Department:

Administration - Deputy City Manager

Notable Notes:

Administration:

- Deputy City Manager Andrew Haines was short-listed as a national board member to the National Public Employer Labor Relations Association (National PELRA) and will learn if he is selected at the National PELRA conference next week. As a nationwide labor association, National PELRA is focused solely on public municipal entities and its related labor laws and challenges.
- Mr. Haines participated in a staff committee on the stormwater utility development, primarily the draft credits and grant programs.
- HR Manager Devan Stewart hosted the WOW Breakfast for those recognized in March.
- Ms. Stewart coordinated the remaining CPR/AED/Bloodborne Pathogen trainings, facilitated by DE Safety Council.
- Ms. Stewart facilitated personnel recruitment interviews for vacancies in PWWR and Parking Division.

Parking Division:

- Parking was provided at no charge on Friday, Saturday, and Sunday, 4/14-4/16 for the holidays
- Two new Parking Ambassadors, Avery Stewart and Nick Schrader, started training on Monday (4/17/17). Both should be fully trained by the end of the week.
- Marvin Howard and Courtney Mulvanity, with assistance from HR Manager Devan Stewart, conducted interviews for the vacant Clerk Typist I position over two days (4/12 and 4/13). A final candidate was selected on and pre-employment checks and assessments are being completed.
- Parking employees participated in CPR/AED/Bloodborne Pathogen training. Four employees are now certified in handling these situations.
- Six (6) Parking Attendants were selected to fill vacancies; those applicants have a tentative start date of 5/1/17 as pre-employment testing is being conducted.

Activity or Project:

Voluntary Employee Benefits

Description:

With the assistance of DVHT, the City is soliciting bids for voluntary benefits to offer employees. Voluntary Benefit programs often augment coverages for employees, paid directly by the employee to a third party vendor. DVHT has lead the RFP process assessment and will make a recommendation to the City Manager's Office. Mr. Haines and Ms. Stewart held a conference call on Thursday, April 20th to review the three (3) bid submissions with DVHT.

Status:	Near Completion
Expected Completion:	5/31/2017
Execution Status:	On Track

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Alderman’s Court

Notable Notes:

Alderman's Court held two court sessions from 4/13/17 to 4/19/17 as the Judge was on vacation. These sessions included trials, arraignments, capias returns and video hearings. Parking was here to handle any parking appeals.

Activity or Project:

court sessions

Description:

From 4/13/17 to 4/19/17 Alderman's Court handled 24 arraignments, 31 trials, 10 capias returns and 2 video hearings. The court collected a total of 357 parking payments of which 204 were paid online and 153 were paid in court. The court also collected payments for traffic/criminal fines which included 134 online payments and 72 payments made at court for a total of 206 payments.

Status: Completed

Expected Completion: 4/19/2017

Execution Status: Completed

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

City Secretary and City Solicitor's Office

Notable Notes:

Bruce was in the office on April 20 for the Council Organizational meeting. Paul was in the office April 20 for Court.
Renee completed and posted the agenda for the April 20 Council Organizational meeting on April 13. An addendum removing item 7 from the agenda was posted and sent to Council on April 18. Bruce and Renee staffed the Council Organizational meeting on April 20.

Staff completed and posted the agenda and packet for the April 24 Council meeting on April 17. The final packet item (11B) was posted and sent to Council on April 18.

The April 18 Board of Adjustment meeting was cancelled due to the applicant's request to postpone the hearing for his variance. The next Board of Adjustment meeting is scheduled for May 18.

Tara and Renee attended CPR/AED/Bloodborne Pathogen training on April 18 and 20 respectively.

Renee met with Mayor Sierer on April 19.

Renee and Sarah spent time working on items to be included in the next Woodman v. Newark court filing.

Renee and Tara spent time working on updated information for Council regarding reappointments and vacancies to be considered for the City's boards and commissions.

Renee spent time working with Comcast and Verizon regarding utility boxes reported to be in disrepair.

Renee spent time working with staff in the Governor's office regarding the reappointment of Judge Hatfield as Alderman.

FOIA requests took some time this week. The following actions were taken:

- Sent relevant documents, completed and closed an April 11 FOIA request from Northeast Carpenters regarding building permits for March 2017.

Sarah fulfilled 13 discovery requests for upcoming Alderman's Court cases this week. 142 total discovery requests have been fulfilled so far for 2017. No new court calendars were received this week. 16 court calendars with 270 associated case files have been compiled for 2017 so far. Sarah also processed 1 plea by mail.

The office received 10 new lien certificate requests this week, which were sent to Finance for processing. 5 lien certificates were completed and sent to the requestor. So far 134 lien certificate requests have been processed for 2017.

Activity or Project:

Boards and Commissions Review Committee

Description:

The Boards and Commissions Review Committee completed their evaluations and had their final meeting on March 28. Council review on their remaining recommendations has been scheduled as follows: * Planning Commission and Downtown Newark Partnership - April 24 * Board of Business License Review - May 8 * Personnel Review Committee, final overall recommendations and sunset of the Committee - June 12 Thank you to the members of the Committee for their service over the past two and a half years.

Status:	Near Completion
Expected Completion:	6/12/2017
Execution Status:	Behind Schedule

Activity or Project:

Recodification

Description:

Tara and Sarah have been working to compile the answers to questions raised by the codifier, as well as staff and solicitor comments, for each chapter of the Code. We are working to have these responses completed and to the codifier by the end of the summer.

Status:	In-Progress
Expected Completion:	12/29/2017
Execution Status:	Behind Schedule

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Community Relations

Notable Notes:

A New Night Downtown: A New Night Downtown is Saturday, June 10 from 3-9 p.m. Vendors interested in participating in A New Night Downtown can find the form here: http://newarkde.gov/DocumentCenter/View/8276. So far, more than a dozen businesses and vendors are registered to participate in the event. The deadline to register is April 28. Any businesses interested in being a New Night Downtown sponsor can find the sponsorship form here: http://www.newarkde.gov/DocumentCenter/View/8283. We are working with Gable Music Ventures to line-up 9 musical acts to play on three different stages during the event. Those names of those acts will be released in mid-May. The Parks and Recreation Department will once again be organizing a children's game area for New Night.

Newark Police Department 150th Anniversary: This week Megan interviewed seven more officers for the Newark Police Department's 150th anniversary video. After the interviews, she exports the individual interviews and logs the interviews for script purposes. She is also working on finalizing scripts for both the invitation video and the full history video that will be shown at the 150th celebration on June 17. Throughout the coming months, we will also be releasing feature videos on the police department's history. Those videos will be focused on topics including technology and community policing.

A Community Thrives: Art is the missing piece in the push to make the City of Newark, Delaware an even greater place to live, work and play. The Downtown Newark Partnership and the Newark Arts Alliance are working together to lay the foundation for artistic growth and inclusion. Last week, we submitted a video for a grant program called A Community Thrives. It's a new approach to social impact programs that was developed through a collaboration across the entire USA TODAY NETWORK. If we are one of the top 10 entries in the Art category we'll move on to be judged, and could win a $100,000 or $50,000 grant! You can vote once per day until May 12. Click here to watch the video and vote: http://act.usatoday.com/submit-an-idea/#/gallery/60465704/

Delaware Today supplement: We have received hundreds of copies of the Newark supplement in Delaware Today. This year's supplement focuses on art and entertainment in Newark. A copy of the supplement can be picked-up at the City of Newark municipal building, as well as a number of Newark businesses.

Downtown Delaware Idea Exchange: On Tuesday, April 18, Megan attended an idea exchange with the other Main Street managers in Delaware. We discussed upcoming changes in the Main Street America organization, and the upcoming Main Street NOW conference we will be attending in Pittsburgh from May 1-4. We also discussed managing social media, as well as challenges and victories in each of our programs.

Creative Design/Web Updates

- Addressed issues with the website identified by our contract with SiteImprove, which included correcting broken links, misspellings and repeated words
- Updated Police directory on website to list all employees alphabetically, by last name
- Designed Newark Police community launch at launch trampoline park Facebook event banner; Newark Police department 150th anniversary celebration invitation

Media Inquiries/Press Releases

- Registration Open for 3rd Annual Mayor's Fun Ride: http://bit.ly/2pGY1mc

---

Activity or Project:

School Hill Project

Description:

No new items to report.

Status: In-Progress

Expected Completion: 12/20/2017

Execution Status: On Track

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Electric Department

Notable Notes:

The line crews repaired an underground cable going to Well 21 that failed last week, moved a pole and also made up a temporary service for the hotel project at 400 Ogletown Road, changed a transformer on Ritter Lane and rearranged circuitry on South Main Street for a voltage upgrade they will be completing tonight.

The electricians tested substation batteries, fixed the hydraulics in a 34kV breaker, and ran cables at the municipal building for office relocations.

Engineering met with the general contractor at 400 Ogletown Road about streetlight relocations, started firmware upgrades on substation relays, worked on the recloser project, and worked on the design of the Chestnut Hill Road Substation expansion.

Activity or Project:

SCADA and Automatic Restoration

Description:

Engineering had a meeting to discuss progress and steps forward for project. Most pressing matters are getting licenses and bonds signed before equipment can be ordered.

Status: Started

Expected Completion: 12/31/2017

Execution Status: Behind Schedule

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Finance - Accounting Department

Notable Notes:

The City Manager and I attended DEMEC's monthly meeting in Smyrna on Tuesday 4/18. DEMEC's 2016 Annual Report was released this week and is attached.

Deputy City Manager Haines and I attended the Governor's 100 Day Event in Wilmington 4/20.

I will be attending DEMEC's Cost of Service Fundamentals & Financial Planning Workshop with some members of Council on 4/22. This workshop will review the current best practices in setting rates for utilities, in particular electric.

Accounting staff will begin moving up to the new area in approximately three weeks in phases until the new Accounting area is complete.

Activity or Project:

Payments and Utility Billing (PUBS)

Description:

PUBS handled 392 phone calls last week, with the average call length of each call being 1:19. There were 15 service orders initiated by PUB during last week. The group processed 3,573 utility payments and CityView transactions, 547 of which were imported automatically with our electronic processes and 1,973 of which were imported via web, lockbox or preauthorized payment (PAP) over the last week.

Status: In-Progress

Expected Completion: 12/31/2017

Execution Status: On Track

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Information Technology Department

Notable Notes:

Leadership Notes

- Joshua Brechbuehl attended training and achieved certification in ITIL Foundation
- Managed movement of CED Inspector relocation
- Met with Stormwater Utility Team for implementation decisions
- Coordinated Sharepoint #3 Lunch and Learn
- Attended Tyler Munis Server Configuration Review Meeting
- Attended Paymentus Project Meeting
- Followed up with Finance after Facilities budget meeting regarding reallocation of paid expenses

Infrastructure Team

- Continued work on ADFS project
- Continued Infrastructure Audit – Networking and Servers
- Started Infrastructure Audit – Storage
- Started SCADA network Audit to ensure best practices for security is being followed
- Improved SCADA access for vendors while ensuring high levels of security
- Water SCADA project – worked with ACS in performing communication and data transfer tests between SCADA equipment and SCADA APP servers
- Researched Cloud Backup Solutions
- Performed initial seed for migration of NPD file server to Cloud
- Completed move of Customer Connect public facing server migration to DMZ
- Backup infrastructure - Backup Software has been upgraded
- Completed configuration of dedicated switch for Camera Network
- Resolved issues with serial communication and firmware upgrade Software used by Electric to managed SCADA devices.
- New employees/users onboarding IT related tasks
- Fixed CAD issues in Command post
- We continued the process of moving Sargent computers on the NPD (4).
- Worked on Platoon Shared calendars, still in process Street Crime and CID
- Fixed the host file issues for 6 PD car devices

Applications Team

- Worked on Tyler support tickets

- Conducted support ticket review with Customer Service Supervisor
- Received approval from UD to provide separate billing reports
- Began Customer Connect UAT
- Completed backlog of GL Archiving process
- Managed Laserfiche to TCM data migration (completed)
- Continued working with Harris Metersense to scale back our Test database
- Reviewed purchase card formatting
- Managed Tyler Munis upgrade to 11.2 in Test environment
- Sent out UAT for Tyler Munis upgrade
- Continued working with Harris Metersense to scale back our Test database (Target history is 100 days)
- Continued management of UAT for Munis 11.2 upgrade
- Attended Internal Credit Control Meeting
- Attended Smartworks KPI Dashboard Demo
- Attended Facilities Opex Budget Meeting
- Continued troubleshooting with the vendor TCM Memory Error
- Requested p-card file from Elan for Munis testing
- Research vendor invoice issues

Records Team

- Completed deed scanning and weekly batch scanning
- Scanned subdivision and daily cash receipt records
- Worked with Tyler Munis on TCM viewer attach issue
- Discussed TCM upgrade options with Tyler Technologies
- Scheduled & presented Records Plan to IT Management
- Continued working on disposition of Finance records (52 boxes waiting on Destruction approval and 2 boxes waiting on transfer approvals)
- Began reviewing Laserfiche to TCM conversion for accuracy
- Completed weekly batch Scanning
- Scanned daily cash receipt records
- Revised Records Plan
- Continued working on disposition of Finance records
- Migrated documents from Laserfiche to TCM (Manually)
- Coordinated with Infrastructure Team to move TCM
- Held discussion with Apps Team regarding business license plan (Old license applications)
- Worked on TCM Permissions
- Continued reviewing Laserfiche to TCM conversion for accuracy
- Attended CPR/Blood Borne Pathogen Training

GIS Team

- Installed ArcGIS Pro for Stormwater Coordinator
- Continued to gather information for SAG Award
- Continued work on DNP Map and Guide
- Worked with Geonet for geocoding businesses at the same parcel
- Assisted with installation of ARCGIS data reviewer
- Cleaned up City of Newark Fiber Mesh Network Map
- Continued familiarizing with the reporter and manager side of crowdsourcing app for the SAG award

- Attended CPR/Blood Borne Pathogen Training
- Collaborated with all IT Team members to test crowdsource app
- Re-established enterprise-wide missing ArcGIS license
- Continued work on DNP Map and Guide
- Held Biweekly GIS Meeting
- Started the process to upgrade users to Desktop 10.5 or ArcGIS Pro 1.4 (anticipated deadline is end of April)
- Continued investigation of Arcgis server to Arcgis Enterprise migration

Facilities

- Completed Mail Room Renovation
- Moved CED Inspectors to Mail Room (New Inspectors Office)
- Started Demolition Finance File Room
- Handled multiple HVAC issues we switched from Heat to Cool

Activity or Project:

Munis Permitting Module Project

Description:

- Researched $0.00 business license bills from Cityview - Continued researching New Castle County property file for data mapping to Munis Central Property - Finalize memo to Council for code changes - Reached out to Confirm tax accountant backup person(s) - Reviewed tax implementation plan - Create document for business owners affected by code not being followed with billing - Began Tyler Forms kit review and comparison - Worked on conversion - Finalized memo to Council for code changes - Continued working on forms and conversion - Continued data mapping Cityview fields to Munis fields - Setup a meeting with PWWR regarding forms for permits

Status: In-Progress

Expected Completion: 12/31/2017

Execution Status: On Track

Activity or Project:

Munis Tax Module Project

Description:

- Kickoff Meeting Held - Analysis of "Where are we now" starts next week

Status: Started

Expected Completion: 12/31/2017

Execution Status: On Track

Activity or Project:

City-Wide Fiber Project

Description:

1

Status:	In-Progress
Expected Completion:	5/31/2017
Execution Status:	Behind Schedule

Department:

Parks and Recreation Department

Notable Notes:

Director: Attended the Rodney Dorm proposal presentation from the Engineering firms that were the three finalist, worked on the 2018-2020 capital budget, researching covered bike shelters and bike repair stations to add to our Park system and trails, conducted parks maintenance meeting to discuss upcoming projects and work orders, reviewed the Summer Activity guide for editing, reviewed several request for 5k run and walks along the Pomeroy Trail and Newark Reservoir.

Recreation Superintendent: Met with Joe, Chrissy, Tom and Rich regarding upcoming volunteer group projects in April and May; met with Greg Delia regarding National Night Out in August; conducted staff meeting with Recreation staff; Shelby completed the first draft of the summer brochure and staff have until Wednesday to finalize any changes/updates for final processing of brochure prior to the release date of April 24; the Office of Engineering reviewed and approved the request for the permanent food permit for the George Wilson Center renovations.

Recreation Supervisor of Athletics: Recruited additional staff for before and after care to finish off this school year and get started for next year, held orientation for new staff; worked on schedules for adult softball and volleyball leagues; held Rittenhouse camp staff interview; prepared for basketball and golf spring break camps, ordered basketball camp t-shirts; finalizing details for summer programs; confirmed charter bus for December NYC trip.

Coordinator of GWC and Volunteers: Continued to plan for 2017 Summer programs; continued conducting phone interviews and recruitment for summer camp volunteers, Spring Break Camp and other special events; prepared for and scheduled staff for the Spring Break Camp scheduled for April 17-21; met with the Director, Parks Superintendent, Parks Crew and Public Works to go over post event information for the Community Clean Up; sent photos and a summary of the Spring Community Clean Up to the Newark Post, article can be found at http://www.newarkpostonline.com/news/article_0abf0ab2-146d-59ed-aa4b-149ec76d36db.html; attended a post Christina River Watershed Clean Up Meeting; coordinated with members of the Wilmington Trail Club who will be leading Full Moon Hikes for Newark Parks and Recreation this summer; along with Joe, attended a Friends of School Hill Meeting to finalize details and event flyer information for the upcoming event; met with Tyler regarding pool opening procedures and information & pool bids; met with the Parks Superintendent, Recreation Superintendent and Director on a potential partnership with NRPA and volunteer projects; coordinated with Comcast Cares volunteers and Parks and Recreation Staff for the Comcast Cares volunteer event on April 20, volunteers will be building a Gaga Pit and spreading wood carpet at the George Wilson Center. **Volunteer Hours:** 1 Volunteer devoted **4.75** hours assisting in the Parks and Recreation Office, 2 volunteers devoted **5.5** hours on April 14 removing trash from Christina Parkway. Total Volunteer Hours for the week: **10.25** Hours.

Recreation Supervisor of Community Events: Preparing for summer programs and events, both ongoing and new, as well as reviewing the Summer Program Guide and July Calendar; working on the camp staff

handbook and information for summer camps; prepared needed paperwork for four of the specialty Spring Break camps taking place at the George Wilson Center this week; finished reviewing and booking performers for the 2017 Newark Spring Concert Series. Performances will feature instruments and genres from around the world. The 8-concert series will be held on Thursday evenings from 7 to 8 p.m., beginning on May 4. Newark's Youth's Got Talent will precede the concerts each week and will feature young musicians and performers from the area from 5:30 to 6:30 p.m.

Parks Superintendent: inspected 2 park areas and developed work orders as needed, along with Parks Supervisor conducted interviews for two openings on seasonal staff, met with arborist contractor concerning tree/creek issues, attended meeting with Parks Director/Parks Supervisor/Wilson Center Coordinator to locate "Gaga" pit at Wilson Center, talked with two homeowners concerning tree issues, attended wrap up meeting for the Christina River Clean Up, and gathered quotes for upcoming fence work at several park sites.

Parks Supervisor: assigned field staff daily and assisted as needed, continued researching skid steerer prices/options, assisted with volunteer project coordination.

Parks/horticulture Staff: continued mowing operations, continued on bed maintenance throughout park system, did trash removal throughout park system, dragged/scarified all ball fields, did interior bed maintenance at City Hall, did tree pruning/removal at selected park sites, did equipment maintenance on mowing equipment, and did herbicide application as needed in bed areas.

Activity or Project:

Summer Activity Guide

Description:

The Summer Activity Guide will be delivered electronically on Monday, April 24 to our mailing list of over 6,000 and includes over 100 events and activities to keep families active this summer.

Status: Near Completion

Expected Completion: 4/24/2017

Execution Status: On Track

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Planning and Development Department

Notable Notes:

Code Enforcement

- Property Maintenance has begun to issue grass warning letters.
- The site work on South Main Street for the next phase of Chimney Ridge has begun.
- Demolition is completed at the new hotel at 400 Ogletown Road. Site work has begun.
- Construction is ongoing at Cleveland Avenue.
- The foundation work for the new building on STAR Campus is continuing.
- Framing work is continuing at Woolen Way for the new townhouse apartments.
- Interior framing and exterior finishing work is ongoing at the Heights on South Chapel Street.
- Interior wall and roof installation continues at the University of Delaware South Academy Street dormitory.
- Construction is ongoing at the Lofts at Center Street. Steel structure installation began at the site and the foundation work for the new office and apartments at 21 Center Street is ongoing.
- Staff continues to update data on older building permits and code cases in anticipation of the CityView replacement project.

Planning/Land Use

- Director Mary Ellen Gray attended the National Implementation and Dissemination of Chronic Disease Prevention conference in Denver, Colorado from Monday, April 17 through Thursday, April 20, 2017. Director Gray is on the project team leading a County and statewide grant effort to improve access to healthy eating and active living to all citizens of Delaware. Attendance at this conference is a grant requirement. Director Gray will endeavor to apply lessons learned both at this conference and through the Delaware Plan4Health and Planners4Health grant (http://deplan4health.org/wordpress/) to the City of Newark in advancing the goal of healthy eating and active living and to make the City of Newark a desirable place to live for everyone.
- Director Gray is continuing her orientation to the City of Newark and the workings of the Planning and Development Department. Director Gray met with the City of Newark's legal team to get up to speed on legal issues as well as met with Communications Manager Kelly Bachman to learn about her department.
- The Board of Adjustment meeting scheduled for Tuesday, April 18, was canceled as the applicant withdrew the application until the May meeting.
- On Thursday, Planner Mike Fortner attended the WILMAPCO Technical Advisory Committee meeting and the Newark Bicycle Committee meeting.
- Planner Tom Fruehstorfer represented the City of Newark as a member of the WILMAPCO Public Advisory Committee at a meeting on Monday, April 17. The meeting included a presentation on the status of the Newark Regional Transportation Center by Dave Gula (WILMAPCO) and Mark Tudor (

DelDOT). WILMAPCO staff also presented information about the Safe Routes to School initiatives. It was pointed out that Downes Elementary was years ahead of the WILMAPCO initiative and has a very strong program.

- The following was also completed this week:
  - 12 Deed Transfer Affidavits
  - 28 Building Permit Reviews
  - 1 Certificate of Completion/Occupancy

Activity or Project:

Bike to Work Day

Description:

On Wednesday, Mike Fortner attended a Bike to Work Day planning meeting. Bike to Work Day Newark will be held on Friday, May 19 from 7:30 to 9:00 a.m. at Mentors' Circle at the corner of South College Avenue and Kent Way. The event is organized by the City of Newark, Bike Newark, and the University of Delaware. Bike commuters that morning can enjoy alight breakfast and hear brief comments by invited guest speakers, including New Castle County Executive Matthew S. Meyer. Safety for the event will be provided by UD Campus Safety and the Newark Police Department. Local businesses are supporting the event through sponsorships. Free Bike to Work Day t-shirts, courtesy of DelDOT and the Delaware Bicycle Council, will be available while they last. The goal is to get more and more people to consider biking as a viable means of transportation – for commuting, for one's health, for one's wallet, for our planet, and just for fun. More information can be found on the Bike Newark webpage at: www.BikeNewark.org/events/b2wd.

Status: In-Progress

Expected Completion: 5/19/2017

Execution Status: On Track

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Police Department

Notable Notes:

Administration Division:

- Lt. Nelson is meeting with a UD journalism class on April 20th to answer questions about NPD and police work in general.
- Bill Hargrove has begun training officers on the new evidence submission program, which eliminates the need for officers to hand write evidence forms when submitting evidence.
- During the week of April 10th, Sgt. Jones and Lt. Rieger attended the Force Science Institute course. Force Science is the research and application of unbiased scientific principles and processes to determine the true nature of human behavior in high stress and deadly force encounters.

Criminal Investigations Division:

- Lt. Rieger along with Sgt. Bryda, Lt. Aniunas and Sgt. Jones will be meeting on Thursday to discuss the recent training through Force Science and how it applies to the Newark Police Department policies and procedures.
- The suspect in the unlawful sexual contact investigations has been identified. He was subsequently arrested and charged by Det. Anderson for two incidents of Unlawful Sexual Contact and Harassment that occurred on April 14th as well as an incident of Harassment and Trespassing which occurred on April 12th. This was great work and investigation by Det. Anderson.

Patrol:

- On Tuesday, members of the Patrol Division attended sexual assault investigation training conducted by Lt. Rubin. This training will continue for several weeks until all units have received the training update.
- On Monday, Lt. Rubin participated in an interview with NBC 10 discussing drugged driving and DRE testing of impaired drivers.
- On Wednesday and Thursday, members of the Patrol Division attended mandatory ALERRT training.

Special Operations Unit:

- During the week, SOU will attend several meetings involving order maintenance issues at locations throughout the City.
- On Thursday, SOU will attend a monthly meeting with the Newark Bike Project.
- On Wednesday and Thursday, SOU will assist with patrol coverage while officers attend mandatory ALERRT training.
- On Saturday, members of SOU will assist with a March for Peace rally.

Traffic:

- On Tuesday, Sgt. Davis attended the Traffic Committee meeting providing information on two traffic studies related to the Traffic Committee agenda.

Activity or Project:

N/A

Description:

N/A

Status: Completed

Expected Completion: 4/20/2017

Execution Status: Completed

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Activity or Project:

Description:

Status:

Expected Completion:

Execution Status:

Department:

Public Works and Water Resources Department

Notable Notes:

Stormwater utility implementation is moving along and we are currently working out the details for our draft credit and appeals program. We anticipate having a recommendation to Council for implementation services from Black and Veatch on the May 8th meeting agenda.

I have begun preparing a Council recommendation for consideration which would cover the recommendations of the Cleveland Avenue Task Force outside of the Florida-T. The remaining items were much less controversial and can be approved as-is, whether or not the Florida-T moves forward. By deciding on the recommendations now we will give DelDOT more certainty during their design process which should help it proceed more easily.

Activity or Project:

2016 Street Improvement Contract

Description:

Work has begun again on last year's street contract. The contractor is currently working on Lark Drive installing curb and a new storm pipe.

Status: In-Progress

Expected Completion: 6/30/2017

Execution Status: Behind Schedule

Activity or Project:

Water SCADA

Description:

Our SCADA contractor has continued to make progress on installations in our water facilities and has recently brought the NW Booster Station and New London Tank online with communication between the two facilities. Now that the pump knows the current tank level, we can ensure we don't overfill the tank. This will also allow us to cycle the water in the tank on a regular basis to ensure the water age is kept down, reducing disinfection byproducts and improving residual.

Status: In-Progress

Expected Completion: 12/31/2019

Execution Status: On Track

Activity or Project:

Preston's Playground Water and Sewer

Description:

We have completed the draft specification and bid package and it is currently receiving an internal QAQC review prior to putting out to bid. We anticipate this will be out to bid within a week with a target date for construction over summer.

Status: In-Progress

Expected Completion: 12/31/2017

Execution Status: On Track

4/16/2017 to 4/22/2017

Delaware Municipal Electric Corporation

Public Power. The Power of Community. Powered by You. For You.

ANNUAL REPORT **2016**

DEMEC
Delaware Municipal Electric Corporation

Contents

Financial Highlights	1
President and CEO's Letter	2
Board and Management	4
The Legacy of Public Power	5
Reliability	5
Fueling Local Investments	5
Green Initiatives	6
Financial Statement	7

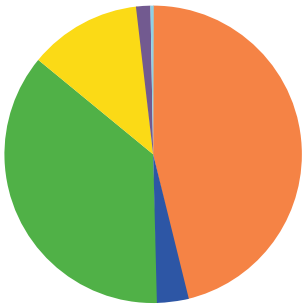
Resources

DEMEC has effected a strategic shift of its supply resource mix to better align the company's supply resources to the regulatory and markets environment in which it operates. Regulatory policy shifts have put some fuel types at greater risk than others and incentivized investment in renewable resources. Electric market structures operated by the PJM Regional Transmission Organization have caused the cost of market-based supply contracts to be uncompetitive with self-supply assets because of the high-risk premiums assigned by suppliers facing market uncertainties.

Since 2008, DEMEC has moved away from market-based supply contracts in favor of a diverse set of self-supply resources. In 2008, DEMEC had only one self-supply generation resource, a 45 MW natural gas fired combustion turbine located at its Beasley Power Station in Smyrna, Delaware. By 2012, DEMEC had added an additional 45 MW turbine at the Beasley facility; 23 MWs of behind-the-meter utility-scale solar generation at two member systems, Dover and Milford; 69 MWs of wind generation from the Laurel Hill Wind Facility located in north-central Pennsylvania; and 92 MWs from the jointly owned Fremont Energy Center; a 700 MW natural gas-fired combined cycle generation facility located in Fremont, Ohio and operated by our partner American Municipal Power. DEMEC is working to develop additional behind-the-meter distributed generation resources in member systems. We expect to bring online a new 1.5 MW community-based solar generator in Smyrna, Delaware, in mid-2017, and develop another 10 MWs of additional community-based solar generation in our member systems over the next few years. We are exploring deployment of storage technologies to better manage the intermittency of our wind- and solar-generation resources. A new 8 MW battery storage facility will go on-line in Lewes in 2017. We continue to support the renewable portfolio standards goals of our member communities, the expansion of demand response resources, and increasing the impact of energy efficiency in our service territories.

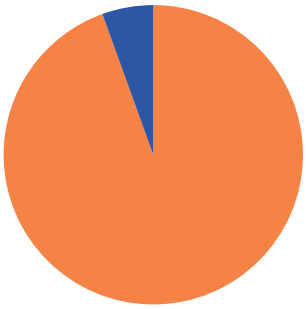
DEMEC was only serving 5% of its load obligation with self-supply assets in 2008. Today we self-supply 55% of our load obligation from a diverse set of self-supply generation resources. This shift to increasing self-supply resources to economically meet our load obligation has reduced our market risks and reduced our cost of delivered wholesale full requirements service to our members by 13% over the past six years. DEMEC will continue to seek the right mix of supply resources to manage its obligations and risks as the electric industry continues to evolve. Our goal is to provide predictable, reliable, lowest-cost long-term wholesale power supply and related services to our member systems while successfully managing the risk and volatility inherent in the competitive electric industry.

2016 Resource Mix



- Market Purchases: 45.4%
- Beasley: 4.2%
- Fremont: 35.7%
- Laurel Hill Wind: 12.9%
- Milford Solar: 1.5%
- Bloom Fuel Cell: 0.3%

2008 Resource Mix



- Market Purchases: 94.5%
- Beasley: 5.5%

Financial Highlights

About Delaware Municipal Electric Corporation

Delaware Municipal Electric Corporation, Inc. ("DEMEC") is a public corporation constituted as a joint action agency and a wholesale generation electric utility. DEMEC represents, invests in and supplies power to nine municipal electric distribution utilities located in the State of Delaware. The creation of DEMEC was made possible by an act of the Delaware General Assembly on June 6, 1978, and the entity was incorporated on July 12, 1979. The members of DEMEC comprise all the major towns in Delaware except Wilmington. The DEMEC members are: Newark, New Castle, Middletown, Dover, Smyrna, Seaford, Lewes, Clayton and Milford.

Credit Ratings for DEMEC's Electric Utility Bonds Series 2011

- Fitch Ratings upgraded DEMEC's credit rating in 2014 and reaffirmed the 'A' rating with a stable outlook in 2016. Key rating drivers include the Beasley Power Station's strong performance and its increasing value.
- Standard & Poor's Rating Services in 2014 reaffirmed DEMEC's 'A' rating with a stable outlook. The rating reflects several factors S&P views as positive, which include strong coverage of project debt and a strong operating record of the Beasley Power Station acting as a hedge against peak power costs in the PJM market.
- Moody's Investors Services reaffirmed DEMEC's 'A2' rating in 2015 with a stable outlook. The rating reflects DEMEC's strong historical financial performance and considers management's successful experience with similar construction and operations, and the credit quality of DEMEC's seven project members.

Current Infrastructure Investments in Member Community Utility Systems:

• New Castle High Voltage Substation	$ 7,174,726
• Middletown Transmission Line and Substation Improvements	12,000,000
• Seaford Electrical Infrastructure Improvements	9,000,000
• Seaford AMI/Smart Grid Deployment	1,250,000
• Milford AMI/Smart Grid Deployment [1]	2,380,000
• Smyrna Solar Electric Generation	3,900,000
• LED Street Lighting Retrofit Project	651,000
Total Community Utility System Investments	**$36,355,726**

NOTE 1: Project self-funded by City of Milford with development support from DEMEC

$154 million
Total revenue from member sales and generation operations

$30 million
2016 margin before distribution to members, an increase of 29% over 2015 due to decreased power supply costs

1,360 GWh
Total gigawatt hours delivered to members

$7.9 million
Distributed to members

Dear Stakeholders,

I am pleased to report that DEMEC had its third strong year in a row. While total net revenues from operations decreased 6%, total net operating expenses decreased by 12%, resulting in a favorable increase in net position of $21.8 million. We delivered significant value to our member communities by supplying lower-cost wholesale power supply derived from our portfolio of self-supply generation assets and market-based contracts. Total revenue decreased 6% due to lower power supply prices. Revenue from member billings increased 1%, while revenues from generation operations decreased 25%, mostly caused by reduced marginal revenues from sales of energy from our generation assets. This was offset by 12% lower operating expenses and lower fuel costs. Change in net position was a positive $21,778,482 on revenues of $153,695,342.

> "The financial strength of the corporation is demonstrated by the stability of our credit ratings."

Overall, the company's financial strength, efficient operations, beneficial asset mix and robust service provision are providing increasing value to our member communities, giving them the resources they need to succeed in the rapidly changing electric industry. The financial strength of the corporation is demonstrated by the stability of our credit ratings. The three credit rating agencies, Moody's, Standard & Poor's and Fitch Ratings, have affirmed our ratings of "A2," "A" and "A," respectively. Strong financial health improves our access to capital to fund the company's strategies. Capital will be deployed to build new infrastructure for the benefit of our member communities.

Wholesale power supply cost to our full-requirements members has been reduced over 13% since 2010, as we have continued to replace market-based contracts with new economic self-supply assets. The Board of Directors approved another 5% reduction for 2017. The expansion of our Beasley Peaking Power Station, the addition of the Fremont Combined-Cycle Power Plant in 2012, and the continued deployment of behind-the-meter generation in our member systems have significantly contributed to these lower wholesale costs, as well as the historic drop in natural gas fuel prices due to the huge increase in domestic supply from the fracking technology. However, we are facing changes in the regional electric industry that will challenge our ability to continue to provide stable, competitive wholesale power supply to our member communities. While energy costs are continuing to drop from lower fuel costs, certain other components of wholesale power supply will be significantly increasing in the next three years. The main drivers of these expected higher power supply costs are loss of generation reserve due to increasing regulations and the aging-out of older-generation assets, rapidly increasing transmission costs and expected higher capacity costs. In addition to the significant cost drivers discussed above,

the Delaware Renewable Portfolio Standards ("RPS") obligations for each DEMEC community will continue to increase each year, causing additional costs as we move up the compliance schedule toward 2025, when 25% of our power supply must come from qualifying renewable generation resources.

We are not sitting still, nor are we resting on our recent successes. We continue to seek new investments in generation assets and infrastructure improvements in our community systems. We aggressively represent our members' interests before the Federal Energy Regulatory Commission ("FERC"), Congress and our state legislature. We intervened in the transmission tariff filings of PHI/Delmarva Power (now Exelon) at FERC over the last five years and reached a settlement in 2015 that resulted in substantial savings in the 2016 transmission rates and lower future transmission expense for all electric consumers on the Delmarva Peninsula. We continue to actively participate in the constant evolution of the electric industry, most actively at the PJM interconnection, which is proposing constant changes to the rules and regulations of our industry and operations. We will leverage our partnership with American Municipal Power, Inc. ("AMP"), which began in 2011, to improve service provision to our members and develop new efficient generation assets. Our outstanding Board of Directors, the Senior Management Team and excellent staff are working continuously to implement the strategic plan adopted in 2015 to address challenges and capture opportunities created by the rapid and complex changes in the electric industry in the eastern United States where we operate.

"We are not sitting still, nor are we resting on our recent successes."

In closing, I want to thank the Board of Directors, whose creativity, hard work and dedication to growing the value of the corporation have made this year's achievements possible. Additional thanks for all their efforts go to our valued employees as well as the wonderful people at our member systems. Our strong connection with our member communities continues to be a key asset in an increasingly competitive marketplace. While the changes coming in our industry will be challenging, we are well prepared to meet members' changing needs and pursue continued growth of assets and services to maximize the company's value to its member communities. Public Power is here to serve and bring value.

Sincerely,

Patrick E. McCullar
President & CEO

Board and Management

DEMEC is governed by a nine-member board of directors, with one director from each of the nine member municipal electric utilities. The responsibility for day-to-day operations of the agency resides with a president appointed by the board. The president directs the efforts of the staff members and various contractual relationships in place to meet the service requirements of the members.

Board *left to right, front row*

Patrick E. McCullar
President & CEO

Dolores J. Slatcher
Chairwoman
City of Seaford
Director

Pamela A. Patone
New Castle Municipal
Services Commission
Director

Donna Mitchel
City of Dover
Director

Roy Sipple
New Castle Municipal
Services Commission
Alternate Director

Board *left to right, back row*

Carol Houck
City of Newark
Director

Darrin Gordon
Vice Chairman, Secretary
Board of Public Works
City of Lewes
Director

Morris Deputy
Town of Middletown
Director

Eric Norenberg
Treasurer
City of Milford
Director

Mary Ellen DeBenedictis
Town of Clayton
Director

Board *Not pictured*

Gary Stulir
Town of Smyrna
Director

Senior Management

Patrick E. McCullar
President & CEO

Kimberly A. Schlichting
Senior Vice President
Operations &
Power Supply

Louis C. Vitola
Vice President
Finance

Scott V. Lynch
Vice President
Asset Development

The Legacy of Public Power

At its heart, Public Power is an expression of the American ideal: local people working together to meet local needs. Public Power has a long history in the United States. Locally owned public power utilities first appeared more than 100 years ago, when communities purchased Thomas Edison's electric light package and created their own community electric utilities to provide light and power to their citizens. Today, there are more than 2,000 cities and towns in the United States that light up their homes, businesses and streets with Public Power and enjoy its advantages.

Public Power provides electricity and services that come from a not-for-profit community-owned and operated utility. Like community schools, parks and hospitals, Public Power utilities are local institutions working to meet local needs. Public Power communities have more local control, so all the benefits produced by Public Power stay in the local community. Public Power has a strong environmental protection track record, solid credentials with bond rating agencies, and a reputation for reliable, customer-focused service.

Being a Public Power community means revenue is continuously reinvested back into the community where you live to improve the quality of life and maintain critical infrastructures for both business and families alike. Our focus on highly reliable electric service, environmental stewardship and outstanding customer service practices are the hallmarks of Public Power.

Reliability

DEMEC service territories are centrally and locally concentrated, so we can focus more closely on service reliability. We live and work here—enabling us to view our infrastructure with more watchful eyes, diligently performing preventive maintenance, from tree trimming and conductor, pole and line upgrades to regular inspection and testing of generating equipment, facilities and substations. So instead of reacting to outages, we're proactively minimizing them. The result? World-class service reliability and continuing high levels of customer satisfaction.

Community-owned nonprofit utilities like ours consistently deliver excellent service reliability, cost efficiency and customer loyalty. These are just some of the reasons why interest in and support for Public Power is so strong nationwide.

Fueling Local Investments

Community-owned power companies typically don't have large profits or cash reserves to help fund infrastructure investments. But they do have each other. And when one or more of our communities have a local electrical infrastructure project, DEMEC can finance and build all or part of it, at more attractive rates than they could find on their own. And for very large-scale projects, DEMEC can partner with other public power entities, like our partner American Municipal Power, to issue tax-exempt debt through trusted investment bankers, bond buyers and counsel. Because of DEMEC's excellent credit ratings, capital is raised at reduced costs and at excellent rates, which enable communities to invest saved monies elsewhere in other much needed but non-electrical, improvements and services. Often these investments include quality-of-life initiatives in our communities, an opportunity not available under other utility models.

Our community-owned status generates more than reliable electricity, it also helps generate new jobs and retain existing ones. Businesses enjoy rates in our communities comparable to or better than other energy suppliers in our region. New businesses are attracted to our service territories not only by lower electrical rates, but also by our "total package infrastructure" advantages and incentives, which can provide them with a significant business edge. Some of our most recent larger business additions in our communities include Walmart distribution center, Johnson Controls, Bloom Energy and Amazon.com.

Future DEMEC investment in community-owned solar generation facilities is also on the horizon for several member communities. These projects will create new jobs, utilize Delaware experts and materials and help educate more people about solar generation technology. And DEMEC will be there to assist with design, financing and construction.

Green Initiatives

DEMEC is a leader in the development of renewable energy and energy efficiency in the communities we serve and has made significant long-term investments in renewable energy. DEMEC has invested over $100 million in the development of a large portfolio of qualifying renewable energy generation resources to achieve the lowest possible compliance cost.

DEMEC has agreements for wind power from the Laurel Hill Wind Farm in Lycoming, Pennsylvania, and solar power from the Dover Sun Park Project and the Milford Solar Farm. Of the 60.7 MW of installed or committed solar generation resources in Delaware, a majority (35.7 MW, or 59% of the total) are installed in DEMEC municipal service territories. This becomes an even more striking statistic when you consider DEMEC municipal service territories make up less than 15% of electric service in the entire state. The only significant wind generation resource installed in the state of Delaware is in a DEMEC municipal service territory, a utility-scale 2 MW (2 MW) wind turbine at UD's Hugh R. Sharp Campus in Lewes. Renewable energy credits generated by the University of Delaware's wind turbine are purchased by DEMEC through an agreement. The proceeds support a wind energy graduate-student research fellowship in the university's College of Earth, Ocean, and Environment (CEOE).

In addition to large-scale utility projects, DEMEC has supported siting renewable energy systems inside municipal borders for the benefit of the whole community. DEMEC, on behalf of the City of Newark, developed McKees Solar Park, a 230 kilowatt solar farm. The project revitalized a 3.91-acre brownfield site off East Cleveland Avenue, which provides Newark with a behind-the-meter renewable power source to serve all residents by reducing the city's peak power demand, lowering the wholesale cost of power, generating solar renewable energy credits, bringing locally produced green energy to the city's electric users, and reducing the city's carbon footprint.

DEMEC also conceived and proposed to the City of Newark the State of Delaware's first opt-in community solar program. This program was launched in 2014 to promote community involvement in the solar park and offers several participation options.

DEMEC's Community Solar Model has been recognized twice by the national solar industry trade group Smart Electric Power Alliance (SEPA) as a leading program design for increasing public access to solar energy. DEMEC continues to assist its members in the advancement of the community solar model as they develop new solar projects.

CONTACT INFORMATION
Address
Delaware Municipal
Electric Corporation
22 Artisan Drive
Smyrna, DE 19977
Phone
302.653.2733
Website
demecinc.net

DELAWARE MUNICIPAL ELECTRIC CORPORATION

Smyrna, Delaware

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2016 and 2015

DELAWARE MUNICIPAL ELECTRIC CORPORATION

TABLE OF CONTENTS
As of and for the Years Ended December 31, 2016 and 2015

Independent Auditors' Report	1 – 2
Required Supplementary Information	
Management Discussion and Analysis	3 – 9
Statements of Net Position	10 – 11
Statements of Revenues, Expenses and Changes in Net Position	12
Statements of Cash Flows	13 – 14
Notes to Financial Statements	15 – 35
Statistical Data	
Statistical Data Concerning the Major Participants	36 – 71

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Delaware Municipal Electric Corporation
Smyrna, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of Delaware Municipal Electric Corporation, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Delaware Municipal Electric Corporation'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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 relevant to the Delaware Municipal Electric Corporation'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 Delaware Municipal Electric Corporation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware Municipal Electric Corporation as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Delaware Municipal Electric Corporation

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The statistical data section as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
March 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

DELAWARE MUNICIPAL ELECTRIC CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended December 31, 2016 and 2015

The management of the Delaware Municipal Electric Corporation ("DEMEC") offers all persons interested in the financial position of DEMEC this narrative overview and analysis of the company's financial performance during the years ending December 31, 2016 and 2015. Please read this narrative in conjunction with the accompanying financial statements and the accompanying notes to financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

DEMEC is a public corporation constituted as a Public Power Joint Action Agency and a wholesale electric utility owning generation assets and serving load in the PJM footprint. DEMEC represents nine municipal electric distribution utilities located in the State of Delaware. The creation of DEMEC was made possible by an act of the Delaware General Assembly on June 6, 1978, and the entity was incorporated on July 12, 1979. The members of DEMEC comprise all the major cities and towns in Delaware except Wilmington. The DEMEC members are: Newark, New Castle, Middletown, Dover, Smyrna, Seaford, Lewes, Clayton and Milford.

The mission of DEMEC is to advance the principles of public power community ownership and provide competitive, reliable energy supply and related services to its members' stakeholders and customers through a diversified portfolio of generation assets and power purchase agreements.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how DEMEC's net position changed during the most recent year due to DEMEC's business activity. The Statements of Net Position report year-end assets, liabilities and net position balances based on the original cost adjusted for any depreciation and amortization.

DEMEC FINANCIAL ANALYSIS

An analysis of DEMEC's financial position begins with the review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. A summary of DEMEC's Statements of Net Position is presented in Table 1 and the Statements of Revenues, Expenses and Changes in Net Position are summarized in Table 2.

DEMEC FINANCIAL ANALYSIS (cont.)

Table 1
Condensed Statements of Net Position

	2016	2015	2014
Assets			
Current Assets	$ 26,290,563	$ 19,844,467	$ 16,266,085
Other noncurrent assets	12,658,199	17,343,047	24,689,333
Utility plant and property, net	60,103,709	58,449,785	59,075,073
Total Assets	$ 99,052,471	$ 95,637,299	$ 100,030,491
Liabilities			
Current liabilities	$ 12,577,825	$ 18,985,406	$ 21,083,581
Noncurrent liabilities	55,302,316	59,569,829	68,836,227
Total Liabilities	67,880,141	78,555,235	89,919,808
Total Deferred Inflows of Resources	2,431,893	10,120,110	18,453,366
Net Position			
Net investment in capital assets	7,025,386	3,506,614	2,257,404
Unrestricted	21,715,051	3,455,340	(10,600,087)
Total Net Position	28,740,437	6,961,954	(8,342,683)
Total Net Position and Liabilities	$ 99,052,471	$ 95,637,299	$ 100,030,491

STATEMENTS OF NET POSITION

During the year ended December 31, 2016, net utility plant assets increased by $1,653,923, consisting primarily of $1,018,398 in capital investments made during the year to expand the fuel inventory capacity at the Warren F. Beasley Power Station and $1,949,149 in expenditures related to infrastructure construction in progress on behalf of DEMEC members. These capital investments, net of depreciation expenses of $1,485,538, accounted for the majority of the changes in utility plant.

During the year ended December 31, 2015, utility plant decreased by $625,288, which included retirements of $224,850. DEMEC's capital investments made during the year included total payments of $655,564 toward the capital costs associated with the Warren F. Beasley Power Station. These capital investments net of depreciation accounted for the majority of the changes in utility plant. Depreciation expense of $1,456,743 was recorded during the year.

DEMEC FINANCIAL ANALYSIS (cont.)

STATEMENTS OF NET POSITION (cont.)

During the year ended December 31, 2016, DEMEC increased the cash in operating reserve accounts by $3,322,540 from the previous year as part of the rate stabilization program. Accounts receivable grew by $1,809,401 due to an increase in December sales to members and the current portion of a special contract receivable. Other assets decreased by $4,162,653 due to a decrease in regulatory assets, which was partially offset by increases in deposits with suppliers and the noncurrent portion of a special contract receivable.

Net position increased in 2016 due to decreased power supply costs of approximately $18,400,000.

Principal repayments associated with the Agency's outstanding revenue bonds totaled $1,768,393. DEMEC is scheduled to repay an additional $1,837,946 on the outstanding revenue bonds in 2017.

During the year ended December 31, 2015, DEMEC increased the cash in operating reserve accounts by $4,718,829 from the previous year as part of the rate stabilization program. Accounts receivable saw a decrease of $860,204 due to reduced sales as a result of mild winter weather in the fourth quarter. Other assets decreased by $7,626,531 due to a decrease in the Regulatory Asset Account.

Net position increased in 2015 due to decreased power supply costs of approximately $10,500,000.

Principal repayments associated with the Agency's outstanding revenue bonds totaled $1,658,253 in 2015.

DEMEC issued Series 2008B Electric Revenue Bonds ("Series 2008B Bonds") in the total par amount of $7,000,000 on December 5, 2008. The final maturity of the Series 2008B Bonds is June 1, 2019. The Series 2008B Bonds were issued to finance project costs of constructing a new electric substation in New Castle, Delaware for the benefit of the Municipal Services Commission of New Castle ("MSC"). The MSC entered into a contract with DEMEC for services from the new substation in an amount sufficient to pay the debt service and operating expenses of the substation. The 2008B bonds were refinanced in 2015 through the issuance of the Series 2015 Electric Refunding Bonds.

DEMEC issued Series 2011 Electric Revenue Bonds ("Series 2011 Bonds") in the total par amount of $57,185,000 on November 3, 2011. The final maturity of the Series 2011 Bonds is July 1, 2041. The Series 2011 Bonds were issued to refund the 2001 Revenue Bonds outstanding and the 2008A General Obligation Bonds outstanding, to finance the project costs of constructing Unit #2 of the Warren F. Beasley Power Station and improvements to the administration building. The balance due on the 2011 bonds is reflected in non-current liabilities in the amount of $49,450,000 and current liabilities of $1,325,000. Proceeds of revenue bonds not yet expended are included in restricted assets.

DEMEC issued Series 2015 Electric Refunding Bonds ("Series 2015 Bonds") in the total par amount of $4,216,387 on December 4, 2015, to refinance the Series 2008B Electric Revenue Bonds issued on December 5, 2008 in the total par amount of $7,000,000. The final maturity of the Series 2015 Bonds is December 4, 2022. The Series 2015 Bonds were issued to refinance project costs of constructing a new electric substation in New Castle, Delaware for the benefit of the Municipal Services Commission of New Castle ("MSC") that were originally financed with the 2008B Electric Revenue Bonds. The balance due on the 2015 bonds is reflected in non-current liabilities in the amount of $3,200,250 and current liabilities of $512,946.

DEMEC FINANCIAL ANALYSIS (cont.)

STATEMENTS OF NET POSITION (cont.)

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position

	2016	2015	2014
Operating Revenues	$ 153,695,342	$ 163,966,481	$ 166,192,373
Depreciation Expense	1,485,538	1,456,743	1,404,068
Other operating expenses	120,063,691	136,507,842	148,256,463
Total Operating Expenses	121,549,229	137,964,585	149,660,531
Operating Income(Loss)	32,146,113	26,001,896	16,531,842
Interest income	17,040	3,242	4,595
Interest and amortization expense	(2,446,911)	(2,766,875)	(2,657,557)
Other income/(expense)	(2,532)	(213,282)	6,614
Total Non-operating Expenses	(2,432,403)	(2,976,915)	(2,646,348)
Income before Distributions	29,713,710	23,024,981	13,885,494
Distributions to Members	(7,935,227)	(7,720,344)	(11,038,246)
Change in Net Position	21,778,483	15,304,637	2,847,248
Net Position, Beginning of Year	6,961,954	(8,342,683)	(11,189,931)
Net Position, End of Year	$ 28,740,437	$ 6,961,954	$ (8,342,683)

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Operating revenues for the year ended December 31, 2016 consisted of power supply sales to participating members of $119,908,210 on consumption of 1,359,661,520 kilowatt hours ("kWh"), and sales from generation resources of $33,787,132, for a total of $153,695,342. This represents a decrease of $10,271,139 in operating revenues (6.3%) as compared with the previous year. The decrease in operating revenues is mainly attributed to the decrease in sales due to lower demand and decreased generation opportunities as a result of mild winter weather in the fourth quarter of 2016. The 8,338,926 decrease in kWh sales versus 2015 is mainly attributed to reduced demand by end-use customers reflecting energy efficiency efforts and lower economic activity. Revenue from generation operations decreased by $11,289,294 (25%) due to lower market prices for generation output in 2016.

DEMEC FINANCIAL ANALYSIS (cont.)

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (cont.)

Operating revenues for the year ended December 31, 2015 consisted of power supply sales to participating members of $118,890,055 on consumption of 1,368,000,446 kilowatt hours ("kWh"), and sales from generation resources of $45,076,426, for a total of $163,966,481. This represents a decrease of $2,225,892 in operating revenues (1.4%) as compared with the previous year. The decrease in operating revenues is mainly attributed to the decrease in demand and decreased generation opportunities as a result of mild winter weather in the fourth quarter of 2015. The 51,769,121 increase in kWh sales over 2014 is mainly attributed to the additional operations of large industrial customers located in the Town of Middletown and Newark. Revenue from generation operations decreased by $2,101,403 (4.7%) due to decreased generation opportunities in 2015.

During the year ending December 31, 2016, DEMEC recorded a coincident peak demand of 293.4 MW, which was approximately 6.0% higher than the 276.9 MW experienced in the previous year. The total member non-coincident peak demand was 294.9 MW. This non-coincident peak demand was approximately 5.4% higher than the previous year. The increase in demand results from hot summer weather throughout the system.

For the year ended December 31, 2016, total operating expenses decreased by $16,415,356 (11.9%) from the previous year due primarily to lower fuel costs and lower power supply costs.

For the year ended December 31, 2015, total operating expenses decreased by $11,648,333 (8.4%) from the previous year due primarily to lower fuel costs and lower power supply costs.

DEBT SERVICE COVERAGE

DEMEC's bond resolution requires the Agency to maintain a debt service coverage ratio of 110% on outstanding debt. Debt service coverage for the 2011 Revenue Bonds during the years ended December 31, 2016 and 2015 was approximately 4.95 times and 4.00 times respectively. Debt service coverage for the 2015 Revenue Bonds during the year ended December 31, 2016 was approximately 110%.

SIGNIFICANT EVENTS

AMERICAN MUNICIPAL POWER (AMP) RATE STABILIZATION CONTRACT

DEMEC joined American Municipal Power ("AMP") in July 2011, becoming the 129th member of this large, multi-state joint action agency. The AMP Fremont Energy Center, a $600 million dollar, 675MW high-efficiency combined-cycle natural gas generation plant was completed and commercial operation began in January 2012. DEMEC is the largest participant of 89 participants in this 100% Public Power generation project, taking 92.285 MW of capacity and associated energy from the facility for the next 35 years. Because DEMEC procures power supply with long-term contracts, the addition of the AMP Fremont Energy Center to the DEMEC power portfolio in January 2012 created a temporary long position in the power portfolio. To mitigate this temporary long position, DEMEC entered into a separate contract with AMP to create a Rate Stabilization Program from February, 2012 through June, 2017 in order to maintain a stable wholesale rate to members through the temporary long position.

SIGNIFICANT EVENTS (cont.)

AMERICAN MUNICIPAL POWER (AMP) RATE STABILIZATION CONTRACT (cont.)

This transaction is booked as a long-term regulatory asset and liability to be recovered from our power supply members over the term of the transaction.

Table 3
Projection of Revenues, Expenses and Changes in Net Position
Over the Duration of the Rate Stabilization Transaction

(In $Thousands)	2012	2013	2014	2015	2016	2017
Operating revenues	$ 118,870	$ 141,920	$ 166,192	$ 163,966	$ 153,695	$ 192,150
Operating expenses	119,978	143,885	149,661	138,012	121,549	182,500
Operating Income	(1,108)	(1,965)	16,531	25,954	32,146	9,650
Total non-operating expenses	(2,713)	(2,665)	(2,646)	(2,929)	(2,433)	(3,682)
Income before Distributions	(3,821)	(4,630)	13,885	23,025	29,713	5,968
Distributions to Members	(4,408)	(6,702)	(11,038)	(7,720)	(7,935)	(4,500)
Change in Net Position	(8,229)	(11,332)	2,847	15,305	21,778	1,468
Net Position, Beginning of Year	8,371	142	(11,190)	(8,343)	6,962	28,740
Net Position, End of Year	$ 142	$ (11,190)	$ (8,343)	$ 6,962	$ 28,740	$ 30,208

Table 3 demonstrates the effect on Net Position over the period of the Rate Stabilization Transaction.

RENEWABLE ENERGY RESOURCES

In recognition of the changing legislative and regulatory environment, the nine member communities of DEMEC each adopted a Municipal Renewable Portfolio Standard ("MRPS") policy in 2013 that targets to acquire 25% of its energy requirements from qualifying renewable resources by 2025, with 3.5% coming from solar renewable resources. The member communities designated and appointed DEMEC as their agent in achieving compliance with the MRPS policy goals. To achieve compliance with the MRPS policy, DEMEC has entered into several long-term contracts to fulfill the MRPS obligation. DEMEC entered into a 20-year contract in April, 2010, to purchase 15% of the solar environmental attributes from the Dover Sun Park owned by White Oak Solar Energy, LLC. DEMEC entered into a 25-year contract in May, 2011 to purchase 69MW of wind energy and associated environmental attributes from the Laurel Hill Wind Farm owned by Laurel Hill Wind Energy, LLC. DEMEC entered into a 20-year contract in May, 2012 to purchase 15MW of solar energy and associated solar environmental attributes from the PSEG Milford Solar Farm owned by PSEG Solar, LLC. DEMEC entered into a 3-year contract, in October, 2013 to purchase environmental attributes from the University of Delaware wind turbine located in Lewes, Delaware and owned by First State Marine, LLC, which was renewed in 2016 for a term of four years. DEMEC entered into a 20-year contract in January 2015 to purchase all environmental attributes produced from the City of Newark McKees Solar Park located in Newark, Delaware.

SIGNIFICANT EVENTS (cont.)

RENEWABLE ENERGY RESOURCES (cont.)

DEMEC is entering into a contract with AMP for the construction and operation of a 1.5 MW Solar generator to be located behind the meter in the Smyrna service territory. DEMEC will purchase all energy and environmental attributes produced by the facility for 29 years. The solar generator is expected to begin commercial operation in 2017.

CONTACTING DEMEC'S MANAGEMENT

This financial report is designed to provide our members, investors and creditors with a general overview of DEMEC's financial position as of and for the year ended December 31, 2016. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Delaware Municipal Electric Corporation, 22 Artisan Drive, Smyrna, DE 19977.

THIS PAGE IS INTENTIONALLY LEFT BLANK

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATEMENTS OF NET POSITION
As of December 31, 2016 and 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and investments	$ 14,606,187	$ 11,283,646
Restricted assets - debt service account	1,209,294	-
Accounts receivable	8,985,546	8,059,500
Current portion of member receivables	917,577	34,222
Fuel oil on hand	571,959	467,099
Total Current Assets	26,290,563	19,844,467
NONCURRENT ASSETS		
Restricted Assets		
Debt service reserve	3,753,527	3,751,882
Regulatory assets	2,896,951	10,604,022
Deposits with suppliers	3,934,586	2,643,215
Long term member receivables	2,073,135	343,927
Capital Assets		
Plant in service	70,858,004	69,347,443
Accumulated depreciation	(12,714,874)	(11,239,218)
Total Plant in Service	58,143,130	58,108,225
Construction in Progress	1,960,579	341,561
Total Noncurrent Assets	72,761,908	75,792,832
Total Assets	99,052,471	95,637,299

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATEMENTS OF NET POSITION, CONTINUED
As of December 31, 2016 and 2015

	2016	2015
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 6,728,117	$ 7,637,175
Restricted for renewable energy fund	330,306	477,877
Current portion of loan payable	35,215	34,522
Current portion of rate levelization loan	2,431,893	7,820,569
Current portion of revenue bonds	1,837,946	1,768,393
Accrued interest payable with restricted assets	1,214,348	1,246,870
Total Current Liabilities	12,577,825	18,985,406
NONCURRENT LIABILITIES		
Revenue bonds	52,650,250	54,487,994
Unamortized premium	2,343,654	2,438,667
Loan Payable	308,412	343,627
Rate levelization loan	-	2,299,541
Total Noncurrent Liabilities	55,302,316	59,569,829
Total Liabilities	67,880,141	78,555,235
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	2,431,893	10,120,110
NET POSITION		
Net investment in capital assets	7,025,386	3,506,614
Unrestricted	21,715,051	3,455,340
TOTAL NET POSITION	$ 28,740,437	$ 6,961,954

See accompanying notes to financial statements.

THIS PAGE IS INTENTIONALLY LEFT BLANK

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Revenue from members	$ 119,908,210	$ 118,890,055
Revenue from generation operations	33,787,132	45,076,426
Total Operating Revenues	153,695,342	163,966,481
OPERATING EXPENSES		
Power purchases	71,614,419	90,021,651
Ancillary services	1,343,951	1,599,163
Capacity	29,722,731	27,948,125
RPS compliance	2,405,347	2,264,579
Transmission charge	8,163,599	9,414,211
Plant operation and maintenance	5,282,454	3,867,507
Outside services	398,443	416,388
Salaries and benefits	857,291	725,191
Administrative and general expenses	275,456	251,027
Depreciation and amortization	1,485,538	1,456,743
Total Operating Expenses	121,549,229	137,964,585
OPERATING INCOME (LOSS)	32,146,113	26,001,896
NONOPERATING REVENUES (EXPENSES)		
Interest income	17,040	3,242
Interest expense	(2,523,070)	(2,802,540)
Amortization of bond premiums	95,013	95,013
Amortization of regulatory asset – debt issuance costs	(18,854)	(59,348)
Debt Issuance Expense	-	(47,613)
Gain (loss) on retirement of fixed assets	(2,532)	(165,669)
Total Nonoperating Expenses	(2,432,403)	(2,976,915)
INCOME BEFORE DISTRIBUTIONS TO MEMBERS	29,713,710	23,024,981
Distribution to Members	(7,935,227)	(7,720,344)
CHANGE IN NET POSITION	21,778,483	15,304,637
NET POSITION – Beginning of Year	6,961,954	(8,342,683)
NET POSITION – END OF YEAR	$ 28,740,437	$ 6,961,954

See accompanying notes to financial statements.

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members	$ 118,165,040	$ 119,679,107
Cash received from generation operations	33,787,132	45,076,426
Cash paid to suppliers for goods and services	(123,108,545)	(137,587,163)
Cash paid to employees	(857,291)	(725,191)
Net Cash Flows From Operating Activities	27,986,336	26,443,179
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash paid to AMP for rate levelization	(7,820,569)	(8,528,059)
Net Cash Flows From Noncapital Financing Activities	(7,820,569)	(8,528,059)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment for acquisition of property and equipment	(3,141,992)	(997,124)
Interest paid	(2,555,592)	(2,832,362)
Debt principal paid	(1,802,714)	(1,779,106)
Debt issuance costs paid	-	(47,613)
Net Cash Flows From Capital and Related Financing Activities	(7,500,298)	(5,656,205)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash distribution to members	(8,149,029)	(7,542,950)
Interest income received	17,040	3,242
Net Cash Flows From Investing Activities	(8,131,989)	(7,539,708)
Net Increase (Decrease) in Cash and Cash Equivalents	4,533,480	4,719,207
CASH AND CASH EQUIVALENTS – Beginning of Year	15,035,528	10,316,321
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 19,569,008	$ 15,035,528
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Increase (decrease) in regulatory asset	$ (7,707,071)	$ (8,392,604)
Increase (decrease) in unearned revenue	(7,688,217)	(8,333,256)
Carrying charges added to rate levelization loan	132,353	194,803
Loss on retirement of fixed assets	2,532	165,669

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATEMENTS OF CASH FLOWS, CONTINUED
For the Years Ended December 31, 2016 and 2015

	2016	2015
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	$ 32,146,113	$ 26,001,896
Adjustments to reconcile operating loss to net cash flows provided by operating activities		
Depreciation	1,485,538	1,456,743
Carrying charge on rate levelization loan	132,353	194,803
Changes in assets and liabilities		
Accounts receivable	(3,324,807)	717,032
Fuel oil on hand	(104,860)	280,243
Deposits with suppliers	(1,291,371)	(702,012)
Accounts payable	(909,059)	(1,577,546)
Renewable energy fund	(147,571)	72,020
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 27,986,336	$ 26,443,179
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and investments	$ 14,606,187	$ 11,283,646
Restricted assets - current debt service	1,209,294	-
Debt service reserve	3,753,527	3,751,882
CASH AND CASH EQUIVALENTS	$ 19,569,008	$ 15,035,528

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Delaware Municipal Electric Corporation, Inc. ("DEMEC") is a public corporation constituted as a Public Power Joint Action Agency and a wholesale electric utility owning and operating generation assets and serving load in the PJM footprint. The mission of DEMEC is to advance the principles of public power community ownership and provide competitive, reliable energy supply and services to its members, stakeholders, and customers. DEMEC represents and provides power supply and related services to nine municipal electric distribution utilities located in the State of Delaware (the "State"). The creation of DEMEC was made possible by an act of the Delaware General Assembly on June 6, 1978, and the entity was incorporated on July 12, 1979. The members of DEMEC comprise all the major cities and towns in Delaware except Wilmington. The DEMEC members are: Newark, New Castle, Middletown, Dover, Smyrna, Seaford, Lewes, Clayton and Milford.

The nine DEMEC member utilities combined to serve approximately 129,000 people through 69,000 end-use meters with a combined peak demand of 465.6 MW in 2016. The DEMEC member distribution systems vary in size and character. The largest is Dover, with 23,380 meters, while the smallest, Clayton, has about 1,350 meters. Over the past ten years, all of the member systems have experienced annual growth rates well above the national average. The members are primarily distribution utilities, although Dover owns substantial generation assets. Dover's total peak demand was 170.7 MW in 2016 and its generating capacity was about 181 MW.

Eight of the nine members receive 100% of their power requirements from DEMEC ("Full Requirements Members") and one member (Dover) receives partial requirements service ("Partial Requirements Members"). DEMEC supplies these requirements from a diversified portfolio of owned generation assets, bilateral contracts with third-party suppliers, and through participation in the PJM Interconnection, LLC ("PJM") regional markets. In addition to power supply, DEMEC provides legal and technical consulting services to its members, as well as representation in the federal and regional arenas regarding electric industry regulation and operation. DEMEC provides its members with the benefits of joint and combined buying power. DEMEC also assists member utilities in customer retention, economic development, customer education, capital finance, system improvement and technical information distribution in an effort to improve operating efficiency in their individual systems.

DEMEC joined American Municipal Power, Inc. ("AMP") in July 2011, becoming the 129th member of AMP. AMP is a large multi-state Joint Action Agency, organized in a similar structure as DEMEC, which constructs generation projects and acquires energy to serve member loads in nine states. DEMEC sits on the Board of Trustees of AMP representing the Delaware public power utilities.

ORGANIZATION AND GOVERNANCE

DEMEC is governed by a nine-member Board of Directors with one director from each of the nine member municipal electric utilities and nine alternate directors currently appointed. Each member has one vote. Additional votes are divided among the members that have entered into power purchase contracts and are calculated according to the member's committed minimum annual power purchase. Additional votes may be fractional and will be adjusted from time to time as the membership changes or power purchase contracts change.

The responsibility for day-to-day operations of DEMEC resides with a President and CEO appointed by the Board. The President and CEO directs the efforts of the staff members and manages various contractual relationships in place to meet the service requirements of the members.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ORGANIZATION AND GOVERNANCE (cont.)

The members of DEMEC have a preferential right to purchase all electric capacity and energy generated by, contracted for or owned by DEMEC. The amount of electric capacity and energy entitled to each member is computed in accordance with plans or formulae adopted by two-thirds of the total authorized vote.

Any municipality of the State may join DEMEC if its governing body authorizes membership and a majority of the DEMEC Board of Directors approve its admission. Membership in DEMEC may be terminated by any municipality acting through its governing body by providing DEMEC with twelve months' written notice.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when exchange takes place.

DEMEC complies with all applicable pronouncements of the Government Accounting Standards Board (GASB). In March 2012, the GASB issued Statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. DEMEC implemented this standard effective January 1, 2013. At that time, DEMEC elected to defer and amortize debt issuance costs, previously written off under GASB Statement No. 65, in accordance with GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* to match these amounts to their member rates.

In February 2015, the GASB issued statement No. 72 – *Fair Value Measurement and Application*. The statement addresses accounting and financial reporting issues to fair value measurements. It defines fair value 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. This standard was implemented January 1, 2016.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Deposits and Investments

For purposes of the statement of cash flows, DEMEC considers cash and cash equivalents to be all unrestricted, highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. DEMEC maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. Some of these balances are collateralized with securities held by the pledging financial institution's trust department.

Cash and investments at December 31, 2016 consist entirely of demand deposits and include unrestricted board designated funds for the following:

	2016	2015
Rate Stabilization Reserve Fund	$ 5,245,005	$ 9,274,251
Generation Operating Reserve Fund	6,507,198	-
Capital Asset Reserve Fund	371,648	-
Municipal Renewable Portfolio Standard Fund	2,055,107	1,468,938
Total Unrestricted Board Designated Funds	$ 14,178,958	$ 10,743,189

Investments are limited to: Government securities, federal agency securities, certificates of deposit, time deposits, repurchase agreements, money market mutual funds, asset-backed securities, the pooled investment fund known as the Delaware Local Government Investment Pool (DELGIP) as authorized by Title 29, Chapter 12 of the Delaware Code, and corporate and municipal debt obligations that are rated in either of the three highest rating categories by a nationally recognized credit ratings agency. DEMEC has elected to follow Delaware investment guidelines in lieu of adopting its own investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Accounts Receivable

Accounts receivable are stated at the amount billed to members and non-members. Allowance for doubtful accounts is not considered necessary as DEMEC has not historically experienced delays in payments for service rendered. Expense is recognized only when a specific account is determined to be uncollectible. The effects of using this method approximate those of the allowance method.

Member Receivables

Member receivables consist of $343,627 related to a LED streetlight project with the City of Newark, Delaware as described in note 8 and $2,647,085 in billings related to the reconciliation of a special contract. The special contract payments carry 0% interest and are due in 36 equal monthly installments through December 31, 2019.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Restricted Assets

Restricted assets and revenue bond reserve investments consist of short-term investments and are recorded on the balance sheet at fair value. These assets represent amounts held by the trustee for the repayment of short- and long-term obligations, respectively, under the outstanding bond indenture.

Fuel Oil on Hand

Fuel oil on hand is used as a back-up fuel for generation, not for resale. Fuel oil is valued at cost and charged to generation fuel cost when used for generation using the weighted average cost method.

Regulatory Assets

In accordance with GASB Statement No. 62, certain income and expense amounts which would be recognized during the current time period are deferred and not included in the determination of income until such costs are recoverable through member billings. These amounts include unamortized debt issuance costs of $465,058 and $483,912 in 2016 and 2015, respectively and costs to be recovered from members related to the rate levelization loan discussed in Note 8.

Deposits with Suppliers

During the normal course of business, DEMEC enters into contracts that require the posting of collateral from one counterparty to another counterparty based on daily mark-to-market calculations when such calculations result in an amount that exceeds certain thresholds set forth in the contracts. As of December 31, 2016 and 2015, DEMEC had posted $3,934,586 and $2,643,215, respectively, in collateral.

Utility Plant and Property

Utility plant and property is generally defined by DEMEC as assets with an aggregate cost of more than $10,000 and an estimated useful life in excess of one year. Utility plant and property is stated at historical cost. Major outlays for utility plant are capitalized as projects are constructed. A nominal amount of interest was capitalized for construction in 2016; no interest was capitalized for construction in 2015. Costs related to plant not placed into service are classified as construction work in process. Interest incurred during the construction phase is reflected in the capitalized value of the utility plant constructed, net of interest earned on the invested proceeds over the same period. Depreciation does not commence until the item is placed in service. Generation facility consists of capitalized acquisition and construction costs of the generation facility located in Smyrna, Delaware. Utility plant is depreciated using the straight-line method over the following useful lives:

Utility Plant	Years
Generation facility	15 – 50
Office building and improvements	40
Office furniture and equipment	3 – 10

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Compensated Absences

Under terms of employment, employees are granted vacation and sick leave in varying amounts. The amount of accrued paid time off at December 31, 2016 and 2015 was $54,911 and $51,912, respectively, shown within accounts payable.

Long-Term Obligations

Long-term debt and other obligations are reported as liabilities. Bond discounts, premiums and losses on advance refunding are deferred and amortized by the straight-line method over the repayment period of the related debt. Bond issuance expenses are amortized through rates under the requirements of GASB Statement No. 62 Paragraphs 476-500 - *Regulated Operations,* except for when the Board enacts a Resolution to expense issuance costs on a specific project.

REVENUES AND EXPENSES

DEMEC distinguishes 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 DEMEC's principal ongoing operations. The principal operating revenues of DEMEC are charges to members for sales and services. Operating expenses for DEMEC 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.

DEMEC billings are rendered and recorded monthly based on month end metered usage.

DISTRIBUTIONS TO MEMBERS

Distributions to Members are a return of a portion of net margin earned by the Beasley Power Station to the seven Joint Owners of the project. These distributions are not guaranteed year to year.

INCOME TAXES

DEMEC is exempt from state and federal income taxes because it is a political subdivision of the State of Delaware.

DEFERRED INFLOWS/UNEARNED REVENUES

Deferred inflows represent future amounts to be received from members for repayment of a Rate Levelization Loan from AMP. These amounts will be paid by members through their DEMEC power supply rate.

RATES

Rates charged to members are evaluated and approved annually by the Board of Directors, and at any time DEMEC costs are projected to exceed revenues from member billings. Rates charged to members were effective January 1, 2016.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

DEMEC accounts for its derivative instruments in accordance with GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments.* DEMEC has entered into forward contracts to purchase electricity at set prices and other contracts to sell electricity at fixed prices. These contracts qualify for the normal purchases and sales exception of GASB Statement No. 53 and are not accounted for as derivatives. See Note 3 for additional information regarding DEMEC's forward contracts.

COMPARATIVE DATA

Certain accounts in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, Statement No. 80, *Blending Requirements for Certain Component Units, and amendment of GASB Statement No. 14*, Statement No. 81*, Irrevocable Split-Interest Agreements*, Statement No. 82, *Pension Issues, an Amendment of GASB Statements No. 67, No. 68, and No. 73*, and Statement No. 83, *Certain Asset Retirement Obligations*. When they become effective, the application of these standards may restate portions of these financial statements.

NOTE 2 – CASH AND INVESTMENTS

DEMEC's cash and investments consist of the following:

	Carrying Value as of December 31,		Associated Risks
	2016	2015	
Checking and Savings	$ 14,606,187	$ 11,283,646	Custodial Credit
U.S. Government Money Market Fund	4,962,821	3,751,882	Custodial Credit, Credit, Interest Rate
Total Cash and Investments	$ 19,569,008	$ 15,035,528	

There are immaterial differences between the carrying value and bank value as of December 31, 2016 and 2015 due to deposits in transit or outstanding checks.

Deposits in local and area banks are insured by the FDIC in the amount of $250,000. For balances in excess of the FDIC insurance as of December 31, 2016 and 2015, DEMEC has secured collateralization with the financial institution to mitigate risk.

DEMEC has collateral in the amount of $21,611,074 and $13,399,372 for checking and savings accounts at December 31, 2016 and 2015, respectively. The US Government Money Market Fund is uncollateralized.

NOTE 2 – CASH AND INVESTMENTS (cont.)

DEMEC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. DEMEC uses the market approach to value its investments in the US Government Money Market Fund, which is a level 2 input.

CUSTODIAL CREDIT RISK

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, DEMEC's deposits may not be returned to DEMEC. DEMEC does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, DEMEC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2016 and 2015, DEMEC had investments exposed to custodial credit risk in the U.S. Government Money Market Fund of $4,962,821 and $3,751,882, respectively.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2016 and 2015, DEMEC held investments of $4,962,821 and $3,751,882, respectively, in the Administration share class of the Wilmington US Government Money Market Fund (Nasdaq: AIIXX), which is rated AAAm by S&P and Aaa-mf by Moody's.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment or deposit.

As of December 31, 2016, DEMEC's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1 Year	1 - 5 Years	> 5 Years
Wilmington US Government Money Market Fund	$ 4,962,821	$ 4,962,821	$ -	$ -

NOTE 2 – CASH AND INVESTMENTS (cont.)

INTEREST RATE RISK (cont.)

As of December 31, 2015, DEMEC's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1 Year	1 - 5 Years	> 5 Years
Wilmington US Government Money Market Fund	$ 3,751,882	$ 3,751,882	$ -	$ -

DEMEC has invested in mutual funds with underlying investments of U.S. Treasuries and U.S. Agency Securities for the years ended December 31, 2016 and 2015.

INVESTMENT POLICY

DEMEC has elected to follow the State of Delaware investment guidelines in lieu of adopting its own investment policy.

NOTE 3 – RESTRICTED ASSETS

REVENUE BOND ACCOUNTS

The components of revenue bonds (restricted cash) at December 31 are as follows:

	2016	2015
Debt service account	$ 1,209,294	$ -
Debt service reserve fund	3,753,527	3,751,882
Totals	$ 4,962,821	$ 3,751,882

DEBT SERVICE ACCOUNT

The restricted cash account is a current debt service sinking fund used to deposit funds in support of near-dated debt service payments with the Trustee pursuant to the Trust Indenture.

DEBT SERVICE RESERVE FUND

The revenue bond account for debt service reserve is used to establish a reserve to cover deficiencies in the Debt Service Account. Any excess may be used for other purposes.

NOTE 4 – POWER PURCHASE AND SALE FORWARD CONTRACTS

DEMEC manages its power supply risk through guidelines in its Risk Management and Trading Authority Policy, most recently revised on April 19, 2016. The objectives of the risk management policies are to optimize power supply resources, control costs and manage price volatility to the members while avoiding speculative positions in the commodities markets. As part of its risk management policies, DEMEC contracts with counterparties that have a current credit rating of "BBB" or better or who post collateral consistent with anticipated default limits agreed to by both DEMEC and the counterparty. DEMEC establishes credit limits for each of its counterparties and as a matter of practice reviews mark-to-market exposures on a daily basis. As part of its risk management strategy, DEMEC uses a diversity of suppliers and maintains staggered terms for power purchases, from one month to up to thirty-five years, in order to moderate the effects of short or long term price fluctuations. DEMEC's price certainty goal is to achieve 95% price certainty for three years forward. DEMEC has established a letter of credit facility of $20 million to meet its potential collateral posting requirements. DEMEC currently sources power from twenty-nine diverse and creditworthy entities capable of providing dependable physical supply resources. In 2016, approximately 19% of the total power DEMEC supplied to its members was obtained through forward purchase contracts with a term of three years or longer, 6% was obtained through two-year forward purchase contracts, 24% was obtained through one-year forward purchase contracts and 2% was obtained through spot purchases. The remaining 49% was supplied from the Company's existing generation assets. These contracts qualify for the normal purchases and sales exception of GASB Statement No. 53 and are not accounted for as derivatives. DEMEC utilizes a third-party service provider, ACES Power Marketing, to efficiently manage contracts and credit exposure, evaluate counterparties and execute short and intermediate transactions.

NOTE 5 – PLANT IN SERVICE

A summary of changes in electric capital assets for 2016 follows:

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Capital assets not being depreciated				
Land and land rights	$ 389,598	$ -	$ -	$ 389,598
Construction in progress	341,561	1,949,149	330,131	1,960,579
Total Capital Assets Not Being Depreciated	731,159	1,949,149	330,131	2,350,177
Capital assets being depreciated				
Land improvements	17,650	-	-	17,650
Generation	67,636,051	1,348,529	-	68,984,580
Office buildings and improvements	1,212,908	168,543	9,524	1,371,927
Office furniture and equipment	45,604	5,902	2,889	48,617
Transportation	45,632	-	-	45,632
Total Capital Assets Being Depreciated	68,957,845	1,522,974	12,413	70,468,406
Total Capital Assets	69,689,004	3,472,123	342,544	72,818,583
Less: Accumulated depreciation	(11,239,218)	(1,485,538)	(9,882)	(12,714,874)
Net Capital Assets	$ 58,449,786	$ 1,986,585	$ 332,662	$ 60,103,709

NOTE 5 – PLANT IN SERVICE (cont.)

A summary of changes in electric capital assets for 2015 follows:

	Balance 1/1/2015	Increases	Decreases	Balance 12/31/2015
Capital assets not being depreciated				
Land and land rights	$ 389,598	$ -	$ -	$ 389,598
Construction in progress	-	341,561	-	341,561
Total Capital Assets Not Being Depreciated	389,598	341,561	-	731,159
Capital assets being depreciated				
Land improvements	17,650	-	-	17,650
Generation	67,205,337	655,564	224,850	67,636,051
Office buildings and improvements	1,212,908	-	-	1,212,908
Office furniture and equipment	45,604	-	-	45,604
Transportation	45,632	-	-	45,632
Total Capital Assets Being Depreciated	68,527,131	655,564	224,850	68,957,845
Total Capital Assets	68,916,729	997,125	224,850	69,689,004
Less: Accumulated depreciation	(9,841,656)	(1,456,743)	(59,181)	(11,239,218)
Net Capital Assets	$ 59,075,073	$ (459,618)	$ 165,669	$ 58,449,786

NOTE 6 – NET POSITION

GASB Statement No. 34 requires the classification of net position into three components- Net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTE 6 – NET POSITION (cont.)

When both restricted and unrestricted resources are available for use, it is DEMEC's policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the net investment in capital assets:

	2016	2015
Plant in service	$ 72,818,583	$ 69,689,004
Less: Accumulated depreciation	(12,714,874)	(11,239,218)
Subtotals	60,103,709	58,449,786
Less: Capital related debt		
Current portion of capital related long-term debt	1,837,946	1,768,393
Long-term portion of capital related long-term debt	52,650,250	54,487,994
Unamortized premium	2,343,654	2,438,667
Subtotals	56,831,850	58,695,054
Add: Unspent debt proceeds		
Debt service 2011 Series	3,753,527	3,751,882
Subtotals	3,753,527	3,751,882
Net Investment in Capital Assets	$ 7,025,386	$ 3,506,614

The following calculation supports the amount of restricted net position:

	2016	2015
Restricted cash	$ 4,962,821	$ 3,751,882
Less: Restricted Assets Not Funded by Revenues		
Noncurrent debt service reserve account	(3,753,527)	(3,751,882)
Current liabilities payable from restricted assets	(1,214,348)	-
Total Restricted Net Position as Calculated	$ (5,054)	$ -

Generally accepted accounting principles do not permit restricted net position less than zero to be reported. Therefore, no restricted net position is reported if the calculation above results in a negative number.

NOTE 7 – CREDIT FACILITIES

DEMEC has a letter of credit facility in the amount of $20,000,000 and a line of credit facility in the amount of $10,000,000 with PNC Bank, National Association at December 31, 2016.

The letter of credit agreement was originally dated February 6, 2009 and was last amended on September 30, 2016 and extended through September 30, 2017, with an aggregate amount not to exceed $20,000,000. The purpose of the letter of credit facility is to provide collateral for posting to contractual counterparties from time-to-time based on daily mark-to-market calculations related to forward power purchase contracts when said mark-to-market amounts exceed certain credit thresholds set forth in the contracts. The purpose of the line of credit facility is to provide liquidity for daily operations.

At December 31, 2016 and 2015, there was no outstanding balance on the letter of credit facility or the line of credit facility.

CREDIT FACILITY DEBT COVERAGE RATIO

Section 6.9 of the credit facility agreement with PNC Bank states that DEMEC agrees to maintain as of the end of each fiscal year a debt service coverage ratio of at least 1.10:1. The ratio is defined in Section 1.1 of the agreement as EBITDA (net income plus interest expense, depreciation and amortization) divided by the sum of current maturities plus interest expense. Current Maturities are defined in Section 1.1 of the agreement as scheduled payments of principal on all indebtedness for borrowed money having a term of more than one year as shown on DEMEC's financial statements as on one year prior to the date of determination.

Based on the definitions in the agreement, DEMEC's debt service coverage ratio for the years ended December 31, 2016 and 2015 is as follows:

	Year Ended December 31,	
Description	2016	2015
Change in net position	$ 21,778,482	$ 15,304,638
Add: Interest expense	2,523,070	2,802,540
Depreciation	1,485,538	1,456,743
Amortization (net)	(76,159)	(35,665)
Net EBITDA	$ 25,710,931	$ 19,528,256
Current maturities plus interest expense	$ 4,320,535	$ 4,323,784
Debt Service Coverage	5.95	4.52

NOTE 8 – LONG-TERM DEBT

LOAN PAYABLE

The following loan has been issued:

Date	Purpose	Final Maturity	Interest Rates	Original Amount	Outstanding Amount 12/31/16
12/15/2015	City of Newark LED Streetlight Project	12/1/2025	1.99%	$ 378,149	$ 343,627

Loan Payable requirements to maturity follow:

Year Ending December 31	Principal	Interest	Totals
2017	$ 35,215	$ 6,518	$ 41,733
2018	35,922	5,811	41,733
2019	36,644	5,090	41,734
2020	37,380	4,354	41,734
2021	38,131	3,603	41,734
2022-2025	160,335	6,599	166,934
Totals	$ 343,627	$ 31,975	$ 375,602

REVENUE BONDS

The following revenue bonds have been issued:

Date	Purpose	Final Maturity	Interest Rates	Original Amount	Outstanding Amount 12/31/16
12/4/2015	New Castle Substation Refunding	12/4/2022	1.84%	$ 4,216,387	$ 3,713,196
11/1/2011	Construction of Beasley Generating Unit # 2	7/1/2041	2.0 – 5.0	59,742,555	50,775,000

Revenue bonds debt service requirements to maturity follow:

Year Ending December 31	Principal	Interest	Totals
2017	$ 1,837,946	$ 2,482,589	$ 4,320,535
2018	1,912,464	2,406,821	4,319,285
2019	1,997,159	2,327,626	4,324,785
2020	2,076,928	2,244,606	4,321,534
2021	2,167,089	2,157,695	4,324,784
2022-2026	10,411,610	9,385,551	19,797,161
2027-2031	8,885,000	7,182,225	16,067,225
2032-2036	11,110,000	4,955,375	16,065,375
2037-2041	14,090,000	1,971,900	16,061,900
Totals	$ 54,488,196	$ 35,114,388	$ 89,602,584

NOTE 8 – LONG-TERM DEBT (cont.)

LONG-TERM OBLIGATIONS SUMMARY

Long-term obligation activity for the years ended December 31, 2016 and 2015 is as follows:

	Balance 1/1/16	Additions	Reductions	Balance 12/31/16	Due Within One Year
Revenue bonds	$ 56,256,387	$ -	$ 1,768,191	$ 54,488,196	$ 1,837,946
Unamortized premium	2,438,667	-	95,013	2,343,654	-
Rate levelization loan	10,120,110	-	7,688,217	2,431,893	2,431,893
Loan payable	378,149	-	34,522	343,627	35,215
Totals	$ 69,193,313	$ -	$ 9,585,943	$ 59,607,370	$ 4,305,054

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Revenue bonds	$ 58,035,493	$ -	$ 1,779,106	$ 56,256,387	$ 1,768,393
Unamortized premium	2,533,680	-	95,013	2,438,667	-
Rate levelization loan	18,453,366	-	8,333,256	10,120,110	7,820,569
Loan payable	-	378,149		378,149	34,522
Totals	$ 79,022,539	$ 378,149	$ 10,207,375	$ 69,193,313	$ 9,623,484

On December 15, 2015, a loan in the amount of $378,149 was issued with an interest rate of 1.99% for a ten-year term to finance an LED Streetlight Project on behalf of the City of Newark. A receivable from the City of Newark in the amount of $378,149 was established upon the issuance of the loan and will be paid from the Green Energy Funds collected from the City. As of December 31, 2016, the remaining balance due was $343,627.

On December 4, 2015, bonds in the amount of $4,216,387 were issued with an average interest rate of 1.84% to refund $4,337,248 of outstanding bonds with an average interest rate of 2.92%.

The cash flow requirements on the old bonds prior to the current refunding was $4,699,515 from 2016 through 2019. The cash flow requirements on the new bonds are $4,527,704 from 2016 through 2022. The current refunding resulted in an economic gain of $262,911.

Gross receipts and real and personal property of the New Castle Substation project have been pledged as collateral on the 2015 Revenue Bonds. One participant, New Castle Municipal Services Commission, is contractually bound to pay debt service and other costs through a power sales contract for the entire project. The power sales contract covers the entire term of the bond.

Gross receipts and real and personal property of the Beasley Power Station project have been pledged as collateral on the 2011 Revenue Bonds. The seven participants in the Beasley Power Station project are contractually bound to pay debt service and other costs through power sales contracts. Each participant has a share in the project corresponding to its share of load, which is also the amount of debt service for which the project participant is responsible. The power sales contracts run as long as the bonds are outstanding on the project. If a participant defaults on its payment obligation, the remaining participants must pay their respective pro rata share of the defaulted amounts, not to exceed 125% of its initial pro rata share.

NOTE 8 – LONG-TERM DEBT (cont.)

LONG-TERM OBLIGATIONS SUMMARY (cont.)

Due to the varying maturities of the bonds allocated to the refunding of the 2001 bonds, the refunding of the 2008-A bond and the construction of the 2011 facilities, the aggregate debt service obligation of each participant will change on July 1, 2026, following termination of the debt service on the bonds allocated to the refunding of the 2001 bonds. The table below shows the allocated percentage of the aggregate debt service obligation of each participant throughout the life of the bonds.

Participant	Date of Issuance of Bonds through July 1, 2012*	July 2, 2012 through July 1, 2026*	July 2, 2026 through July 1, 2041*
Newark	43.7%	42.1%	35.1%
Milford	20.4	20.3	19.6
Middletown	9.7	11.0	16.5
Smyrna	8.2	8.4	9.7
Seaford	8.0	8.4	10.1
New Castle	8.4	8.1	7.2
Clayton	1.6	1.7	1.9

* Allocation is impacted by the share of administrative charges paid by each participant and is subject to change depending on the share of power used by each participant in any given fiscal year. Such fluctuations are not expected to be significant. Columns may not total 100% due to rounding.

DEBT SERVICE COVERAGE

2015 Series Refunding Bonds

Section 5.3 of the Series 2015 Bond Resolution requires the calculation of debt service coverage be performed on a project specific basis with revenue generated from the participating member. The resolution requires that DEMEC maintain a Debt Service Coverage Ratio of at least 1.10:1. Based on the definition in the Series 2015 Bond Resolution DEMEC had a Debt Service Coverage Ratio of 1.10 for the year ended December 31, 2016.

2011 Series Revenue Bonds

Section 6.9 of the Series 2011 Bond Resolution requires the calculation of debt service coverage be performed on a project specific basis with revenue generated from the participating members. The resolution requires that DEMEC shall collect charges to provide revenues for payment of the sum of (1) Operation and Maintenance costs, (2) an amount equal to 1.10 times the Aggregate Debt Service for the contract year, (3) the amount to be paid into Debt Service Reserve Accounts and (4) amounts payable for other reserves. Based on this definition DEMEC had a Debt Service Coverage ratio for the Series 2011 bond issue of 4.95 and 4.00 for the years ended December 31, 2016 and 2015, respectively.

NOTE 8 – LONG-TERM DEBT (cont.)

RATE LEVELIZATION LOAN

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/16
7/21/2011	Rate levelization	June 2017	Varies	$ 32,905,635	$ 2,431,893

DEMEC joined American Municipal Power Partners, Inc. ("AMP") in July 2011, becoming the 129th member of AMP. AMP is a large multi-state Joint Action Agency, organized in a similar structure as DEMEC, which constructs generation projects and acquires energy to serve member loads in seven states. DEMEC sits on the Board of Trustees of AMP representing the Delaware public power utilities.

The AMP Fremont Energy Center, a $600 million dollar, 675MW combined-cycle natural gas fueled electric generation plant operated by AMP, went into commercial operation in January 2012. DEMEC is the largest participant of 89 participants in this 100% Public Power generation project, taking 92.25 MW of capacity and energy from the facility for the next 35 years. The addition of this highly efficient source of electric power to the DEMEC portfolio results in lower long-term power supply costs to its members.

Since DEMEC procures power supply with a portfolio of long-term contracts, the addition of the AMP Fremont Energy Center in January 2012, created a temporary long position in the DEMEC power portfolio. To mitigate this temporary long position, DEMEC entered into a separate power sales and power purchase contract with AMP to create a multi-year Rate Stabilization transaction in order to maintain a levelized wholesale power supply rate to its members through the end of 2017.

The contract with AMP states they are providing DEMEC with a Levelized Power Supply Loan during the contract period of February 1, 2012 through May 31, 2017 based on the difference between contracted power rates in the Power Sales Schedule and PJM market rates. The agreement contains a monthly repayment schedule for amounts loaned and the final amount due will be calculated for the June, 2017 payment.

DEMEC is responsible for a monthly carrying charge on the outstanding loan balance based on the actual cost of borrowing the funds from the power supplier's line of credit. These amounts vary on a monthly basis and are added to the accumulated loan balance to be repaid. The carrying charge in the schedule below is estimated at 2.0%.

Estimated repayment and carrying charges to maturity of the Rate Levelization Loan are as follows:

Year Ending December 31	Annual Payment	Carrying Charge	Estimated Loan Balance
2017	$ 2,440,571	$ 8,678	$ -

NOTE 9 – RENEWABLE ENERGY FUND

DEMEC serves as administrator of the Delaware Municipal Utilities' Green Energy Fund Program for its members. This program was mandated by the State of Delaware to support renewable energy technologies, energy efficiency technologies, or demand side management programs. The members remit the required contributions to DEMEC, which administers the grant program and releases funds for approved grants on behalf of members.

Funds held for participating members as of December 31 are as follows:

	2016	2015
Town of Clayton	$ 8,224	$ 5,387
City of Dover	91,474	91,346
City of Lewes	44,789	69,928
Town of Middletown	54,194	18,620
City of Milford	3,632	10,750
City of New Castle	3,120	69,529
City of Newark	43,365	50,889
City of Seaford	75,689	111,632
Town of Smyrna	5,819	49,796
Totals	$ 330,306	$ 477,877

The following cash transactions show the change of activity from year-to-year:

	2016	2015
Received from Members for Green Energy Fund	$ 395,723	$ 456,286
Payments made for Green Energy Purposes	(543,294)	(384,266)
Net Cash Accumulated (Used) In Renewable Energy Fund	$ (147,571)	$ 72,020

NOTE 10 – TRANSACTIONS WITH SIGNIFICANT CUSTOMERS

Sales of electric energy consist primarily of market sales of generation energy and capacity, and sales to its members, as summarized below, for the year ended December 31, 2016 and 2015.

	2016	2015
AMP	$ 7,458,878	$ 9,246,632
PJM	26,327,150	35,570,344
Town of Clayton	1,845,675	1,830,934
City of Dover	629,058	585,549
City of Lewes	6,822,877	7,284,441
City of Middletown	20,420,784	20,715,425
City of Milford	20,179,165	20,890,421
City of Newark	41,539,008	38,607,271
City of New Castle	7,968,441	8,085,018
City of Seaford	10,423,058	10,823,721
Town of Smyrna	10,080,144	10,067,276
Other Revenue	1,104	259,449
Totals	$ 153,695,342	$ 163,966,481

Sales of energy to the City of Newark for the year ended December 31, 2016 include $2,647,085 in billings related to the reconciliation of a special supply contract. The resulting receivable was divided into a current portion of $882,362 due by December 31, 2017 and a noncurrent portion of $1,764,723 due by December 31, 2019.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

POWER SALES CONTRACTS

Participating members purchase 100% of their power supply requirements from DEMEC under long-term full requirements service contracts that became effective January 1, 2004, and which will remain in effect unless terminated upon one year's written notice by either party. The obligation of the participating member to purchase and pay for full requirements service, including its allocated costs under any then current forward contract for capacity and energy between DEMEC and a third party in effect as of the date of notice of termination, shall survive the termination of this Agreement.

Participating members have entered into separate power sales agreements effective May 1, 2001, to purchase an interest in the capacity produced by Unit #1 of the Warren F. “Sam” Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. Participating members are entitled to their contractual share of all power supply and ancillary products generated from the existing nominal 45 MW natural gas fired combustion turbine generator for the useful life of the facility.

Participating members have entered into separate power sales agreements effective May 1, 2011, to purchase an interest in the capacity produced by Unit #2 of the Warren F. “Sam” Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. Participating members are entitled to their contractual share of all power supply and ancillary products generated from the newly constructed nominal 45 MW natural gas fired combustion turbine generator, which went into commercial operation June 1, 2012, for the useful life of the facility.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (cont.)

POWER SALES CONTRACTS (cont.)

Under the terms of the various agreements, DEMEC is authorized to act as agent for the participating members in all matters relating to the acquisition and delivery of wholesale power supply and management of energy cost risk on behalf of the participating members in the deregulated energy markets.

DEMEC has long and short-term contracts and commitments with various wholesale power suppliers to supply energy, capacity, and transmission services to its members. These contracts vary in length and have flexible terms and cancellation provisions. Counterparty risk is managed through strict credit analysis at contract inception and throughout the term of each contract. Counterparty agreements also feature collateral and guarantee provisions to further mitigate default risk. These contracts may be material to the financial statements.

In December 2008, DEMEC undertook a project consisting of acquisition, development, and construction of a 138kV electrical substation located in New Castle, Delaware. The electric substation project, known as the Dobbinsville Substation, went into commercial operation on January 28, 2011. DEMEC issued a ten-year revenue bond in the principal amount of $7 million to finance the project. In 2015, DEMEC issued a seven-year refunding bond in the principal amount of $4,216,387 to refinance the project. DEMEC entered into a Service Agreement with the Municipal Services Commission of the City of New Castle which provides for DEMEC to construct, own, maintain and operate the electrical substation for the benefit of New Castle and provides for New Castle to pay DEMEC a monthly service fee sufficient to enable DEMEC to make debt service payments and operation and maintenance payments for the Project.

DEMEC has expanded its self-supply resources in its portfolio as a hedge against the increasing price of energy from the wholesale markets. One such expansion is the addition of Generating Unit# 2 at the Beasley Power Station, as mentioned above. Another strategic initiative of DEMEC is its participation in the AMP Fremont Energy Center ("AFEC"), a 675 MW Natural Gas Combined Cycle Power Plant that began commercial operation on January 21, 2012. The Fremont Energy Center is operated by AMP, a 129-member public power Joint Action Agency. DEMEC receives approximately 13.69% of the capacity and energy from AFEC pursuant to a thirty-five year take-or-pay contract. On July 29, 2011, DEMEC became the 129th member of AMP.

DEMEC is also making strategic power purchases in renewable generation resources. One such initiative is the Laurel Hill Wind Farm ("Laurel Hill"), a 69 MW wind generation plant operated and developed by Duke Energy Renewables located in north-central Pennsylvania. Laurel Hill began commercial operation on September 30, 2012. DEMEC is entitled to 100% of the project's energy and environmental attributes pursuant to a twenty-five year contract. DEMEC has also invested in solar generation facilities. DEMEC has a contract with the operator of the Milford Solar Park, a 13MW photovoltaic generation facility located in Milford, Delaware. DEMEC is entitled to receive 100% of the energy and an increasing schedule of the project's environmental attributes pursuant to a twenty-year contract. DEMEC also has a contract with the operator of the Dover Sun Park, a 10 MW photovoltaic generation facility located in Dover, Delaware (the "Sun Park"). DEMEC has a long-term purchase contract with the operator of the Sun Park and is entitled to receive 15% of the project's environmental attributes, but will not receive power supply from the Sun Park.

It is currently anticipated that the Beasley Power Station, the AMP Fremont Energy Center, the Milford Solar Park and the Laurel Hill Wind Project combined will supply approximately 68% of peak demand and 45% of the total energy DEMEC supplies to its Participants in 2017.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (cont.)

CLAIMS AND JUDGMENTS

From time to time, DEMEC is party to various pending claims and legal proceeding. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and DEMEC's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the financial position or results of operations.

NOTE 12 – EMPLOYEE RETIREMENT PLAN

DEMEC's employees are covered by a 457(b) governmental retirement plan administered by ICMA-RC. Benefit provisions and all other requirements are approved by the board of DEMEC. Employees are eligible to participate in the plan immediately upon employment. Both employee and employer contributions are immediately vested. Eligible employees who elect to participate in the plan may contribute none of their annual compensation up to a maximum not to exceed $18,000 in 2016. Employees age 50 or older may contribute an additional $6,000 in 2016. Employees taking advantage of the special pre-retirement catch-up may be eligible to contribute up to double the normal limit for a total of $36,000 in 2016. DEMEC contributes up to 10.5% of employee salaries without a match. If an employee elects to contribute up to 3% of earnings, DEMEC will match that portion of contributions up to an additional 3%. Total contributions to the plan by DEMEC for the years ended December 31, 2016, 2015, and 2014 were $65,315, $65,633, and $61,887, respectively.

NOTE 13 – RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are mitigated through the acquisition of commercial insurance policies featuring coverage and deductibles at levels established to minimize the impact to DEMEC in the event of a claim. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 14 – SUBSEQUENT EVENTS

DEMEC management has evaluated all events and transactions that occurred after December 31, 2016, through the date the accompanying financial statements were available to be issued, March 31, 2017. During this time period, one material subsequent event required disclosure. DEMEC intends to issue Electric Revenue Bond Anticipation Note, Series 2017A ($16,000,000) and Electric Revenue Bond Anticipation Note, Series 2017B (Federally Taxable) ($12,000,000) (collectively, the "Notes"). The Notes are expected to be sold privately pursuant to a Bank Loan Agreement between DEMEC and the lender. Principal amounts borrowed with respect to the Notes will be advanced by the lender from time to time pursuant to draw requests submitted by DEMEC. The principal amounts described above represent the maximum amounts available to be drawn on the Notes. The proposed closing is on or about March 29, 2017.

NOTE 14 – SUBSEQUENT EVENTS (cont.)

The purpose of this issue is to finance the costs of certain projects for the benefit of the Town of Middletown, Delaware and the City of Seaford, Delaware, consisting of (i) for the benefit of the Town of Middletown, the acquisition, development, construction and equipping of a new 138 kV transmission line running from Delmarva Power & Light Company's Townsend Substation to the Middletown Substation and associated improvements to the existing Middletown Substation located in Middletown, Delaware, and (ii) for the benefit of the City of Seaford, (a) the acquisition, development, construction and equipping of improvements to the existing substation located in the City of Seaford, as well as related improvements and (b) the acquisition and installation of equipment for an advanced metering infrastructure program.

STATISTICAL DATA

THE TOWN OF MIDDLETOWN

Description of Electric Utility

The Town of Middletown (the "Town") provides electricity to all residential, commercial, and industrial users within town limits. The Town is a full requirements member of DEMEC and is a participant in the Existing Facilities and the 2011 Facilities. The Town's electric grid is served by a single 138kV transmission line owned and maintained by Delmarva Power. Construction has begun on a second 138kV transmission line and associated improvements to provide redundancy to the Town's electric service. Commercial operation is expected by December of 2017. The Town's electric utility is fed by two power substations and a distribution system consisting of more than 200 miles of underground and overhead distribution lines, delivering approximately 228,600 megawatt-hours annually.

Energy Sales and Peak Demand

The following table shows the annual energy and the peak demand that DEMEC sold to the Town over the past 10 calendar years.

	Annual Energy (kWh)	Peak (kW)	% Annual Energy Growth	Compound % Annual Energy Growth Since 2006
2015	252,166,381	53,812	8.20%	8.44%
2014	233,051,722	50,978	6.34	8.47
2013	219,162,871	50,749	10.05	8.78
2012	199,147,970	48,585	22.77	8.57
2011	162,207,741	43,538	0.90	5.93
2010	160,757,752	41,890	8.26	7.23
2009	148,497,200	38,216	0.98	6.88
2008	147,049,391	38,835	4.01	9.96
2007	141,384,458	39,200	16.26	16.26
2006	121,612,637	35,324	3.62	-

Source: Delaware Municipal Electric Corporation.

The following table shows the annual energy and peak demand that the Town sold to its customers over the past 10 calendar years.

	Annual Energy (kWh)	Peak (kW) (1)	% Annual Energy Growth	Compound % Annual Energy Growth Since 2006
2015	228,599,000	53,812	8.53%	8.46%
2014	210,629,278	50,978	8.42	8.45
2013	194,280,125	50,749	8.44	8.45
2012	179,163,605	48,585	22.40	8.46
2011	146,370,107	43,538	3.85	5.86
2010	140,939,625	41,890	6.98	6.37
2009	131,746,533	38,216	-2.14	6.17
2008	134,630,216	38,835	7.27	10.59
2007	125,510,379	-	14.01	14.01
2006	110,085,215	-	3.46	-

(1) Available only from 2008-2015.

Source: Town of Middletown.

Electric Utility Customers

The chart below shows the total number of meters billed by the Town during the past 10 calendar years. The number of meters billed increased by 24.5% between 2006 and 2015.

	Residential	Commercial (1)	Industrial	Total
2015	6,974	563	295	7,832
2014	7,023	557	290	7,870
2013	6,779	518	276	7,573
2012	6,653	504	278	7,435
2011	6,864	285	644	7,793
2010	6,702	195	635	7,532
2009	6,504	202	626	7,332
2008	6,259	281	621	7,161
2007	5,917	337	571	6,825
2006	5,512	777	-	6,289

(1) Commercial and Industrial customers were categorized together through 2006.

Source: Town of Middletown.

The chart below shows the annual energy by customer class for the past 10 calendar years (kWh).

	Residential	Commercial (1)	Industrial	Total
2015	82,544,000	6,475,000	139,580,000	228,599,000
2014	77,851,103	6,296,625	126,481,550	210,629,278
2013	75,040,115	5,735,457	113,504,553	194,280,125
2012	78,176,503	2,986,619	98,000,483	179,163,605
2011	81,035,106	2,261,799	63,073,202	146,370,107
2010	80,194,730	2,011,367	58,733,528	140,939,625
2009	71,585,985	2,283,287	57,867,261	131,736,533
2008	75,552,557	2,834,733	56,242,926	134,630,216
2007	71,727,327	8,204,403	45,578,649	125,510,379
2006	62,629,147	47,456,068	-	110,085,215

(1) Commercial and Industrial customers were categorized together through 2006.

Source: Town of Middletown.

The chart below shows the annual amount billed by customer class for the past 10 calendar years.

	Residential	Commercial (1)	Industrial	Total
2015	$ 11,586,000	$ 971,000	$ 13,457,000	$ 26,014,000
2014	12,123,079	1,099,854	14,648,062	27,870,995
2013	11,684,321	980,629	13,302,821	25,967,771
2012	11,980,665	514,910	11,586,793	24,082,368
2011	12,882,841	338,975	8,902,275	22,124,091
2010	12,749,239	301,443	8,289,765	21,340,447
2009	10,030,694	340,917	8,198,721	18,570,332
2008	10,881,164	481,470	7,789,514	19,152,148
2007	9,657,579	796,559	6,280,384	16,734,522
2006	8,606,305	6,816,535	-	15,422,840

(1) Commercial and Industrial customers were categorized together through 2006.

Source: Town of Middletown.

Largest Electric Users

Below is a list of the top 10 users of electricity for the Town in calendar year 2015.

Electric User	Business Type	Annual Energy Consumption (kWh)
Johnson Controls	Industrial	46,145,280
Amazon	Industrial	31,732,800
Appoquinimink School District	Public Schools	6,912,701
Walmart	Grocery/Department Store	4,731,366
Sabra Health Care	Healthcare	2,756,400
Albertsons - Acme	Grocery Store	2,625,600
Lowes	Home Improvement Retail	2,546,187
Giant of Maryland	Grocery Store	2,235,000
Home Depot	Home Improvement Retail	1,731,763
Christiana Care	Healthcare	1,716,000
Total Top 10		103,133,097

Source: Town of Middletown.

The Town allows for 100% of the electric fund surplus generated in each year to be transferred out of the Electric Fund for current operations of other funds, particularly the Town's General Fund. Transfers from the Electric Fund ranged between $5.1 million to $7.6 million between fiscal years 2011-2015.

Financial Information Regarding Electric Utility

The chart below shows the audited financial results for the Town's Electric Fund for fiscal years 2011-2015.

Town of Middletown

Statement of Revenue, Expenses, and Changes in Net Assets – Electric Fund

Fiscal Years Ended June 30, 2011-2015

	2015	2014	2013	2012	2011
Operating Revenue					
Charges for services	$ 28,286,935	$ 26,606,015	$ 24,782,838	$ 22,175,633	$ 21,405,293
Miscellaneous	31,700	83,249	16,467	83,681	187,512
Total Operating Revenue	28,318,635	26,689,264	24,799,305	22,259,314	21,592,805
Operating Expenses					
Current purchases	18,877,909	17,631,744	16,792,615	14,694,405	14,578,848
Salaries and wages	883,667	861,714	1,014,381	1,102,551	1,100,916
Payroll taxes	65,489	66,297	78,368	88,307	82,523
Pension and benefits	255,742	224,630	229,555	229,180	225,465
Other employee benefits	128,405	129,516	127,801	122,504	177,578
Repairs and maintenance	118,363	132,904	162,246	124,754	79,776
Contingency	-	-	-	-	-
Communications	9,049	10,475	8,517	10,863	13,581
Training, education and uniforms	23,708	18,691	24,245	16,841	21,864
Supplies and materials	30,083	5,762	20,695	1,054	5,415
Vehicle fuel and maintenance	57,442	57,801	57,629	81,088	53,905
Miscellaneous	3,685	2,701	-	-	-
Interest expense	238,427	290,767	61,657	-	-
Bad debts (recoveries)	325,719	81,958	61,986	130,758	75,282
Depreciation	289,892	293,627	292,580	270,046	276,751
Total Operating Expenses	21,307,580	19,808,587	18,932,275	16,872,351	16,691,904
Operating Income	7,011,055	6,880,677	5,867,030	5,386,963	4,900,901
Non-Operating Revenue (Expense)					
Capital contributed – developers	311,708	344,562	176,888	1,651,822	67,619
Gain (loss) disposal of assets	-	-	-	-	-
New development expense	(269,569)	(242,471)	(223,421)	(861,794)	(77,177)
Total Non-Operating Revenue (Expense)	42,139	102,091	(46,533)	790,028	(9,558
Income Before Transfers	7,053,194	6,982,768	5,820,497	6,176,991	4,891,343
Operating Transfers, Net	(7,561,979)	(6,739,610)	(5,683,654)	(6,767,077)	(5,090,537)
Change in Net Assets	(508,785)	243,158	136,843	(590,086)	(199,194)
Net Assets					
Beginning of year	5,647,493*	5,404,335*	5,114,464	5,704,550	5,903,744
End of year	$ 5,138,708	$ 5,647,493	$ 5,251,307	$ 5,114,464	$ 5,704,550

Source: Town Audited Financial Statements for fiscal years 2011-2015.

*As restated

The following table shows the assets of the Town's Electric Fund for fiscal years 2011-2015.

Town of Middletown

Assets, Liabilities and Net Assets – Electric Fund

Fiscal Years Ended June 30, 2011-2015

	2015	2014	2013	2012	2011
Current Assets					
Receivables, net					
Customer	$ 1,838,458	$ 1,929,931	$ 1,601,211	$ 1,334,708	$ 1,567,324
Other	132,905	443,805	403,590	417,086	334,376
Inventories	1,056,782	859,796	832,249	729,279	799,366
Prepaid expenses	-	-	-	-	-
Total Current Assets	3,028,145	3,233,532	2,837,050	2,481,073	2,701,066
Non-Current Assets					
Capital assets:					
Land and construction in progress	-	16,950	2,900	-	53,501
Depreciable buildings, property and equipment, net	5,862,137	6,192,897	6,373,528	6,666,108	6,736,770
Total Non-Current Assets	5,862,137	6,209,847	6,376,428	6,666,108	6,790,271
Total Assets	$ 8,890,282	$ 9,443,379	$ 9,213,478	$ 9,147,181	$ 9,491,337
Current Liabilities					
Accounts payable	$ 16,917	$ 33,680	$ 57,937	$ 307,515	$ 52,221
Accrued expenses	76,885	68,404	57,342	57,650	40,720
Customer deposits	461,264	430,641	379,763	335,211	328,360
Compensated absences	93,186	57,519	86,912	84,117	84,377
General obligation bonds payable	284,374	284,225	260,002	-	205,000
Total Current Liabilities	932,626	874,469	841,956	784,493	710,678
Non-Current Liabilities					
General obligation bonds payable	1,546,399	1,830,773	2,114,998	2,375,000	2,325,000
Unfunded other post-employment obligation	1,132,770	1,004,365	874,849	747,048	624,544
Compensated absences	139,779	86,279	130,368	126,176	126,565
Total Non-Current Liabilities	2,818,948	2,921,417	3,120,215	3,248,224	3,076,109
Total Liabilities	3,751,574	3,795,886	3,962,171	4,032,717	3,786,787
Net Position					
Invested in capital assets, net of related debt	4,031,364	4,094,849	4,001,428	4,291,108	4,260,271
Restricted for Customer Deposits	461,264	-	-	-	-
Unrestricted	646,080	1,552,644	1,249,879	823,356	1,444,279
Encumbrances	-	-	-	-	-
Total Net Position	5,138,708	5,647,493	5,251,307	5,114,464	5,704,550
Total Liabilities and Net Position	$ 8,890,282	$ 9,443,379	$ 9,213,478	$ 9,147,181	$ 9,491,337

Source: Town Audited Financial Statements for fiscal years 2011-2015.

The chart below shows the budget for the Town's Electric Fund for fiscal years 2015 and 2016.

Town of Middletown

Budget – Electric Fund

Fiscal Years Ended June 30, 2015-2016

	2016	2015
Receipts		
Miscellaneous revenue	$ -	$ 2,500
Returned Check Fees	12,500	12,500
Electric receipts	27,523,459	26,212,818
New development labor	65,000	35,000
New development material	150,000	150,000
Total Operating Revenue	$ 27,750,959	$ 26,412,818
Operating Expenses		
Regular wages	628,433	574,767
Overtime wages	35,000	40,000
Standby wages	5,956	5,956
FICA	41,502	38,485
Health insurance & HRA	160,846	160,590
Dental benefits	4,286	4,286
Disability insurance	5,016	5,016
Pension expense	37,243	37,243
Vision benefits	1,639	1,639
Medicare	9,706	9,000
Alarm expense	5,836	5,666
System maintenance	60,000	97,000
Equipment maintenance	4,000	3,000
Equipment Rental	3,500	3,500
Transformer Expense	12,000	-
Street Light Maintenance	25,000	-
Tools	8,000	-
Communications	4,536	4,536
Medical expense	1,500	1,500
Training & education	4,000	4,000
Safety/personnel supplies	8,000	8,500
Uniforms	12,000	9,156
Vehicle fuel	20,614	25,767
Vehicle maintenance/repairs	20,000	20,000
Christmas lighting	500	1,800
Grounds Maintenance	1,000	-
Building Maintenance	2,000	-
Utility purchases	17,457,874	16,315,770
Traffic lights	600	599
Community	67,644	65,674
Substation	-	-
Vehicle Lease	16,012	16,012
New development expense	180,000	155,795
Total Operating Expenses	$ 18,844,243	$ 17,615,257
Operating Income	$ 8,906,716	$ 8,797,561

Source: Town Budgets for fiscal year 2015-16.

Town Location and Description

The Town is comprised of an area of 11.96 square miles within southern New Castle County. It lies twenty-four miles south of Wilmington close to the Maryland border. Several major transportation arteries lie close to or run through the Town. State Routes 299 and 301 join at the center of Middletown. Delaware Route 1 borders the Town on the east, while Delaware Route 896 and U.S. Route 13, two other major north-south routes in Delaware, are no more than five miles from the Town limits. U.S. Interstate 95 is 17 miles north of Middletown, providing access to Washington, DC, Baltimore, Philadelphia and New York. Philadelphia and Baltimore are about an hour and half drive using the Interstate. Bus service by the Delaware Authority for Regional Transit (D.A.R.T.) links the Town to surrounding communities and the City of Wilmington. Norfolk-Southern, the principal north-south rail line on the Delmarva Peninsula, runs directly through Middletown. Middletown is located only minutes from the Chesapeake and Delaware Canal, the nearest navigable waterway. Summit Aviation, a private service airport, is located four miles north of Town. Commercial chartered air service is available at New Castle County Airport (20 miles north), Philadelphia International Airport (50 miles north) and Baltimore – Washington International Airport (50 miles west).

The area encompassed by the Town is a mix of open space, residential, commercial, and light industrial uses. The area surrounding the Town is predominantly rural in nature. However, residential and commercial development has begun to increase in pace as developers actively work to fill a backlog of recorded, undeveloped property. A policy of controlled growth has been pursued by the Mayor and Council of Middletown so water, sewer and other services do not become overwhelmed. Approximately half of the Town is undeveloped land.

Form of Government

The Town has a Council-Town Manager form of government with a nonpartisan elected mayor and six members of Council. The Council members are elected at-large for staggered two-year terms. The Town Council has responsibility for all legislative matters, including the enactment of all ordinances and resolutions.

Administrative responsibilities are vested in the Mayor and Council. Each member of Council has direct oversight responsibilities for one or more of the functional areas of government. The Town Manager is appointed and charged with overseeing the day-to-day administrative operations of the municipal government. Town offices provide the following services: public safety, electricity, sewer, water, trash collection, residential street repair, inspections and permits, meter service, and building maintenance. The Town also operates a parks department that maintains the Town's open space and active recreation areas as well as a public pool.

Policy is formulated by the Mayor and Town Council, with input from the professional staff, as well as resident volunteers who serve on the Town's four boards and committees. The boards and committees make recommendations to the Mayor and Town Council which has the sole authority to make policy changes relating to municipal services.

Population

The official population count by the U.S. Bureau of the Census in 2010 for the Town was 18,871, an increase of 206.3% over 2000. The chart below shows official census reported populations from 1970 through 2010.

Year	Population	Compound % Annual Population Growth Since 1970
2010	18,871	5.04%
2000	6,161	2.86
1990	3,834	1.88
1980	2,946	1.09
1970	2,644	-

Source: U.S. Census Bureau

Summary of the Economy and Economic Development

A full range of commercial establishments are located in Middletown, including local merchants and national chains. Restaurants, retail, grocery and food shops are located throughout the Town along main shopping streets and in shopping centers.

Major manufacturers located within the municipal boundaries include Johnson Controls, an automobile battery producer; Amazon, an online retailer; Letica, a maker of consumer plastic containers; MacDermid Imaging Technology, Inc., a leader in specialty chemicals and imaging processes for the printed circuit board industry; DelStar, a manufacturer of thermoplastic nets and other extruded materials; East Jordan Iron Works; Southgate Concrete; Rinker Hydro Conduit; and Standard Materials.

The Town of Middletown has recently enjoyed controlled development and growth as has the surrounding region. The Mayor and Town Council, with input from the relevant boards, oversee the development of the Town's comprehensive plan and long-term strategy for growth on behalf of Middletown residents. Located near major highway arteries, the Town enjoys developmental advantages associated with access to major transportation routes. Additional factors such as the close proximity to urban and suburban Wilmington continue to make Middletown a desirable location for residency and business activity. The Town combines the atmosphere, charm, and vibrancy of a small town, a convenient main shopping street, quiet and beautiful residential streets, and a well-served and attractive industrial park.

THE CITY OF MILFORD

Description of Electric Utility

The City of Milford (the "City") provides electricity to approximately 7,000 customers both within and outside its corporate limits. The City is a full requirements member of DEMEC and is a participant in the Existing Facilities and the 2011 Facilities. The electric distribution system covers approximately seven and one-half square miles and is served by two substations.

Energy Sales and Peak Demand

The following table shows the annual energy and the peak demand that DEMEC sold to the City over the past 10 calendar years.

	Annual Energy (kWh)	Peak (kW)	% Annual Energy Growth	Compound % Annual Energy Growth Since 2006
2015	233,550,056	49,172	2.11%	1.14%
2014	228,726,021	45,940	2.14	1.02
2013	223,925,622	46,998	2.97	0.86
2012	217,459,476	47,168	-0.92	0.51
2011	219,474,167	46,586	-2.48	0.80
2010	225,063,980	46,528	2.43	1.64
2009	219,716,607	45,296	-1.77	1.38
2008	223,670,783	46,161	-0.42	2.99
2007	224,623,460	48,943	6.51	6.51
2006	210,891,700	46,850	6.74	-

Source: Delaware Municipal Electric Corporation.

The following table shows the annual dollar sales and peak demand that the City sold to its customers over the past ten fiscal years.

	Annual Sales	Peak (kW)	% Annual Sales Growth	Compound % Annual Sales Growth Since 2006
2015	$26,986,000	49,172	9.92%	0.11%
2014	24,550,112	45,940	-0.88	-1.05
2013	24,768,274	46,998	2.67	-1.07
2012	24,123,950	47,168	-13.94	-1.68
2011	28,032,000	46,586	-1.90	0.97
2010	28,575,000	46,528	5.59	1.70
2009	27,061,000	45,296	-4.66	0.43
2008	28,384,000	46,161	6.35	3.08
2007	26,689,000	48,943	-0.08	-0.08
2006	26,711,000	46,850	34.33	-

Source: City of Milford.

Electric Utility Customers

The chart below shows the total number of meters billed by the City during the past 10 fiscal years. The number of meters billed increased by 13.9% between 2006 and 2015.

	Residential	Commercial	Industrial	Total
2015	6,004	1,092	16	7,112
2014	5,987	1,067	16	7,070
2013	5,947	1,050	16	7,013
2012	5,846	1,041	16	6,903
2011	5,758	1,018	16	6,792
2010	5,745	1,017	16	6,778
2009	5,765	1,012	16	6,793
2008	5,681	1,003	16	6,700
2007	5,568	994	16	6,578
2006	5,268	958	16	6,242

Source: City of Milford.

The chart below shows the annual amount billed by customer class for the past ten fiscal years.

	Residential	Commercial	Industrial	Total
2015	$ 9,668,000	$ 8,153,000	$ 9,165,000	$ 26,986,000
2014	9,116,869	6,937,726	8,495,517	24,550,112
2013	9,163,813	6,956,237	8,648,224	24,768,274
2012	8,706,192	6,479,972	8,937,786	24,123,950
2011	10,123,000	7,813,000	10,096,000	28,032,000
2010	9,740,000	8,596,000	10,239,000	28,575,000
2009	9,237,000	7,709,000	10,115,000	27,061,000
2008	9,510,000	8,043,000	10,831,000	28,384,000
2007	9,364,000	7,720,000	9,605,000	26,689,000
2006	9,355,000	7,770,000	9,586,000	26,711,000

Source: City of Milford.

Largest Electric Users

Below is a list of the top 10 users of electricity for the City in calendar year 2015.

Electric User	Business Type	Annual Energy Consumption (kWh)
Milford Memorial Hospital	Healthcare	36,087,069
Perdue Farms	Industrial	33,676,800
US Cold Storage	Industrial	15,579,600
L.D. Caulk, Industrial	Industrial	8,341,978
Sea Watch International	Industrial	7,700,400
Milford School District	Public Schools	5,398,369
Wal-Mart Stores	Grocery/department store	5,208,480
State of Delaware	State Agency	3,867,526
IG Burton	Retail Store	2,453,467
Genesis	Healthcare	2,236,606
Total Top 10		120,550,295

Source: City of Milford.

Transfer Policies/Practices

The City transfers $2.5 million from the Electric Fund to the General Fund each year, which the City uses to balance its general operating budget and to pay for a substantial portion of its general operating expenses. The $2.5 million transfer was determined in fiscal year 2001 and has not been changed since. The City can transfer funds from the Electric Fund to other City funds with the approval of City Council. The Electric Fund has not borrowed funds from any other reserve fund of the City.

Financial Information Regarding Electric Utility

The chart below shows the audited financial results for the City's Electric Fund for fiscal years 2011-2015.

City of Milford

Statement of Revenue, Expenses, and Changes in Net Position – Electric Fund

Fiscal Years Ended June 30, 2011-2015

	2015	2014	2013	2012	2011
Operating Revenue					
Charges for services	$ 25,236,876	$ 24,570,302	$ 24,647,844	$ 25,401,989	$ 27,697,694
Miscellaneous	329,464	288,776	299,904	344,507	385,754
Total Operating Revenue	25,566,340	24,859,078	24,947,748	25,746,496	28,083,448
Operating Expenses					
Personnel services	1,871,060	1,902,332	1,999,302	2,007,596	2,021,633
Contractual services	19,569,063	18,620,765	18,507,215	18,924,762	20,933,716
Utilities	7,365	4,393	6,524	6,385	8,678
Repairs and maintenance	442,233	465,530	285,192	391,461	386,275
Other supplies and expenses	173,359	407,384	102,059	344,808	64,407
Insurance claims and expenses	91,312	85,513	67,455	54,017	39,936
Depreciation	836,672,	462,781	439,153	428,801	405,824
Total Operating Expenses	22,991,064	21,948,698	21,406,900	22,157,830	23,860,469
Operating Income	2,575,276	2,910,380	3,540,848	3,588,666	4,222,979
Non-Operating Revenue (Expense)					
Interest and investment revenue	11,496	15,689	66,685	147,428	43,565
Impact fees	39,600	34,301	29,550	-	-
Miscellaneous revenue	16,588	1,699	(1,390)	1,622	8,946
Operating grants and contributions	-	-	-	-	50,000
Interest expense	(297,090)	(312,452)	(325,427)	(333,305)	(138,495)
Miscellaneous expenses	-	-	-	(5,105)	(300)
Total Non-Operating Revenue (Expense)	(229,406)	(260,763)	(230,582)	(189,360)	(36,284)
Income Before Transfers	2,345,870	2,649,617	3,310,266	3,399,306	4,186,695
Operating Transfers, Net	(2,500,000)	(2,240,150)	(2,500,000)	(2,500,000)	(2,500,000)
Change in Net Position	(154,130)	409,467	810,266	899,306	1,686,695
Net Position					
Beginning of year (1)	21,612,732	(2) 21,203,265	20,524,744	19,625,438	(1) 17,938,743
End of year	$ 21,458,602	$ 21,612,732	$ 21,335,010	$ 20,524,744	$ 19,625,438

Source: City Audited Financial Statements for fiscal years 2011-2015.

(1): 2011 decrease resulting from recognition of depreciation in prior years not previously recognized - $(853,139).

(2): 2014 decrease resulting from GASB 65 issuance costs previously amortized over the life of the debt issuance, were now expensed at the time of issue - $(131,745).

The following table shows the assets of the City's Electric Fund for fiscal years 2011-2015.

City of Milford

Assets, Liabilities and Net Position – Electric Fund

Fiscal Years Ended June 30, 2011-2015

	2015	2014	2013	2012	2011
Current Assets					
Cash and cash equivalents	$ 5,181,950	$ 7,025,981	$ 9,436,856	$ 11,329,328	$ 10,098,221
Investments	4,330,990	6,393,600	8,623,459	7,452,792	7,703,919
Accounts receivable	2,484,293	2,159,257	2,124,808	2,250,783	2,979,640
Other receivables	10,608	5,235	26,748	81,870	3,301
Inventories	1,160,000	1,180,942	1,278,853	1,095,525	1,054,300
Deferred bond discount and issue costs	-	123,879	131,745	139,611	147,477
Total Current Assets	13,167,841	16,888,894	21,622,469	22,349,909	21,986,858
Non-Current Assets					
Capital assets, net:					
Land and improvements	1,404,437	1,404,437	1,204,437	1,704,152	1,405,351
Utility system	17,731,269	17,104,324	12,887,000	11,061,623	10,593,827
Buildings and improvements	6,981,196	6,543,768	6,049,421	5,850,346	5,850,346
Equipment and furniture	3,266,618	2,863,219	2,382,053	2,237,169	2,293,995
Less accumulated depreciation	(13,389,082)	(12,532,773)	(11,901,752)	(11,623,455)	(11,323,334)
Total Non-Current Assets	16,094,438	15,382,975	10,621,159	9,229,835	8,820,185
Total Assets	$ 29,262,279	$ 32,181,720	$ 32,243,628	$ 31,579,744	$ 30,807,043

City of Milford

Assets, Liabilities and Net Position – Electric Fund (continued)

Fiscal Years Ended June 30, 2011-2015

	2015	2014	2013	2012	2011
Current Liabilities					
Accounts payable	$ 1,829,962	$ 1,864,183	$ 2,027,294	$ 1,823,156	$ 2,054,255
Salaries payable	41,530	42,841	35,737	32,255	28,498
Other accrued expenses	265,518	268,469	178,876	239,566	26,416
Customer deposits	453,759	446,135	430,732	410,200	344,450
Compensated absences	23,404	25,056	22,962	20,156	21,204
Bonds, notes and loans payable	151,274	356,751	338,906	333,906	172,917
Total Current Liabilities	2,765,447	3,003,434	3,034,507	2,859,239	2,647,740
Non-Current Liabilities					
Compensated absences	93,614	100,225	91,850	80,624	84,822
Bonds, notes and loans payable	4,944,616	7,465,329	7,782,261	8,115,137	8,449,043
Total Non-Current Liabilities	5,038,230	7,565,554	7,874,111	8,195,761	8,533,865
Total Liabilities	7,803,677	10,568,988	10,908,618	11,055,000	11,181,605
Net Position					
Net investment in capital assets	10,998,548	7,560,895	2,499,992	780,792	198,225
Restricted for capital improvements	736,764	3,112,396	290,452	257,828	257,828
Unrestricted	9,723,290	10,939,441	18,544,566	19,486,124	19,169,385
Total Net Position	21,458,602	21,612,732	21,335,010	20,524,744	19,625,438
Total Liabilities and Net Position	$ 29,262,279	$ 32,181,720	$ 32,243,628	$ 31,579,744	$ 30,807,043

Source: City Audited Financial Statements for fiscal years 2011-2015.

The chart below shows the budget for the City's Electric Fund for fiscal years 2015-2017.

City of Milford

Budget – Electric Fund

Fiscal Years Ended June 30, 2015-2017

	2017	2016	2015
Revenue			
Service billing	$ 24,730,790	$ 25,625,000	$ 24,500,000
Late penalties	60,000	60,000	65,000
Returned checks	3,000	3,000	3,500
Connection fees	90,000	80,000	70,000
Underground fees	10,000	8,000	10,000
Miscellaneous	5,000	5,000	5,000
Earnings on investments	5,000	6,000	4,000
Sale of property or equipment	2,000	2,000	2,000
Transfer from Reserves	-	273,315	-
Total Revenue	24,905,790	26,062,315	24,659,500
Expenditures			
Operations and maintenance	1,751,605	1,748,140	1,771,015
Employee benefits	386,305	394,965	356,270
Transfers to other funds	3,371,435	3,314,615	3,306,705
Power purchased	18,600,000	19,625,000	18,500,000
Debt Service	346,445	344,595	382,695
Capital outlay	450,000	635,000	342,815
Total Expenditures	24,905,790	26,062,315	24,659,500
Change in Fund Balance	$ -	$ -	$ -

Source: City Budget for fiscal years 2015-2017.

City Location and Description

The City is the sixth largest city in population in the State of Delaware. Located on the Mispillion River, within both Kent and Sussex Counties, the City is approximately 95 miles from Philadelphia, Pennsylvania, 85 miles from Baltimore, Maryland and 100 miles from Washington, D.C. Locally, the City is 19 miles south of Dover, the State Capital.

The City is residential in nature with a commercial center affording residents and the surrounding area various retail and professional services. Milford Memorial Hospital is located within the City providing a full range of medical services. Banking services are provided by M&T Bank., PNC Bank and Citizens Bank. The City is served by two main highways: Delaware Route 1 to the east and U.S. Route 113 to the west.

Form of Government

The City is governed by the provisions of its Charter, as adopted by the Delaware General Assembly and as further amended from time to time. The elected government of the City consists of eight councilmen who serve two year terms and a Mayor who serves for two years. They are assisted by a City Manager who carries out their policies and supervises municipal employees.

The City provides electric, water, sewer and trash service, maintains a police department and a parks and recreational department and enforces the zoning ordinance and the building, housing, plumbing and electrical codes. The City also derives a significant amount of revenues from the resale of electricity. The principal document used by the Mayor and the City Council to guide the City's growth and development is the Comprehensive Land Use Plan which was established in 1989 and last updated in 2011. Legal services of the City Government are provided by the City Solicitor, who is appointed by the City Council.

Population

The official population count by the U.S. Bureau of the Census in 2010 for the City was 9,559, an increase of 42.0% over 2000. The chart bellows shows official census reported populations from 1970 through 2010.

Year	Population	Compound % Annual Population Growth Since 1970
2010	9,559	1.48%
2000	6,732	0.79
1990	6,040	0.64
1980	5,366	0.10
1970	5,314	-

Source: U.S. Census Bureau

Summary of the Economy and Economic Development

While the City is predominantly residential in character, it is nonetheless a thriving business community. Commercial activity, including three shopping centers, is located to the west. The bulk of Milford's industry is located on the western side of the City and provides several hundred managerial, technical and skilled/unskilled jobs to area residents.

The City has grown steadily over the past ten years due to several factors. New business and residential growth has occurred. Existing developments have expanded. Also, the City has over this period annexed large areas of undeveloped land which are now under construction of new housing. The 2010 census showed the City to be one of Delaware's fastest growing communities and it is now the sixth largest city in the State.

With the recently announced Bayhealth campus project to be constructed in the near future the city will need to expand their water, sewer and electric infrastructure to meet the growing needs of the community.

THE CITY OF NEWARK

Description of Electric Utility

The City of Newark ("Newark") Electric Utility supplies electric power to approximately 12,700 residential, commercial and industrial customers. Newark is a full requirements member of DEMEC and is a participant in the Existing Facilities and the 2011 Facilities. Newark purchases wholesale electricity from DEMEC under a long-term, full requirements supply contract and distributes this power through its own distribution system. Newark's electric utility is fed by nine power substations, 60 circuit breakers, 27 power transformers and a distribution system consisting of approximately 175 miles of distribution lines.

Energy Sales and Peak Demand

The following table shows the annual energy and the peak demand that DEMEC sold to Newark over the past 10 calendar years.

	Annual Energy (kWh)	Peak (kW)	% Annual Energy Growth	Compound % Annual Energy Growth Since 2006
2015	457,749,134	89,492	4.11%	0.77%
2014	439,675,340	88,542	1.00	0.36
2013	435,308,952	91,265	-0.23	0.27
2012	436,312,645	90,359	0.05	0.36
2011	436,108,136	92,836	-0.90	0.42
2010	440,066,918	88,244	4.27	0.75
2009	422,048,298	82,506	-2.78	-0.39
2008	434,096,704	87,154	-0.83	0.82
2007	437,712,037	89,858	2.49	2.49
2006	427,063,224	89,843	-2.63	-

Source: Delaware Municipal Electric Corporation.

The following table shows the annual energy and peak demand that Newark sold to its customers over the past 10 calendar years.

	Annual Energy (kWh)	Peak (kW)	% Annual Energy Growth	Compound % Annual Energy Growth Since 2005
2015	416,743,733	89,492	2.95%	0.76%
2014	404,814,997	88,542	0.70	0.49
2013	402,020,356	91,265	-0.11	0.47
2012	402,465,476	90,359	0.12	0.56
2011	401,980,074	92,836	-1.00	0.65
2010	406,053,402	88,244	3.61	1.07
2009	391,915,725	82,506	-3.29	0.24
2008	405,233,794	87,154	1.03	2.04
2007	401,090,439	89,858	3.06	3.06
2006	389,164,191	89,843	-3.04	-

Source: City of Newark.

Electric Utility Customers

The chart below shows the total number of meters billed by Newark during the past 10 fiscal years. The number of meters billed increased by 9.9% between 2006 and 2015.

	Residential	Commercial	Industrial	University	Total
2015	11,209	1,446	54	25	12,734
2014	10,500	1,474	53	25	12,052
2013	10,055	1,429	53	25	11,562
2012	10,289	1,396	53	25	11,763
2011	10,255	1,437	54	1	11,747
2010	10,425	1,372	52	1	11,850
2009	10,394	1,367	55	1	11,817
2008	10,568	1,364	56	1	11,989
2007	10,098	1,362	52	1	11,513
2006	10,186	1,354	51	1	11,592

Source: City of Newark.

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATISTICAL DATA CONCERNING THE MAJOR PARTICIPANTS

The chart below shows the annual energy by customer class for the past 10 fiscal years (kWh).

	Residential	Commercial	Industrial	University	Total
2015	96,750,581	75,642,389	91,831,587	152,519,176	416,743,733
2014	93,042,185	77,147,270	91,928,003	145,697,539	404,814,997
2013	90,374,056	76,290,773	90,233,965	145,121,562	402,020,356
2012	90,231,853	70,596,053	94,263,963	147,373,607	402,465,476
2011	91,825,911	69,658,960	94,563,322	145,931,881	401,980,074
2010	95,050,384	70,985,485	99,556,219	140,461,314	406,053,402
2009	88,897,987	70,135,918	98,225,136	134,656,684	391,915,725
2008	90,912,923	72,463,286	104,279,135	137,578,450	405,233,794
2007	93,500,629	75,696,947	98,276,336	133,616,527	401,090,439
2006	91,267,630	71,952,626	92,955,211	132,988,724	389,164,191

Source: City of Newark.

The chart below shows the annual amount billed by customer class for the past 10 fiscal years.

	Residential	Commercial	Industrial	University	Total
2015	$ 14,964,142	$ 10,602,388	$ 12,022,056	$ 13,844,523	$ 51,433,109
2014	14,341,836	10,351,510	11,969,138	13,447,627	50,110,111
2013	13,710,184	10,439,109	11,380,234	15,088,929	50,618,456
2012	13,615,230	9,689,088	11,644,586	16,428,015	51,376,919
2011	15,120,100	10,409,620	12,792,357	17,466,559	55,788,636
2010	14,726,803	10,709,367	14,169,577	17,851,612	57,457,359
2009	13,002,979	9,912,707	12,648,019	15,040,237	50,603,942
2008	13,332,225	10,139,848	14,111,313	15,465,962	53,049,348
2007	13,024,245	9,885,974	12,472,474	13,908,227	49,290,920
2006	12,088,909	9,449,201	11,132,663	12,971,590	45,642,363

Source: City of Newark.

Largest Electric Users

Below is a list of the top 10 users of electricity for Newark in calendar year 2015.

Electric User	Business Type	Annual Energy Consumption (kWh)
University of Delaware[1]	Public University	159,877,165
Rohm & Haas	Manufacturing-Various	27,550,800
Power Systems Composites	Wholesale Electric Equip.	9,713,760
E I Dupont De Nemours	Chemicals and Synthetics	5,684,784
A&P Food Stores	Retail – Groceries	4,692,272
Fraunhofer USA	Biotechnology Research	4,409,360
618 G P Warehouse LLC	Warehousing	4,378,080
CHF-Del LLC	Rental Apartments	4,280,877
Christiana School District	Public Schools	3,696,063
Quest Pharmaceutical Services	Pharmaceutical Research	3,406,075
Total Top 10		227,689,236

Source: City of Newark.

[1]Total includes University of Delaware and 1743 Holdings, LLC accounts not billed at “University” rate.

Transfer Policies/Practices

Operating revenues from the Electric Utility are Newark's largest single source of revenue and operating surpluses are transferred to other Newark Funds, including the General Fund to support current operations. Transfers from the Electric Fund ranged from $9.5 million to $10.0 million between fiscal years 2011-2015 with an average transfer of $9.8 million. Electric reserves as of December 31, 2015 included $9.1 million in unrestricted operating reserves.

Net revenue generated by the Electric Fund in a given year is available for transfers to other funds as needed for operational or reserve purposes. Generally, the annual operating budget for the Electric Fund shows that approximately 90% of an amount equal to the net operating income less capital outlays from current resources and debt service payments is budgeted to be transferred to other funds. At year-end, Newark's management may adjust the actual total transfers after considering operational results and reserve requirements.

Financial Information Regarding Electric Utility

The chart below shows the audited financial results for Newark's Electric Fund for fiscal years 2011-2015.

City of Newark

Statement of Revenue, Expenses, and Changes in Net Position – Electric Fund

Fiscal Years Ended December 31, 2011-2015

	2015	2014	2013	2012	2011
Operating Revenue					
Charges for services	$ 52,797,011	$ 50,110,111	$ 50,618,455	$ 53,094,738	$ 55,788,636
Penalties and fees	118,157	287,421	381,075	250,963	345,019
Miscellaneous	107,299	88,181	156,771	91,370	96,523
Total Operating Revenue	53,022,467	50,485,713	51,156,301	53,437,071	56,230,178
Operating Expenses					
Personnel	2,930,117	2,489,292	2,459,031	2,291,878	2,333,599
Utility purchases	35,737,478	34,492,434	34,557,650	37,327,221	40,313,836
Materials and supplies	229,055	167,200	183,069	161,889	180,136
Contracted services	1,090,329	1,125,881	1,028,379	897,406	1,085,143
Depreciation	1,270,673	1,224,891	1,061,466	871,452	791,521
Other	394,874	122,888	93,655	94,513	86,807
Total Operating Expenses	41,652,526	39,622,586	39,383,250	41,644,359	44,791,042
Operating Income	11,369,941	10,863,127	11,773,051	11,792,712	11,439,136
Non-Operating Revenue (Expense)					
Interest and investment revenue	58,394	50,446	(1,319)	55,297	20,130
Gain (loss) on sale of capital assets	13,500	(941)	(113)	18,025	-
Bond and lease issuance cost	-	-	-	(49)	-
Interest expense	(114,635)	(124,969)	(132,150)	(37,562)	(24,031)
Total Non-Operating Revenue (Expense)	(42,741)	(75,464)	(133,582)	35,711	(3,901)
Income Before Capital Grants and Transfers	11,327,200	10,787,663	11,639,469	11,828,423	11,435,235
Capital Grants	116,136	179,830	143,240		26,906
Operating Transfers, Net	(10,016,004)	(9,944,669)	(9,492,610)	(10,016,255)	(9,677,430)
Change in Net Position	1,427,332	1,022,824	2,290,099	1,812,168	1,784,711
Net Position					
Beginning of year	21,191,374*	21,945,476	19,655,377*	17,861,679	16,076,968
End of year	$ 22,618,706	$ 22,968,300	$ 21,945,476	$ 19,673,847	$ 17,861,679

Source: Newark Audited Financial Statements for fiscal years 2011-2015.

*Restated

DELAWARE MUNICIPAL ELECTRIC CORPORATION

STATISTICAL DATA CONCERNING THE MAJOR PARTICIPANTS

The following table shows the assets of Newark's Electric Fund for fiscal years 2011-2015.

City of Newark

Assets, Liabilities and Net Position – Electric Fund

Fiscal Years Ended December 31, 2011-2015

	2015	2014	2013	2012	2011
Current Assets					
Cash and cash equivalents	$ 1,504,385	$ 2,164,622	$ 863,891	$ 1,411,028	$ 3,881,432
Restricted Assets:					
Cash and cash equivalents	-	-	485,380	4,043,212	-
Investments	831,512	748,250	746,744	1,030,458	657,450
Investments, unrestricted	5,352,735	3,857,281	3,872,263	3,754,340	509,925
Accounts receivable, net	6,032,287	6,987,526	7,192,263	5,669,535	6,301,310
Inventory	1,326,235	1,241,654	1,194,553	1,091,043	1,100,800
Prepaid expenses	67,765	37,164	5,713	2,005,534	17,271
Regulatory asset	269,050	-	-	-	-
Bonds, notes, and lease issuance costs	-	-	-	1,615	-
Total Current Assets	15,383,969	15,036,497	14,360,807	19,006,765	12,468,188
Non-Current Assets					
Bond and lease issuance costs	-	-	-	16,855	-
Deferred pension amounts[1]	367,566	121,315	70,802	91,292	80,007
Capital assets, net:					
Construction in progress	-	-	-	-	634,928
Buildings	7,543,153	7,351,475	6,514,525	6,367,506	5,462,934
Improvements	10,506,379	11,044,476	11,073,157	5,101,975	5,153,768
Intangibles	1,000	1,000	1,000	1,000	-
Machinery and equipment	567,750	401,239	372,975	533,970	339,734
Total Non-Current Assets & Deferred Pension Amounts	18,985,848	18,919,505	18,032,459	12,112,598	11,671,371
Total Assets & Deferred Pension Amounts	$ 34,369,817	$ 33,956,002	$ 32,393,266	$ 31,119,363	$ 24,139,559
Current Liabilities					
Accounts payable	$ 2,908,965	$ 2,978,352	$ 3,149,872	$ 3,875,908	$ 3,303,273
Customer deposits	831,512	748,250	746,744	715,371	657,450
Regulatory liability	-	1,310,576	206,798	367,749	2,228,611
Compensated absences	4,653	5,572	5,501	5,344	5,093
Unearned revenue	317,620	288,620	110,903	-	-
Accrued Interest payable	3,702	4,210	4,707	22,614	-
Bonds, notes, and lease payable	516,063	505,510	393,896	104,993	-
Total Current Liabilities	4,582,515	5,841,090	4,618,421	5,091,979	6,194,427
Non-Current Liabilities					
Compensated absences	41,881	50,143	49,507	48,095	45,836
Net other post-employment benefits obligation	118,139	33,850	38,759	36,528	37,617
Net pension liability	2,462,019				
Unearned revenue	-	-	-	7,685	-
Bonds, notes, and lease payable	4,546,557	5,062,619	5,741,103	6,261,229	-
Total Non-Current Liabilities	7,168,596	5,146,612	5,829,369	6,353,537	83,453
Total Liabilities	$ 11,751,111	$ 10,987,702	$ 10,447,790	$ 11,445,516	$ 6,277,880

[1]Formerly "Net Pension Asset" through 2014. Presented separately from Assets in Newark's 2015 Comprehensive Annual Financial Report.

City of Newark

Assets, Liabilities and Net Position – Electric Fund (continued)

Fiscal Years Ended December 31, 2011-2015

	2015	2014	2013	2012	2011
Net Position					
Net Investment in capital assets	$ 13,555,662	$ 13,230,061	$ 17,567,761	$ 11,899,458	$ 11,591,364
Restricted:					
Customer Deposits	-	748,250	746,744	715,371	-
Capital Projects	-	-	485,380	4,358,299	-
Unrestricted	9,063,044	8,989,989	3,145,591	2,700,719	6,270,315
Total Net Position	22,618,706	22,968,300	21,945,476	19,673,847	17,861,679
Total Liabilities and Net Position	$ 34,369,817	$ 33,956,002	$ 32,393,266	$ 31,119,363	$ 24,139,559

Source: Newark Audited Financial Statements for fiscal years 2011-2015.

The chart below shows the budget for Newark's Electric Fund for fiscal year 2016.

City of Newark

Budget – Electric Fund

Fiscal Year Ending December 31, 2016

	2016
Revenue	
Utility sales	$ 55,512,759
Utility purchases	(37,555,549)
Utility gross margin	17,957,210
Utility other service revenue	292,940
Utility contributions	18,250,150
Other revenue	139,521
Net transfers	(10,016,000)
Total Operating Revenue	8,373,671
Expenditures	
Personnel services	2,811,780
Materials and supplies	240,930
Contractual services	1,103,325
Equipment depreciation	181,356
Other	159,381
Inter-department charges	558,266
Total Operating Expenses	5,055,038
Capital Improvements	
Gross capital improvements	2,314,419
Less: Application of Reserves & Other sources	(911,419)
Net Capital Improvements	1,403,000
Debt Service	620,649
Depreciation Reserve Funding	1,150,309
Net Current Surplus	144,675
Total Expenditures	8,373,671
Change in Fund Balance	$ -

Source: Newark Budget for fiscal year 2016.

City Location and Description

Newark is comprised of an area of 9.3 square miles within New Castle County in the northwestern part of the state of Delaware. Newark's municipal building is located in the western part of the City on South Main Street. Newark lies approximately within an area bounded by the Maryland-Delaware border to the west, Interstate 95 to the south, Marrows Road to the east and a line roughly extending from Carpenter State Park through White Clay Creek to the north.

The area encompassing Newark is a mix of residential, commercial, industrial and higher education uses. Newark has enjoyed controlled development thanks to close adherence to its comprehensive master plan. Future growth will occur through annexation of adjacent unincorporated areas as they are developed. This policy of controlled development has ensured that adequate sewerage capacity and other services are available to accommodate new growth. A wide range of commercial establishments are located in Newark. Restaurants, retail, grocery and food shops are located throughout Newark either along main shopping districts or in clusters along major thoroughfares. A large regional shopping mall is located within a ten-minute drive.

Form of Government

The City employs a Council-City Manager form of government with a non-partisan Mayor and six members of Council. The Council members are elected from six separate districts for staggered terms of two years. The City Council has responsibility for all legislative matters, including the enactment of all ordinances and resolutions. Policy is formulated by the City Council and Mayor, with input from the professional staff, as well as our active citizenry and the resident volunteers who serve on the City's fifteen boards and committees.

Administrative responsibilities are vested in a City Manager, who is charged with overseeing the day-to-day operations of the municipal government. Major public services include general administration, police protection, parks and recreation, land use, building code enforcement, sewer, water, and electric utilities, refuse collection, residential street repair, snow removal, parking, judiciary, parks and recreation, street and storm water maintenance and improvements.

Population

The official population count by the U.S. Bureau of the Census in 2010 for Newark was 31,454, an increase of 10.2% over 2000. The chart below shows official census reported populations from 1970 through 2010.

Year	Population	Compound % Population Growth Since 1970
2010	31,454	1.05%
2000	28,547	1.07
1990	25,098	0.96
1980	25,247	1.98
1970	20,757	-

Source: U.S. Census Bureau

Summary of the Economy and Economic Development

Newark is one of Delaware's principal economic, industrial and academic centers. Our electric load and water distribution has remained level over the last several years, in association with citizen conservation and greater information sharing with customers following our 2012 smart electric and water utility metering project. During the same period, taxable assessments have increased in relationship to above average residential development experienced throughout the City, despite the recession of recent years. As a college town, Newark continues to be more affluent and economically stable, as supported by median family income levels that are significantly higher than state and national levels. Newark boasts a disproportionate amount of residents with four-year, graduate and post-graduate degrees compared to Delaware and the broader U.S., which, along with the higher income levels, tends to bring more stable employment. The City's unemployment rate is lower than national and state levels, and City and neighboring County residents enjoy employment opportunities in high-paying sectors such as finance, healthcare and education. The diversity and size of the businesses and industries in and around Newark serve to ensure relatively smooth and stable local economic growth. Newark remains an industrial, commercial and service hub for New Castle County and nearby counties in Pennsylvania and Maryland, in addition to its status as the State's principal home for higher education.

The main campus of the University of Delaware is located within Newark. The University is a leading scientific and research institution with a special focus on bio-technology, chemical engineering and composite materials. Nearly 23,000 full and part-time undergraduate and graduate students attend the University in Newark. Newark's largest manufacturer had been the East Coast assembly plant for the Chrysler Corporation, which closed in 2008 due to the well-publicized financial difficulties that crippled the U.S. auto industry. The plant site has since been purchased by the University of Delaware, which aggressively began its development of the 272-acre site as a space that combines business, research, education and more. The STAR (Science, Technology & Advanced Research) campus now boasts the dynamic Delaware Health Sciences Alliance (DHSA), which is open to the public and provides state-of-the-art health care and physical rehabilitation services, while training the next generation of healthcare professionals in an attractive and easily accessible location a stone's throw from the I-95 corridor. Bloom Energy, a unique on-site fuel cell energy company and SevOne, an internationally acclaimed digital infrastructure management company, opened at STAR in 2013 and 2015 respectfully, bringing more than 300 good paying technical jobs to our community. Additional long- time industry leaders have remained and grown in Newark, including E.I. DuPont de Nemours and Company (agricultural research) and Dow Chemical (silicon wafer polishing compounds), which is now merging to form DowDuPont. Gore (Gore-Tex), FMC (biopolymers), GE Aviation (jet airplane composites) and other international firms also maintain large facilities in the City. In addition, Newark is the home of Delaware's premier high-tech incubation center – the Delaware Technology Park – located south of our soon-to-be redeveloped/reimagined College Square Shopping Center between Library Avenue and Marrows Road. Bank of America, one of the nation's leading credit card banks, also anchors a robust financial services sector in the region. While Newark's industrial sector remains healthy, the City consistently engages the Delaware Technology Park, the State, the New Castle County Chamber of Commerce and the Delaware Economic Development Office – to bring new, high-quality, low-impact manufacturing firms to Newark.

The City offers several tax and related benefits as incentives to attract high-quality industrial growth and recently expanded this program by offering targeted electric rate discounts for new or enlarged industrial facilities.

Our nation's main East Coast north-south roadway, Interstate 95, passes through the southern portion of the City. In addition, AMTRAK provides limited intercity passenger rail service up and down the eastern seaboard, passing the City-owned, historic Newark Railroad Station, now home to the Newark Historic Society. A nearby SEPTA commuter rail station provides daily service to Wilmington and Philadelphia, and design is underway for an expanded Newark Train station with enhanced passenger service along the Northeast Corridor. CSX and Norfolk Southern freight lines pass through the community and provide freight rail connections to all major points along the eastern seaboard. Design plans are underway to develop a Downtown Sculpture Walk in cooperation with CSX along Newark's South Main Street gateway.

Over the last quarter century, the City has successfully revitalized its traditional Main Street with an exciting and vibrant mix of adaptively reused historic and modern buildings offering street level commercial businesses and apartments and condominium living on the upper floors. Newark has encouraged pedestrian, rather than auto-oriented, businesses in order to limit the traffic impact on Main Street and curb the demand for off-street parking. With this in mind, the City completed construction of the James Hall and Pomeroy Trails in 2003 and 2012 respectively. These award-winning trails are the most heavily used in the State and offer cycling and pedestrian access that connects to the Downtown corridor, the University's Laird Campus and state park property before reaching the Pennsylvania State line as part of the East Coast Greenway. The City's paved and well-connected trail system, along with other bike-friendly initiatives such as the "sharrows" on our Main Street, the successful Newark Bike Project, intense off-road mountain biking trails in our parks system, an annual triathlon (swimming portion in our 318-million-gallon reservoir) and the Mayor's annual fun ride all contributed to the City's award winning designation as a Bike Friendly Community. Newark welcomes thousands of cycling and mountain biking enthusiasts year round and has been recognized as the only Gold-level "Healthy Community" in the state, and is designated as only one of two bike-friendly employers in Delaware. The latter is a result of our further promotion of alternate transportation through offering bicycles to employees for use to attend meetings, or to ride recreationally during their lunch breaks around town or on the James F. Hall Trail two blocks away from City Hall.

In addition, NerdWallet designated the City of Newark as one of "The 100 Best Small Cities in the Nation" for 2015. Using three key areas: economic health, affordability and quality of life, NerdWallet ranked the City of Newark 59th on their list using key factors such as median household income, residents who walk to work, the local real estate market and homeowner costs. Our continuous efforts to make Newark walkable and bike friendly helped us tremendously in the rankings, as 16.1% of our residents walk to work, and another 2.4% are daily bicyclists.

Since the grand opening of the Embassy Suites on South College Avenue in March 2000, two additional hotels have been constructed – a Homewood Suites adjoining the Embassy Suites at the University's Athletic Complex and a Marriott Courtyard Hotel on the University's north campus – each of which contributed to the City's hotel inventory. In addition, a new five-story, 101 room Candlewood suites hotel is currently under construction on South College Avenue, and plans are being reviewed for a 125 room Spring Hill Suites hotel. The continued growth in this area again highlights our community as an attractive and vibrant place to visit, hold meetings, and engage.

In 2001, one of the City's most acclaimed historic landmarks, the Deer Park Hotel, was fully restored and reopened under new management as the Deer Park Tavern. The property was recorded in 1982 on the U.S. Department of the Interior National Register of Historic Places inventory; it has been operated continuously at its current location since 1851, with original roots dating back to 1747 as St. Patrick's Inn. Notable travelers staying at the Inn include surveyors Charles Mason and Jeremiah Dixon, General George Washington and soldiers of the American Revolution. Later in the 19th Century, Edgar Allen Poe stayed at the Tavern after lecturing at Newark Academy. The restored Deer Park Tavern, reviewed and approved through the City's strict historic preservation ordinance, has drawn large crowds since reopening in the fall of 2001. In addition to being one of the City's most notable landmarks and a popular local entertainment center, the Deer Park is a significant business anchor at the west end of Main Street near the edge of the University campus.

In the late 1990s, Newark focused heavily on water infrastructure investments to ensure sufficient quantity and quality of drinking water for future needs. Following a successful referendum, Newark was able to redesign its South Well Field Water Treatment Plant in 2003, and our 318-million-gallon pump storage reservoir went online in 2006. Now 10 years old, the Newark Reservoir is a destination for recreational hiking, birdwatching, as well as a popular break away point to our trail system. Now in its 4th year, the Top of Delaware Triathlon draws nearly 400 participants and uses the Newark reservoir for the swimming portion of the event. Weekly open water practice swims are expanding the attraction and meeting the needs of those training for events. Operationally speaking, the Newark Reservoir has been a resounding success story. Capable of providing three months of drinking water supply, the reservoir was the first of its kind constructed in Delaware in over 70 years and has not failed our residents, who voted overwhelmingly to fund its development.

Construction of the Washington House, which consists of mixed-use condominiums and commercial development, received Council approval in 2005. The facility was completed in 2008 with occupancy beginning in early 2009. The project brought 54 up-scale condominium apartments, commercial space and parking availability to the site of the former Stone Balloon tavern. The significance of this project included the introduction of housing for "non-students" in the Downtown neighborhood, reflecting a desire that exists today for a more diverse mix of residential housing. Newark continues to make efforts to bring owner-occupied or "post-college" professionals back downtown by encouraging development of one and two-bedroom housing units.

Since, the market for off-campus housing continues to grow, the City has approved 801 new rental units, many as part of mixed use development downtown answering the call to move students from rental homes in residential neighborhoods. In addition, nearly 50 new apartment units are under development review for consideration. This development activity has been beneficial to the City's financial position over the last several years; so much so that more new apartment units were approved in 2013 than in the previous 12 years combined. Many of these developments contain commercial space on the first floor, with upper story apartments clustered around the downtown corridors of East Main Street and Delaware Avenue. The same can be said for the area along South Main Street, which saw significant streetscape enhancements in 2013, and was renamed and dedicated as part of the downtown district to take advantage of the booming downtown economy. Staff are now engaged in finalizing a Request for Proposal seeking interest from developers in a partnership to develop a parking structure on our largest surface lot along with other commercial offerings that could serve to catapult this section of Delaware avenue into a secondary and quite vibrant block downtown.

The local Newark economy is considerably resilient in great part due to the presence of the University of Delaware, which boasts an endowment in excess of $1.5 billion, ranking it 69th among 828 colleges and universities surveyed nationwide by the National Association of College and University Business Officers in 2014. The University is also the City's single largest employer and electric customer. The City's December 2015 unemployment rate was 4.4% which was lower than the 2014 rate of 5.3%. By comparison, the State unemployment rate was 4.9% and the national rate was 5.0% at the conclusion of 2015.

NEWARK POLICE DEPARTMENT

WEEK 04/09/17-04/15/17	INVESTIGATIONS			CRIMINAL CHARGES		
	2016 TO DATE	2017 TO DATE	THIS WEEK 2017	2016 TO DATE	2017 TO DATE	THIS WEEK 2017
PART I OFFENSES						
a)Murder/Manslaughter	0	0	0	0	0	0
b)Attempt	0	0	0	0	0	0
Kidnap	2	1	0	2	1	0
Rape	0	1	0	3	0	0
Unlaw. Sexual Contact	3	5	3	1	0	0
Robbery	14	9	2	5	2	0
- Commercial Robberies	6	5	0	0	1	0
- Robberies with Known Suspects	1	0	0	0	0	0
- Attempted Robberies	1	1	1	0	0	0
- Other Robberies	6	3	1	5	1	0
Assault/Aggravated	7	7	0	3	14	0
Burglary	30	14	1	12	2	0
- Commercial Burglaries	8	5	0	0	0	0
- Residential Burglaries	18	8	0	10	2	0
- Other Burglaries	4	1	1	2	0	0
Theft	192	148	7	48	61	7
Theft/Auto	8	19	0	5	2	0
Arson	0	1	0	0	0	0
All Other	38	33	3	20	15	1
TOTAL PART I	294	238	16	99	97	8
PART II OFFENSES						
Other Assaults	103	87	10	46	42	3
Rec. Stolen Property	0	1	0	9	2	0
Criminal Michief	54	69	6	24	12	0
Weapons	3	8	1	12	11	0
Other Sex Offenses	0	0	0	0	0	0
Alcohol	83	28	2	131	66	5
Drugs	44	51	5	58	49	1
Noise/Disorderly Premise	204	234	18	89	71	6
Disorderly Conduct	47	46	3	34	28	3
Trespass	51	51	5	15	19	1
All Other	157	129	5	95	114	2
TOTAL PART II	746	704	55	513	414	21
MISCELLANEOUS:						
Alarm	287	134	14	0	0	0
Animal Control	133	113	8	0	2	1
Recovered Property	94	76	5	0	0	0
Service	10044	11358	743	0	0	0
Suspicious Per/Veh	175	172	8	0	0	0
TOTAL MISC.	10733	11853	778	0	2	1

	THIS WEEK 2016	2016 TO DATE	THIS WEEK 2017	2017 TO DATE
TOTAL CALLS	973	13,511	1,005	14,796

Newark Police Department
Weekly Traffic Report
04/09/17-04/15/17

TRAFFIC SUMMONSES	2016 YTD	2017 YTD	THIS WEEK 2016	THIS WEEK 2017
Moving/Non-Moving	3031	2716	367	154
DUI	55	45	4	3
TOTAL	3086	2761	371	157

TRAFFIC COLLISIONS				
Fatal	0	0	0	0
Personal Injury	56	77	5	8
Property Damage **(Reportable)**	359	314	19	31
*Hit & Run	92	76	6	6
*Private Property	81	70	7	8
TOTAL	**415**	**391**	**24**	**39**

*Included in the total collision numbers

Note: Typically, the YTD numbers are generated by adding the current week statistics to the YTD statistics from the previous reporting period. Periodically, the numbers for this report will be generated from the beginning of the year to capture data that may have otherwise been omitted due to a processing delay or other administrative anomaly, more accurately updating the year-to-date totals.