3,619,097)	16,442,758

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 $200,000 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. Highmark 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
2017 - 2018	$ 1,154,575	$ 20,062,772	$ (19,673,323)	$ 1,544,024
2018 - 2019	1,544,024	16,933,138	(17,034,162)	1,443,000

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, 2019.

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.

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.

Traffic Signal Monitoring Systems
On March 14, 2019, City Council approved a three year contract for the supply of property and services for the City's traffic single monitoring systems totaling $4,664,340

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	292	480	119	165	312	1
Number of Terminated Employees Entitled to Benefits	18	20	1	122	94	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	14	24	0	0	347	1
Current Year Annual Covered Payroll	$1,531,410	$2,227,697	$ -	$ 97,005	$17,672,347	$50,301

The City's current-year total payroll for all employees was $78,720,077.

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 88 through 91 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 six 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, 2019, represented 96.4% 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, 2019, 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 - $3,701,612; Police - $1,847,503; Plan 1 - $0; Plan II - $0; Plan III - $0) 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, 2019 was $23,318,627.

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, 2019

	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension
ASSETS				
Cash and Cash Equivalents	$ 1,593	$ 1,904	$ 7,142,764	$ 55,113
Accrued Interest & Other Receivables	6,249	16,118	68,715	-
Investments, at Fair Value:				
Money Market Funds	42,228	108,919	610,385	-
U.S. Treasury Obligations	386,277	996,327	5,583,423	-
U.S. Government Agencies - Guaranteed	17,128	44,177	247,571	-
Corporate & Foreign Bonds	399,368	1,030,093	5,772,645	-
Common Equity & Marketable Securities	1,533,669	3,955,805	22,168,357	89,721
Global & International Funds	1,456,241	3,756,096	21,049,187	-
Mutual Funds	1,368,292	3,529,247	19,777,928	154,577
Real Estate Investment Trust	274,028	706,802	3,960,922	-
Total Investments	5,477,231	14,127,466	79,170,418	244,298
Due from Other Pension Trust Fund	-	-	906,306	-
Total Assets	5,485,073	14,145,488	87,288,203	299,411
LIABILITIES				
Accounts Payable	-	1,383	20,486	5,940
Salaries and Benefits Payable	1,588	2,333	5,614	-
Due to Other Funds	-	-	7,086,801	-
Compensated Absences	-	4,499	14,964	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
Total Liabilities	40,499	16,732	7,136,318	5,940
Net Position				
Net Position Restricted for Pensions	$ 5,444,574	$ 14,128,756	$ 80,151,885	$ 293,471

City of Wilmington, Delaware
Statements of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	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	$ 47,342	$ 260,859	$ 4,958,725	$ 6,438
Employees	-	-	504,771	-
Other Contributions	-	11,880	8,787	2,970
Total Contributions	47,342	272,739	5,472,283	9,408
Investment Income				
Investment Earnings	261,976	647,014	2,878,200	9,830
Net Appreciation (Depreciation) in Fair Value	162,360	400,988	1,783,770	3,158
Total Investment Earnings	424,336	1,048,002	4,661,970	12,988
Less: Investment Expense	(13,578)	(33,571)	(163,876)	-
Net Investment Income	410,758	1,014,431	4,498,094	12,988
Total Additions	458,100	1,287,170	9,970,377	22,396
DEDUCTIONS				
Benefits Paid	514,101	922,046	5,802,182	11,880
Administrative Expenses	60,036	81,529	277,140	2,899
Total Deductions	574,137	1,003,575	6,079,322	14,779
Net Change in Plan Net Position	(116,037)	283,595	3,891,055	7,617
Net Position - Beginning	5,560,611	13,845,161	76,260,830	285,854
Net Position - Ending	$ 5,444,574	$ 14,128,756	$ 80,151,885	$ 293,471
Interest	317,753	950,371	7,554,561	17,412
Changes of benefit terms	114,000	152,000	164,000	-
Difference between expected and actual experience	(757,923)	(1,420,620)	(2,807,347)	-
Changes of Assumptions	60,225	241,886	2,204,630	(40,422)
Changes of Assumptions				
Benefit Payments	(514,101)	(922,046)	(5,802,182)	(11,880)
Net Change	(780,046)	(978,134)	2,451,170	(26,997)
Pension Liability - Beginning	(5,363,519)	(14,811,066)	(107,240,335)	(293,944)
Pension Liability - Ending	(4,583,473)	(13,832,930)	(109,691,505)	(279,251)
Net Pension Asset / (Liability)	$ 861,101	$ 295,826	$ (29,539,620)	$ 14,220

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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.
On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of $1,000 to all plan participants receiving an annual benefit of less than $20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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, 2019 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Firefighters Plan			
Balance June 30, 2018	$ 85,181,256	$ 50,170,325	$ 35,010,931
Changes for the Year			
Service Cost	191,811	-	191,811
Interest	5,862,901	-	5,862,901
Changes in Benefits	109,000	-	109,000
Difference between expected and actual experience	(1,477,323)	-	(1,477,323)
Changes of assumptions	1,296,546	-	1,296,546
Contributions - Other Entities	-	3,701,612	(3,701,612)
Contributions - Employees	-	1,240,836	(1,240,836)
Contributions - Employer	-	91,885	(91,885)
Net Investment Income	-	3,504,110	(3,504,110)
Benefit Payments	(7,659,300)	(7,659,300)	-
Administrative Expense	-	(125,613)	125,613
Net Changes	(1,676,365)	753,530	(2,429,895)
Balance June 30, 2019	$ 83,504,891	$ 50,923,855	$ 32,581,036
Police Plan			
Balance June 30, 2018	$ 147,796,609	$ 91,332,828	$ 56,463,781
Changes for the Year			
Service Cost	436,175	-	436,175
Interest	10,374,193	-	10,374,193
Changes in Benefits	180,000	-	180,000
Difference between expected and actual experience	(814,787)	-	(814,787)
Changes of assumptions	2,569,476	-	2,569,476
Contributions - Other Entities	-	1,847,503	(1,847,503)
Contributions - Employer	-	5,849,070	(5,849,070)
Contributions - Employees	-	133,661	(133,661)
Net Investment Income	-	6,575,025	(6,575,025)
Benefit Payments	(12,011,676)	(12,011,676)	-
Administrative Expense	-	(121,119)	121,119
Net Changes	733,381	2,272,464	(1,539,083)
Balance June 30, 2019	$ 148,529,990	$ 93,605,292	$ 54,924,698

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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of $1,000 to all plan participants receiving an annual benefit of less than $20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of $1,000 to all plan participants receiving an annual benefit of less than $20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of $1,000 to all plan participants receiving an annual benefit of less than $20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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 2019 was 16.68% 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 2019 was 7.30% 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 $104,537 for the year ended June 30, 2019. This contribution was computed using the aggregate cost method, assuming a 6.00% 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's Finance Director 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 Sponsored 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	$ 4,942,448	$ 7,696,573	$ 47,342	$ 260,859	$ 4,958,725	$ 6,719	$ 3,167,943	$ 729,010
Contribution	4,942,448	7,696,573	47,342	260,859	$ 4,958,725	6,438	3,167,943	729,010
Contribution Excess (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ (281)	$ -	$ -
Actuarial Valuation Date	July 1, 2018 *(2)*	July 1, 2018 *(2)*	July 1, 2018 *(2)*	July 1, 2018 *(2)*	July 1, 2018 *(2)*	July 1, 2018 *(2)*	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2018	June 30, 2018
Net Pension Liability								
Total Pension Liability	83,504,891	148,529,990	4,583,472	13,832,930	109,691,504	279,251	130,436,372	14,516,671
Plan Fiduciary Net Position	50,923,856	93,605,292	5,444,573	14,128,756	80,151,885	293,471	122,743,799	13,704,785
Net Pension Liability (Asset)	$ 32,581,035	$ 54,924,698	$ (861,101)	$ (295,826)	$ 29,539,619	$ (14,220)	$ 7,692,573	$ 811,886
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61%	63%	119%	102%	73%	105%	94%	94%
City's Proportionate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	33%	26%

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 Sponsored 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	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,888	$ 178,662
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	-	-	60,515	9,462	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	214	6,624,267	390,510
Changes Of Assumption	-	-	-	-	1,653,473	-	2,527,099	463,494
Contributions Made After the Measurement Date	-	-	-	-	-	-	4,893,883	886,689
	$ -	$ -	$ -	$ -	$ 1,713,988	$ 9,676	$ 14,148,137	$ 1,919,355
Deferred Inflows of Resources								
Net Difference Between Projected and Actual Earnings on Plan Investments	$ 362,424	$ 1,112,981	$ 106,109	$ 208,314	$ -	$ -	$ 1,340,530	$ 146,729
Net Difference Due to Change in Proportion	-	-	-	-	-	-	69,289	1,728
Changes Of Assumption	-	-	-	-	248,848	-	1,085,704	-
Differences Between Expected and Actual Experience	-	-	-	-	2,393,973	32,338	1,814,245	465,878
	$ 362,424	$ 1,112,981	$ 106,109	$ 208,314	$ 2,642,821	$ 32,338	$ 4,309,768	$ 614,335
Amortization of Net Difference Between Projected and Actual Earnings on Plan Investments								
2020	106,844	33,790	(7,134)	(5,165)	(163,396)	(2,457)	1,429,480	159,108
2021	(375,566)	(846,937)	(68,476)	(145,042)	(794,034)	(6,988)	815,544	93,579
2022	(95,864)	(269,580)	(24,694)	(49,492)	(165,649)	(6,234)	(792,781)	(79,272)
2023	2,162	(30,254)	(5,805)	(8,615)	194,246	(6,983)	(56,592)	(844)
2024	-	-					683,939	102,351
Thereafter	-	-	-	-	-	-	2,864,897	143,409
Total	$ (362,424)	$ (1,112,981)	$ (106,109)	$ (208,314)	$ (928,833)	$ (22,662)	$ 4,944,486	$ 418,331

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 Sponsored 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	7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		6.5%(5)		7%(6)		7%(6)	
Investment Rate of Return *(7)*	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%		7.00%		7.00%	
Asset Class:	Target		Target		Target		Target		Target		Target		Target		Target	
	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return
Domestic Equity	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	29.2%	6.5%	30.7%	5.7%	30.7%	5.7%
International Equity	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	9.6%	6.5%	13.9%	5.7%	13.9%	5.7%
Real Estate	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Income	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	38.1%	6.5%	23.3%	2.0%	23.3%	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	24.4%	7.8%	24.4%	7.8%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.1%	0.0%	7.7%	0.0%	7.7%	0.0%
Projected Salary Increases	3.00%		3.00%		4.00% per year graded to 3.00% per year based on age (8)						4.00%		2.5% + Merit		2.5% + Merit	
Includes Inflation Rate of	3.00%		3.00%		3.00%		3.00%		3.00%		n/a		Projected Salary Increases includes inflation of 2.50%			
Cost-of-Living Adjustments	None		None		None		None		None		None		0.0%		0.0%	
Mortality Rates	*Healthy Lives:* RP-2000 Mortality Table projected with Scale AA *Disabled Lives:* 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				*Healthy Lives:* RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA. *Disabled Lives:* RP-2000 Disabled Mortality Table						*Pre-retirement:* None *Post-Retirement:* RP-2000 Mortality Table projected with Sace AA for 15 years.		RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and adjusted versions of MP-2015 mortality improvement scale on a fully generational basis			

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate								
1% Decrease	$ 39,341,281	$ 68,654,721	(560,022)	992,516	41,796,829	$ 21,685	$ 28,199,642	$ 3,068,239
Discount Rate	32,581,035	54,924,698	(861,102)	(295,826)	29,539,620	(14,220)	7,692,573	811,886
1% Increase	26,716,366	43,198,270	$ (1,127,312)	$ (1,398,365)	$ 19,145,367	(44,755)	(8,906,416)	(1,010,535)
Money-Weighted Rate of Return	7.27%	7.49%	7.63%	7.51%	5.93%	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, 2018. 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, 2019 was determined by a roll forward of the actuarial valuations.

3. 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.

4 The discount rate as of June 30, 2019 is 7.20%, which is assumed long-term expected rate of return on plan investments. 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 The discount rate was reduced from 7.4% to 7.2% for the June 30, 2019 measurement date

5 The discount rate as of June 30, 2019 is 6.5%, which is assumed long-term expected rate of return on plan investments. 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

6 The discount rate used to meausre the total pension liability as of June 30, 2019 was 7.00%. The projection of cash flows 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 the rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7 The long-term expected rate of return for each pension plan's investment 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 the measurement date are summarzed by plan.

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, 2019, the plan's participants are summarized as follows

Inactive Plan Members Currently Receiving Benefits	
Retirees	305
Spouses and Widows	57
Inactive Plan Members Entitled to Receive Future Benefits	13
Active Plan Members	987
Total Plan Members	1,362

Statement of Fiduciary Net Position

	2019
ASSETS	
Cash and Cash Equivalents	$ 389,423
Accrued Interest & Other Receivables	220,763
Investments, at Fair Value:	
Money Market Funds	8,390
Global & International Funds	4,255,242
Mutual Funds	19,437,636
Total Investments	23,701,268
Total Assets	24,311,454
LIABILITIES	
Accounts Payable	5,000
Accrued Expenses	-
Due to Pension Trust Fund	906,306
Total Liabilities	911,306
NET POSITION	
Restricted for OPEB	$ 23,400,148

Statement of Changes in Fiduciary Net Position

	2019
ADDITIONS	
Contribution:	
Paid Directly by the City	$ 4,525,548
Employees	933,503
Federal Drug Subsidies & Other	26,985
Total Contributions	5,486,036
Investment Income	
Investment Earnings	518,125
Net Appreciation in Fair Value	999,534
Total Investment Earnings	1,517,659
Less: Investment Expense	(6,228)
Net Investment Income	1,511,431
Total Additions	6,997,467
DEDUCTIONS	
Benefits Paid	3,518,770
Administrative Expenses	57,292
Total Deductions	3,576,062
Net Increase in Plan Net Position	3,421,405
Net Position Restricted For OPEB - Beginning	19,978,743
Net Position Restricted For OPEB - Ending	$ 23,400,148

Contribution Requirements

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. For the year ended June 30, 2019, the City contributed $4,525,549 and retiree premium sharing added $933,503.

Investments

The Plan's 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, 2019.

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, 2019 are as follows:

Asset Class	Expected Long-Term Real Rate of Return	Target Asset Allocation
Domestic Equity	6.90%	47%
International Equity	8.10%	18%
Fixed Income	1.80%	35%
Cash	0.00%	0%

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.57%. 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, 2019:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance June 30, 2018	$ 62,947,510	$ 19,978,743	$ 42,968,767
Changes for the Year			
Service Cost	2,072,507	-	2,072,507
Interest	4,605,559	-	4,605,559
Differences between expected and actual Experince	(1,998,188)	-	(1,998,188)
Changes of assumptions	5,360,358	-	5,360,358
Contributions - State	-	26,985	(26,985)
Contributions - Employees	-	933,503	(933,503)
Contributions - Employer	-	4,525,548	4,525,548
Net Investment Income	-	1,511,431	(1,511,431)
Benefit Payments	(3,518,770)	(3,518,770)	-
Administrative Expense	-	(57,292)	57,292
Net Changes	6,521,466	3,421,405	3,100,061
Balance June 30, 2019	$ 69,468,976	$ 23,400,148	$ 46,068,828
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability			33.68%
Covered Payroll			$ 53,652,529
Net OPEB Liability as a Percentage of Covered Payroll			86.76%

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, 2019, updated from the June 30, 2018 actuarial valuation
Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	7.2%, reduced from the June 20, 2018 discount rate of 7.4%.
Cash Flows	Pay as you go contributions plus an additional $800,000 per year
Expected Return on Plan Assets	7.2% per year, net of investment expenses
Healthcare Trend Rate - As follows from July 1, 2019 through July 1, 2032	
Pre-Medicare	Decreasing .3% per year from 8.4% to 4.5%
Medicare Eligible	Decreasing .1% per year from 5.8% 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 and 51.57 for Pre-Medicare participants, respectively.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2010 through July 1, 2014. The following change was made between the July 1, 2016 and July 1, 2018 valuations:

- The discount rate was decreased from 7.4% to 7.2%.

Schedule of Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,712,733
Changes in assumptions	4,594,593	-
Net difference between projected and actual earnings on OPEB plan investments	-	271,498
	$ 4,594,593	$ 1,984,231

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:

Net OPEB Liability

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Total OPEB Liability	$ 78,762,312	$69,468,976	$ 61,925,789
Plan Fiduciary Net Position	23,400,148	23,400,148	23,400,148
Net OPEB Liability	$ 55,362,164	$46,068,828	$ 38,525,641
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.7%	33.7%	37.8%

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:

Healthcare Trend

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	$ 62,890,186	$69,468,976	$ 77,824,550
Plan Fiduciary Net Position	23,400,148	23,400,148	23,400,148
Net OPEB Liability	$ 39,490,038	$46,068,828	$ 54,424,402
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	37.2%	33.7%	30.1%

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 four 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 Port Operator and Logistics Company – Under the abatement program and an agreement with the City effective October 3, 2018, this Company has received a 5-year head tax exemption to retain 130 new employees for the same period. Annually, the City forgoes $15,600 in head tax revenue but in return receives approximately $80,000 in wage tax revenue. This Company has also committed to the State of Delaware to invest $500,000,000 in port facilities inside and outside of the City over the next 10 years.

- 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, 2019, the City of Wilmington had an assessment reduction of $35,189,000, resulting in a $702,021 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. Prior Period Adjustment

The June 30, 2018 net position as reported for Governmental Activities and the fund balance as reported for the Housing Strategic Fund were restated (decreased) to adjust for the addition of the Wilmington Housing Partnership Corporation as a blended component unit. This change is required as a result of changes to the board governance of Wilmington Housing Partnership Corporation (WHPC) and in its financial relationship to the City of Wilmington. The City now has a majority on the WHPC's board. The City has also assumed certain liabilities of the WHPC.

	Government Wide Governmental Activities	Housing Strategic Fund
Net Position as reported on June 30, 2018	$ (25,992,149)	$ (2,436,034)
Blended Component Unit Addition	(1,875,258)	(3,435,639)
Net Position, as restated	$ (27,867,407)	$ (5,871,673)

19. Subsequent Events

On September 20, 2019, the City issued a $12,200,000 General Obligation Bond Anticipation Note (Street Repairs Project-Capital Budgets 2018 and 2020), Series of 2019A, in a private placement with a financial institution.

On September 20, 2019, the City issued a $3,400,000 General Obligation Bond Anticipation Note (WHP Refinancing Project -Capital Budget 2020), Series of 2019B, in a private placement with a financial institution.

On October 17, 2019, the City issued a $4,000,000 General Obligation Bond (Phase III Transmission and Distribution Water Main Improvements Project), Series of 2019D-SRF, acting by and through the Delaware Department of Health and Social Services, Division of Public Health (the buyer of the bond). The proceeds of the bond will finance the construction costs associated with the City's transmission and Distribution Water Main Improvements Project.

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 - 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	2019	$ 4,942,448	$ 4,942,448	$ -	$ 1,531,410	322.74%
Police	2019	7,696,573	7,696,573	-	2,227,697	345.49%
Plan I	2019	47,342	47,342	-	-	0.00%
Plan II	2019	260,859	260,859	-	97,005	268.91%
Plan III	2019	4,958,725	4,958,725	-	17,672,347	28.06%
County & Municipal						
Police and Firefighters	2019	3,167,943	3,167,943	-	28,199,642	11.23%
Other Employees	2019	729,010	729,010	-	3,068,239	23.76%
Park Trust	2019	6,719	6,438	281	50,301	12.80%
Firefighters	2018	5,010,577	6,468,505	(1,457,928)	1,965,421	329.12%
Police	2018	7,843,831	8,660,811	(816,980)	3,189,901	271.51%
Plan I	2018	47,224	46,834	390	-	0.00%
Plan II	2018	260,899	260,899	-	99,991	260.92%
Plan III	2018	5,005,567	5,010,567	(5,000)	18,998,060	26.37%
County & Municipal						
Police and Firefighters	2018	3,144,860	3,144,860	-	27,538,276	11.42%
Other Employees	2018	572,848	572,848	-	8,079,653	7.09%
Park Trust	2018	6,871	-	6,871	50,810	0.00%
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%

Plan	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
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 2014 is not readily available.

Schedule 2 - 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 *2019*	Police *2019*	Plan I Non-uniformed *2019*	Plan II Non-uniformed *2019*	Plan III Non-uniformed *2019*	Park Trust *2019*
Total Pension Liability						
Service Cost	$ 191,811	$ 436,175	$ -	$ 20,275	$ 1,137,508	$ 7,893
Interest	5,862,901	10,374,193	317,753	950,371	7,554,561	17,412
Changes of benefit terms	109,000	180,000	114,000	152,000	164,000	
Difference between expected and actual experience	(1,477,323)	(814,787)	(757,923)	(1,420,620)	(2,807,347)	
Changes of Assumptions	1,296,546	2,569,476	60,225	241,886	2,204,630	(40,422)
Benefit Payments	(7,659,300)	(12,011,676)	(514,101)	(922,046)	(5,802,182)	(11,880)
Net Change in Total Pension Liability	(1,676,365)	733,381	(780,046)	(978,134)	2,451,170	(26,997)
Total Pension Liability, beginning	85,181,256	147,796,609	5,363,519	14,811,066	107,240,335	293,944
Total Pension Liability, ending (a)	$ 83,504,891	$ 148,529,990	$ 4,583,473	$ 13,832,930	$ 109,691,505	$ 279,251
Plan Fiduciary Net Position						
Contributions from Employer	$ 1,240,836	$ 5,849,070	$ 47,342	$ 260,859	$ 4,958,725	$ 6,438
Contributions from Member	91,885	133,661	-	-	504,771	-
Contributions from State / Other	3,701,612	1,847,503	-	11,880	8,787	2,970
Net Investment Income	3,504,110	6,653,119	410,758	1,014,431	4,498,094	12,988
Administrative Expenses	(125,613)	(199,210)	(60,036)	(81,529)	(277,140)	(11,880)
Benefit Payments	(7,659,300)	(12,011,676)	(514,101)	(922,046)	(5,802,182)	(2,899)
Net Change in Fiduciary Net Position	753,530	2,272,467	(116,037)	283,595	3,891,055	7,617
Plan Fiduciary Net Position, Beginning	50,170,325	91,332,825	5,560,611	13,845,161	76,260,830	293,854
Plan Fiduciary Net Position, Ending (b)	$ 50,923,855	$ 93,605,292	$ 5,444,574	$ 14,128,756	$ 80,151,885	$ 293,471
Net Pension Liability / (Asset) - Ending (a) - (b)	$ 32,581,036	$ 54,924,698	$ (861,101)	$ (295,826)	$ 29,539,620	$ (14,220)
Plan Fiduciary Net Position as a % of						
Total Pension Liability	61%	63%	119%	102%	73%	105%
Covered Payroll	$ 1,531,410	$ 2,227,697	$ -	$ 97,005	$ 17,672,347	$ 50,301
Net Pension Liability as a % of						
Covered Payroll	2127.52%	2465.54%	0.00%	-304.96%	167.15%	-28.27%

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Fiscal Year Ended June 30,	Firefighters 2018	Police 2018	Plan I Non-uniformed 2018	Plan II Non-uniformed 2018	Plan III Non-uniformed 2018	Park Trust 2018
Total Pension Liability						
Service Cost	$ 234,550	$ 478,819	$ -	$ 20,454	$ 1,258,925	$ -
Interest Cost	6,130,822	10,583,509	386,632	1,053,054	7,575,252	-
Difference Between Expected and Actual expenses	-	-	-	-	-	-
Changes in Assumptions	-	-	-	-	-	-
Benefit Payments	(7,463,842)	(11,410,939)	(487,026)	(928,307)	(5,311,556)	-
Net Change in Total Pension Liability	(1,098,470)	(348,611)	(100,394)	145,201	3,522,621	-
Total Pension Liability, beginning	86,279,726	148,145,220	5,463,913	14,665,865	103,717,714	293,944
Total Pension Liability, ending (a)	$ 85,181,256	$ 147,796,609	$ 5,363,519	$ 14,811,066	$ 107,240,335	$ 293,944
Plan Fiduciary Net Position						
Contributions from Employer	$ 1,651,227	$ 6,848,501	$ 45,666	$ 260,899	$ 5,010,567	$ -
Contributions from Member	117,647	191,395	-	-	542,262	-
Contributions from State / Other	4,817,278	1,812,310	1,168	17,820	1,636	-
Net Investment Income	3,947,989	7,503,707	488,340	1,169,645	6,228,920	14,583
Administrative Expenses	(115,730)	(195,036)	(52,385)	(74,794)	(255,838)	(17,820)
Benefit Payments	(7,463,842)	(11,410,939)	(487,026)	(928,307)	(5,311,556)	(3,032)
Net Change in Fiduciary Net Position	2,954,569	4,749,938	(4,237)	445,263	6,215,991	(6,269)
Plan Fiduciary Net Position, Beginning	47,215,756	86,582,890	5,564,848	13,399,898	70,044,838	292,123
Plan Fiduciary Net Position, Ending (b)	$ 50,170,325	$ 91,332,828	$ 5,560,611	$ 13,845,161	$ 76,260,829	$ 285,854
Net Pension Liability - Ending (a) - (b)	$ 35,010,931	$ 56,463,781	$ (197,092)	$ 965,905	$ 30,979,506	$ 8,090
Plan Fiduciary Net Position as a % of Total Pension Liability	58.90%	61.80%	103.67%	93.48%	71.11%	97.25%
Covered Payroll	$ 1,965,421	$ 3,189,901	$ -	$ 99,991	$ 18,998,060	$ 50,810
Net Pension Liability as a % of Covered Payroll	1781.35%	1770.08%	0.00%	965.99%	163.07%	15.92%

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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 Payroll	$ 2,749,624	$ 4,207,671	$ -	$ 125,182	$ 20,323,708	$ 48,589
Net Pension Liability as a % of						
Covered Payroll	1420.70%	1463.10%	0.00%	1011.30%	165.68%	3.75%

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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 Payroll	$ 2,512,968	$ 4,050,903	$ -	$ 154,882	$ 21,315,013	$ 49,790
Net Pension Liability as a % of						
Covered Payroll	1659.64%	1621.92%	0.00%	1399.38%	179.72%	-12.46%

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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 Payroll	$ 3,057,532	$ 4,900,751	$ 42,426	$ 189,905	$ 21,571,117	$ 47,875
Net Pension Liability as a % of Covered Payroll	1362.72%	1301.04%	807.49%	844.50%	168.65%	-47.76%

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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 Payroll	Net Pension Asset as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of Total Pension Asset / Liability
County & Municipal Pension Plans as of June 30, 2018					
Police and Firefighters	33.00%	$ (7,692,573)	$ 28,199,642	-27.28%	94.00%
Other Employees	26.00%	(811,886)	3,068,239	-26.40%	94.41%
County & Municipal Pension Plans as of June 30, 2017					
Police and Firefighters	34.00%	(3,464,628)	27,538,276	-12.58%	97.00%
Other Employees	21.58%	(1,553,472)	8,079,653	-19.23%	87.62%
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.

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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, 2019												
Actuarial Valuation Date	July 1, 2018		July 1, 2018		July 1, 2018		July 1, 2018		July 1, 2018		July 1, 2018	
Measurement Date	June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019	
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	7.20%		7.20%		7.20%		7.20%		7.20%		6.50%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Asset Class:	Target		Target		Target		Target		Target		Target	
	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return
Domestic Equity	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	29.2%	6.5%
Non-U.S. Equity	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	9.6%	6.5%
Fixed Income	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	0.0%	0.0%
Real Estate	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	38.1%	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%	23.1%	0.0%
Projected Salary Increases	3.00%		3.00%		4.00% per year graded to 3.00% per year based on age						4.00%	
Includes Inflation Rate of	3.00%		3.00%		3.00%		3.00%		3.00%		n/a	
Cost-of-Living Adjustments	None		None		None		None		None		None	
Mortality Rates	*Healthy Lives:* RP-2000 Mortality Table projected with Scale AA *Disabled Lives:* 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				*Healthy Lives:* RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA. *Disabled Lives:* RP-2000 Disabled Mortality Table						*Pre-retirement:* None *Post-Retirement:* RP-2000 Mortality Table projected with Sace AA for 15 years.	
June 30, 2018												
Actuarial Valuation Date	July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017		July 1, 2017	
Measurement Date	June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018		June 30, 2018	
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	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Investment Rate of Return	7.40%		7.40%		7.40%		7.40%		7.40%		6.50%	
Asset Class:	Target		Target		Target		Target		Target		Target	
	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return	Allocation	Return
Domestic Equity	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	29.2%	6.5%
Non-U.S. Equity	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	9.6%	6.5%
Fixed Income	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	0.0%	0.0%
Real Estate	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	38.1%	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												
Projected Salary Increases	3.00%		3.00%		4.00% per year graded to 3.00% per year based on age						4.00%	
Includes Inflation Rate of	3.00%		3.00%		3.00%		3.00%		3.00%		n/a	
Cost-of-Living Adjustments	None		None		None		None		None		None	
Mortality Rates	*Healthy Lives:* RP-2000 Mortality Table projected with Scale AA *Disabled Lives:* 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				*Healthy Lives:* RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA. *Disabled Lives:* RP-2000 Disabled Mortality Table						*Pre-retirement:* None *Post-Retirement:* RP-2000 Mortality Table projected with Sace AA for 15 years.	

Sch. 2 (Cont.)

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

	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	7.40%		7.40%		7.40%		7.40%		7.40%		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%		5.50%		5.50%		5.50%		5.50%		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. 2 (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					

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

Schedule 3 - 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
2019	7.27%	7.49%	7.63%	7.51%	5.93%	6.50%
2018	8.91%	9.10%	9.41%	9.19%	8.88%	6.50%
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 4 - 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.

	2019	2018	2017
Total OPEB Liability			
Service Cost	$ 2,072,507	$ 2,077,031	$ 1,829,043
Difference between expected and actual experience	(1,998,188)	-	-
Changes of assumptions	5,360,358	-	-
Interest Cost	4,605,559	4,404,968	4,218,769
Benefit Payments	(3,518,770)	(4,010,507)	(3,308,910)
Net Change in Total OPEB Liability	6,521,466	2,471,492	2,738,902
Total OPEB Liability, beginning	62,947,510	60,476,018	57,737,116
Total OPEB Liability, ending (a)	69,468,976	$ 62,947,510	$ 60,476,018
Plan Fiduciary Net Position			
Contributions from Employer	$ 4,525,548	$ 3,237,230	$ 3,468,492
Contributions from Member	933,503	948,969	98,998
Contributions from State/Other	26,985	123,141	749,554
Net Investment Income	1,511,431	1,438,784	1,741,353
Administrative Expenses	(57,292)	(42,347)	(52,610)
Benefit Payments	(3,518,770)	(4,010,507)	(3,308,910)
Net Change in Fiduciary Net Position	3,421,405	1,695,270	2,696,877
Plan Fiduciary Net Position, Beginning	19,978,743	18,283,473	15,586,596
Plan Fiduciary Net Position, Ending (b)	$ 23,400,148	$ 19,978,743	$ 18,283,473
Net OPEB Liability - Ending (a) - (b)	$ 46,068,828	$ 42,968,767	$ 42,192,545
Plan Fiduciary Net Position as a % of Total OPEB Liability	33.68%	31.74%	30.23%
Covered Payroll	$ 53,652,529	$ 52,664,700	$ 57,356,023
Net OPEB Liability as a % of Covered Employee Payroll	85.87%	81.59%	73.56%

Schedule 4 (Cont.)
Notes to Required Supplementary Information
OPEB Liability Methods and Assumptions

June 30, 2019

Actuarial Valuation Date	July 1, 2018	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.20%	
Investment Rate of Return	7.20%	
Asset Class:		
	Target Allocation	Long-term Expected Return
Domestic Equity	47.00%	6.90%
Non-U.S. Equity	18.00%	8.10%
Fixed Income	35.00%	1.80%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2019 through July 1, 2032		
Pre-Medicare	.3% per year from 8.4% to 4.5%	
Medicare Eligible	.1% per year from 5.8% 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 and $51.57 for Pre-Medicare and Medicare participants, respectively.	

June 30, 2018

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	

Schedule 4 (Cont.)

June 30, 2017		
Actuarial Valuation Date	July 1, 2016	
Actuarial Cost Method	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
- 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 5 - 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.

Fiscal Year End	Actuarially Determined Contribution	Contributions Recognized by Plan	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2019	$3,883,050	$ 4,525,548	$ (642,498)	$ 53,652,529	8.43%
2018	3,848,008	3,360,372	487,636	52,664,700	6.38%
2017	8,155,227	3,567,490	4,587,737	57,356,023	6.22%

Schedule 5 (Cont.)

Notes to the Schedule of Actuarially Determined Contributions

Notes to Schedule of Contribution

	June 30, 2019
Actuarial Valuation Date	June 30, 2018
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	28-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses Per Person Cost Trends:	Average monthly per capita cost of $35.81 and $51.57 for Pre-Medicare and Medicare participants, respectively.

	June 30, 2018
Actuarial Valuation Date	June 30, 2016
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	30-year closed amortization as of July 1, 2016
Discount Rate	7.40%
Amortization growth Rate	3.00%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses Per Person Cost Trends:	Average monthly per capita cost of $35.81.

Schedule 5 (Cont.)

	June 30, 2017
Valuation Date:	June 30, 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.

See additional information regarding assumption in the notes to the schedule of changes in net pension liability.

Schedule 6 - 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
2019	6.57%
2018	13.32%
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, 2018, 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, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget - Positive (Negative)
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	$ 1,485,464	$ 1,485,464	$ 1,469,481	$ 15,983
Materials, Supplies and Equipment	1,198,171	1,274,071	1,256,184	17,887
Special Purpose	672,000	129,067	-	129,067
Debt Service	1,342,006	1,342,006	1,168,173	173,833
Office of the Mayor	4,697,641	4,230,608	3,893,838	336,770
Management and Budget				
Personal Services	544,308	544,308	542,671	1,637
Materials, Supplies and Equipment	95,453	79,380	86,312	(6,932)
Management and Budget	639,761	623,688	628,983	(5,295)
Office of Emergency Management				
Personal Services	67,602	67,602	86,826	(19,224)
Materials, Supplies and Equipment	318,577	321,940	147,433	174,507
Debt Service	50,731	50,731	71,535	(20,804)
Office of Emergency Management	436,910	440,273	305,794	134,479
Economic Development				
Personal Services	725,632	725,632	617,182	108,450
Materials, Supplies and Equipment	203,292	311,292	277,597	33,695
Debt Service	3,478,348	3,478,348	3,027,628	450,720
Economic Development	4,407,272	4,515,272	3,922,407	592,865
Cultural Affairs				
Personal Services	298,623	298,623	258,909	39,714
Materials, Supplies and Equipment	521,142	671,015	661,458	9,557
Cultural Affairs	819,765	969,638	920,367	49,271
Constituent Services				
Personal Services	562,902	562,902	554,649	8,253
Materials, Supplies and Equipment	165,008	165,008	140,262	24,746
Constituent Services	727,910	727,910	694,911	32,999
Mayor's Offices Total				
Personal Services	3,684,531	3,684,531	3,529,718	154,813
Materials, Supplies and Equipment	2,501,643	2,822,706	2,569,246	253,460
Special Purpose	672,000	129,067	-	129,067
Debt Service	4,871,085	4,871,085	4,267,336	603,749
Mayor's Offices Total	$ 11,729,259	$ 11,507,389	$ 10,366,300	$ 1,141,089
CITY COUNCIL				
City Council				
Personal Services	$ 662,662	$ 662,662	$ 643,186	$ 19,476
Materials, Supplies and Equipment	594,781	596,047	621,700	(25,653)
Special Purpose	19,000	19,000	18,947	53
Debt Service	720	720	720	-
City Council	$ 1,277,163	$ 1,278,429	$ 1,284,553	$ (6,124)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget - Positive (Negative)
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	$ 853,795	$ 853,795	$ 680,745	$ 173,050
Materials, Supplies and Equipment	124,705	123,439	128,469	(5,030)
City Clerk	978,500	977,234	809,214	168,020
City Council Offices Total				
Personal Services	1,516,457	1,516,457	1,323,931	192,526
Materials, Supplies and Equipment	719,486	719,486	750,169	(30,683)
Special Purpose	19,000	19,000	18,947	53
Debt Service	720	720	720	-
City Council Offices Total	$ 2,255,663	$ 2,255,663	$ 2,093,767	$ 161,896
AUDIT				
Audit Department				
Personal Services	$ 621,782	$ 621,782	$ 550,435	$ 71,347
Materials, Supplies and Equipment	325,074	329,166	310,442	18,724
Audit Department	$ 946,856	$ 950,948	$ 860,877	$ 90,071
LAW				
Law Department				
Personal Services	$ 2,035,349	$ 2,035,349	$ 1,869,793	$ 165,556
Materials, Supplies and Equipment	824,469	969,469	958,236	11,233
Law Department	$ 2,859,818	$ 3,004,818	$ 2,828,029	$ 176,789
FINANCE				
Finance Administrative				
Personal Services	$ 295,038	$ 293,038	$ 263,369	$ 29,669
Materials, Supplies and Equipment	124,886	168,386	193,062	(24,676)
Debt Service	85,848	85,848	48,625	37,223
Finance Administrative	505,772	547,272	505,056	42,216
Earned Income Tax				
Personal Services	1,417,766	1,415,766	1,370,187	45,579
Materials, Supplies and Equipment	723,598	651,898	661,332	(9,434)
Earned Income Tax	2,141,364	2,067,664	2,031,519	36,145
Accounting				
Personal Services	854,911	856,411	815,241	41,170
Materials, Supplies and Equipment	261,966	266,822	275,264	(8,442)
Accounting	$ 1,116,877	$ 1,123,233	$ 1,090,505	$ 32,728

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget - Positive (Negative)
FINANCE (Continued)				
Procurement and Records				
Personal Services	$ 419,086	$ 405,186	$ 349,665	$ 55,521
Materials, Supplies and Equipment	164,382	168,243	217,832	(49,589)
Procurement and Records	583,468	573,429	567,497	5,932
Delinquent Accounts Division				
Personal Services	243,010	231,610	199,824	31,786
Materials, Supplies and Equipment	308,382	206,482	145,996	60,486
Delinquent Accounts Division	551,392	438,092	345,820	92,272
Central Cashier				
Personal Services	474,242	465,442	460,402	5,040
Materials, Supplies and Equipment	362,031	448,031	437,809	10,222
Central Cashier	836,273	913,473	898,211	15,262
Billing & Customer Service				
Personal Services	203,082	234,632	258,432	(23,800)
Materials, Supplies and Equipment	67,608	85,108	110,242	(25,134)
Billing & Customer Service	270,690	319,740	368,674	(48,934)
Finance Parking				
Personal Services	1,386,599	1,391,549	1,234,592	156,957
Materials, Supplies and Equipment	2,702,214	2,791,814	2,502,338	289,476
Finance Parking	4,088,813	4,183,363	3,736,930	446,433
Finance Department Total				
Personal Services	5,293,734	5,293,634	4,951,712	341,922
Materials, Supplies and Equipment	4,715,067	4,786,784	4,543,875	242,909
Debt Service	85,848	85,848	48,625	37,223
Finance Department Total	$ 10,094,649	$ 10,166,266	$ 9,544,212	$ 622,054
HUMAN RESOURCES				
Personnel - Admin				
Personal Services	$ 454,634	$ 455,634	$ 398,572	$ 57,062
Materials, Supplies and Equipment	316,186	383,653	318,339	65,314
Personnel - Admin	770,820	839,287	716,911	122,376
Human Resource and Services				
Personal Services	1,095,483	1,094,483	756,583	337,900
Materials, Supplies and Equipment	470,977	548,741	635,805	(87,064)
Debt Service	20,258	20,258	28,551	(8,293)
Human Resource and Services	1,586,718	1,663,482	1,420,939	242,543
Human Resources Department Total				
Personal Services	1,550,117	1,550,117	1,155,155	394,962
Materials, Supplies and Equipment	787,163	932,394	954,144	(21,750)
Debt Service	20,258	20,258	28,551	(8,293)
Human Resources Department Total	$ 2,357,538	$ 2,502,769	$ 2,137,850	$ 364,919
TREASURER				
Treasurer's Office				
Personal Services	$ 349,206	$ 349,206	$ 349,313	$ (107)
Materials, Supplies and Equipment	198,768	198,768	223,370	(24,602)
Treasurer's Office	$ 547,974	$ 547,974	$ 572,683	$ (24,709)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget - Positive (Negative)
PLANNING				
Planning				
Personal Services	$ 1,067,491	$ 1,067,491	$ 1,019,462	$ 48,029
Materials, Supplies and Equipment	421,314	586,314	629,702	(43,388)
Debt Service	216,657	216,657	215,906	751
Planning	$ 1,705,462	$ 1,870,462	$ 1,865,070	$ 5,392
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	$ 80,004	$ 80,004	$ 129,530	$ (49,526)
Materials, Supplies and Equipment	258,043	281,043	1,702,078	(1,421,035)
Debt Service	838,727	838,727	840,449	(1,722)
Real Estate and Housing - Admin	1,176,774	1,199,774	2,672,057	(1,472,283)
Real Estate and Housing - Rehabilitation				
Personal Services	77,768	77,768	146,800	(69,032)
Materials, Supplies and Equipment	492,474	574,474	592,027	(17,553)
Debt Service	19,446	51,446	19,446	32,000
Real Estate and Housing - Rehabilitation	589,688	703,688	758,273	(54,585)
Real Estate & Housing Department Total				
Personal Services	157,772	157,772	276,330	(118,558)
Materials, Supplies and Equipment	750,517	855,517	2,294,105	(1,438,588)
Debt Service	858,173	890,173	859,895	30,278
Real Estate & Housing Department Total	$ 1,766,462	$ 1,903,462	$ 3,430,330	$ (1,526,868)
PUBLIC WORKS				
Public Works - Admin				
Personal Services	$ 874,049	$ 874,049	$ 786,403	$ 87,646
Materials, Supplies and Equipment	601,646	718,980	826,041	(107,061)
Debt Service	133,659	133,659	131,967	1,692
Public Works - Admin	1,609,354	1,726,688	1,744,411	(17,723)
Street Maintenance				
Personal Services	62,294	62,294	62,491	(197)
Materials, Supplies and Equipment	405,606	479,720	602,115	(122,395)
Debt Service	2,563,277	2,563,277	2,603,320	(40,043)
Street Maintenance	3,031,177	3,105,291	3,267,926	(162,635)
Transportation/WILDOT				
Personal Services	1,381,973	1,381,973	1,327,942	54,031
Materials, Supplies and Equipment	1,226,964	1,449,966	1,001,098	448,868
Debt Service	1,372,874	1,372,874	1,107,206	265,668
Transportation/WILDOT	$ 3,981,811	$ 4,204,813	$ 3,436,246	$ 768,567

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance from Final Budget - Positive (Negative)
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	$ 3,247,040	$ 3,247,040	$ 2,850,802	$ 396,238
Materials, Supplies and Equipment	2,019,578	2,310,227	2,173,936	136,291
Street Cleaning	5,266,618	5,557,267	5,024,738	532,529
Rubbish Collection				
Personal Services	3,697,655	3,697,655	3,426,013	271,642
Materials, Supplies and Equipment	4,130,837	3,745,838	3,603,229	142,609
Rubbish Collection	7,828,492	7,443,493	7,029,242	414,251
Property Maintenance				
Personal Services	389,021	389,021	394,000	(4,979)
Materials, Supplies and Equipment	3,121,741	3,200,548	3,028,477	172,071
Debt Service	916,741	916,741	702,812	213,929
Property Maintenance	4,427,503	4,506,310	4,125,289	381,021
Public Works Department Total				
Personal Services	9,652,032	9,652,032	8,847,651	804,381
Materials, Supplies and Equipment	11,506,372	11,905,279	11,234,896	670,383
Debt Service	4,986,551	4,986,551	4,545,305	441,246
Public Works Department Total	$ 26,144,955	$ 26,543,862	$ 24,627,852	$ 1,916,010
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	$ 544,044	$ 499,845	$ 538,907	$ (39,062)
Materials, Supplies and Equipment	365,835	359,835	390,711	(30,876)
Debt Service	835,202	835,202	757,271	77,931
Parks and Recreation - Admin	1,745,081	1,694,882	1,686,889	7,993
Park Maintenance				
Personal Services	1,900,521	1,975,658	1,773,955	201,703
Materials, Supplies and Equipment	1,362,615	1,366,777	1,508,312	(141,535)
Debt Service	970,017	970,017	816,832	153,185
Park Maintenance	4,233,153	4,312,452	4,099,099	213,353
Recreation				
Personal Services	535,489	535,489	585,929	(50,440)
Materials, Supplies and Equipment	439,025	439,025	510,079	(71,054)
Recreation	$ 974,514	$ 974,514	$ 1,096,008	$ (121,494)

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	$ 697,688	$ 666,750	$ 562,591	$ 104,159
Materials, Supplies and Equipment	433,727	437,727	443,245	(5,518)
Debt Service	106,540	106,540	97,395	9,145
William Hicks Anderson Center	1,237,955	1,211,017	1,103,231	107,786
Youth and Families				
Personal Services	829,435	829,435	725,571	103,864
Materials, Supplies and Equipment	205,933	205,933	288,289	(82,356)
Youth and Families	1,035,368	1,035,368	1,013,860	21,508
Parks and Recreation Department Total				
Personal Services	4,507,177	4,507,177	4,186,953	320,224
Materials, Supplies and Equipment	2,807,135	2,809,297	3,140,636	(331,339)
Debt Service	1,911,759	1,911,759	1,671,498	240,261
Parks and Recreation Department Total	$ 9,226,071	$ 9,228,233	$ 8,999,087	$ 229,146
LICENSE & INSPECTION				
License and Inspection				
Personal Services	$ 4,075,548	$ 4,075,548	$ 3,822,446	$ 253,102
Materials, Supplies and Equipment	1,543,217	1,573,217	1,319,930	253,287
Special Purpose	300,000	300,000	251,358	48,642
Debt Service	5,053	5,053	5,053	-
License and Inspection	$ 5,923,818	$ 5,953,818	$ 5,398,787	$ 555,031
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	$ 5,229,754	$ 5,229,754	$ 5,022,436	$ 207,318
Materials, Supplies and Equipment	885,689	879,633	866,977	12,656
Debt Service	1,381,947	1,381,947	998,058	383,889
Fire - Admin	7,497,390	7,491,334	6,887,471	603,863
Fire - Suppression				
Personal Services	15,584,410	15,584,410	15,453,596	130,814
Materials, Supplies and Equipment	1,943,980	2,073,679	2,326,653	(252,974)
Fire - Suppression	17,528,390	17,658,089	17,780,249	(122,160)
Fire - Prevention				
Personal Services	941,978	941,978	722,989	218,989
Materials, Supplies and Equipment	304,673	307,173	528,070	(220,897)
Fire - Prevention	1,246,651	1,249,151	1,251,059	(1,908)
Fire Department Total				
Personal Services	21,756,142	21,756,142	21,199,021	557,121
Materials, Supplies and Equipment	3,134,342	3,260,485	3,721,700	(461,215)
Debt Service	1,381,947	1,381,947	998,058	383,889
Fire Department Total	$ 26,272,431	$ 26,398,574	$ 25,918,779	$ 479,795

City of Wilmington, Delaware

General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
POLICE DEPARTMENT				
Police - Admin				
Personal Services	$ 4,945,550	$ 4,945,550	$ 5,403,298	$ (457,748)
Materials, Supplies and Equipment	1,264,151	1,295,716	1,593,800	(298,084)
Debt Service	-	-	13,775	(13,775)
Police - Admin	6,209,701	6,241,266	7,010,873	(769,607)
Police - Patrol				
Personal Services	24,312,328	24,312,328	22,949,456	1,362,872
Materials, Supplies and Equipment	2,793,066	2,793,066	3,687,418	(894,352)
Debt Service	271,800	271,800	220,201	51,599
Police - Patrol	27,377,194	27,377,194	26,857,075	520,119
Police - Special Operations				
Personal Services	3,969,490	3,969,490	5,253,307	(1,283,817)
Materials, Supplies and Equipment	404,278	401,874	502,585	(100,711)
Police - Special Operations	4,373,768	4,371,364	5,755,892	(1,384,528)
Police - Support Services				
Personal Services	1,606,774	1,607,887	1,260,039	347,848
Materials, Supplies and Equipment	968,364	947,023	751,661	195,362
Police - Support Services	2,575,138	2,554,910	2,011,700	543,210
Police - Investigations				
Personal Services	12,803,002	12,803,002	10,809,750	1,993,252
Materials, Supplies and Equipment	1,068,860	1,061,557	1,328,187	(266,630)
Police - Investigations	13,871,862	13,864,559	12,137,937	1,726,622
Police - Communications				
Personal Services	4,265,727	4,265,727	4,058,645	207,082
Materials, Supplies and Equipment	1,264,492	1,264,975	1,003,044	261,931
Debt Service	40,557	40,557	40,558	(1)
Police - Communications	5,570,776	5,571,259	5,102,247	469,012
Police Operations				
Materials, Supplies and Equipment	489,606	499,199	623,805	(124,606)
Police Operations	489,606	499,199	623,805	(124,606)
Police Department Total				
Personal Services	51,902,871	51,903,984	49,734,495	2,169,489
Materials, Supplies and Equipment	8,252,817	8,263,410	9,490,500	(1,227,090)
Debt Service	312,357	312,357	274,534	37,823
Police Department Total	$ 60,468,045	$ 60,479,751	$ 59,499,529	$ 980,222
TOTAL EXPENDITURES	**$ 162,299,001**	**$ 163,313,989**	**$ 158,143,152**	**$ 5,170,837**

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, 2019

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)	$ 281,919	$ 470,289	$ -	$ 220,498	$ -	$ 391,017	$ 109,793	$ 396,604	$ 2,154,403	$ 427,542	$ 4,452,065
Restricted Assets:											
Cash and Investments (Note 3)	-	5,452,268	-	-	-	-	-		-	-	5,452,268
Receivables, Net (Note 4)	-	5,611	-	-	-	-	-	92,062	-	458,420	556,093
Due from Other Governments	184,092	-	285,732	5,048	196,432	-	558,787	-	-	401,853	1,631,944
Prepaid Items & Other Assets	-	15,608	-	25,000	-	-	-	-	-	-	40,608
Total Assets	466,011	5,943,776	285,732	250,546	196,432	391,017	668,580	488,666	2,154,403	1,287,815	12,132,978
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	111,421	-	69,018	-	59,782	-	22,267	336,799	26,814	82,653	708,754
Salaries and Benefits Payable	13,426	5,737	30,829	1,596	716	-	43,071	-	30,844	5,331	131,550
Due to Other Funds	-	64,779	115,509	-	136,117	-	-	-	(2,555)	81,039	394,889
Unearned Revenue	258,126	-	-	-	-	-	588,538	-	-	633,556	1,480,220
Total Liabilities	382,973	70,516	215,356	1,596	196,615	-	653,876	336,799	55,103	802,579	2,715,413
Deferred Inflows of Resources:											
Unavailable Revenues	-	-	-	-	-	-	-	-	-	219,098	219,098
Fund Balances:											
Nonspendable	-	1,064,243	-	-	-	-	-	20,533	-	-	1,084,776
Restricted	-	4,809,017	70,376	248,950	-	391,017	14,704	-	2,099,300	266,138	7,899,502
Committed	83,038	-			-	-	-	131,334	-	-	214,372
Unassigned	-	-	-	-	(183)	-	-	-	-	-	(183)
Total Fund Balances	83,038	5,873,260	70,376	248,950	(183)	391,017	14,704	151,867	2,099,300	266,138	9,198,467
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 466,011	$ 5,943,776	$ 285,732	$ 250,546	$ 196,432	$ 391,017	$ 668,580	$ 488,666	$ 2,154,403	$ 1,287,815	$ 12,132,978

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, 2019

	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	$ 1,138,509	$ -	$ 1,801,634	$ 873,155	$ 629,406	$ -	$ 1,691,928	$ 464,810	$ -	$ 2,651,496	$ 9,250,938
Franchise Tax Revenue	-	-	-	-	-	-	-	-	1,211,410	-	1,211,410
Program Revenue	310,478	85,854	58,687	4,858		104,429	-	1,021,260	-	1,135,966	2,721,532
Public Contributions	-	-	-	-	-	-	-	-	-	411,839	411,839
Investment Earnings	-	229,568	-	-	-	-	-	-	-	-	229,568
Total Revenues	1,448,987	315,422	1,860,321	878,013	629,406	104,429	1,691,928	1,486,070	1,211,410	4,199,301	13,825,287
EXPENDITURES											
Current:											
General Governmental Services	-	81,622	30,426	-	-	-	-	1,854,100	1,120,268	620,902	3,707,318
Real Estate and Housing	-	-	1,748,852	626,205	629,406	186,934	-	-	-	226,049	3,417,446
Public Works	-	-	-	-	-	-	-	-	-	1,317,196	1,317,196
Parks and Recreation	1,280,077	624,945	-	-	-	-	-	-	-	59,592	1,964,614
Public Safety	-	-	-	-	-	-	1,692,380	-	-	1,950,611	3,642,991
Total Expenditures	1,280,077	706,567	1,779,278	626,205	629,406	186,934	1,692,380	1,854,100	1,120,268	4,174,350	14,049,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	168,910	(391,145)	81,043	251,808	-	(82,505)	(452)	(368,030)	91,142	24,951	(224,278)
Other Financing Sources											
Bonds Issued	-	-	-	-	-	-	-	-	63,931		63,931
Bonds Premiums									1,985		1,985
Bonds Payments to Escrow Agent									(65,916)		(65,916)
Transfers in	-	-	-	-	-	-	-	368,821	-	127,533	496,354
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	368,821	-	127,533	496,354
Net change in Fund Balances	168,910	(391,145)	81,043	251,808	-	(82,505)	(452)	791	91,142	152,484	272,076
Fund Balance - Beginning	(85,872)	6,264,405	(10,667)	(2,858)	(183)	473,522	15,156	151,076	2,008,158	113,654	8,926,391
Fund Balance - Ending	$ 83,038	$ 5,873,260	$ 70,376	$ 248,950	$ (183)	$ 391,017	$ 14,704	$ 151,867	$ 2,099,300	$ 266,138	$ 9,198,467

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, 2019

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Park Recreation Assistance				
Revenues	$ 1,448,987	$ 1,448,987	$ 1,448,987	$ -
Expenditures	1,448,987	1,448,987	1,280,077	(168,910)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 168,910	$ 168,910
Commmunity Development Block Grant				
Revenues	$ 1,860,321	$ 1,860,321	$ 1,860,321	$ -
Expenditures	1,860,321	1,860,321	1,779,278	(81,043)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 81,043	$ 81,043
Home Partnership Program				
Revenues	$ 878,013	$ 878,013	$ 878,013	$ -
Expenditures	878,013	878,013	626,205	(251,808)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 251,808	$ 251,808
Home for People With AIDS				
Revenues	$ 629,406	$ 629,406	$ 629,406	$ -
Expenditures	629,406	629,406	629,406	-
Deficiency of Revenues Under Expenditures	$ -	$ -	$ -	$ -
Delaware Neighborhood Stabilization Program				
Revenues	$ 104,429	$ 104,429	$ 104,429	$ -
Expenditures	104,429	104,429	186,934	82,505
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (82,505)	$ (82,505)
Delaware Criminal Justice Planning				
Revenues	$ 1,691,928	$ 1,691,928	$ 1,691,928	$ -
Expenditures	1,691,928	1,691,928	1,692,380	452
Deficiency of Revenues Under Expenditures	$ -	$ -	$ (452)	$ (452)
Cable Television				
Revenues	$ 1,211,410	$ 1,211,410	$ 1,211,410	$ -
Expenditures	1,211,410	1,211,410	1,120,268	(91,142)
Deficiency of Revenues Under Expenditures	$ -	$ -	$ 91,142	$ 91,142

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 was completely self-insured for its workers' compensation exposure during the period of 1995 through June 30, 2017. Effective July 1, 2017, the City began to pay insurance premiums for specific excess loss insurance for workers compensation exposure. 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 Net Position
Internal Service Funds
June 30, 2019

	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)	$ -	$ 25,558	$ 29,717	$ 12,451	$ 41,610	$ -	$ 103	$ 8,198,012	$ 16,219,828	$ 5,058,507	$ 29,585,786
Receivables, Net (Note 4)	-	-	-	-	-	23,085	-	-	-	-	23,085
Prepaid Items & Other Assets	-	-	-	-	-	-	-	-	355,000	-	355,000
Total Current Assets	-	25,558	29,717	12,451	41,610	23,085	103	8,198,012	16,574,828	5,058,507	29,963,871
Noncurrent Assets:											
Restricted Assets:											
Cash and Investments (Note 3)	3,525	-	-	-	-	-	-	-	-	-	3,525
Capital Assets, Net:											
Construction in Progress	144,479	-	-	-	-	935,586	-	-	-	-	1,080,065
Building and Improvements	277,840	-	-	-	-	2,995,516	5,879	-	-	-	3,279,235
Machinery & Equipment	2,205,980	-	-	-	-	1,094,055	805,809	-	8,798	-	4,114,642
Vehicles	-	-	-	-	-	12,922,362	-	-	-	-	12,922,362
Total Noncurrent Assets	2,631,824	-	-	-	-	17,947,519	811,688	-	8,798	-	21,399,829
Total Assets	2,631,824	25,558	29,717	12,451	41,610	17,970,604	811,791	8,198,012	16,583,626	5,058,507	51,363,700
DEFERRED OUTFLOWS OF RESOURCES											
Deferred on Refunding of Bonds	12,980	-	-	-	-	109,637	4,726	-	-	-	127,343
Total Deferred Outflows of Resources	12,980	-	-	-	-	109,637	4,726	-	-	-	127,343
LIABILITIES											
Current Liabilities:											
Accounts Payable	656,614	3,112	23,510	6,244	20,021	1,463,757	193,500	107,104	60,543	1,584,549	4,118,954
Salaries and Benefits Payable	48,630	5,523	1,268	1,268	8,144	-	12,355	8,418	40,339	13,784	139,729
Accrued Interest Payable	10,623	-	-	-	-	35,897	189	8,072	8,072	-	62,853
Due to Other Funds	654,492	-	-	-	-	7,354,113	544,190	2,509,861	-	-	11,062,656
Bonds Payable	107,086	-	-	-	-	334,072	9,106	-	-	-	450,264
Capital Lease	393,246	-	-	-	-	1,457,631	-	-	-	-	1,850,877
Claims Liability	-	-	-	-	-	-	-	-	3,141,592	-	3,141,592
Compensated Absences	69,526	16,923	4,939	4,939	13,445	-	21,394	11,615	31,914	17,174	191,869
Total Current Liabilities	1,940,217	25,558	29,717	12,451	41,610	10,645,470	780,734	2,645,070	3,282,460	1,615,507	21,018,794
Noncurrent Liabilities:											
Advances to Other Funds (Note 7)	-	-	-	-	-	2,932,453	-	-	-	-	2,932,453
Bonds Payable	726,277	-	-	-	-	2,063,359	37,924	-	-	-	2,827,560
Capital Leases	-	-	-	-	-	1,584,925	-	-	-	-	1,584,925
Claims Liabilities	-	-	-	-	-	-	-	5,049,438	13,301,166	1,443,000	19,793,604
Total Noncurrent Liabilities	726,277	-	-	-	-	6,580,737	37,924	5,049,438	13,301,166	1,443,000	27,138,542
Total Liabilities	2,666,494	25,558	29,717	12,451	41,610	17,226,207	818,658	7,694,508	16,583,626	3,058,507	48,157,336
NET POSITION											
Net investment in capital assets	1,418,195	-	-	-	-	9,270,824	769,384	-	8,798	-	11,467,201
Unassigned	(1,439,885)	-	-	-	-	(8,416,790)	(771,525)	503,504	(8,798)	2,000,000	(8,133,494)
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, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	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	$ 6,245,979	$ 277,579	$ 312,716	$ 220,664	$ 328,382	$ 7,543,638	$ 2,011,606	$ 3,980,797	$ 6,158,890	$ 18,316,732	$ 45,396,983
Employee Contributions	-	-	-	-	-	-	-	-	-	2,107,861	2,107,861
Other	-	-	-	-	-	-	-	59,617	-	-	59,617
Total Operating Revenues	6,245,979	277,579	312,716	220,664	328,382	7,543,638	2,011,606	4,040,414	6,158,890	20,424,593	47,564,461
OPERATING EXPENSES											
Personal Services	1,184,477	146,378	33,723	33,725	215,820	-	292,064	207,001	495,800	347,877	2,956,865
Materials, Supplies, Equipment and Contracted Services	4,024,939	131,201	278,993	186,939	112,562	4,332,771	1,406,257	198,712	365,122	261,663	11,299,159
Depreciation and Amortization	997,147	-	-	-	-	3,198,798	311,437	-	587	-	4,507,969
Claims Expense	-	-	-	-	-	-	-	3,017,951	5,290,104	16,933,137	25,241,192
Insurance Premiums	-	-	-	-	-	-	-	802,933	193,460	2,881,916	3,878,309
Total Operating Expenses	6,206,563	277,579	312,716	220,664	328,382	7,531,569	2,009,758	4,226,597	6,345,073	20,424,593	47,883,494
Operating Income (Loss)	39,416	-	-	-	-	12,069	1,848	(186,183)	(186,183)	-	(319,033)
NONOPERATING REVENUES (EXPENSES)											
Investment Earnings	-	-	-	-	-	-	-	186,183	186,183	-	372,366
Interest Expense	(39,416)	-	-	-	-	(203,712)	(1,848)	-	-	-	(244,976)
Gain on Sales of Assets	-	-	-	-	-	191,643	-	-	-	-	191,643
Total Non-Operating Revenues (Expenses)	(39,416)	-	-	-	-	(12,069)	(1,848)	186,183	186,183	-	319,033
Total Net Position - Beginning	(21,690)	-	-	-	-	854,034	(2,141)	503,504	-	2,000,000	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, 2019

	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	$ 6,245,979	$ 277,579	$ 312,716	$ 220,664	$ 328,382	$ 7,527,753	$ 2,011,606	$ 4,040,414	$ 6,158,890	$ 20,424,593	$ 47,548,576
Payments to Suppliers	(3,868,631)	(129,895)	(257,120)	(187,707)	(97,156)	(4,342,428)	(1,284,403)	(3,801,482)	(4,336,385)	(20,404,790)	(38,709,997)
Payments to Employees	(1,191,451)	(145,371)	(34,542)	(34,544)	(213,825)	-	(274,974)	(200,937)	(485,968)	(342,043)	(2,923,655)
Net Cash Provided by (Used in) Operating Activities	1,185,897	2,313	21,054	(1,587)	17,401	3,185,325	452,229	37,995	1,336,537	(322,240)	5,914,924
Cash Flows from Noncapital Financing Activities											
Net Advances From Other Funds	(794,552)	-	-	-	-	3,219,370	(444,466)	(37,995)	(1,814,200)	-	128,157
Investment Earnings	-	-	-	-	-	-	-	186,183	186,183	-	372,366
Net Cash Provided by (Used in) Noncapital Financing Activities	(794,552)	-	-	-	-	3,219,370	(444,466)	148,188	(1,628,017)	-	500,523
Cash Flows from Capital and Related Financing Activities:											
Acquisition and Construction of Capital Assets	-	-	-	-	-	(4,222,158)	-	-	-	-	(4,222,158)
Principal Paid on Bonds	(131,419)	-	-	-	-	(275,902)	(5,536)	-	-	-	(412,857)
Interest Paid / Accrued on Bonds	(42,532)	-	-	-	-	(59,477)	(2,227.00)	-	-	-	(104,236)
Principal Paid on Capital Leases	(215,600)	-	-	-	-	(2,081,801)	-	-	-	-	(2,297,401)
Interest Paid on Capital Leases	(1,794)	-	-	-	-	(130,674)	-	-	-	-	(132,468)
Disposal Fixed Assets	-	-	-	-	-	362,808	-	-	-	-	362,808
Net Cash Used in) Noncapital and Related Financing Activities	(391,345)	-	-	-	-	(6,407,204)	(7,763)	-	-	-	(6,806,312)
Net Increase (Decrease) in Cash and Cash Equivalents	-	2,313	21,054	(1,587)	17,401	-	-	186,183	(291,480)	(322,240)	(390,865)
Cash and Cash Equivalents - June 30, 2018 (including $3,525 for the Data Processing Fund & $2,509 for the Motor Vehicle Fund reported in restricted accounts)	3,525	23,245	8,663	14,038	24,209	2,509	103	8,011,829	16,511,308	5,380,747	29,980,176
Cash and Cash Equivalents - June 30, 2019 (including $3,525 for the Data Processing Fund reported in restricted accounts)	$ 3,525	$ 25,558	$ 29,717	$ 12,451	$ 41,610	$ -	$ 103	$ 8,198,012	$ 16,219,828	$ 5,058,507	$ 29,589,311
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:											
Operating Income	$ 39,416	$ -	$ -	$ -	$ -	$ 12,069	$ 1,848	$ (186,183)	$ (186,183)	$ -	$ (319,033)
Adjustments to Reconcile Operating Income to Cash Provided by (Use in) Operating Activities:											
Depreciation and Amortization	997,147	-	-	-	-	3,198,798	311,437	-	587	-	4,507,969
Changes in assets and liabilities:											
(Increase) Decrease in Receivables	-	-	-	-	-	(15,885)	-	-	-	-	(15,885)
Increase (Decrease) in Accounts Payable	156,308	1,306	21,873	(768)	15,406	(9,657)	121,854	(109,168)	(158,706)	(227,050)	(188,602)
Increase (Decrease) in Compensated Absences	(9,341)	1,171	(672)	(672)	2,195	-	17,423	4,214	6,741	4,163	25,222
Increase (Decrease) in Accrued Salaries	2,367	(164)	(147)	(147)	(200)	-	(333)	1,850	3,091	1,671	7,988
Increase (Decrease) in Accrued Interest	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	327,282	1,671,007	(101,024)	1,897,265
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Net cash Provided (Used) by Operating Activities	$ 1,185,897	$ 2,313	$ 21,054	$ (1,587)	$ 17,401	$ 3,185,325	$ 452,229	$ 37,995	$ 1,336,537	$ (322,240)	$ 5,914,924
Non -Cash Capital Activities											
Capital Asset Acquired with Accounts Payable	-	-	-	-	-	413,000	-	-	-	-	413,000
	$ -	$ -	$ -	$ -	$ -	$ 413,000	$ -	$ -	$ -	$ -	$ 413,000

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. These plans are closed

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. This plan is closed

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, 2019

	Firefighters Pension	Police Pension	Plan I Non-uniformed Pension	Plan II Non-uniformed Pension	Plan III Non-uniformed Pension	Wilmington Park Trust Pension	Total Retirement Funds	Post - Retirement Healthcare Benefit	Total Pension Trust Funds
ASSETS									
Cash and Cash Equivalents (Note 3)	$ 1,171,503	$ 380,711	$ 1,593	$ 1,904	$ 7,142,764	$ 55,113	$ 8,753,588	$ 389,423	$ 9,143,011
Receivables:									
Accrued Interest & Other Receivables	56,765	106,355	6,249	16,118	68,715	-	254,202	220,763	474,965
Total Receivables	56,765	106,355	6,249	16,118	68,715	-	254,202	220,763	474,965
Investments, at Fair Value (Note 3):									
Money Market Funds	383,589	718,696	42,228	108,919	610,385	-	1,863,817	8,390	1,872,207
U.S. Treasury Obligations	3,508,837	6,574,187	386,277	996,327	5,583,423	-	17,049,051	-	17,049,051
U.S. Government Agencies - Guaranteed	155,582	291,500	17,128	44,177	247,571	-	755,958	-	755,958
U.S. Government Agencies - Other	-	-	-	-	-	-	-	-	-
Corporate & Foreign Bonds	3,627,752	6,796,987	399,368	1,030,093	5,772,645	-	17,626,845	-	17,626,845
Common Equity & Marketable Securities	13,931,448	26,102,078	1,533,669	3,955,805	22,168,357	89,721	67,781,078	-	67,781,078
Global & International Funds	13,228,118	24,784,313	1,456,241	3,756,096	21,049,187	-	64,273,955	4,255,242	68,529,197
Mutual Funds	12,429,209	23,287,471	1,368,292	3,529,247	19,777,928	154,577	60,546,724	19,437,636	79,984,360
Real Estate Investment Trust	2,489,195	4,663,778	274,028	706,802	3,960,922	-	12,094,725	-	12,094,725
Total Investments	49,753,730	93,219,010	5,477,231	14,127,466	79,170,418	244,298	241,992,153	23,701,268	265,693,421
Due from OPEB Pension Trust Fund	-	-	-	-	906,306	-	906,306	-	906,306
Total Assets	50,981,998	93,706,076	5,485,073	14,145,488	87,288,203	299,411	251,906,249	24,311,454	276,217,703
LIABILITIES									
Accounts Payable	3,906	8,920	-	1,383	20,486	5,940	40,635	5,000	45,635
Salaries and Benefits Payable	2,845	4,623	1,588	2,333	5,614	-	17,003	-	17,003
Due to Pension Trust Fund	-	-	-	-	-	-	-	906,306	906,306
Due to Other Governments	-	-	-	-	7,086,801	-	7,086,801	-	7,086,801
Compensated Absences	5,966	9,902	-	4,499	14,964	-	35,331	-	35,331
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	178,646	-	178,646
Total Liabilities	58,143	100,784	40,499	16,732	7,136,318	5,940	7,358,416	911,306	8,269,722
Net Position									
Held in Trust for Pension & OPEB Benefits	$ 50,923,855	$ 93,605,292	$ 5,444,574	$ 14,128,756	$ 80,151,885	$ 293,471	$ 244,547,833	$ 23,400,148	$ 267,947,981

City of Wilmington, Delaware

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2019

	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	$ 1,240,836	$ 5,849,070	$ 47,342	$ 260,859	$ 4,958,725	$ 6,438	$ 12,363,270	$ 4,525,548	$ 16,888,818
Paid by the State									
On-Behalf of the City	3,701,612	1,847,503	-	-	-	-	5,549,115	-	5,549,115
Employees	91,885	133,661	-	-	504,771	-	730,317	933,503	1,663,820
Federal Drug Subsidies & Other	-	-	-	11,880	8,787	2,970	23,637	26,985	50,622
Total Contributions	5,034,333	7,830,234	47,342	272,739	5,472,283	9,408	18,666,339	5,486,036	24,152,375
Investment Income									
Investment Earnings	2,234,487	4,243,476	261,976	647,014	2,878,200	9,830	10,274,983	518,125	10,793,108
Net Appreciation (Depreciation) in Fair Value	1,384,827	2,629,903	162,360	400,988	1,783,770	3,158	6,365,006	999,534	7,364,540
Total Investment Earnings	3,619,314	6,873,379	424,336	1,048,002	4,661,970	12,988	16,639,989	1,517,659	18,157,648
Less: Investment Expense	(115,204)	(220,260)	(13,578)	(33,571)	(163,876)	-	(546,489)	(6,228)	(552,717)
Net Investment Income	3,504,110	6,653,119	410,758	1,014,431	4,498,094	12,988	16,093,500	1,511,431	17,604,931
Total Additions	8,538,443	14,483,353	458,100	1,287,170	9,970,377	22,396	34,759,839	6,997,467	41,757,306
DEDUCTIONS									
Benefits Paid	7,659,300	12,011,676	514,101	922,046	5,802,182	11,880	26,921,185	3,518,770	30,439,955
Administrative Expenses	125,613	199,210	60,036	81,529	277,140	2,899	746,427	57,292	803,719
Total Deductions	7,784,913	12,210,886	574,137	1,003,575	6,079,322	14,779	27,667,612	3,576,062	31,243,674
Net Increase in Plan Net Position	753,530	2,272,467	(116,037)	283,595	3,891,055	7,617	7,092,227	3,421,405	10,513,632
Net Position - Beginning	50,170,325	91,332,825	5,560,611	13,845,161	76,260,830	285,854	237,455,606	19,978,743	257,434,349
Net Position - Ending	$ 50,923,855	$ 93,605,292	$ 5,444,574	$ 14,128,756	$ 80,151,885	$ 293,471	$ 244,547,833	$ 23,400,148	$ 267,947,981

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 142

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 147

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

Debt Capacity 151

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 155

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 158

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	$ 81,867,549	$ 82,216,326	$ 79,317,727	$ 68,699,894	$ 70,032,240	$ 74,784,855	$ 73,262,924	$ 80,030,613	$ 85,923,514	$ 92,711,517
Restricted	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	8,771,679	8,984,278
Unrestricted	25,986,816	23,402,664	25,864,401	17,545,747	(119,636,657)	(116,324,021)	(104,130,565)	(123,390,154)	(120,687,342)	(115,292,703)
Total Governmental Activities Net Position	$ 112,825,012	$ 111,089,827	$ 111,116,467	$ 107,648,958	$ (30,918,607)	$ (29,158,252)	$ (25,374,162)	$ (35,775,381)	$ (25,992,149)	$ (13,596,908)
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	$ 110,672,786	$ 112,071,075	$ 118,391,959	$ 118,345,142	$ 116,604,537	$ 116,858,039	$ 117,697,946	$ 120,943,085	$ 127,230,361	$ 131,329,111
Restricted	-	-	-	-	-	-	-	-	35,165,006	39,571,786
Unrestricted	(25,777,628)	(14,446,190)	(16,294,598)	(8,337,387)	(3,290,174)	5,835,485	17,194,095	27,456,260	-	2,215,818
Total Business-type Activities Net Position	$ 84,895,158	$ 97,624,885	$ 102,097,361	$ 110,007,755	$ 113,314,363	$ 122,693,524	$ 134,892,041	$ 148,399,345	$ 162,395,367	$ 173,116,715
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	$ 192,540,335	$ 194,287,401	$ 197,709,686	$ 187,045,036	$ 186,636,777	$ 191,642,894	$ 190,960,870	$ 200,973,698	$ 213,153,875	$ 224,040,628
Restricted	4,970,647	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	43,936,685	48,556,064
Unrestricted	209,188	8,956,474	9,569,803	9,208,360	(122,926,831)	(110,488,536)	(86,936,470)	(95,933,894)	(120,687,342)	(113,076,885)
Total Primary Government Net Position	$ 197,720,170	$ 208,714,712	$ 213,213,828	$ 217,656,713	$ 82,395,756	$ 93,535,272	$ 109,517,879	$ 112,623,964	$ 136,403,218	$ 159,519,807

Note: Net position reflects any prior year restatements.

Table II

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental Activities:										
General Government	$ 26,393,092	$ 29,488,557	$ 35,708,148	$ 28,485,274	$ 27,630,002	$ 28,495,073	$ 28,460,217	$ 33,209,538	$ 28,701,894	$ 31,837,983
Commerce	7,711,248	-	-	-	-	-	-	-	-	-
Real Estate and Housing	11,672,335	9,558,053	10,276,370	4,925,920	5,431,791	6,434,211	6,874,842	6,310,506	6,708,205	5,934,884
Public Works	23,110,033	23,033,197	23,177,193	23,242,074	23,807,433	23,447,957	25,374,633	24,429,688	24,080,545	25,703,685
Parks and Recreation	10,605,259	9,423,690	9,632,204	9,196,053	9,077,378	10,317,892	9,939,326	11,161,909	11,098,419	13,040,301
Public Safety	86,039,994	82,913,341	84,777,539	90,571,399	90,737,719	83,938,497	89,768,212	103,283,261	90,296,885	92,335,897
Interest on Long-Term Debt	4,519,308	5,616,097	4,768,486	5,150,078	4,743,372	4,342,767	4,602,942	4,316,733	3,883,054	5,096,566
Total Governmental Activities Expenses	170,051,269	160,032,935	168,339,940	161,570,798	161,427,695	156,976,397	165,020,172	182,711,635	164,769,002	173,949,316
Business-type Activities:										
Water/Sewer	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455
Total Business-Type Activities Expenses	55,033,937	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455
Total Primary Government Expenses	$ 225,085,206	$ 214,756,554	$ 229,224,584	$ 221,479,572	$ 226,411,971	$ 221,069,304	$ 230,463,747	$ 253,039,239	$ 238,424,466	$ 249,291,771
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	$ 7,619,652	$ 8,906,826	$ 8,937,613	$ 9,710,578	$ 10,378,709	$ 10,471,882	$ 11,935,090	$ 13,029,923	$ 12,349,560	$ 14,809,049
Commerce	161,203	-	-	-	-	-	-	-	-	-
Real Estate and Housing	541,183	795,318	1,915,305	-	-	247,075	339,598	317,489	576,854	135,260
Public Works	273,147	374,128	283,289	294,972	224,135	162,702	148,264	165,377	154,446	181,463
Parks and Recreation	22,964	59,026	284,258	312,783	190,332	79,359	20,714	510,646	226,823	151,455
Public Safety	15,433,702	13,774,372	16,408,085	10,843,278	15,380,748	14,612,394	14,447,109	12,147,225	12,752,764	12,110,695
Operating Grants and Contributions	19,236,629	20,569,251	19,362,707	17,388,953	16,907,582	19,095,300	18,746,664	14,684,689	16,805,129	18,001,181
Capital Grants and Contributions	1,103,155	1,908,256	1,311,524	1,933,252	1,377,611	2,341,802	1,136,175	1,544,083	202,539	2,872,181
Total Governmental Activities Revenues	44,391,635	46,387,177	48,502,781	40,483,816	44,459,117	47,010,514	46,773,614	42,399,432	43,068,115	48,261,284
Business-type Activities:										
Charges for Services:										
Water	52,217,917	58,346,241	64,744,275	67,065,579	76,491,666	73,926,346	77,136,007	83,541,753	83,329,958	84,633,077
Operating Grants and Contributions	572,410	9,092,105	574,876	469,271	67,784	167,892	502,438	293,155	4,264,405	1,320,726
Total Business-type Activities Revenues	52,790,327	67,438,346	65,319,151	67,534,850	76,559,450	74,094,238	77,638,445	83,834,908	87,594,363	85,953,803
Total Primary Government Revenues	$ 97,181,962	$ 113,825,523	$ 113,821,932	$ 108,018,666	$ 121,018,567	$ 121,104,752	$ 124,412,059	$ 126,234,340	$ 130,662,478	$ 134,215,087

Table II

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	$ 35,207,881	$ 39,428,237	$ 39,334,457	$ 38,383,979	$ 40,031,479	$ 40,289,471	$ 40,785,515	$ 40,691,422	$ 42,912,480	$ 43,926,250
Income Taxes	57,426,347	55,958,208	63,519,580	61,873,590	62,058,990	62,286,478	63,093,666	66,747,652	67,549,952	69,881,277
Other Taxes	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035
Lodging & Natural Gas Taxes	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	3,366,921	3,466,672
Investment Earnings	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,461	270,511	1,254,149	1,253,510	2,499,919
Payments from Component Units	-	-			-	-	-	-	-	-
Other Revenues including Capital Asset Sales Gains	110,976	-	-	-	84,681	-	-	176,448	347,572	191,643
Grants, Entitlements, and Contributions not Restricted to Specific Programs	13,243,382	11,897,908	12,437,046	12,505,037	13,621,030	14,137,931	14,539,204	14,743,680	15,726,381	16,484,735
Transfers	-	-	-	(232,176)	-	2,976	-	-	-	-
Total Governmental Activities	110,741,938	111,378,392	119,863,799	117,619,473	120,102,692	120,813,199	122,030,648	129,280,552	134,339,516	139,958,531
Business-type Activities:										
Investment Earnings	131,228	15,000	37,969	52,142	4,135	3,502	3,647	-	-	-
Transfers	-	-	-	232,176	-	-	-	-	-	-
Other Revenues including Capital Asset Sales Gains	-	-	-	-	-	-	-	-	-	110,000
Total Business-type Activities	131,228	15,000	37,969	284,318	4,135	3,502	3,647	-	-	110,000
Total Primary Government	$ 110,873,166	$ 111,393,392	$ 119,901,768	$ 117,903,791	$ 120,106,827	$ 120,816,701	$ 122,034,295	$ 129,280,552	$ 134,339,516	$ 140,068,531
CHANGE IN NET POSITION										
Governmental Activities	$ (14,917,696)	$ (2,267,366)	$ 26,640	$ (3,467,509)	$ 3,134,114	$ 10,847,316	$ 3,784,090	$ (11,031,651)	$ 12,638,629	$ 14,270,499
Business-type Activities	(2,112,382)	12,729,727	4,472,476	7,910,394	11,579,309	10,004,833	12,198,517	13,507,304	13,938,899	10,721,348
Total Primary Government	$ (17,030,078)	$ 10,462,361	$ 4,499,116	$ 4,442,885	$ 14,713,423	$ 20,852,149	$ 15,982,607	$ 2,475,653	$ 26,577,528	$ 24,991,847

Table III

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	$ 10,508,968	$ 6,500,000	$ 9,988,293	$ 8,771,914	$ 5,460,671	$ 3,184,707	$ 3,121,642	$ 3,058,580	$ 2,995,512	$ 2,932,453
Committed										
Budget Reserve Account	14,761,419	13,933,709	14,292,802	14,537,615	15,003,965	15,169,686	15,403,864	15,730,559	15,730,559	16,229,900
Other Purposes	-	430,000	-	-	-	-	-	-	-	-
Tax Stablilization Reserve	-	-	-	-	-	-	-	-	21,348,108	27,434,463
Unassigned										
Other Purposes	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	$ 31,044,506	$ 37,801,380	$ 45,245,468	$ 46,572,452	$ 46,057,266	$ 43,049,158	$ 42,314,362	$ 33,928,774	$ 40,074,179	$ 46,596,816
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	$ -	$ 820,344	$ 799,803	$ 879,788	$ 991,205	$ 977,910	$ 968,468	$ 1,023,792	$ 1,059,631	$ 1,084,776
Restricted										
Capital Projects Funds	10,756,912	11,301,494	22,033,428	14,826,533	11,551,577	6,778,734	21,340,305	16,024,754	9,815,380	6,113,837
Park Operations	4,970,647	4,650,493	5,134,536	5,696,996	6,143,028	5,123,545	4,931,600	5,163,418	5,215,212	4,809,017
Other Purposes	-	-	-	-	245,392	478,635	433,004	78,540	2,761,566	3,090,485
Committed										
Affordable Housing	3,603,392	2,219,614	1,329,261	1,178,585	631,127	(346,207)	1,115,369	386,312	-	-
Economic Development	8,124,949	6,685,727	5,639,243	5,550,802	5,550,802	5,215,443	6,732,194	2,924,787	2,059,323	742,102
Other Purposes	874,627	790,556	775,204	1,644,281	1,742,099	1,891,276	1,694,095	2,064,464	-	214,372
Unassigned	-	-	-	-	(118,672)	(127,655)	(100,017)	(263,146)	(2,546,052)	(3,340,662)
Total All Other Governmental Funds	$ 28,330,527	$ 26,468,228	$ 35,711,475	$ 29,776,985	$ 26,736,559	$ 19,991,681	$ 37,115,018	$ 27,402,921	$ 18,365,060	$ 12,713,927

Table IV

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	$ 35,398,064	$ 39,187,019	$ 39,013,879	$ 38,181,077	$ 38,140,803	$ 40,046,863	$ 40,246,355	$ 40,596,912	$ 43,266,138	$ 42,747,587
Wage Taxes	54,146,338	51,732,408	55,815,188	56,558,250	55,819,469	57,891,999	57,554,177	60,334,780	60,924,351	61,686,959
Net Profit	4,693,460	4,818,119	5,040,088	5,439,220	5,547,134	5,746,392	5,545,183	6,577,048	6,449,989	6,746,611
Franchise	1,775,266	1,771,473	1,716,982	1,863,137	916,631	899,239	952,421	921,140	2,082,618	2,110,972
Real Estate Transfer	1,883,389	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035
Head Taxes	3,178,931	3,665,320	3,662,183	3,538,656	4,071,552	4,260,172	3,926,973	3,853,010	3,693,366	3,764,224
Lodging & Natural Gas	1,161,077	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	1,268,092	1,425,278
Intergovernmental	35,914,336	34,753,438	34,272,415	32,911,841	32,162,180	36,276,503	35,513,456	31,643,707	31,468,695	33,970,313
Licenses and Permits	4,489,246	3,987,861	4,843,537	4,573,516	3,880,469	4,296,561	4,829,292	4,694,187	5,734,367	5,108,362
Fines and Forfeitures	7,583,731	8,698,896	9,484,531	7,096,186	8,466,787	7,387,420	7,889,370	5,936,872	5,670,871	6,553,856
Charges for Services	5,035,301	5,958,581	7,495,032	5,865,902	6,626,184	6,826,272	7,083,670	8,815,269	10,244,245	12,403,678
Investment Earnings	1,708,886	1,287,448	494,437	1,049,413	1,004,623	324,455	326,238	997,789	1,321,628	2,176,752
Other	-	-	-	-	-	-	1,704,229	-	-	-
Total Revenues	156,968,025	158,667,154	165,916,551	161,116,828	159,937,721	167,727,758	168,913,116	170,037,915	175,307,060	182,202,627
EXPENDITURES										
General Government	25,033,199	31,650,965	34,037,673	26,751,489	26,295,676	28,053,730	27,773,804	30,533,408	26,747,981	31,978,559
Commerce	7,711,248	-	-	-	-	-	-	-	-	-
Real Estate and Housing	11,099,966	9,543,270	10,253,569	4,909,695	5,411,073	6,544,038	6,849,812	6,407,812	6,902,264	6,448,197
Public Works	18,883,832	18,619,338	18,629,588	18,596,378	19,342,030	19,682,837	20,505,252	19,744,936	20,642,668	21,399,743
Parks and Recreation	9,636,781	8,452,461	8,607,042	8,145,406	8,104,354	9,537,746	8,861,133	10,081,649	10,248,387	10,249,471
Public Safety	82,336,748	79,671,627	80,231,287	85,840,469	87,586,989	91,138,795	88,769,676	100,782,119	94,437,075	93,196,217
Debt Service:										
Principal	6,477,638	2,775,559	5,615,432	7,177,478	6,840,368	7,570,521	8,041,584	8,540,841	7,507,637	9,900,113
Interest	5,002,246	5,403,006	5,315,850	5,071,563	5,196,196	4,937,476	5,087,280	4,988,228	4,796,604	4,574,958
Capital Outlay - Capital Projects	7,607,704	2,021,953	7,198,258	9,121,210	4,775,999	6,747,270	8,634,350	6,957,569	8,822,122	12,612,170
Total Expenditures	173,789,362	158,138,179	169,888,699	165,613,688	163,552,685	174,212,413	174,522,891	188,036,562	180,104,738	190,359,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,821,337)	528,975	(3,972,148)	(4,496,860)	(3,614,964)	(6,484,655)	(5,609,775)	(17,998,647)	(4,797,678)	(8,156,801)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	110,976	3,566,586	-	-	-	-	-	-	-	-
Capital Lease Issued	-	-	-	-	-	413,828	-	-	505,499	658,289
Bond Anticipation Notes	-	-	-	-	-	-	-	-	1,399,724	5,532,872
Bond Anticipation Note Repayment	-	-	-	-	-	-	-	(232,485)	-	-
Bonds Issued	35,598,915	799,014	33,404,051	16,853,656	-	-	18,317,711	-	-	12,084,876
Bond Refunding	-	-	-	-	-	-	-	18,887,944	-	-
Premium on Debt Issued	3,042,569	-	686,181	3,604,591	-	-	3,145,040	.	-	850,073
Payment to Refunded Bond Escrow Agent	(31,529,965)	-	(12,012,682)	(20,275,357)	-	-	(238,505)	(21,523,660)	-	(6,662,166)
Transfers In	1,497,943	1,549,497	6,500,356	676,363	139,434	43,421	2,125,000	1,841,656	523,244	1,889,746
Transfers Out	(1,497,943)	(1,549,497)	(6,500,356)	(969,899)	(54,753)	(40,445)	(2,180,727)	(1,841,656)	(523,244)	(1,889,746)
Total Other Financing Sources (Uses)	7,222,495	4,365,600	22,077,550	(110,646)	84,681	416,804	21,168,519	-	1,905,223	12,463,944
Net Change in Fund Balances	(9,598,842)	4,894,575	18,105,402	(4,607,506)	(3,530,283)	(6,067,851)	15,558,744	(17,998,647)	(2,892,455)	4,307,143
Prior Period Adjustments	-	-	-	-	(25,329)	(372,073)	-	134,752	-	(3,435,639)
Net Change in Fund Balances	$ (9,598,842)	$ 4,894,575	$ 18,105,402	$ (4,607,506)	$ (3,555,612)	$ (6,439,924)	$ 16,388,601	$ (17,863,895)	$ (2,892,455)	$ 871,504
Debt Service as a Percentage of Noncapital Expenditures	6.91%	5.24%	6.72%	7.83%	7.58%	7.47%	7.91%	7.47%	7.18%	8.14%

Note: 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]			
2019	$ 1,023,907,450	$ 1,019,988,766	$ 103,171,800	$ 1,394,118,648	$ 1,375,986,077	$ 2,165,200,587	1.9950
2018	1,024,296,850	1,021,750,260	101,395,100	1,399,855,748	1,386,497,563	2,160,800,395	1.9950
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

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 of Assessment Role.

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
2019	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2018	1.8550	0.1400	1.9950	0.2241	0.0195	0.2436	2.3140	-	2.3140	4.5526
2017	1.7250	0.1300	1.8550	0.2265	0.0171	0.2436	2.1740	-	2.1740	4.2726
2016	1.7050	0.1500	1.8550	0.2265	0.0171	0.2436	1.9840	-	1.9840	4.0826
2015	1.7250	0.1300	1.8550	0.2217	0.0219	0.2436	1.7710	-	1.7710	3.8696
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	-	1.6620	3.6726
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	0.2192	0.0244	0.2436	1.6740	-	1.6740	2.8883

Source: City of Wilmington, Revenue Division

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

Table VII

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

	2010			2019		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Buccini Pollin Group	$ 89,493,700	1	2.43%	$ 95,453,800	1	4.42%
JP Morgan Chase	-	-	-	55,412,300	2	2.56%
Bank of America (MBNA)	78,107,700	3	2.12%	54,057,400	3	2.50%
M&T Bank	-	-	0.00%	52,803,060	4	2.44%
Delmarva Power & Light	80,824,200	2	2.19%	46,017,300	5	2.13%
DCL Leasing Partners	58,084,300	5	1.57%	41,000,000	6	1.90%
1201 Market Street LLC	51,775,000	7	1.40%	35,000,000	7	1.62%
Calpine Mid-Atlantic	-	-	-	32,900,100	8	1.52%
TRC Rubenstein	-	-	-	28,548,300	9	1.32%
222 Delaware Partners, LP	-	-	-	22,000,000	10	1.02%
Brandywine Office Investment	-	-	-	21,329,800	11	0.99%
Verizon	-	-	-	15,866,100	12	0.73%
Hub Properties Trust	31,119,900	8	0.84%	-	-	-
MacQuarie BDN Christina	63,704,500	4	1.73%	-	-	-
E.I. DuPont Nemours & Co	52,839,800	6	1.43%	-	-	-
Rodney Square Investors, LP	27,608,600	10	0.75%	-	-	-
Delaware Trust Rehab	37,681,100	9	1.02%	-	-	-
Totals	$ 571,238,800		15.48%	$ 500,388,160		23.15%

Sources: 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
2019	$ 45,615,595	$ 42,338,103	93.0%	$ 127,455	$ 42,465,558	93.0%
2018	44,048,151	42,013,651	95.4%	134,236	42,147,887	95.7%
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%

Source: City of Wilmington, Finance Department

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

Table IX

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

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2019	113,278,478	4,509,973	209,826,762	-	327,615,213	15.61%	4,638
2018	113,331,514	6,336,576	200,618,903	-	320,286,993	17.07%	4,504
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

Sources: 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]
2019	323,105,240	14.92%	4,592
2018	313,950,417	14.53%	4,415
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

Source: City of Wilmington, Treasurer's Office

Notes: [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, 2018
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
New Castle County Debt	$ 464,840,000	15.3%	$ 71,120,520
Various School Districts	267,391,231	15.6%	41,713,032
Subtotal - Overlapping Debt	732,231,231		112,833,552
City of Wilmington Direct Debt	119,668,090	100%	119,668,090
Totals			$ 232,501,642

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Budget	$ 147,521,170	$ 143,952,638	$ 140,363,055	$ 145,043,428	$ 147,325,316	$ 150,039,645	$ 151,696,858	$ 154,038,640	$ 154,923,078	$ 162,299,001
Debt Service Limit	25,816,205	25,191,712	24,563,535	25,382,600	25,781,930	26,256,938	26,546,950	26,956,762	27,111,539	28,402,325
Total Net Debt Service Applicable to Limit	11,479,884	8,178,565	10,931,282	12,249,041	10,768,172	12,478,444	13,078,215	13,474,832	12,220,563	12,901,708
Legal Debt Service Margin	$ 14,336,321	$ 17,013,147	$ 13,632,253	$ 13,133,559	$ 15,013,758	$ 13,778,494	$ 13,468,735	$ 13,481,930	$ 14,890,976	$ 15,500,617
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	44.00%	32.00%	45.00%	48.00%	42.00%	48.00%	49.00%	50.00%	45.00%	45.00%

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
2019	70,635	$ 2,098,283,310	$ 29,706	30,393	3.70%	35.70	$ 42,854
2018	71,106	1,924,270,572	27,062	33,460	4.30%	35.00	40,221
2017	71,442	1,876,281,246	26,263	31,918	7.50%	35.30	40,065
2016	71,948	1,867,122,548	25,951	32,622	7.00%	35.10	38,979
2015	71,817	1,809,142,047	25,191	30,320	5.10%	34.80	38,727
2014	71,119	1,811,472,049	25,471	28,652	9.60%	34.80	39,761
2013	71,292	1,824,362,280	25,590	27,985	11.20%	33.70	39,019
2012	71,305	1,824,694,950	25,590	27,718	10.30%	34.40	37,352
2011	70,851	1,734,928,437	24,487	27,418	12.10%	34.90	38,325
2010	70,839	1,761,128,379	24,861	26,990	11.70%	34.00	32,884

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 2010			Calendar Year 2019		
Taxpayer	Employees	Rank	Percentage of Total [1] Employment	Employees	Rank	Percentage of Total [1] Employment
State of Delaware	13,900	1	4.94%	14,199	1	5.21%
Christiana Care Health System	10,800	2	3.84%	11,308	2	4.15%
University of Delaware	4,004	6	1.42%	4,493	3	1.65%
Amazon (DE Fultillment Centers)	-	-	0.00%	4,300	4	1.58%
Nemours (A.I. DuPont Hospital)	3,200	7	1.14%	3,795	5	1.39%
DuPont Company (Science and Engineering)	-	-	0.00%	3,500	6	1.28%
AstraZeneca Pharmaceuticals LP	4,800	5	1.70%	2,500	7	0.92%
YMCA of Delaware	-	-	0.00%	2,469	8	0.91%
Christina School District	2,300	8	0.82%	2,390	9	0.88%
Red Clay School District	1,750	10	0.62%	2,200	10	0.81%
Delaware Tech. Comm. College (Public Ed.)	-	-	0.00%	2,100	11	0.77%
New Castle County Government	-	-	0.00%	2,000	12	0.73%
M&T Bank (Wilmington Trust Corp.)	2,284	9	0.81%	1,900	13	0.70%
Brandywine School District	1,482	12	0.53%	1,472	14	0.54%
Siemens Healthcare Diagnostics	-	-	0.00%	1,410	15	0.52%
Connections Community Support	-	-	0.00%	1,200	16	0.44%
St. Francis Healthcare	-	-	0.00%	1,200	17	0.44%
Delaware State University	-	-	0.00%	1,009	18	0.37%
The Chemours Company	-	-	0.00%	1,000	19	0.37%
Wilmington VA Medical Center	-	-	0.00%	980	20	0.36%
Delmarva Power	-	-	0.00%	898	21	0.33%
AAA	-	-	0.00%	890	22	0.33%
Blackrock Capital Management, Inc.	-	-	0.00%	834	23	0.31%
WSFS Bank	-	-	0.00%	801	24	0.29%
Bank of America (MBNA)	10,000	3	3.55%	-	-	0.00%
Walgreen's Inc	1,700	11	0.60%	-	-	0.00%
PNC Financial Services Group	1,100	15	0.39%	-	-	0.00%
Colonial School District	1,271	13	0.45%	-	-	0.00%
E.I. Du Pont Nemours & Company	8,100	4	2.88%	-	-	0.00%
ING Direct	1,122	14	0.40%	-	-	0.00%
Totals	67,813		24.09%	68,848		25.28%

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	2019 Withholdings	% of Total
Total of Ten Largest	$ 22,529,813	37.26%
Total Wage Tax Collected	$ 60,466,936	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Mayor's Office	60	59	58	57	60	59	59	59	57	55
City Council	29	29	28	27	29	29	29	29	29	29
Audit	5	5	4	4	4	4	4	4	4	5
Law	23	23	21	21	21	20	20	20	18	17
Finance	75	97	93	90	87	88	88	86	85	84
Human Resources	23	23	22	22	21	22	22	24	23	24
Treasurer	7	7	6	6	6	6	6	6	7	7
Planning	12	12	11	11	11	11	11	10	10	10
Real Estate and Housing	17	17	16	15	15	12	12	11	11	11
Parks and Recreation	53	50	44	44	44	42	41	41	40	39
Public Safety										
Police	416	402	390	382	382	382	382	381	376	378
Fire	172	172	177	177	177	177	177	177	161	161
License and Inspection	44	42	38	38	38	38	38	38	38	42
Public Works	229	229	226	226	224	223	223	221	219	221
Totals	**1,165**	**1,167**	**1,134**	**1,120**	**1,119**	**1,113**	**1,112**	**1,107**	**1,078**	**1,083**

Source: 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Physical Arrests/Charges	11,737	n/a	16,051	12,991	17,143	9,765	10,259	10,335	10,578	10,892
Police Calls - Incident	119,412	n/a	183,041	106,470	102,903	96,703	103,786	97,747	130,263	116,708
Police Calls - Administrative	56,072	n/a	28,449	31,345	60,972	61,544	50,863	104,208	174,733	164,093
Fire/EMS Calls	17,659	18,448	18,932	20,201	20,401	21,992	22,448	23,829	19,819	24,367
Inspections	1,862	1,589	1,677	1,416	1,959	1,756	1,682	1,538	2,356	1,625
Parking Violations Issued	70,030	83,149	71,229	68,465	68,365	66,300	68,365	60,069	55,228	60,475
Redlight Tickets Issued	32,948	25,318	58,708	60,004	41,861	37,764	42,711	38,044	30,080	29,174
Building Permits Issued	4,225	4,077	3,419	3,119	3,150	2,818	2,818	2,961	2,882	3,105
Health and Welfare										
Meals served-Summer	192,159	235,608	211,263	213,549	161,948	225,392	209,052	169,486	169,994	150,160
Meals served-Evening	229,590	112,850	114,201	98,555	91,888	136,437	150,120	154,000	207,415	120,352
Emergency Shelter	469	438	230	516	1,370	1,449	672	2,649	2,010	471
HOPWA (Housing) *	141	230	177	147	114	114	210	211	191	121
HPRP	726	726	24	-	-	-	-	-	-	37
Water										
Water Production (millions of gallons)	6,154	6,541	6,541	5,835	5,749	5,561	5,547	5,760	5,785	5,740
Water Sold (millions of gallons)	4,705	6,690	6,690	3,286	3,262	3,270	3,152	3,337	3,383	3,308
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	85.03	72.35	72.35	75.00	75.00	70.38	65.83	65.83	65.00	81.40
Landfill										
Annual Tons of Refuse	29,527	30,331	20,904	16,838	17,922	20,329	19,853	21,016	23,353	19,331

Source: 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police Patrol Units	267	247	241	233	213	213	206	203	211	209
Paramedic Units	3	3	3	3	3	3	3	3	3	3
Fire Units	42	44	41	42	42	42	41	41	38	38
Highways, Streets, and Bridges										
Roads & Streets (miles)	147	147	147	148	148	148	148	148	148	148
Health and Welfare										
Buses	2	2	2	2	3	3	3	3	3	3
Water										
Production Capacity (millions of gallons per day)	40	40	40	40	50	42	42	42	40	40
Wastewater										
Watewater Treatment Capacity (millions of gallons per day)	105	105	105	105	168	168	168	168	168	105

Source: Various City of Wilmington departments

Notes: 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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