CITY OF NEWARK, DELAWARE

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NEWARK
DELAWARE

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Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2019

NEWARK
DELAWARE
Committed to Service Excellence

Prepared by the City of Newark Finance Department

David A. Del Grande, Finance Director
Jill A. Hollander, Deputy Finance Director
James W. Smith, Accountant

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CITY OF NEWARK
Delaware

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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PHASE 4A (COMPLETE) Duration: July 2019 Work Location: Main St Towers to E Main St Ramp	PHASE 4B Duration: July - October 2019 Work Location: Main St Towers to N Chapel St	PHASE 4C (COMPLETE) Duration: Date to be determined *(weekend closure only)* Work Location: N Chapel St intersection	PHASE 5 (COMPLETE) Duration: October - End of November 2019 Work Location: S Chapel St to west of Academy St	PHASE 5A (COMPLETE) Duration: November 2019 Work Location: Academy St intersection
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Indicates Completed Phases

NOTE: *Durations are subject to change.*

INTRODUCTORY SECTION

FINANCE DEPARTMENT
CITY OF NEWARK

220 South Main Street · Newark, Delaware 19711
302.366.7000 · Fax 302.366.7169 · www.cityofnewarkde.us

June 26, 2020

The Honorable Mayor, Members of City Council and Citizens of Newark:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Newark for the fiscal year ended December 31, 2019. This report is published to comply with the provisions of Section 807 of the City Charter. It is also intended to provide financial data to the tax and utility payers, bond holders, trustees, lenders, depository institutions, federal and state agencies and the financial community at large.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

The financial statements in this report have been audited by CliftonLarsonAllen LLP (CLA), an independent firm of certified public accountants as required by Section 807 of the City Charter. CLA has provided an unmodified opinion on the City of Newark financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the basic financial statements and notes to the financial statements. The MD&A can be found immediately following the report of our independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

The City of Newark is in the northwestern part of the state of Delaware. Pursuant to Title 22, Delaware Code, 1953, the City was granted the right to exercise all expressed and implied powers and authority of local self-government and home rule under a Charter governed by the Delaware Constitution.

The City employs a Council-City Manager form of government with a non-partisan Mayor and six non-partisan 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 12 boards and committees.

THE ECONOMY

Newark is one of Delaware's principal economic, industrial and academic centers. Our electric load and water distribution have remained relatively flat over the past two years, due to citizen conservation and greater information sharing with customers following our 2012 smart electric and water utility metering project. The City's new development at the STAR Campus will provide new electric, water, and sewer activity that we did not have in the past and is expected to offset the conservation efforts from our other customers. Over the past two years, taxable assessments remained relatively flat, but a multitude of projects are in various stages of development throughout the City. 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 number 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 (2.8% February 2020) is lower than national (3.5%) and state (3.9%) 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. As many shoppers attracted to the nearby Christiana Mall are aware, doing business in Delaware is favorable due to the absence of sales taxes.

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 engineering. Just over 22,000 full and part-time undergraduate and graduate students attend the University in Newark. UD also owns a 272-acre site known as the STAR (Science, Technology & Advanced Research) campus that combines business, research, health sciences, education and more. The STAR campus is home to:

- A performance computing company named by Forbes as one of America's Most Promising Companies.
- A manufacturer of clean fuel-cell power sources whose energy servers provide power to Fortune 500 clients including Google, Wal-Mart, AT&T and Coca-Cola.
- A test zero-emissions vehicle laboratory supported by the U.S. Department of Energy, the State of Delaware, NRG Energy, Honda and BMW.
    - UD's Health Sciences Complex of classrooms, research laboratories, and open-to-the-public care clinics. This complex provides residents with access to high quality care in the areas of primary care, physical and speech therapies, mental health and fitness counseling, care coordination and health coaching. UD students prepare to become healthcare professionals in the world-class physical therapy department.
- A 10,000 square-foot wet lab incubator for small research companies.
- A 10-story office building, known as the Tower at STAR. The Tower at STAR is an integral part of the College of Health Sciences' mission to train the next generation of healthcare professionals. The 120,000 square foot building is based on the science of health with an emphasis on prevention and wellness. The research underway in the labs in the Tower at STAR directly influences the healthcare provided in the adjoining UD Health clinics.

In addition to the above, the STAR campus features:

- The Chemours Company's Discovery Hub, a 312,000-square-foot facility where the global chemical company will conduct its research and innovation work. It is anticipated that this building will be fully occupied by the end of 2020.

- A biopharmaceutical innovation building where researchers will tackle some of the world's most pressing health challenges. The building will be the home of the National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL), a UD-led coalition of 150 companies, educational institutions, nonprofits and state governments. It is anticipated that this building will be fully occupied by the end of 2020.

- Redevelopment of the Newark Train Station, which is underway and scheduled to be completed in 2020.

Additional long-time industry leaders have remained and continue to grow in Newark, including DOW, GE Aviation, Chemours and other international firms maintain large facilities in the City. In addition, Newark is the home of Delaware's premier high-tech incubation center – the Delaware Technology Park. 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 University of Delaware and the New Castle County Chamber of Commerce – to bring new, high-quality, low-impact manufacturing firms to Newark.

Our nation's main East Coast north-south roadway, Interstate 95, passes through the southern portion of the City. AMTRAK provides limited intercity passenger rail service up and down the eastern seaboard, passing the City-owned, historic Newark Railroad Station, home to the Newark Historic Society. Groundbreaking for the Newark Regional Transportation Center, a $50 million project to improve the Newark Train Station, took place on July 17, 2017. Upgrades will enhance passenger service along the Northeast Corridor and provide more transportation opportunities to all within the City of Newark and our surrounding community.

Over the years, Newark has encouraged pedestrian, rather than auto-oriented, businesses to limit the traffic impact on Main Street and curb the demand for off-street parking. The City completed construction of the James Hall in 2003, the Newark Reservoir Trail in 2006, the Pomeroy Trail in 2012, and completed a new multi-use trail that connects Fremont Road to Creek Road, providing more of our residents and visitors convenient access to Newark's historical trail network. Newark is home to three of the most heavily used trails in the State and offers 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 shared lane pavement markings or "sharrows" on our Main Street, the successful Newark Bike Project, intense off-road mountain biking trails in our parks system, an annual triathlon and the annual fun ride all contribute to the City's continued award-winning designation as a Bike-Friendly Community since 2010. The City was also designated as one of only two bike-friendly employers in Delaware as 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. Future bicycle infrastructure projects include a two-way, protected bicycle lane along Delaware Ave connecting residential neighborhoods and downtown to Newark High School and the Pomeroy Trail, and well as an off-road bicycle trail along Elkton Road to the Delaware state-line. As a result, Newark was ranked by PeopleForBikes as #7 nationally out of cities with a population of under 100,000 for cycling, and 39th overall in the nation. Newark welcomes thousands of cycling and mountain biking enthusiasts year-round.

The hotel industry has recognized the City of Newark's needs for overnight accommodations. Since the grand opening of the Embassy Suites on South College Avenue in March 2000, four additional hotels have been constructed – a Homewood Suites adjoining the Embassy Suites at the University's Athletic Complex, the Marriott Courtyard Hotel on the University's north campus, Candlewood Suites on South College Avenue, and the Spring Hill Suites east of downtown on Ogletown Road. The recently approved Hyatt Hotel on Main Street will include 144 rooms, offices and conference space, as well as retail and parking. The continued growth in this area again highlights our community as an attractive and vibrant place to visit, to hold meetings, and to engage in all that the City has to offer.

In the late 1990s, Newark focused heavily on water supply infrastructure investments to ensure sufficient quantity and quality of drinking water for future needs. Following a successful referendum, Newark redesigned the South Well Field Water Treatment Plant in 2003, and our 318-million-gallon pump storage reservoir went online in 2006. The South Well Field Water Treatment Plant will be upgraded further to address new water contaminants during 2020. Now 14 years old, the Newark Reservoir is a destination for recreational hiking and birdwatching, as well as a popular break away point to our trail system. Operationally speaking, the Newark Reservoir is 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. The Newark Reservoir has now paid for itself through avoided water purchases, as Newark no longer needs to purchase water from neighboring utilities for its customers during periods of drought or high demand.

Since the market for off-campus housing continues to grow due to the increased University of Delaware student population, the City has approved over 1000 new rental units over the past decade. This growth has been focused in areas surrounding the University of Delaware Campus and downtown to provide increased housing opportunities and move students from rental homes in single-family neighborhoods to areas close to campus. The University has is currently implementing a plan to add approximately 4000 additional students over the next 5 to 6 years which will continue to drive the need for additional student housing.

The local Newark economy is considerably resilient in part due to the presence of the University of Delaware. The University is also the City's single largest employer and utility customer.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities including the City of Newark. Specific to the City of Newark, COVID-19 may impact various 2020 operations and financial results. Management and Council are taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

MAJOR INITIATIVES

The maintenance and enhancement of the City’s physical infrastructure is a critical component supporting the vital civil services the City provides to its residents and visitors. The City relies heavily on the sale of utilities to its customer base, and management is committed to the need to maintain its utility systems and to carefully prepare for the growth of each system. In recent years, Newark has undertaken the following major initiatives to improve our infrastructure:

- The City of Newark successfully received approval from the Delaware General Assembly to enact our own lodging tax. On July 1, 2018 Governor Carney signed HB435 into law, enabling the City of Newark the ability to impose a 3% tax on those who stay in our hotels and motels. In its first full year in 2019, the lodging tax provided an additional $760,000 in revenue to help support the general fund services we provide to all who frequent Newark.
- Following an affirmative vote by Council in January 2018, the City began taking the necessary planning steps regarding its first referendum in nearly twenty years to fund significant infrastructure projects. Historically, the City has not had to pay for most infrastructure because it was paid for by developers or the federal government through grants during initial installation. And, with a handful of exceptions, when capital projects did get approved for funding in the budget, they were paid for with cash reserves. On June 19, 2018 Newark residents overwhelmingly approved the City to borrow up to $26,765,000 for several capital projects, that will address many critical needs of Newark, such as:

- Rodney Regional Stormwater Park: The Public Works and Water Resources (PWWR) Department has worked with the public, Council, Parks and Recreation, and our consultant JMT to purchase the shuttered Rodney Dorms in order to turn them into a state-of-the-art stormwater pond and park. Much of the demolition was completed in 2019, making way for the final park construction to be completed in 2020.
- Sanitary Sewer Study and Rehabilitation: Each year, the PWWR Department plans to visually inspect 5 – 10% of the sanitary sewer system and address the deficiencies through a combination of repair, lining, and replacement. The first phase of inspections was completed in 2019 and the first phase of repairs will be contracted in 2020.
- Water and Sewer Supervisory Control and Data Acquisition (SCADA) System: Development of a SCADA system for the PWWR Department will allow the City to more efficiently and effectively manage and monitor the water and sewer system (i.e. treatment plants, water storage tanks, booster stations, and wells). Phase 1 of this project was completed in 2019.
- South Well Field Upgrades: This project will allow the City to continue to utilize the South Well Field Water Treatment Plant at full capacity. A replacement air stripper and storage tank reconfiguration will allow for the treatment of wells currently out of service due to contamination but still connected to the plant. This project was designed and bid in 2019 and is construction is slated to be complete in 2020.
- Water Main Replacement: A large percentage of the water mains in Newark are approaching or beyond their expected service life. This project involves either replacing mains or lining the interior to minimize main breaks, improve water quality, and improve hydrant fire flows. Phase 1 of 4 was designed and bid in 2019, with construction slated for early 2020. Phase 2 will follow soon after.
- Water Tank Maintenance: In order to function over their expected service life, water storage tanks must be repaired and painted periodically. The Public Works and Water Resources department regularly evaluates the age and coating conditions of the City's seven water tanks and recommends repairs or replacement based on the most cost-effective option. Phase 1 of this project is to replace the tanks at the South Well Field WTP and was bid and awarded in 2019, with construction underway in 2020.
- The ADA transition plan, which has been in place for nearly a decade and utilizes city funds as well as federal block grant funds to upgrade accessibility and transportation routes to comply with current ADA standards. To date, the City has replaced nearly 1400 of 1800 existing ramps, as well as upgraded many City-owned facilities. Approximately 40 ramps were replaced in 2019.
- Hard Surface Improvements project: Focuses on upgrading and maintaining some of the infrastructure and amenities in the City's park system like courts and trails.
- The City's Field Operations Complex is home to all the equipment and material used for maintaining the streets, water lines, parks and sewers. Yet, there is a lack of storage space to adequately and safely keep this expensive equipment out of the elements. During phase one of a master plan to address this issue, the City built a new salt shed. An obsolete warehouse was demolished in 2019 to make way for additional storage planned for 2021.
- Other equally important items completed in 2019 include complete replacement of an outdated truck lift system, the reconstruction of the concrete deck at the rear of the Municipal Building, parking lot resurfacing, and road paving projects.

- In 2017, the City of Newark successfully installed a Yukon Feeder Automation (YFA) system to increase the reliability and decrease the length of the 34kV outages when they occur. The YFA isolates the faulted section of the circuit and transfers customers to an un-faulted circuit if certain system criteria are met.

- In 2018/2019, the City of Newark utilized the existing Yukon Feeder Automation system to its 12kV distribution system to increase the reliability.
- In 2018/2019, the City of Newark retired one of the older transformers at South Chapel Substation and replaced it with a larger sized transformer to increase the system's capacity. This will help serve the newly developed STAR campus.
- In 2020, the City of Newark's electric department was recognized for providing safe and reliable electric service by earning a Reliable Public Power Provider (RP3) title from the American Public Power Association. This title is valid for three years and recognizes public power utilities that demonstrate proficiency in reliability, safety, workforce development, and system improvement.
- Through our membership in the Delaware Municipal Electric Corporation (DEMEC), Newark and other member communities have achieved greater economies of scale that benefit our citizens. In 2013, DEMEC member communities joined Delaware's statewide initiative to increase the amount of renewable energy sources used to generate electricity. Known as the Municipal Renewable Portfolio Standard (MRPS), the program has a twofold goal: the inclusion of 25% renewables in the DEMEC power portfolio by 2025, with 3.5% of that amount coming specifically from solar generation resources. To further enhance our commitment to reducing our carbon footprint, the City has chosen to integrate electric vehicles into our fleet where appropriate and working with DEMEC to increase the City's diversification of our energy portfolio. As the cost of renewable energy begins to align with the cost of other sources of energy, the City of Newark is poised to increase its renewable portfolio in the short-term future.
- The Curtis Water Treatment Plant (CWTP) is our surface water treatment plant located along the White Clay Creek which typically produces and distributes approximately 60% of the City's water supply and contains the main office and lab space for our Water Treatment Operators. This project, which was completed in 2019, converted the plant from gaseous chlorine disinfection to a bulk sodium hypochlorite system similar to what is currently in use at the South Well Field Treatment Plant. The project also included necessary building upgrades and rehabilitation work including roof and siding replacement, ventilation upgrades, as well as upgraded office and laboratory space for the Water Treatment Plant Operators. The approximately $1.5 mm project was a great collaboration between the City, our consulting engineer and the general contractor, both of whom are based in Newark.
- The stormwater utility rehabilitated or replaced 1,100 linear feet of Corrugated Metal Pipe (CMP) in 2019. This is the second year of a 14-year effort to repair or replace all of the CMP in the City, due to the rapidly deterioration of this material.
- Coordinated on nearly every aspect of DelDOT's $10 million total rebuild of Newark's Main Street. The City funded many pedestrian friendly aspects of the project, including bump-outs and seating areas to enhance the downtown experience for all users. Proactively performed sanitary sewer and domestic water upgrades in the entire corridor ahead of the project to avoid future maintenance issues on the newly renovated street.
- The Parks and Recreation Department had another busy year in 2019 planning and coordinating upgrades to park amenities, numerous successful program offerings along with a new event Parks on Draft. Attendance for the Family Fun Night and Harvest Festival grew larger this year in popularity. A new addition to Community Day included the Newark Natural Foods Farmers Market adding a new and unique touch to the event.

- Parks and Recreation staff were involved with the planning of the first Parks on Draft event which was held one weekend in August at Olan Thomas Park. In partnership with Grain Craft Bar and Kitchen a beer garden was set up Thursday - Sunday in the park and included live music each day, food and lawn games. The event was well attended with an estimated crowd of 1,500 over the four days and well received by the community. Additional dates will be added in 2020.
- The volunteer program exceled again this year with over 9,500 hours completed for 2019. This is over 500 more hours than in 2018. Two significant increases included over 270 more volunteer hours for Eagle Scout projects and over 845 more volunteer hours in summer day camps.
- In 2012 the City established a goal of growing our urban tree canopy to 30% within the City limits of Newark by 2021. In 2012 our tree canopy was 24.25%. After a new aerial survey was completed by the State Department of Agriculture Forestry Division in 2018, Newark's tree canopy cover reached 33%. The City achieved its goal three years early, as well as surpassed it by 3%. The tree canopy numbers show Newark's commitment to preserving its natural resources and strengthening our standing as a Tree City USA.
- Pursuant to City Code, the Finance Department prepares a five-year Capital Improvement Program (CIP) on an annual basis to outline the City's capital needs and funding sources for the upcoming budget year and the following four-year period. The CIP document is reviewed and approved by the City Council after a minimum of one council workshop and public hearing and a review and nod of support by the City's Planning Commission. The CIP process addresses the availability of current resources and reserve balances, as well as potential grant funding and the need for capital financing over the five-year horizon to help the City plan and prioritize projects based on needs, goals and objectives. The majority of CIP funding has been derived from the City's current resources; primarily current-year revenues and cash reserves. As the City moves into the future, with many capital projects on the horizon, the City will be making prudent use of debt service to provide our customers with the quality levels of service they expect. Debt service, when used appropriately, will also ensure that the Newark's infrastructure will be paid for by the customers who will using them.

Within the City's other departments, major initiatives include various projects that enhance the quality of life for our residents and help make the administration of government more efficient:

- A strong effort to improve the streets within the City with annual funding for street maintenance. Partnerships with State Senators and Representatives are providing additional funding help complete these projects.
- Continued enhancements to the City's information technology system that improve the productivity and proficiency of our employees engaged in efforts to serve our customers, as well as enable our customers to "self-serve" their needs through online or remote services. In 2019, residents were able to view and pay their tax bills, rental permits and business licenses online. Utility bills are now paid by phone directly to a third-party vendor, which reduced the wait-times for non-bill payment calls to our Payments and Utility Billing Group.
- In 1968, Newark City Council approved an ordinance to establish a Parks and Recreation Department. Today, Newark Parks and Recreation manages 36 parks, totaling over 650 acres of parkland and open space, 17 miles of trails and more than 350 recreational activities and community events to choose from.
- Per the Newark Comprehensive Development Plan V (Plan V) Creation of "Sustainable Newark," the City's plan for sustainability. The 48-page plan was presented to the public in October 2019 and finalized in November 2019. It is focused on three pillars of sustainability: economic strength, social fairness and environmental health.

- Per the Plan V Establishment of a working group to begin development of a Transportation Improvement District (TID) for Newark. The TID will link Newark's future land-use projections to future transportation needs and help the City plan for and fund new infrastructure.
- Establishment of a Rental Housing Workgroup to develop planning efforts for student and non-student rental housing supplies, creating affordable housing opportunities, and improving the City's property management and enforcement policies.
- Establishment of a Technical Review of the Planning Commission's Parking Subcommittee report that focused on ways to better managing the existing parking supply and plan for future parking needs.
- Establishment of the Green Building Work Group to review and discuss the City's LEED certification standards and to identify and recommend revisions to the LEED ordinance.

While management is proud of the City's accomplishments through 2019, we look forward with excitement toward 2020 achievements and beyond. The City's motto is "Committed to Service Excellence," and Newark is indeed well-positioned to continue delivering the highest quality municipal services the residents and businesses expect and deserve. From our CALEA-certified police department, through nationally recognized parks, trails and recreational facilities, to our commitment to high quality public works, electric delivery and water/sewer services, Newark takes great pride in meeting the demands of our constituents. The City is moving toward easing the constraints of governmental interaction with more services available online. Newark is firmly committed to the use of technology to connect and communicate with our residents in a more comprehensive and efficient manner. The City's relationship with the University is one of mutual benefit and has produced a culturally diverse community offering an unparalleled variety of educational, social, and economic opportunities for all our citizens. In Newark, whether residing here temporarily as a student or permanently rooted in the community, all our residents share in the makeup of our social fabric, and the City will continue steadfastly in its endeavor to provide services with pride and excellence.

ACKNOWLEDGEMENTS

The compilation of the Comprehensive Annual Financial Report in an accurate and timely manner was made possible by the professional and dedicated service of the City's entire financial staff. In particular, Deputy Finance Director Jill Hollander, James Smith, Debi Keeley and Trevor Miller deserve special appreciation for the extraordinary effort put forth to compile, prepare and format the various financial schedules and analyses highlighting this report.

Respectfully submitted,

Thomas Coleman	David A. Del Grande
City Manager	Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newark

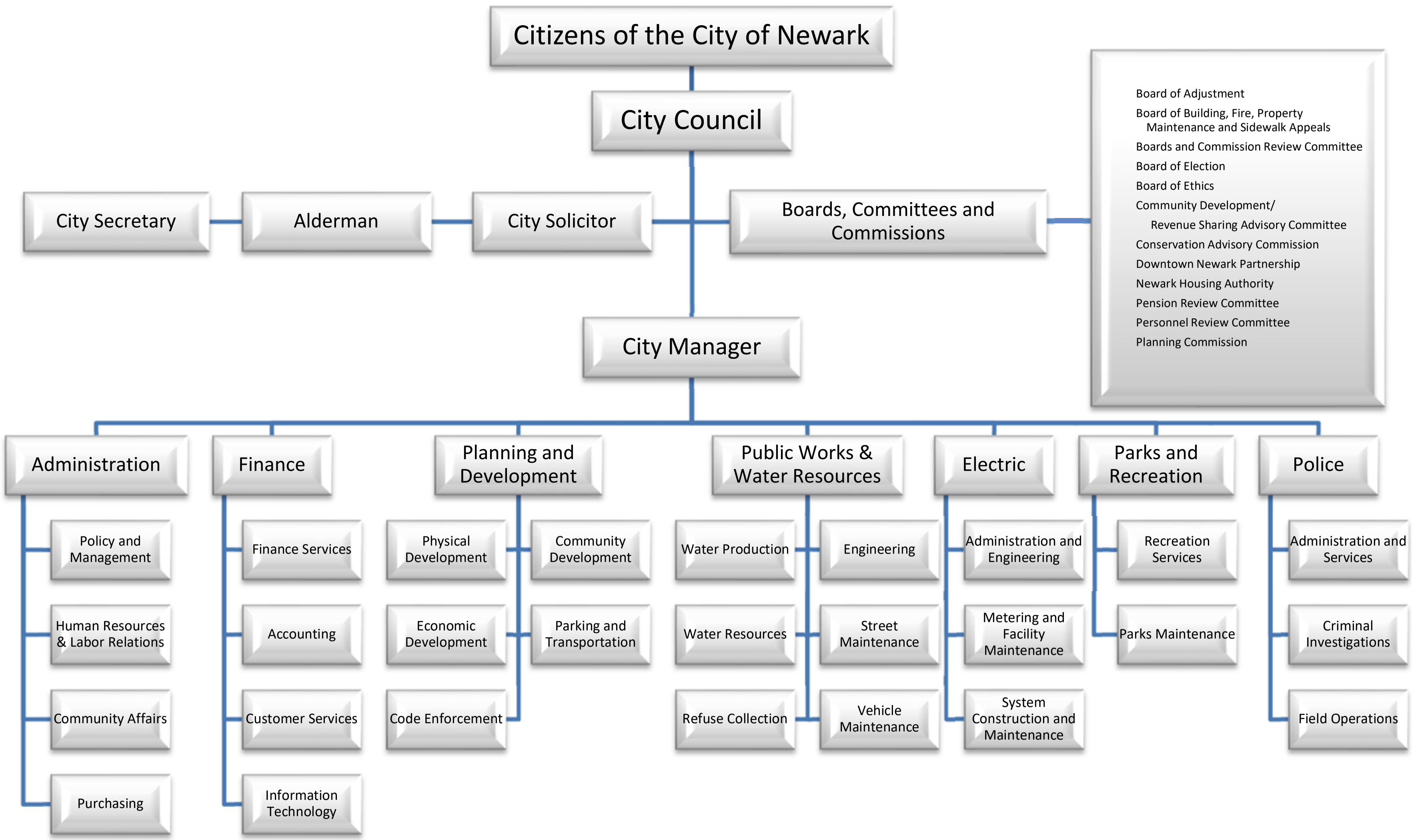
Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO


Citizens of the City of Newark
City Council
City Secretary
Alderman
City Solicitor
Boards, Committees and Commissions
Board of Adjustment
Board of Building, Fire, Property Maintenance and Sidewalk Appeals
Boards and Commission Review Committee
Board of Election
Board of Ethics
Community Development/ Revenue Sharing Advisory Committee
Conservation Advisory Commission
Downtown Newark Partnership
Newark Housing Authority
Pension Review Committee
Personnel Review Committee
Planning Commission
City Manager
Administration
Policy and Management
Human Resources & Labor Relations
Community Affairs
Purchasing
Finance
Finance Services
Accounting
Customer Services
Information Technology
Planning and Development
Physical Development
Economic Development
Code Enforcement
Community Development
Parking and Transportation
Public Works & Water Resources
Water Production
Water Resources
Refuse Collection
Engineering
Street Maintenance
Vehicle Maintenance
Electric
Administration and Engineering
Metering and Facility Maintenance
System Construction and Maintenance
Parks and Recreation
Recreation Services
Parks Maintenance
Police
Administration and Services
Criminal Investigations
Field Operations

CITY OF NEWARK
Delaware

LIST OF ELECTED OFFICIALS, APPOINTED OFFICIALS,
AND MANAGEMENT STAFF

DECEMBER 31, 2019

Elected Officials

Mayor	Jerry Clifton
Council Member - District 1	James Horning
Council Member - District 2	Sharon Hughes
Council Member - District 3	Jennifer Wallace
Council Member - District 4	Chris Hamilton
Council Member - District 5	Jason Lawhorn
Council Member - District 6	Stu Markham

Appointed Officials

City Manager	Thomas Coleman
City Secretary	Renee K. Bensley
Alderman	Lisa R. Hatfield
Deputy Alderman	Donald Gregory
City Solicitor	Paul E. Bilodeau
Deputy City Solicitor	Geena Khomenko George

Management Staff

Acting Chief Human Resource Officer	Mark Farrall
Director of Finance	David A. Del Grande
Director of Planning & Development	Mary Ellen Gray
Director of Public Works & Water Resources	Tim Filasky
Director of Electric	Bhadresh Patel
Director of Parks & Recreation	Joseph Spadafino
Chief of Police	Paul M. Tiernan

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July 4th, 2019
Fireworks and Liberty Day

FINANCIAL SECTION

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Members of City Council
City of Newark, Delaware
Newark, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Delaware (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Members of City Council
City of Newark, Delaware

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-28, and the required supplementary information on 84-89 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund and combining fiduciary fund financial statements, nonmajor fund budgetary comparison schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Members of City Council
City of Newark, Delaware

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
June 26, 2020

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City of Newark, Delaware

Management's Discussion & Analysis

The Management's Discussion and Analysis section is intended to provide readers with a general overview of the financial activities of the City of Newark, Delaware (the "City") for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the beginning of this report, as well as the financial statements and notes to the financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the City of Newark exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by $102.8 million (*representing its net position*). The change in net position is $6.9 million represents an increase of $2.1 million as compared to the change in the prior year.
- The City's unrestricted net position increased by $2.1 million in 2019 to $3.8 million. This amount may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2019, the City's governmental funds reported combined ending fund balances of $11.3 million, an increase of $2.2 million from the prior year. This increase is mainly a result of the increase in the majority of revenue categories as well as an increase in transfers from other funds as compared to 2018. Approximately $3.8 million is *available for spending* at the City's discretion (*unassigned fund balance*).
- Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities including Newark. COVID-19 has already impacted the City's utility and real estate tax collections and caused lost revenue for Lodging taxes, Parks department activities and other services. The pandemic has also resulted in expenditure increases for emergency preparedness supplies and overtime costs mainly for police personnel.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis serves as an introduction to the City's basic financial statements. These statements are comprised of three components:

1. Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.
    a. *Statement of Net Position*: This statement presents information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

    b. *Statement of Activities*: This statement presents information indicating how the City's net position changed during the reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes or personnel leave earned but unused by employees).

    c. Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from the functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government administration, public safety, public works and recreation. The business-type activities of the City are electric, water, sewer and parking operations.

   The government-wide financial statements may be found on Pages 29 through 30 of this report.

2. Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

   a. *Governmental Funds*: Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may assist in evaluating the City's near-term financing requirements.

      Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Thus, the long-term impact of the government's near-term financing decisions becomes apparent. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

      Funds are classified as *major* and *nonmajor*. Data from major governmental funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances, and may be found on Pages 31 and 33 of this report. Data from the nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of *combining statements* and may be found on Pages 90 and 91 of this report.

      Major funds include:

      i. General Fund: Funding, accounting and reporting of general governmental operations such as administration, public safety, public works, community development and recreation.

      ii. Capital Projects Fund: Funding, accounting and reporting of expenditures on capital projects as per the City's Five-Year Capital Improvement Plan.

      Nonmajor funds include:

      iii. Debt Service Fund: Funding, accounting and reporting of principal and interest payments to service the City's outstanding debts.

      The City utilizes *special revenue funds* to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Revenue sources for these funds include grants from outside sources as well as interest earnings. The following are *special revenue funds* in addition to being nonmajor funds:

      iv. Downtown Newark Partnership Fund: Funding, accounting and reporting of donations and other funding received for the events and programs of the Downtown Newark Partnership.

      v. Community Development Fund: Funding, accounting and reporting of the City's Community Development Block Grants (CDBG) from the United States federal government.

      vi. Law Enforcement Fund: Funding, accounting and reporting of grants and other funding designated for law enforcement operating expenditures.

vii. Parks and Recreation Fund: Funding, accounting and reporting of grants and other funding designated for the maintenance and beautification of the City's parks and the operation of the Recreation Department's programs.

viii. Transportation Fund: Funding, accounting and reporting of the Unicity bus program and related state grant from the Department of Transportation.

The City adopts an annual appropriated budget for its General Fund, Electric Fund, Water Fund, Sewer Fund and the Parking Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements may be found on Pages 31 through 35 of this report.

b. *Proprietary Funds*: The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The following are the City's enterprise funds:

i. Electric Fund: Funding, accounting and reporting of the operations of the Electric Department.

ii. Water Fund: Funding, accounting and reporting of the operations of the Water Department.

iii. Sewer Fund: Funding, accounting and reporting of the operations of the Sewer Department.

iv. Parking Fund: Funding, accounting and reporting of the operations of the Parking Department.

v. Stormwater Fund: Funding, accounting and reporting of the operations of the Stormwater Utility.

The following are the City's internal service funds:

vi. Maintenance Fund: Funding, accounting and reporting of the maintenance of City machinery, vehicles and buildings.

vii. Self-Insurance Fund: Funding, accounting and reporting of disability and medical claim payments made for job-related employee injuries and deductibles paid to insurance underwriters.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Sewer and Parking operations, all of which are major funds of the City.

The proprietary fund financial statements may be found on Pages 36 through 38 of this report.

c. *Fiduciary Funds*: Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources contained in these funds are *not* available to support the City's programs and operations. The accounting used for fiduciary funds is like that used for proprietary funds.

Management's Discussion & Analysis

The following are the City's fiduciary funds:

i. Pension Trust Fund: The City acts as a trustee of the assets contributed by both the City and its employees, which are being held for the future payment of retirement annuities to qualified retirees.

ii. OPEB Trust Fund: The City, acting as trustee of the assets contributed by the City, which are being held for the future payment of post-employment benefits other than pension benefits.

iii. Section 401A City Manager's Retirement Fund: The City, acting as trustee of the assets contributed by both the City and the City Manager, which are being held on behalf of the City Manager.

iv. Section 401A Retirement Fund: The City, acting as trustee of the assets contributed by both the City and management employees hired after January 1, 2012, which are being held on behalf of these employees.

v. Retirement Health Savings Plan 2009: The City, acting as trustee of the assets contributed by senior management employees hired prior to January 1, 2012, which are being held on behalf of these employees for post-employment medical expenditures.

vi. Retirement Health Savings Plan 2012: The City, acting as trustee of the assets contributed by both the City and senior management employees hired after January 1, 2012, which are being held on behalf of these employees for post-employment medical expenditures.

The fiduciary fund financial statements may be found on Pages 40 through 41 of this report.

3. Notes to the Financial Statements: The notes provide additional information that is essential to gain a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on Pages 42 through 83 of this report.

In addition to the basic financial statements, the accompanying notes and this MD&A, this report also presents certain other *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its enrolled employees. Required supplementary information may be found on Pages 84 through 89 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's total activity.

Newark's assets are comprised primarily of long-term public and utility infrastructure assets, property and equipment. Roughly half of the City's long-term debt consists of bonded indebtedness incurred in 2002 (refunded in 2011) for the acquisition of land and construction of the City's water reservoir; the balance consists of a capital lease obligation and notes payable incurred to support efficiency projects and an Automated Meter Infrastructure Project. Long-term debt is discussed in more detail in note 4 to the financial statements. The unrestricted net position balance of $3.8 million at the close of 2019 may be used to meet the current and ongoing obligations to citizens and creditors. The City maintains an "Aa2" rating from Moody's and an "AA+" rating from Fitch for its current debt issuances. These high investment-grade ratings reflect the City's strong financial operations characterized by substantial reserves, low reliance on debt, a robust residential and commercial base and stable employment in the healthcare and education sectors.

Management's Discussion & Analysis

Table 1

CITY OF NEWARK
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
ASSETS						
Total current and other assets	$ 22,915,106	$ 20,818,521	$ 34,592,171	$ 33,350,074	$ 57,507,277	$ 54,168,595
Total capital assets	33,472,448	33,520,963	75,839,055	72,547,337	109,311,503	106,068,300
Total Assets	56,387,554	54,339,484	110,431,226	105,897,411	166,818,780	160,236,895
DEFERRED OUTFLOW OF RESOURCES						
Deferred pension amounts	5,136,050	7,033,063	1,441,508	2,120,558	6,577,558	9,153,621
Deferred OPEB amounts	-	694,533	-	237,725	-	932,258
Deferred loss on defeasance	1,829	4,027	97,594	132,037	99,423	136,064
Total Deferred Outflow Resources	5,137,879	7,731,623	1,539,102	2,490,320	6,676,981	10,221,943
LIABILITIES						
Total current liabilities	5,044,380	5,813,227	8,405,691	8,366,154	13,450,071	14,179,381
Total noncurrent liabilities	29,572,357	35,587,762	16,677,212	20,595,902	46,249,569	56,183,664
Total Liabilities	34,616,737	41,400,989	25,082,903	28,962,056	59,699,640	70,363,045
DEFERRED INFLOW OF RESOURCES						
Deferred pension amounts	3,708,930	-	1,327,640	-	5,036,570	-
Deferred OPEB amounts	1,106,382	46,233	390,248	15,825	1,496,630	62,058
Deferred revenue	4,408,916	4,086,912	-	-	4,408,916	4,086,912
Total Deferred Inflow Resources	9,224,228	4,133,145	1,717,888	15,825	10,942,116	4,148,970
NET POSITION						
Net investment in capital assets	32,860,010	32,127,961	65,964,765	60,558,726	98,824,775	92,686,687
Restricted	1,117,957	1,172,296	-	-	1,117,957	1,172,296
Unrestricted	(16,293,499)	(16,763,284)	19,204,772	18,851,124	2,911,273	2,087,840
Total Net Position	$ 17,684,468	$ 16,536,973	$ 85,169,537	$ 79,409,850	$ 102,854,005	$ 95,946,823

Note: This statement was generated for MD&A using the Statement of Net Position Information.

Net Position: Comparing net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $102.8 million at the close of this fiscal year, representing an increase of $6.9 million from the prior year net position of $95.9 million. Within Business-type activities, net position increased from $79.4 million to $85.2 million or $5.8 million. The governmental activities net position of $17.6 million represents an increase of $1.1 million as compared to net position of $16.5 million in 2018.

Management's Discussion & Analysis

The City's net position consists principally of its investment in capital assets (land, buildings, machinery and equipment), net of any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided from other sources because the capital assets themselves cannot be liquidated and used to satisfy these liabilities.

Table 2

CITY OF NEWARK
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for services	$ 5,465,651	$ 6,380,493	$ 74,721,053	$ 77,108,348	$ 80,186,704	$ 83,488,841
Operating Grants & Contributions	1,845,043	1,388,615	-	-	1,845,043	1,388,615
Capital Grants & Contributions	1,305,054	1,338,317	535,109	145,869	1,840,163	1,484,186
General Revenues:						
Total Taxes	10,596,904	9,770,923	-	-	10,596,904	9,770,923
Investment Earnings	640,030	124,038	742,903	192,272	1,382,933	316,310
Other Revenues	25,863	51,403	38,900	-	64,763	51,403
Total Revenues	19,878,545	19,053,789	76,037,965	77,446,489	95,916,510	96,500,278
EXPENSES						
General Government	8,162,236	8,513,469	-	-	8,162,236	8,513,469
Public Safety	17,371,732	17,692,838	-	-	17,371,732	17,692,838
Public Works	5,383,774	5,853,165	-	-	5,383,774	5,853,165
Community Development	201,776	257,509	-	-	201,776	257,509
Culture and Recreation	3,948,473	4,543,526	-	-	3,948,473	4,543,526
Interest Expense	15,087	22,037	-	-	15,087	22,037
Business-type activities	-	-	53,926,250	54,801,442	53,926,250	54,801,442
Total Expenses	35,083,078	36,882,544	53,926,250	54,801,442	89,009,328	91,683,986
Increase (Decrease) in Net Position before Transfers	(15,204,533)	(17,828,755)	22,111,715	22,645,047	6,907,182	4,816,292
Transfers	16,352,028	16,292,527	(16,352,028)	(16,292,527)	-	-
Change in Net Position	1,147,495	(1,536,228)	5,759,687	6,352,520	6,907,182	4,816,292
Net Position - Beginning of Year	16,536,973	18,073,201	79,409,850	73,057,330	95,946,823	91,130,531
Net Position - End of Year	$ 17,684,468	$ 16,536,973	$ 85,169,537	$ 79,409,850	$ 102,854,005	$ 95,946,823

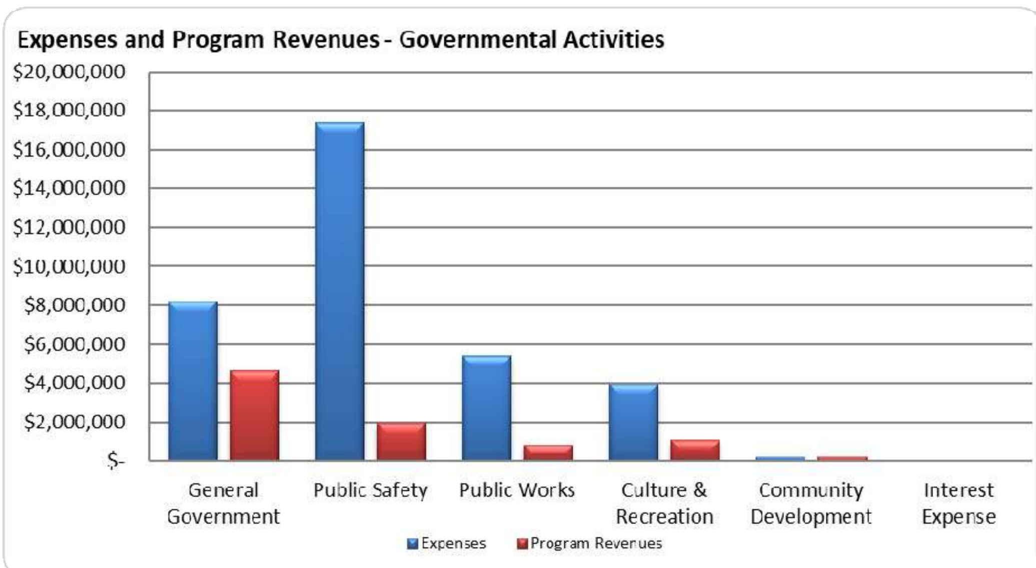
Note: This statement was generated for MD&A using the Statement of Activities Information.

As shown in Table 2, governmental activities expenses exceeded revenues by $15.2 million in 2019. The lower deficit versus 2018 is attributable to the implementation of GASB Statement No. 75 in 2018.

Management's Discussion & Analysis

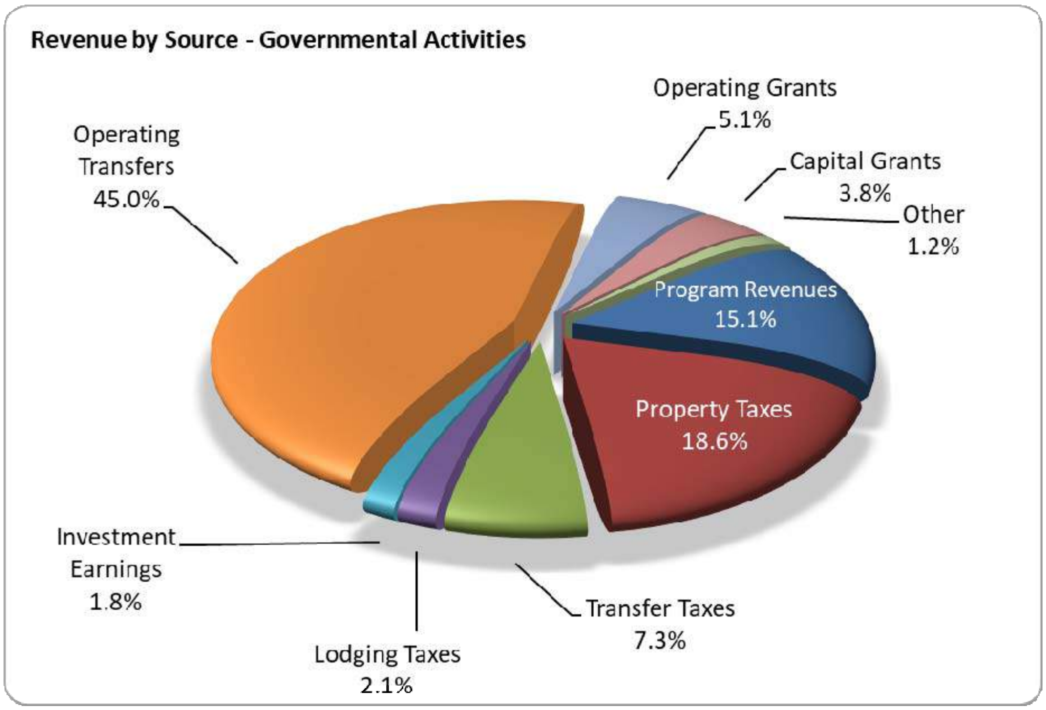
Governmental Activities: Our analysis of the City's governmental activities will focus on the Schedule of Net Position (Table 1), the Schedule of Changes in Net Position (Table 2), the following 2019 graphs depicting Expenses and Program Revenues by Function as well as Revenues by Source, and the Schedule of Net Costs (Table 3). The graph below illustrates that, aside from the negligible totals in the Community Development and Interest Expense categories, program income alone does not generate the revenue required to support governmental activities.

Program Revenues, Property and Realty Transfer Taxes, and Grants and other funding sources account for 55 percent of total governmental funding. The balance is met through operating transfers from the enterprise funds, as the City of Newark embraces the public utility business model to keep property taxes low and utility rates competitive while maintaining a high level of service across a diverse set of public offerings.



Management's Discussion & Analysis

As the following graph further illustrates, transfers from the enterprise funds, real property taxes, and program revenues (grants & contributions and charges for service) provide most of the funding for the City's governmental activities. Transfers from the City's proprietary funds are the largest revenue source, accounting for 45 percent of revenues. Property taxes supply just 19 percent of revenues. Program revenues contribute 15 percent, real estate transfer taxes add 7 percent and the lodging tax contributes 2 percent. The City relies on these revenue sources, as well as grants and miscellaneous funding of 12 percent, to provide the high quality of life to its citizens and the highest level of service to its business community that each has come to expect.



Management's Discussion & Analysis

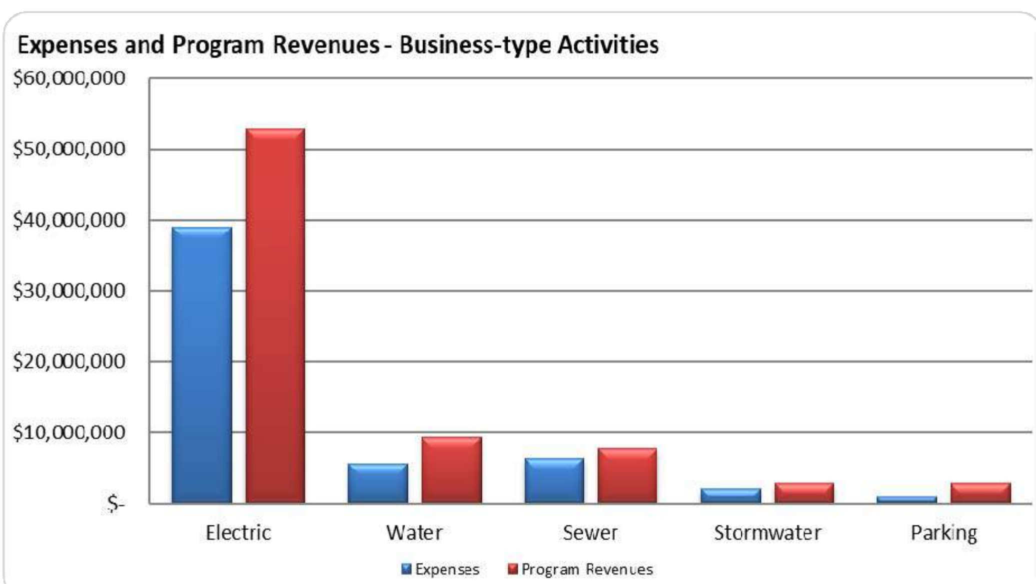
As shown in Table 3, the total cost of all governmental activities this year was $35.1 million. These costs were partially supported by total program revenues of $8.6 million, leaving a net cost of $26.5 million. The program revenues were paid by those who directly benefited from the programs ($5.5 million) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions ($3.1 million). The balance of the cost was primarily funded by City taxes totaling $10.6 million and enterprise fund transfers of $16.3 million. Public safety programs are the largest single spending commitment, accounting for 50 percent of the City's governmental activities expenses. Various general administration, public works, and culture and recreation services combine for about 50 percent of expenses.

Table 3

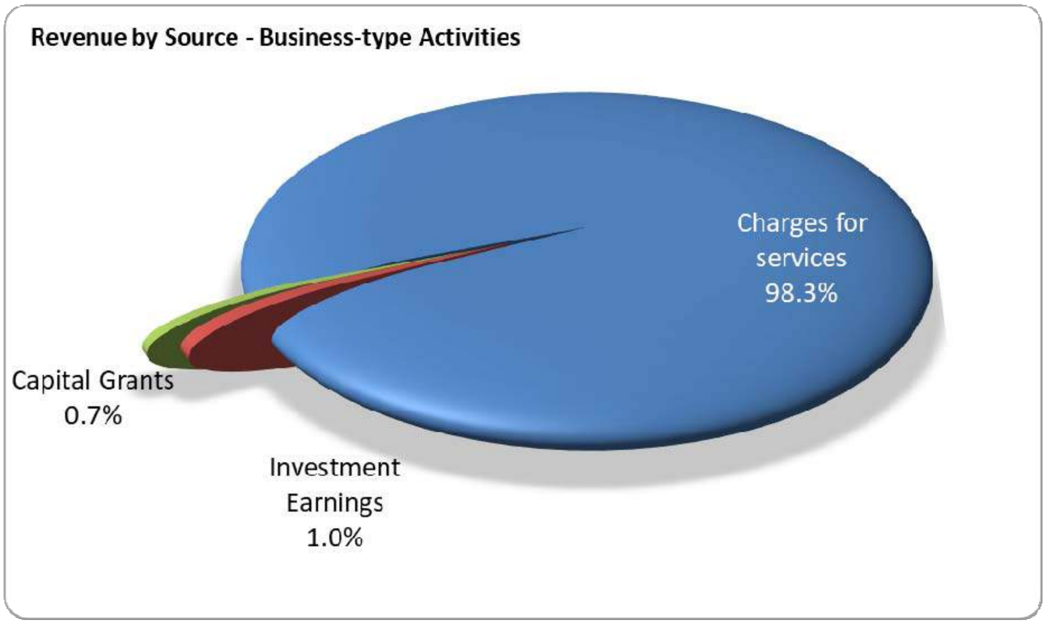
Governmental Activities Net Cost

Functions/Programs	Total Cost of Services	% of Total Cost	Service Charges	Grants	Total Program Revenues	Net Cost of Services
General Government	$ 8,162,236	23.3%	$ 3,292,784	$ 1,260,347	$ 4,553,131	$ 3,609,105
Public Safety	17,371,732	49.5%	1,412,797	518,734	1,931,531	15,440,201
Public Works	5,383,774	15.3%	39,147	790,859	830,006	4,553,768
Culture & Recreation	3,948,473	11.3%	720,923	353,381	1,074,304	2,874,169
Community Development	201,776	0.6%	-	226,776	226,776	(25,000)
Interest Expense	15,087	0.0%	-	-	-	15,087
Total	$ 35,083,078	100%	$ 5,465,651	$ 3,150,097	$ 8,615,748	$ 26,467,330

Business-type Activities: The City provides electric, water, sewer, and parking services to its residents, businesses, and visitors. These services constitute the business-type activities presented in the City-wide financial statements. The City Council establishes rates and collects fees from users of the utility and parking systems. The revenues include investment income in addition to charges for services (operating revenues). The investment income is not specific to an individual program, but to all the activities. The graph below exhibits gross revenue by enterprise (including service charges and grants) alongside the total cost to provide the utility services provided. The pie chart on the following page illustrates revenues by source for the enterprise funds. Most of business-type revenue is derived from service charges, while capital grants contributed .7 percent of 2019 revenue and unrestricted investment earnings followed with 1 percent of 2019 revenue.



Management's Discussion & Analysis



The City is a full-requirements member of the Delaware Municipal Electric Corporation, Inc. (DEMEC). DEMEC is a public corporation constituted as a Joint Action Agency and a wholesale electric utility. 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 City purchases all of its baseload power from DEMEC for resale to its customers. Beginning in October 2014, a very small portion of the City's load is being met with intermittent power generated by McKees Solar Park, which was constructed at a former municipal landfill site in Newark. All residential and commercial electric users within the City limits are customers of the City's electric utility. The Electric Department maintains 175 miles of high voltage electric lines, nine substation sites, 60 circuit breakers, and 29 power transformers to provide over 12,800 customers with reliable electrical service. Over 426,000 megawatt-hours were delivered to our customers in this reporting period.

The City provides all customers within the City limits with drinking water and wastewater services. The City also provides drinking water to customers in certain territories outside of the City. The Water Division of the Public Works and Water Resources Department is responsible for the maintenance and operation of all the equipment and facilities at each of the nine water supply wells, the Curtis Water Treatment Plant, the South Well Field Water Treatment Plant, nine finished water storage tanks, one raw water storage tank, the 317-million-gallon raw water reservoir, and six booster pumping stations. More than 1.0 billion gallons of water are pumped through 144 miles of pipe annually to serve more than 10,000 water service connections. The Sewer Division of the Public Works and Water Resources Department is responsible for the City's 96 miles of sanitary sewer collection and three sewer pumping stations with force mains. The sanitary sewer system operates primarily on a gravity system, while the lowest points of the City are served by a series of three lift stations. The sewage flows out of the City's system and through the New Castle County system before being treated at the Wilmington Regional Wastewater Treatment Facility. The County charges the City for this service, which represents the most significant operating cost in the Sewer Fund.

The Parking Division manages six surface parking lots within the City's downtown area. In addition to the surface lot parking, the City maintains 489 on-street metered parking spaces in the City's downtown area. While the City owns two of the six surface parking lots, various other lots, components of lots, and entrances to lots are owned by third parties that lease the space to the City for the benefit of its parking operations.

Management's Discussion & Analysis

As shown in Table 2, revenues totaled $76 million for the year, which represents a decrease of $1.4 million from the prior year. This decrease was driven by reduced electric and water consumption. Expenses related to these business type activities totaled $53.9 million in 2019, which represents a decrease of $.9 million from the prior year. There was a net decrease of $.8 million in operating costs as compared to 2018 as a result of a $1.1 million decrease in utility purchases and $.5 million decrease in contractual purchases offset by increases in personnel and depreciation. In total, revenues exceeded expenses and transfers by $5.8 million in 2019.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the City's governmental funds reported combined ending balances of $11.3 million, an increase of $2.2 million as compared to the prior year. The bulk of the fund balance is restricted and assigned, which means that it is not available for new spending because it has already been appropriated for: 1) capital improvements, 2) debt service or 3) a variety of other restricted and assigned purposes. More than half of the fund balance – $6.9 million – is either restricted to or assigned to general, capital projects, or other non-major governmental funds.

The City maintains a General Fund which serves as the chief operating fund of the City. As of December 31, 2019, the total fund balance of the General Fund was $4.6 million, $3.8 million which is unassigned.

The General Fund balance increased by $0.7 million in fiscal year 2019. The increase in General Fund balance is attributable to the increased revenue and decreased expenditures.

The City maintains a Capital Projects Fund to account for major capital acquisitions and construction related to governmental activities separately from the ongoing operating activities. As of December 31, 2019, the total fund balance of the Capital Projects Fund was $5.5 million, all of which is nonspendable, restricted or assigned.

The Capital Projects Fund balance increased by $1.7 million in 2019 as opposed to a decrease of $.6 million in 2018. Revenues decreased slightly but the expenditures for capital outlay also decreased by $1.1 million and there was a net increase in transfers of $1.2 million. The City remains committed to its efforts to maintain and enhance Newark's infrastructure of streets, sidewalks, parks, parking facilities, and other structures supporting governmental operations.

The City maintains special revenue funds to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The special revenue funds include the Community Development Fund, the Downtown Newark Partnership Fund, the Law Enforcement Fund, the Parks and Recreation Fund and the Transportation Fund. Revenue sources for these funds include grants from State and other governmental units as well as interest earnings. The combined fund balance for the special revenue funds decreased by $146 thousand as compared to 2018.

The City maintains a Debt Service Fund to set aside resources to meet current and future obligations of the City. As of December 31, 2019, the fund balance was $46,340 of which $38,641 is assigned.

The financial statements for the governmental funds may be found on Pages 31 through 33 as well as 90 through 97 of this report.

Proprietary Funds: As previously mentioned, the City maintains five principal proprietary funds related to the provision of utility services and parking, as well as two internal service funds for the maintenance of the City's fleet of vehicles and for the self-insurance claims of the City. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

Management's Discussion & Analysis

The Electric Fund reported a total net position of $31.5 million as of December 31, 2019, $15.3 million which was unrestricted. Total net position increased by $2.1 million in 2019 as a result of $14.9 million in operating income before capital grants and transfers, less $12.3 million transferred to the General Fund to support governmental activities. City policy targets a 20 percent operating margin in the electric utility. The operating margin of 27 percent in 2019 will result in a distribution back to rate payers in the form of the Revenue Stabilization Adjustment ("RSA") in future periods. The fund expended $1.3 million in improvements to the City's electrical distribution system. The electric fund reports long-term debt of $2.9 million related to the lease obligation employed to finance the City's Advanced Metering Infrastructure project in 2012; otherwise, the electric fund does not share in any general obligation debt of the City and has not issued revenue bonds.

The Water Fund had a total net position of $33.6 million as of December 31, 2019 of which $40 thousand was unrestricted. Total net position increased $.8 million in 2019. Income before capital grants and transfers amounted to $3.8 million, representing an decrease of $.8 million versus 2018 as a result of decreases in operating revenues due to decreases in consumption and increases in expenses. $3 million was transferred from the Water Fund to the General Fund to support governmental activities. The fund expended $1 million in improvements to the City's water purification, containment and distribution system. The Water Fund also carries roughly $3.7 million of long-term debt associated with the construction of the City's water reservoir and $3.3 million related to other lease financing agreements.

The Sewer Fund had a total net position of $11.3 million as of December 31, 2019, $3.8 million of which was unrestricted. Total net position increased by $.1 million in 2019. Income before capital grants and transfers amounted to $1.2 million of which $1.3 million was transferred to the General Fund to support governmental activities. The fund expended $578 thousand in improvements to the City's sewage transport and elimination system.

The Parking Fund had total net position of $5.1 million as of December 31, 2019 of which $.3 million was unrestricted. Total net position increased by $152 thousand in 2019. Income before capital grants and transfers totaled $740 thousand, of which $588 thousand was transferred to the General Fund to support governmental activities.

The Stormwater Fund had total net position of $3.7 million as of December 31, 2019 of which $122 thousand was unrestricted. Income before capital grants and transfers totaled $1.5 million. The fund expended $2.2 million in improvements.

Internal Service Funds: The City maintains two internal service funds. The Maintenance Fund is used to account for the maintenance of machinery, vehicles, and buildings for all departments of the City, and the Self Insurance Fund is used to account for disability and medical claim payments for job related injuries. The internal service funds' assets and liabilities are included with the governmental activities on the statement of net position on Page 29. The net revenue of certain activities of the internal service funds are reported with governmental activities on the statement of activities on Page 30. The assets and liabilities as well as revenue and expenses are also reported on Pages 98 through 100 of the fund financial statements.

The financial statements for the proprietary funds may be found on Pages 36 through 38 of this report.

Fiduciary Funds**:** As previously mentioned, the City maintains four fiduciary funds – the Employees' Pension Trust Fund, the Other Post-Employment Benefits Fund, the Section 401(a) Retirement Fund, and the Retirement Health Savings Fund. These funds contain assets held by the City in a trustee capacity.

The assets in the Pension Fund pertain to three distinct plans, although the plans are collectively managed and administered. These plans are the police plan covering all sworn police officers except the Chief of Police, the special police plan covering the Chief of Police, and the non-police plan covering civilian, non-sworn and regular full-time employees. The Pension Fund ended the fiscal year with a balance of $77.4 million, an increase of $12.9 million as compared to the prior fiscal year. The total pension liability, as of December 31, 2019, is $105.5 million, representing a funding ratio of 73.4 percent. The City contribution was $15,789 more than the annual required contribution of $3.9 million.

Management's Discussion & Analysis

The OPEB Trust Fund ended the fiscal year with a balance of $12.3 million, representing an increase of $2.8 million over the prior fiscal year. The total OPEB liability, as of December 31, 2019, is $20.3 million, representing a funding ratio of 60.4 percent. The City contribution was $377,765 more than the annual required contribution of $1.25 million.

The financial statements for the fiduciary funds can be found on Pages 40 through 42 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the City's budget and actual results can be found on Page 35.

Actual revenues in the General Fund were more than budgeted revenues by $2.2 million. This increase is attributable to higher than anticipated real estate transfer taxes, interest, charges for services and intergovernmental sources. Expenditures were $3.7 million dollars lower than the final total budget. All departments had lower than expected expenditures except for the police department.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounted to $109.3 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements and machinery and equipment.

- The City made gross additions to capital assets of $9.5 million in 2019. Net additions, after depreciation and retirements, totaled $3.2 million.

Additional information on the City's capital assets can be found in Note 3 of this report.

Long-term Debt

At December 31, 2019, the City had $3.9 million in bonds outstanding versus $5.2 million at the end of the prior year – a decrease of 27 percent. All outstanding bonds are general obligation bonds supported by the full faith and credit of the City. Much of the outstanding debt was issued to finance the construction of the water reservoir.

At December 31, 2019, the City had additional long-term debt in the form of a lease payable and notes payable totaling $5.1 million to fund an Automated Metering Infrastructure Project (the "AMI" or "Smart Meter" Project), $1.1 million in various energy efficiency loans and $337 thousand lease for fiber installation. The leases and notes payable are recorded as long-term debt, although the City's obligation to make principal and interest payments under the note and the security agreement, and lease payments under the lease agreement, constitute current obligations payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement. All such payments made pursuant to the note, security agreement and lease agreement are subject to annual appropriations by the City.

Other long-term obligations of the City include $28 million of net pension liability, $8 million of net OPEB liability and $1.2 million of compensated absences which include carry forward vacation, sick and compensatory time.

The City maintains an "Aa2" rating from Moody's Investor Service and an "AA+" rating from Fitch Ratings for its current debt issuances.

Additional information about the City's long-term debt can be found in Notes 4 and 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City derives the vast majority of its operating revenue from the sale of electricity to a stable and diversified customer base that is 23 percent residential and 77 percent commercial or industrial, with the largest customer being the University of Delaware with 38 percent of the City's sales in kilowatt hours. As

Management's Discussion & Analysis

the result of a rate study, the City instituted a revised rate structure in July 2011 that fairly and equitably assessed usage charges across various residential, commercial and industrial classifications.

- The City continues to maintain a diversified real estate revenue base (66 percent residential, 26 percent commercial and 8 percent industrial), which protects the City's real estate tax revenue against short-term fluctuations in any one segment. The real estate tax millage was 80.47 cents per $100 of assessed value throughout 2019 and will increase to 91.20 cents per $100 of assessed value in 2020.
- The City Council adopted the 2020 General Operating Budget on November 18, 2019. The budget includes total operating revenues of $96.7 million, an increase of 2.2 percent from 2019, and total operating expenditures of $90.3 million, an increase of 2.7 percent from 2019.
- The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities including the City of Newark. Specific to the City of Newark, COVID-19 may impact various of its 2020 operations and financial results including, but not limited to, City's utility and real estate tax collections and lost revenue for lodging taxes, parking, Parks department activities and events as well as expenditure increases for emergency preparedness supplies and overtime costs. Management and Council are taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to: Director of Finance, City of Newark, 220 South Main Street, Newark, Delaware 19711.

General information relating to the City of Newark can be found on its website www.newarkde.gov.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BASIC FINANCIAL STATEMENTS

CITY OF NEWARK, DELAWARE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,982,467	$ 12,375,185	$ 18,357,652
Investments	12,186,811	9,338,278	21,525,089
Accounts receivables, net	2,503,044	9,714,040	12,217,084
Internal balances	(6,000)	6,000	-
Taxes receivable	995,651	-	995,651
Inventories	56,356	1,591,228	1,647,584
Prepaid items	633,760	475,016	1,108,776
Restricted Assets:			
Investments	563,017	1,092,424	1,655,441
Total current assets	22,915,106	34,592,171	57,507,277
Noncurrent assets:			
Capital assets, net:			
Land	5,543,610	11,503,536	17,047,146
Construction in progress	595,376	2,795,586	3,390,962
Buildings	4,493,646	13,710,957	18,204,603
Improvements	18,813,300	44,959,412	63,772,712
Machinery and Equipment	4,026,516	2,861,438	6,887,954
Intangibles	-	8,126	8,126
Total capital assets, net	33,472,448	75,839,055	109,311,503
Total noncurrent assets	33,472,448	75,839,055	109,311,503
Total assets	56,387,554	110,431,226	166,818,780
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension amounts	5,136,050	1,441,508	6,577,558
Deferred OPEB amounts	-	-	-
Deferred loss on bond defeasance	1,829	97,594	99,423
Total deferred outflows of resources	5,137,879	1,539,102	6,676,981
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	4,054,139	4,063,804	8,117,943
Customer deposits	563,017	1,092,424	1,655,441
Regulatory liability	-	774,074	774,074
Compensated absences	99,932	21,728	121,660
Due to other governments	60,219	205,413	265,632
Accrued interest payable	2,072	33,856	35,928
Unearned revenue	-	37,380	37,380
Bonds, notes, and lease payable	265,001	2,177,012	2,442,013
Total current liabilities	5,044,380	8,405,691	13,450,071
Noncurrent liabilities:			
Compensated absences	899,386	195,561	1,094,947
Net OPEB liability	6,016,650	2,034,277	8,050,927
Net pension liability	21,723,781	6,323,373	28,047,154
Unearned revenue	583,274	329,129	912,403
Bonds, notes, and lease payable	349,266	7,794,872	8,144,138
Total noncurrent liabilities	29,572,357	16,677,212	46,249,569
Total liabilities	34,616,737	25,082,903	59,699,640
DEFERRED INFLOW OF RESOURCES			
Deferred pension amounts	3,708,930	1,327,640	5,036,570
Deferred OPEB amounts	1,106,382	390,248	1,496,630
Deferred property taxes	4,408,916	-	4,408,916
Total deferred inflows of resources	9,224,228	1,717,888	10,942,116
Net Position			
Net investment in capital assets	32,860,010	65,964,765	98,824,775
Restricted for:			
Special revenue funds	1,117,957	-	1,117,957
Capital projects	-	-	-
Unrestricted	(16,293,499)	19,204,772	2,911,273
Total net position	$ 17,684,468	$ 85,169,537	$ 102,854,005

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 8,162,236	$ 3,292,784	$ 1,146,274	$ 114,073	$ (3,609,105)	$ -	$ (3,609,105)
Public safety	17,371,732	1,412,797	453,612	65,122	(15,440,201)	-	(15,440,201)
Public works	5,383,774	39,147	-	790,859	(4,553,768)	-	(4,553,768)
Community development	201,776	-	201,776	25,000	25,000	-	25,000
Culture and recreation	3,948,473	720,923	43,381	310,000	(2,874,169)	-	(2,874,169)
Interest expense	15,087	-	-	-	(15,087)	-	(15,087)
Total governmental activities	35,083,078	5,465,651	1,845,043	1,305,054	(26,467,330)	-	(26,467,330)
Business-type activities:							
Electric	39,003,819	52,817,450	-	36,644	-	13,850,275	13,850,275
Water	5,603,083	9,307,957	-	-	-	3,704,874	3,704,874
Sewer	6,358,390	7,415,214	-	220,972	-	1,277,796	1,277,796
Parking	2,049,277	2,744,814	-	-	-	695,537	695,537
Stormwater	911,681	2,435,618	-	277,493	-	1,801,430	1,801,430
Total business-type activities	53,926,250	74,721,053	-	535,109	-	21,329,912	21,329,912
Total primary government	$ 89,009,328	$ 80,186,704	$ 1,845,043	$ 1,840,163	(26,467,330)	21,329,912	(5,137,418)
General Revenues							
Taxes:							
Real estate taxes					6,766,578	-	6,766,578
Real estate transfer taxes					2,646,573	-	2,646,573
Franchise fees					423,106	-	423,106
Lodging tax					760,647	-	760,647
Unrestricted investment earnings					640,030	742,903	1,382,933
Gain on sale of capital assets					25,863	38,900	64,763
Transfers					16,352,028	(16,352,028)	-
Total general revenues and transfers					27,614,825	(15,570,225)	12,044,600
Change in net position					1,147,495	5,759,687	6,907,182
Net position - beginning of year					16,536,973	79,409,850	95,946,823
Net position - end of year					$ 17,684,468	$ 85,169,537	$ 102,854,005

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Capital Projects	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,960,727	$ 1,719,187	$ 1,544,165	$ 5,224,079
Investments	8,759,701	3,280,857	-	12,040,558
Accounts receivable	1,633,947	636,310	228,872	2,499,129
Taxes receivable, net	995,651	-	-	995,651
Due from other funds	102,484	-	-	102,484
Inventory	43,505	-	-	43,505
Prepaid items	531,294	61,130	8,698	601,122
Total assets	$ 14,027,309	$ 5,697,484	$ 1,781,735	$ 21,506,528
LIABILITIES				
Liabilities:				
Accounts payable and accrued expenses	$ 1,363,376	$ 110,048	$ 311,741	$ 1,785,165
Customer deposits	563,017	-	-	563,017
Due to other governments	60,219	-	-	60,219
Unearned revenue	331,222	62,077	189,975	583,274
Due to other funds	2,623,400	-	110,784	2,734,184
Total liabilities	4,941,234	172,125	612,500	5,725,859
DEFERRED INFLOW OF RESOURCES				
Deferred property taxes	4,408,916	-	-	4,408,916
Total deferred inflows of resources	4,408,916	-	-	4,408,916
FUND BALANCES				
Nonspendable				
Inventory	43,505	-	-	43,505
Prepaid items	531,294	61,130	8,698	601,122
Restricted for				
Downtown Newark Partnership	-	-	-	-
Safetytown programs	-	-	64,864	64,864
Parks donations	-	-	32,638	32,638
Recreation donations	-	-	35,673	35,673
Island beautification	-	-	124,844	124,844
Parkland improvements	-	-	62,694	62,694
Other parks programs	-	-	13,068	13,068
Capital projects	-	-	-	-
Law enforcement	-	-	784,176	784,176
Alderman's court security	170,540	-	-	170,540
Assigned to				
Other departmental purposes	128,675	-	-	128,675
Debt service	-	-	38,641	38,641
Transportation	-	-	3,939	3,939
Economic development	-	-	-	-
Capital projects	-	5,464,229	-	5,464,229
Unassigned	3,803,145	-	-	3,803,145
Total fund balances	4,677,159	5,525,359	1,169,235	11,371,753
Total liabilities, deferred inflows of resources and fund balances	$ 14,027,309	$ 5,697,484	$ 1,781,735	$ 21,506,528

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balance - Governmental Funds	$ 11,371,753
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Also excluded are $1,016,078 of internal service capital assets accounted for in the following line	32,456,370
Internal service funds are used by management to charge the costs of the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position	2,209,407
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds and notes payable	(614,267)
Compensated absences (net of Internal Service Fund, $33,686 included in net position)	(965,632)
Net other post employment benefits liability (net of Internal Service Fund, $144,917 included in net position)	(5,871,733)
Net pension liability (net of Internal Service Fund, $500,128 included in net position)	(21,223,653)
Accrued interest payable	(2,072)
Deferred resources relate to:	
Deferred loss on bond defeasance	1,829
Deferred outflow of pension amounts (net of internal service funds $119,900)	5,016,150
Deferred inflow of pension amounts (net of internal service funds $94,688)	(3,614,242)
Deferred inflow of other post employment benefit amounts (net of internal service funds $26,940)	(1,079,442)
Net position of governmental activities	$ 17,684,468

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Capital Projects	Total Non-Major Funds	Total Governmental Funds
REVENUES				
Taxes:				
Real estate	$ 6,766,578	$ -	$ -	$ 6,766,578
Real estate transfer	2,646,573	-	-	2,646,573
Franchise	423,106	-	-	423,106
Lodging	760,647	-	-	760,647
Licenses and permits	1,254,096	-	-	1,254,096
Fines, forfeits and costs	1,916,364	-	28,345	1,944,709
Interest, dividends and rents	503,172	108,431	793	612,396
Intergovernmental revenues	570,373	1,144,471	900,282	2,615,126
Charges for services	2,265,037	16,510	-	2,281,547
Community donations	-	5,000	-	5,000
Subvention - University of Delaware	515,271	-	-	515,271
Total revenues	17,621,217	1,274,412	929,420	19,825,049
EXPENDITURES				
Current:				
General government	7,361,687	-	230,700	7,592,387
Public safety	15,700,709	-	291,760	15,992,469
Public works	4,007,015	-	-	4,007,015
Community development	-	-	201,776	201,776
Culture and recreation	3,113,993	-	13,672	3,127,665
Debt service:				
Principal	-	-	248,112	248,112
Interest	-	-	23,040	23,040
Capital outlay	-	1,978,736	339,119	2,317,855
Total expenditures	30,183,404	1,978,736	1,348,179	33,510,319
Deficiency of revenues under expenditures	(12,562,187)	(704,324)	(418,759)	(13,685,270)
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term capital-related lease	-	-	-	-
Transfers in	16,173,921	2,354,835	364,420	18,893,176
Transfers out	(2,940,175)	-	(92,081)	(3,032,256)
Proceeds from the sale of capital assets	46,154	-	-	46,154
Total other financing sources and uses	13,279,900	2,354,835	272,339	15,907,074
Net change in fund balances	717,713	1,650,511	(146,420)	2,221,804
Fund balances - beginning of year	3,959,446	3,874,848	1,315,655	9,149,949
Fund balances - end of year	$ 4,677,159	$ 5,525,359	$ 1,169,235	$ 11,371,753

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Changes in Fund Balances - Total Governmental Funds	$	2,221,804
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($2,317,855) is allocated over their estimated useful lives as depreciation expense ($2,678,718) net of the internal service funds of $1,016,078 included in net position above. This is the amount by which capital outlays exceeded depreciation in the current period.		(360,863)
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, and donations) is to increase net position.		(30,105)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Bond and note principal		248,112
Accrued interest payable		1,719
Deferred loss on refunding		(2,198)
Bond premium amortization		6,234
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated absences (net of the internal service funds $3,422 included in net position)		(123,245)
Net pension liability and related deferred inflows and outflows (net of the internal service funds $50,835 included in net position)		(1,940,353)
Net OPEB liability and related deferred inflows and outflows (net of the internal service funds $13,527 included in net position)		536,298
Internal service funds are used by management to charge the costs of the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		590,092
Change in Net Position of Governmental Activities	$	1,147,495

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual Amounts	(Unfavorable)
REVENUES				
Taxes:				
Real estate - current	$ 6,800,000	$ 6,800,000	6,705,035	$ (94,965)
Real estate - delinquent and interest	35,000	35,000	61,543	26,543
Real estate - transfer	1,550,000	1,550,000	2,646,573	1,096,573
Franchise	472,015	472,015	423,106	(48,909)
Lodging	675,000	675,000	760,647	85,647
Licenses and permits	1,289,000	1,289,000	1,254,096	(34,904)
Fines, forfeits and costs	1,852,000	1,852,000	1,916,364	64,364
Interest, dividends and rents	124,000	124,000	503,172	379,172
Intergovernmental revenues	92,100	154,523	570,373	415,850
Charges for services/fees	1,941,500	1,941,500	2,265,037	323,537
Subvention - University of Delaware	515,700	515,700	515,271	(429)
Total revenues	15,346,315	15,408,738	17,621,217	2,212,479
EXPENDITURES				
Current:				
General government:				
Finance	2,005,901	2,007,579	1,857,480	150,099
Planning & development	1,050,549	1,144,549	1,119,651	24,898
Administration	1,592,649	1,599,955	1,312,902	287,053
Legislative	1,498,415	1,499,009	1,327,661	171,348
Judicial	475,669	476,258	462,205	14,053
Information technology	1,762,191	1,763,311	1,281,788	481,523
Total general government	8,385,374	8,490,661	7,361,687	1,128,974
Public safety:				
Code enforcement	1,415,411	1,400,404	1,393,673	6,731
Police	13,804,192	14,075,842	14,307,036	(231,194)
Total public safety	15,219,603	15,476,246	15,700,709	(224,463)
Public works:				
Highways and streets	2,328,208	2,358,584	2,174,625	183,959
Sanitation	2,106,750	2,123,079	1,832,390	290,689
Total public works	4,434,958	4,481,663	4,007,015	474,648
Culture and recreation	3,220,859	3,282,656	3,113,993	168,663
Total expenditures	31,260,794	31,731,226	30,183,404	1,547,822
Deficiency of revenues under expenditures	(15,914,479)	(16,322,488)	(12,562,187)	3,760,301
Other Financing Sources (Uses)				
Transfers in	16,131,800	16,131,800	16,173,921	42,121
Transfers out	(2,652,959)	(2,652,959)	(2,940,175)	(287,216)
Proceeds from the sale of capital assets	11,100	11,100	46,154	35,054
Total other financing sources and uses	13,489,941	13,489,941	13,279,900	(210,041)
Net change in fund balances	$ (2,424,538)	$ (2,832,547)	717,713	$ 3,550,260
Fund balances - January 1			3,959,446	
Fund balances - December 31			$ 4,677,159	

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds						Governmental Activities
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	$ 8,623,628	$ 1,365,393	$ 1,166,106	$ 834,473	$ 385,585	$ 12,375,185	$ 758,388
Investments, unrestricted	6,179,611	827,175	1,958,800	372,692	-	9,338,278	709,270
Accounts receivable, net	6,762,338	1,046,329	1,089,863	103,324	712,186	9,714,040	3,915
Due from other funds	700,000	-	-	-	-	700,000	5,359,200
Inventory	1,308,127	259,711	23,390	-	-	1,591,228	12,851
Prepaid items	211,654	152,188	31,421	56,284	23,469	475,016	32,638
Restricted assets:							
Investments	1,066,482	19,142	6,800	-	-	1,092,424	-
Total current assets	24,851,840	3,669,938	4,276,380	1,366,773	1,121,240	35,286,171	6,876,262
Noncurrent assets:							
Capital assets, net:							
Land	-	7,957,954	-	3,545,582	-	11,503,536	44,230
Construction in progress	-	645,530	3,905	61,706	2,084,445	2,795,586	-
Buildings	8,917,185	4,793,772	-	-	-	13,710,957	661,742
Improvements	9,190,797	26,796,481	7,353,764	385,026	1,233,344	44,959,412	8,762
Machinery and equipment	1,234,700	231,333	171,808	833,151	390,446	2,861,438	301,344
Intangibles	1,000	7,126	-	-	-	8,126	-
Total noncurrent assets	19,343,682	40,432,196	7,529,477	4,825,465	3,708,235	75,839,055	1,016,078
Total assets	44,195,522	44,102,134	11,805,857	6,192,238	4,829,475	111,125,226	7,892,340
DEFERRED OUTFLOW OF RESOURCES							
Deferred pension amounts	735,881	491,740	25,422	151,396	37,069	1,441,508	119,900
Deferred OPEB amounts	-	-	-	-	-	-	-
Deferred loss on bond defeasance	-	97,594	-	-	-	97,594	-
Total deferred outflow of resources	735,881	589,334	25,422	151,396	37,069	1,539,102	119,900
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	3,016,292	318,987	74,206	74,337	579,982	4,063,804	2,268,974
Customer deposits payable	1,066,482	19,142	6,800	-	-	1,092,424	-
Regulatory liability	774,074	-	-	-	-	774,074	-
Compensated absences	8,988	6,830	832	2,300	2,778	21,728	3,369
Due to other funds	422,000	136,000	47,100	63,200	25,700	694,000	2,733,500
Due to other governments	-	-	205,413	-	-	205,413	-
Accrued interest payable	1,568	32,288	-	-	-	33,856	-
Unearned revenue	37,380	-	-	-	-	37,380	-
Bonds, notes, and lease payable	560,476	1,616,536	-	-	-	2,177,012	-
Total current liabilities	5,887,260	2,129,783	334,351	139,837	608,460	9,099,691	5,005,843
Noncurrent liabilities:							
Compensated absences	80,894	61,470	7,493	20,704	25,000	195,561	30,317
Net OPEB liability	1,020,654	627,973	40,255	195,036	150,359	2,034,277	144,917
Net pension liability	3,067,126	2,400,783	105,770	675,308	74,386	6,323,373	500,128
Unearned revenue	209,931	1,298	1,040	78,860	38,000	329,129	-
Bonds, notes, and lease payable	2,372,433	5,372,439	-	-	50,000	7,794,872	-
Total noncurrent liabilities	6,751,038	8,463,963	154,558	969,908	337,745	16,677,212	675,362
Total liabilities	12,638,298	10,593,746	488,909	1,109,745	946,205	25,776,903	5,681,205
DEFERRED INFLOW OF RESOURCES							
Deferred pension amounts	626,046	400,407	26,190	136,995	138,002	1,327,640	94,688
Deferred OPEB amounts	185,706	116,738	7,483	40,285	40,036	390,248	26,940
Total deferred inflow of resources	811,752	517,145	33,673	177,280	178,038	1,717,888	121,628
NET POSITION							
Net investment in capital assets	16,410,773	33,540,815	7,529,477	4,825,465	3,658,235	65,964,765	1,016,078
Unrestricted	15,070,580	39,762	3,779,220	231,144	84,066	19,204,772	1,193,329
Total net position	$ 31,481,353	$ 33,580,577	$ 11,308,697	$ 5,056,609	$ 3,742,301	$ 85,169,537	$ 2,209,407

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds						Governmental Activities
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds	Internal Service Funds
Operating Revenues:							
Charges for service	$ 52,381,485	$ 9,143,545	$ 7,387,396	$ 2,713,198	$ 2,407,531	$ 74,033,155	$ 2,134,921
Penalties and fees	200,148	47,285	27,122	6,293	27,792	308,640	-
Miscellaneous	235,817	117,127	696	25,323	295	379,258	6,109
Total operating revenues	52,817,450	9,307,957	7,415,214	2,744,814	2,435,618	74,721,053	2,141,030
Operating Expenses:							
Personnel	3,496,861	2,716,952	372,348	1,411,022	669,320	8,666,503	798,290
Utility purchases	31,549,199	-	5,350,831	-	-	36,900,030	-
Materials and supplies	683,553	349,823	20,927	37,898	19,697	1,111,898	681,863
Contracted services	1,399,223	907,311	295,205	456,939	162,674	3,221,352	373,278
Depreciation	1,361,457	1,404,163	313,866	137,752	54,318	3,271,556	65,304
Other	442,451	15,418	5,213	5,047	5,672	473,801	160,757
Total operating expenses	38,932,744	5,393,667	6,358,390	2,048,658	911,681	53,645,140	2,079,492
Operating income (loss)	13,884,706	3,914,290	1,056,824	696,156	1,523,937	21,075,913	61,538
Nonoperating Revenues (Expenses):							
Interest and investment revenue	509,676	80,832	101,411	44,493	6,491	742,903	27,634
Amortization of bond premium	-	38,081	-	-	-	38,081	-
Amortization of loss on bond defeasance	-	(34,443)	-	-	-	(34,443)	-
Interest expense	(71,075)	(213,054)	-	(619)	-	(284,748)	-
Gain (loss) on Sale of Capital Assets	34,800	4,100	-	-	-	38,900	-
Total nonoperating revenues (expenses)	473,401	(124,484)	101,411	43,874	6,491	500,693	27,634
Income before capital grants, capital contributions, and transfers	14,358,107	3,789,806	1,158,235	740,030	1,530,428	21,576,606	89,172
Capital grants and contributions	46,456	-	220,972	-	277,493	544,921	71,628
Transfers in	-	-	-	-	800,000	800,000	500,920
Transfers out	(12,304,320)	(3,017,320)	(1,252,200)	(588,000)	-	(17,161,840)	-
Change in net position	2,100,243	772,486	127,007	152,030	2,607,921	5,759,687	661,720
Total net position - beginning of year	29,381,110	32,808,091	11,181,690	4,904,579	1,134,380	79,409,850	1,547,687
Total net position - end of year	$ 31,481,353	$ 33,580,577	$ 11,308,697	$ 5,056,609	$ 3,742,301	$ 85,169,537	$ 2,209,407

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds						Governmental Activities
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 54,209,617	$ 9,525,989	$ 7,561,521	$ 2,595,841	$ 2,404,649	$ 76,297,617	$ -
Receipts from interfund charges for fleet management services	-	-	-	-	-	-	1,353,866
Receipts from interfund charges for facility management services	-	-	-	-	-	-	702,659
Receipts from interfund charges for risk management services	-	-	-	-	-	-	796,763
Customer deposits received	524,653	-	-	-	-	524,653	-
Customer deposits returned	(388,878)	-	-	-	-	(388,878)	-
Other operating receipts	51,586	64,646	696	25,323	295	142,546	6,109
Payments to suppliers for goods and services	(33,781,102)	(1,298,458)	(5,521,297)	(318,199)	139,051	(40,780,005)	(1,908,931)
Payments to employees for services	(3,218,691)	(2,537,641)	(360,807)	(1,355,416)	(608,360)	(8,080,915)	(760,661)
Payments for interfund services used	(259,294)	(208,835)	(55,648)	(48,694)	(88,222)	(660,693)	-
Net cash provided (used) by operating activities	17,137,891	5,545,701	1,624,465	898,855	1,847,413	27,054,325	189,805
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	-	800,000	800,000	500,920
Transfers out	(12,304,320)	(3,017,320)	(1,252,200)	(588,000)	-	(17,161,840)	-
Net cash provided (used) by noncapital financing activities	(12,304,320)	(3,017,320)	(1,252,200)	(588,000)	800,000	(16,361,840)	500,920
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from bonds, notes and capital lease issuance	-	-	-	-	-	-	-
Purchases of capital assets	(1,549,173)	(1,088,159)	(600,655)	(395,767)	(2,728,839)	(6,362,593)	(407,755)
Proceeds from sale of capital assets	34,800	4,100	-	-	-	38,900	-
Capital grants received	-	17,850	220,972	-	-	238,822	-
Principal paid on capital debt	(549,024)	(1,525,053)	-	(36,606)	-	(2,110,683)	-
Interest paid on capital debt	(71,625)	(223,029)	-	(928)	-	(295,582)	-
Net cash used by capital and related financing activities	(2,135,022)	(2,814,291)	(379,683)	(433,301)	(2,728,839)	(8,491,136)	(407,755)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of investments	-	-	-	-	-	-	-
Interest received	224,471	35,857	41,788	20,341	6,484	328,941	12,181
Net cash provided by investing activities	224,471	35,857	41,788	20,341	6,484	328,941	12,181
Net increase (decrease) in cash and cash equivalents	2,923,020	(250,053)	34,370	(102,105)	(74,942)	2,530,290	295,151
Cash and cash equivalents - beginning of year	5,700,608	1,615,446	1,131,736	936,578	460,527	9,844,895	463,237
Cash and cash equivalents - end of year	$ 8,623,628	$ 1,365,393	$ 1,166,106	$ 834,473	$ 385,585	$ 12,375,185	$ 758,388

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds						Governmental Activities
	Electric	Water	Sewer	Parking	Stormwater	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities							
Operating income (loss)	$ 13,884,706	$ 3,914,290	$ 1,056,824	$ 696,156	$ 1,523,937	$ 21,075,913	$ 61,538
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	1,361,457	1,404,163	313,866	137,752	54,318	3,271,556	65,304
Effect of changes in operating assets, liabilities and deferred outflows and inflows:							
Accounts receivable	1,405,501	284,165	146,857	(202,510)	(68,674)	1,565,339	51,867
Due from other funds	-	-	-	-	-	-	1,333,000
Allowance for uncollectible accounts	111,146	(1,487)	146	-	-	109,805	-
Inventory	150,355	(3,589)	997	-	-	147,763	173
Prepaid expenses	(93,065)	(43,500)	(18,688)	137,036	(11,892)	(30,109)	10,119
Deferred outflow pension amounts	320,205	204,797	13,395	70,069	70,584	679,050	48,430
Deferred outflow OPEB amounts	117,465	72,716	4,661	23,306	19,577	237,725	16,781
Customer deposits	135,775	-	-	-	-	135,775	-
Accounts payable	467,707	(140,686)	38,654	8,788	258,647	633,110	(706,426)
Regulatory liability	(419,591)	-	-	-	-	(419,591)	-
Compensated absences	24,900	3,304	1,474	4,083	9,976	43,737	3,422
Net OPEB liability	(386,683)	(243,236)	(15,592)	(84,197)	(84,197)	(813,905)	(56,131)
Net pension liability	(610,149)	(390,240)	(25,525)	(133,516)	(134,498)	(1,293,928)	(92,283)
Due to other funds	(84,600)	(27,300)	(9,500)	(12,700)	(5,100)	(139,200)	(666,500)
Due to other governments	-	-	83,533	-	-	83,533	-
Deferred revenue	(51,171)	-	-	78,860	38,000	65,689	-
Deferred inflow pension amounts	626,046	400,407	26,190	136,995	138,002	1,327,640	94,688
Deferred inflow OPEB amounts	177,887	111,897	7,173	38,733	38,733	374,423	25,823
Total adjustments	3,253,185	1,631,411	567,641	202,699	323,476	5,978,412	128,267
Net cash provided (used) by operating activities	$ 17,137,891	$ 5,545,701	$ 1,624,465	$ 898,855	$ 1,847,413	$ 27,054,325	$ 189,805
Noncash investing, capital, and financing activities:							
Increase (decrease) in fair value of investments	285,205	44,975	59,623	24,152	-	413,955	15,598
Increase (decrease) in capital grants receivable	-	(17,850)	-	-	277,493	(17,850)	-
Increase (decrease) in accrued interest receivable	2,654	418	555	225	7	3,852	145
Increase (decrease) in accrued interest payable	(550)	(9,975)	-	(309)	-	(10,834)	-
Capitalization of accrued payables, retainage	-	(53,665)	(11,792)	-	44,684	(65,457)	-
Capital contributions of property and equipment	46,456	-	-	-	-	46,456	-
Capital acquisitions from prepaid funds	-	-	-	175,000	-	175,000	-
Amortization of bond premium	-	38,081	-	-	-	38,081	-
Amortization of loss on bond defeasance	-	(34,443)	-	-	-	(34,443)	-

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

		Pension and Other Benefits Funds
ASSETS		
Cash and cash equivalents	$	45,034
Investments:		
Domestic equity mutual funds		34,650,097
International equity mutual funds		23,459,560
Fixed income mutual funds		27,424,029
Real estate equity funds		7,601,305
Balanced asset allocation mutual funds		257,095
Accounts receivable		85,135
Total assets		93,522,255
NET POSITION		
Net position restricted for employee post employment benefits	$	93,522,255

The accompanying notes are an integral part of these financial statements.

CITY OF NEWARK, DELAWARE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Pension and Other Benefits Funds
ADDITIONS	
Contributions:	
Employer	$ 5,404,842
State aid - police	362,802
Employee	955,941
Total contributions	6,723,585
Investments:	
Investment earnings	2,069,749
Net decrease in fair value of investments	13,945,361
Total investment losses	16,015,110
Total additions	22,738,695
DEDUCTIONS	
Benefits	5,619,434
Administrative expenses	136,793
Total deductions	5,756,227
Change in net position	16,982,468
Net position - beginning of year	76,539,787
Net position - end of year	$ 93,522,255

The accompanying notes are an integral part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Newark, Delaware (the "City") was incorporated in 1852, under the provisions of the State of Delaware. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, streets, sanitation, utilities, health and social services, culture and recreation, public improvements, planning and zoning, and general administration.

The Government Accounting Standards Board established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. The criteria used in determining whether such organizations should be included in the City's financial reporting entity are financial interdependencies, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service and special financing relationships.

The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the City. Eliminations of interfund activity have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the last are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

Measurement Focus, Basis of Accounting, And Financial Statement Presentation

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (nonexchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the providers have been satisfied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are classified as available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the City considers all revenues to be available if they are collected within 60 days after fiscal year end. Revenues considered susceptible to accrual include property taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

General Fund – This fund is used to account for the general operating activities of the City. General government, public safety, public works, parks and recreation, and judiciary offices are financed through this fund with receipts from general property taxes, licenses and permits, investment interest, fines, charges for current services, intergovernmental and other revenue.

Capital Projects Fund – This fund is used to account for the design, construction and improvement of City buildings, land improvements, and the purchase and replacement of vehicles, machinery and equipment.

The City reports the following major proprietary funds:

Electric Fund – Used to account for the operation of an electric distribution system.

Water Fund – Used to account for the operation of a water supply system.

Sewer Fund – Used to account for the operation of a sewage collection system.

Parking Fund – Used to account for the operation of a municipal parking lot system.

Stormwater Fund – Used to account for the operation of a stormwater collection system.

The City reports the following internal service funds:

Maintenance Fund – This fund is used to account for the operation of machinery, vehicle and building maintenance provided to other departments of the City on a cost-reimbursement basis.

Self Insurance Fund – This fund accounts for disability and medical claim payments made for employee job related injuries and deductible amounts paid to insurance underwriters.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The City reports the following non-major governmental funds:

Debt Service Fund – Used to account for principal and interest payments made for the City's General Obligation Bonds Series 2011 and the Energy Improvement Loan.

Downtown Newark Partnership Fund – Used to account for donations and other funding received for the events and programs of the Downtown Newark Partnership.

Community Development Fund – Used to account for the City's Community Development Block Grant from the United States Department of Housing and Urban Development passed through New Castle County Department of Community Development and Housing.

Law Enforcement Fund – Used to account for grants and other funding designated for Law Enforcement operating expenditures.

Parks and Recreation Fund – Used to account for grants and other funding designated for Parks maintenance and beautification and for the City's Recreational program operating expenditures.

Transportation Fund – Used to account for the Unicity bus program and the related grant.

The City reports the following fiduciary fund types:

Pension Trust Fund – This fund is used to account for the assets held by the Pension Program in a trustee capacity for the employees of the City. The Pension Program, which is part of the City's legal entity, is a single-employer defined benefit pension plan that provides benefits to City employees.

OPEB Trust Fund – This fund is used to account for the funding, accounting, and reporting of postemployment benefits other than pension.

Section 401A City Manager's Retirement Fund – This fund is used to account for the assets held by a third party administrator in a retirement savings plan for the former City Manager. The fund accounts for all activities in the plan during the year including contributions made by the City and the former City Manager.

Section 401A Employees' Retirement Fund – This fund is used to account for the assets held by a third party administrator in a retirement savings plan for management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and CWA Local 1036 employees hired after January 1, 2014. The fund accounts for all activities in the plan during the year including contributions made by the City and the various employee groups detailed above.

Retirement Health Savings Plan for Management Employees 2009 – This fund is used to account for the assets held by a third party administrator in a retirement health savings plan for management employees hired prior to January 1, 2012. The fund accounts for all activities in the plan during the year including contributions made by the management employees hired prior to January 1, 2012.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Retirement Health Savings Plan for Employees 2012 – This fund is used to account for the assets held by a third-party administrator in a retirement health savings plan for management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and Employees Council hired after January 1, 2014. The fund accounts for all activities in the plan during the year including contributions made by the City and the management employees hired after January 1, 2012.

With limited exceptions, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water, sewer and parking proprietary funds and the maintenance internal service fund are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use in certain programs, it is the City's policy to apply cost-reimbursement grant resources first to those programs, followed by bond proceeds, categorical block grants and then by general revenues, as they are needed.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Receivables

Receivables as of December 31, 2019 for the City's governmental activities include real estate taxes receivable, home buyer's assistance program receivables, grants receivable, permits and licenses receivable, liens receivable, interest receivables, and other miscellaneous receivables.

Allowance for Doubtful Accounts

Historically, the City of Newark has experienced a 99 percent collection rate for real estate taxes. Taxes constitute a lien against real property and are collected in full when title transfers. An allowance for doubtful accounts is established which includes outstanding receivables for parcels of undeveloped land that may not be recoverable through a transfer or monitions sale and one percent of the remaining receivable balance. As of December 31, 2019, the allowance for doubtful accounts in the General Fund amounted to $138,795.

The City of Newark's water, sewer and electric utilities experience very small losses from uncollectible accounts. Water and sewer fees constitute a lien against real property and can usually be collected in full when title transfers. Accordingly, an allowance for doubtful accounts is funded annually at the rate of .01 percent of annual revenues, excluding adjustment, penalties and miscellaneous revenues. This amount approximates actual losses. Only balances that remain after tax sales are written off each year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Electric fees do not constitute a lien; however, maintenance of adequate customer deposits, monthly billing and diligent collection procedures minimize losses from uncollectible accounts. Accordingly, an allowance for doubtful accounts is funded annually at the rate of .20 percent of annual revenues, excluding adjustments, penalties and miscellaneous revenues. This amount approximates the City's actual loss experience.

As of December 31, 2019, the allowance for doubtful accounts amounted to $330,092 in the Electric Fund, $18,061 in the Water Fund, and $25,090 in the Sewer Fund.

Inventories and Prepaid Items

Inventories of governmental and proprietary fund types are valued at average cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items are recorded as expense/expenditures when consumed.

Capital Assets

Capital assets including property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has defined capital assets as assets with a minimum individual acquisition value of $20,000 and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the estimated useful lives of the related assets. The City generally uses the following estimated useful lives unless an asset’s life has been adjusted based on actual experience:

Buildings	20-40 years	Electric System	15-30 years
Sewer System	50 years	Water System	20-50 years
Improvements	10-20 years	Equipment	5-10 years

Compensated Absences

City employees earn vacation and sick leave depending on their length of service. Sick leave is accumulated at the rate of 15 days per year. Any unused sick leave is paid annually at the rate of one day for every three days accumulated in excess of 90 days. Employees have no vested interest in unused sick leave at termination and, accordingly, the City has no such liability. After 10 years of service, employees may carry forward up to two weeks of vacation time which, if unused, is paid at time of leaving the City.

Compensatory time is accumulated as earned, with any unused amounts up to a maximum limit, being paid at the time of leaving the City.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities or proprietary fund type statement of net position. Debt issuance costs are expensed in the year the costs are incurred. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding is presented as Deferred Outflow of Resources in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current financial period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The City has three items that qualify for reporting in this category, the deferred loss on refunding, deferred pension amounts and deferred OPEB amounts, which are reported on the Statement of Net Position.

In addition to liabilities, the statements of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as inflow of resources (revenue) until that time. The items that qualify for reporting in this category are billed but uncollected property tax interest & penalties, assessments, and liens.

Net Position and Fund Equity

The difference between fund assets, liabilities, and deferred outflows/inflows of resources is “Net Position” on the government-wide, proprietary and fiduciary fund statements and “Fund Balance” on governmental fund statements. Net Position is classified as “Net Investment in Capital Assets,” legally “Restricted” for a specific purpose, or “Unrestricted” and available for appropriation for the general purposes of the fund or activity. Net investment in capital assets is defined as capital assets less accumulated depreciation and outstanding debt incurred to finance those capital assets.

Fund Balance

GASB 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. In the Governmental Fund financial statements, fund balances are classified as:

- Nonspendable – includes items that cannot be spent because they are not in spendable form, such as prepaid and inventory items reported in the general fund, capital projects fund, and other governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- Restricted – includes items that are restricted by external parties or imposed by grants, law, or legislation.
- Committed – includes items that can be used only for the specific purposes determined by formal action (council bill) of the City's highest level of decision-making authority (City Council). Constraint can be removed or changed only by taking the same action (council bill) prior to the end of the fiscal year. The City had no committed fund balances at December 31, 2019.
- Assigned – includes items that have been allocated by budgetary action (approved by City Council) where the City's intent is to use the funds for a specific purpose.
- Unassigned – this category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and then unassigned fund balance.

Property Taxes

Property taxes attach as an enforceable lien on property when levied. Taxes are levied on July 1 and are payable on or before September 30. Taxes paid after the payable date are assessed a five percent penalty for nonpayment and one and one-half percent interest per month thereafter. The City bills and collects its own property taxes. City property tax revenues are recognized on a pro rata basis. An allowance for doubtful accounts is calculated on tax balances of identified properties where amounts due may not be collected at the time of a title transfer and one percent of the remaining tax receivable balance. The property tax rate for 2019 was .8047 cents per $100 of assessed value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

a. Formal budgetary integration is employed as a management control device during the year for the General fund. This budget is adopted on a basis consistent with generally accepted accounting principles.

b. The City Council adopts legal annual budgets for the General Fund, Proprietary Funds, Transportation Fund, Downtown Newark Partnership Fund, Parks Special Revenue Funds, Debt Service Fund, Maintenance Fund, and the Insurance Fund. The City Council also adopts legal project length budgets for its Capital Projects Funds, Community Development Block Grant Fund, and the Law Enforcement Fund. Project periods for these funds may differ from the City's fiscal year; comparisons of budgetary information for these funds are presented as supplemental information.

c. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis. Budget appropriations lapse at year-end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Revenue and Expenditures

For the year ended December 31, 2019, actual revenues in the General Fund exceeded budgeted revenues by $2,212,479. This amount represents higher than anticipated revenues mainly in Taxes, Licenses & Permits, Fines and Charges for services with minor favorable and unfavorable variances for other revenue categories.

General Fund operating expenditures were $1,547,822 less than appropriated. Only the Police department had higher expenditures that budgeted. The overage was due to internal service fund allocations and additional overtime for a large investigation. The overage was discussed with Council.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Amended Pension Plan for Employees of the City of Newark, Delaware and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the City of Newark. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and the deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of City’s plan and additions to/deductions from the plan’s net position have been determined on the same basis as the plan. Benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity time of purchase of one year or less, which are reported at cost.

Dissolution of Downtown Newark Partnership Special Revenue Fund

Effective January 1, 2019, the Downtown Newark Partnership was discontinued as an organization of the City and was replaced by the Newark Partnership an organization led by community leaders and local business owners. The balance of the Downtown Newark Partnership Fund was transferred to the General Fund.

The following table represents the components of the transfer as of January 1, 2019:

	Downtown Newark Partnership Fund	General Fund
Transfer from:	$ 92,081	$ -
Transfer to:	-	92,081
	$ 92,081	$ 92,081

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a written policy for custodial credit risk. At December 31, 2019, the carrying amount of the City's cash accounts and cash on hand was $18,357,652. The bank balances were $18,918,151. Of the bank balances, $17,634,462 was covered by Federal Depository Insurance, $1,144,859 was secured by collateral consisting of uninsured and unregistered investments held by the pledging financial institution but not in the City's name and $138,830 was uninsured.

Investments

The City is authorized to invest in United States Government Securities; Federal Agency Securities; Certificates of Deposits, Time Deposits, and Bankers Acceptances; Corporate Debt Instruments; Repurchase Agreements; Money Market Mutual Funds; the pooled investment fund known as the Delaware Local Government Investment Pool (DELGIP) as authorized by Title 29, Chapter 12 of the Delaware Code; Municipal Obligations that are rated in either of the two highest rating categories by a nationally recognized rating agency; and Guaranteed Investment Contracts. Investments in certificates of deposits are insured, registered, or held by the City or its agent in the City's name. Corporate notes held as of December 31, 2019 had varying rates but none lower than A. Amounts that may be invested in any one of these categories are subject to percentage limitations as set forth in the City's written Investment Policy. The investments of the Pension trust are not subject to these restrictions. Refer to Note 8 for further discussion of the investment policy of the Pension Plan.

As of December 31, 2019, the City had the following investments (excluding investments of the City's fiduciary funds):

		INVESTMENT MATURITIES (in years)			
Investment Type	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Certificates of Deposit	$ 849,111	$ 849,111	$ -	$ -	$ -
U. S. Government Securities	10,610,162	79,995	8,404,838	134,504	1,990,825
Corporate Notes	11,415,665	456,861	10,958,804	-	-
Municipal Bonds	252,890	-	252,890	-	-
Real Estate	52,702	-	-	-	-
	$ 23,180,530	$ 1,385,967	$ 19,616,532	$ 134,504	$ 1,990,825

Credit Risk

The City and the Pension Plan have no policy regarding credit risk for U.S. Government Securities or Federal Agency Securities. The City's investments in corporate bonds have varying ratings from Standard & Poor's ranging from AAA to A-.

Interest Rate Risk

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value.

The City's and the Pension Plan's investment policies limit and stagger the maturity of investments to mitigate interest rate risk and maintain adequate liquidity to meet cash flow needs. The portfolio is structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. The portfolio is invested in permitted securities with a stated maturity of no more than ten years from the date of purchase, unless the security is matched to a specific obligation or debt of the City. To control volatility of the portfolio and to further mitigate interest rate risk, the City manages the portfolio's effective duration target not to exceed three years.

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Custodial Credit Risk

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

All investment securities purchased by the City or the Pension Plan or held as collateral on deposits or investments are held in third-party safekeeping at a qualified financial institution that is not a counterparty to the investment transaction. All investment securities are held in the name of the City.

Concentration of Credit Risk

Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (securities acquired from a single issuer.)

The City's portfolio is diversified to limit exposure to any one issuer. No more than 5 percent of the City's portfolio will be invested in the securities of any single issuer with the following exceptions:

US Treasury
Each Federal Agency
Time Deposits fully insured by FDIC/FSLIC
Each Repurchase Agreement Counterparty
Money Market Mutual Fund
DELGIP

As of December 31, 2019, there were no investments with a fair value in excess of 5 percent of the City's portfolio invested in any single issuer. Additional information concerning the concentration of credit risk applicable to the Pension Plan can be found in Note 8.

Foreign Currency Risk

The City and Pension Plan's investment policies do not allow for investments denominated in foreign currencies. The City and Pension Plan do not hold such investments.

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Investments and Valuation

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker traded transactions.

The City's investments (including investments of the City's fiduciary funds) are categorized in the following table:

	Level 1	Level 2	Level 3	Balance December 31, 2019
Certificates of Deposit	$ 849,111	$ -	$ -	$ 849,111
U. S. Government Securities	10,610,162	-	-	10,610,162
Corporate Notes	11,415,665	-	-	11,415,665
Municipal Bonds	252,890	-	-	252,890
Domestic Equity Mutual Funds	34,650,097	-	-	34,650,097
International Equity Mutual Funds	23,459,560	-	-	23,459,560
Fixed Income Mutual Funds	27,424,029	-	-	27,424,029
Real Estate Equity Funds	7,601,305	-	-	7,601,305
Balanced Asset Allocation Mutual Funds	257,095	-	-	257,095
Real Estate	-	-	52,702	52,702
	$ 116,519,914	$ -	$ 52,702	$ 116,572,616

NOTE 3 CAPITAL ASSETS

The capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 5,499,380	$ 44,230	$ -	$ 5,543,610
Construction in progress	390,808	204,568	-	595,376
Total capital assets not being depreciated	5,890,188	248,798	-	6,138,986
Capital assets being depreciated:				
Buildings	11,448,656	131,046	-	11,579,702
Improvements	34,723,348	1,281,448	-	36,004,796
Machinery and equipment	16,778,846	1,064,319	693,904	17,149,261
Total capital assets being depreciated	62,950,850	2,476,813	693,904	64,733,759
Less accumulated depreciation for:				
Buildings	6,813,165	272,891	-	7,086,056
Improvements	15,645,328	1,546,168	-	17,191,496
Machinery and equipment	12,861,582	924,964	663,801	13,122,745
Total accumulated depreciation	35,320,075	2,744,023	663,801	37,400,297
Total capital assets being depreciated, net	27,630,775	(267,210)	30,103	27,333,462
Governmental activities capital assets, net	$ 33,520,963	$ (18,412)	$ 30,103	$ 33,472,448

Net decrease equals realized loss on sale of assets of $20,291 ($46,154 of proceeds less $25,863 net gain reported on Statement of Activities) plus an asset transfer to business type activities of $9,812.

NOTE 3 CAPITAL ASSETS (cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 11,245,583	$ 257,953	$ -	$ 11,503,536
Construction in progress	654,478	2,341,878	200,770	2,795,586
Intangibles	8,126	-	-	8,126
Total capital assets not being depreciated	11,908,187	2,599,831	200,770	14,307,248
Capital assets being depreciated:				
Buildings	31,847,016	1,310,392	-	33,157,408
Improvements	78,697,138	1,876,876	-	80,574,014
Machinery and equipment	5,470,341	976,945	241,850	6,205,436
Total capital assets being depreciated	116,014,495	4,164,213	241,850	119,936,858
Less accumulated depreciation for:				
Buildings	18,551,112	895,339	-	19,446,451
Improvements	33,666,841	1,947,761	-	35,614,602
Machinery and equipment	3,157,392	428,456	241,850	3,343,998
Total accumulated depreciation	55,375,345	3,271,556	241,850	58,405,051
Total capital assets being depreciated, net	60,639,150	892,657	-	61,531,807
Business-type activities capital assets, net	$ 72,547,337	$ 3,492,488	$ 200,770	$ 75,839,055

Depreciation expense was charged to the functions as follows:	
General government	$ 382,681
Public safety	413,523
Public works	1,229,313
Culture and recreation	653,202
Capital assets held by the government's internal service funds and charged to the various functions based on their usage	65,304
Total depreciation expense - governmental activities	$ 2,744,023
Business-type activities:	
Electric	$ 1,361,457
Water	1,404,163
Sewer	313,866
Parking	137,752
Stormwater	54,318
Total depreciation expense - business-type activities	$ 3,271,556

NOTE 4 LONG-TERM DEBT

General Obligation Bonds

On December 5, 2011, the City issued $12,695,000 of General Obligation Refunding Bond Series 2011 for both governmental and business-type activities.

The bonds mature through September 14, 2022 and bear interest rates that vary from 2.0 percent to 3.0 percent, payable March 15 and September 15.

The bonds outstanding on December 31, 2019 are general obligation debt supported by the full faith and credit of the City and are summarized as follows:

Purpose	Amount
Governmental activities	$ 190,000
Business-type activities	3,690,000
	$ 3,880,000

Annual debt service requirements to maturity for the bonds payable are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
December 31	Principal	Interest	Total	Principal	Interest	Total
2020	$ 190,000	$ 5,700	$ 195,700	$ 1,185,000	$ 110,700	$ 1,295,700
2021	-	-	-	1,230,000	75,150	1,305,150
2022	-	-	-	1,275,000	38,250	1,313,250
	$ 190,000	$ 5,700	$ 195,700	$ 3,690,000	$ 224,100	$ 3,914,100

In 2011, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, assets in the trust account and the liability for the defeased bonds are not included in the City's financial statements. On December 31, 2019, $3.88 million of bonds outstanding were considered defeased.

NOTE 4 LONG-TERM DEBT (cont'd)

Equipment Lease/Purchase Agreement – Business Type Activities

On December 19, 2012, the City entered into an $8,897,374 Equipment Lease/Purchase Agreement with Bank of America Public Capital Corporation. The loan bears an interest rate of 2.20 percent. Payments are due quarterly starting January 1, 2014, with the final payment due January 1, 2028. The proceeds, which were used to partially finance the City's $11,495,735 Automated Meter Infrastructure Project in the business-type activities, were deposited in an Acquisition Fund under the City's name. Disbursements for project construction costs were made from this fund. The present value of all future minimum lease payments is reported as a lease obligation in the Statement of Net Position and related depreciation of $444,869 is included in total depreciation reported on the Statement of Revenues, Expenses, and Changes in Net Position.

As of December 31, 2019, payments under this lease obligation are as follows:

Year Ending December 31	Business Type Activities
2020	$ 703,350
2021	703,350
2022	703,350
2023	703,350
2024	703,350
2025-2027	2,110,047
Total lease payments	5,626,797
Less: interest	(518,550)
Present value of lease payments	$ 5,108,247

NOTE 4 LONG-TERM DEBT (cont'd)

Equipment Lease/Purchase Agreement – Governmental Type Activities

On December 23, 2016, the City entered into an Equipment Lease/Purchase Agreement with Fulton Bank for $430,000. The loan bears an interest rate of 2.8 percent. Payments are due monthly starting August 5, 2017, with the final payment due August 5, 2027. The proceeds, which were used to partially finance the City's purchase and installation of fiber optic cable for the city's network of security cameras, were deposited in a Vendor Payable Account under the City's name. Disbursements for project costs were made from this fund. The present value of all future minimum lease payments is reported as a lease obligation in the Government Wide Statement of Net Position and related depreciation of $21,500 is included in expenses of the General Government reported on the Statement of Activities.

Year Ending December 31	Governmental Activities
2020	$ 49,255
2021	49,255
2022	49,255
2023	49,255
2024	49,255
2025-2027	127,240
Total lease payments	373,515
Less: interest	(36,659)
Present value of lease payments	$ 336,856

The assets acquired through these capital leases are as follows:

	Equipment	Less: accumulated depreciation	Total asset values under capital leases
Governmental Activities	$ 430,000	$ (53,750)	$ 376,250
Electric Fund	4,879,448	(1,562,047)	3,317,401
Water Fund	4,017,926	(1,284,020)	2,733,906
Parking Fund	138,008	(62,104)	75,904
Total	$ 9,465,382	$ (2,961,921)	$ 6,503,461

NOTE 4 LONG-TERM DEBT (cont'd)

Energy Improvement Loans – Governmental & Business Type Activities

On July 20, 2012, the City signed a $2,851,935 financing agreement with the Delaware Department of Natural Resources & Environmental Control. The agreement, under the American Recovery and Reinvestment Act of 2009, consists of a promissory note and a security agreement related to the Automated Meter Infrastructure Project in the business-type activities. The loan proceeds partially financed the installation and acquisition of equipment for the Automated Meter Infrastructure Project. The loan bears an interest rate of 1.99 percent. Payments are due quarterly starting September 1, 2013, with the final payment due September 1, 2022.

On February 29, 2012, the City entered into a $598,131 financing agreement with the Delaware Department of Natural Resources and Environment Control. The agreement, under the American Recovery and Reinvestment Act of 2009, consists of a promissory note and a security agreement related to the installation of energy efficiency improvements and equipment at various municipal facilities. The loan bears an interest rate of 1.99 percent. Payments are due quarterly starting January 1, 2013, with the final payment due July 1, 2022.

The loan outstanding on December 31, 2019 are summarized below:

Purpose	Amount
Governmental activities	$ 82,217
Business-type activities	1,015,739
	$ 1,097,956

Annual debt service requirements to maturity for the energy improvement loans are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
December 31	Principal	Interest	Total	Principal	Interest	Total
2020	$ 29,379	$ 1,418	$ 30,797	$ 362,964	$ 17,516	$ 380,480
2021	29,968	829	30,797	370,240	10,240	380,480
2022	22,870	227	23,097	282,535	2,816	285,351
	$ 82,217	$ 2,474	$ 84,691	$ 1,015,739	$ 30,572	$ 1,046,311

State Revolving Loan (SRL) – Business Type Activities

On June 19, 2018 a City referendum was approved by voters allowing for the issuance of debt for the purchase and repurposing of the University of Delaware Rodney property to a stormwater facility and park as well as various other capital projects approved in the 2018-2022 Capital Improvement Program budget. The City is in the process of determining the timing and parameters of the indebtedness to be issued as a result of the voters' approval. As part of the Rodney Stormwater project the State of Delaware advanced $100,000 for project planning. Upon approval of the referendum, $50,000 was forgiven and $50,000 will be rolled into the SRL and is recorded as a loan payable in the Stormwater Fund. The City is required to make semi-annual interest only payments at 2% during construction based on cumulative loan draws. The City did not make any draws as of December 31,2019.

NOTE 5 CHANGES IN LONG-TERM LIABILITIES

Long term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable	$ 370,000	$ -	$ (180,000)	$ 190,000	$ 190,000
Plus: deferred amounts - bond premium	11,428	-	(6,234)	5,194	5,194
Total bonds payable	381,428	-	(186,234)	195,194	195,194
Lease payable	376,166	-	(39,310)	336,856	40,428
Notes payable	111,019	-	(28,802)	82,217	29,379
Net pension liability	25,338,536		(3,614,755)	21,723,781	-
Net OPEB liability	8,321,157		(2,304,507)	6,016,650	-
Compensated absences	872,651	1,470,036	(1,343,369)	999,318	99,932
Long-term liabilities	$ 35,400,957	$ 1,470,036	$ (7,516,977)	$ 29,354,016	$ 364,933
Business-Type Activities					
Bonds payable	$ 4,830,000	$ -	$ (1,140,000)	$ 3,690,000	$ 1,185,000
Plus: deferred amounts - bond premium	145,978	-	(38,080)	107,898	38,080
Total bonds payable	4,975,978	-	(1,178,080)	3,797,898	1,223,080
Lease payable	5,723,100	-	(614,853)	5,108,247	590,968
Notes payable	1,421,569		(355,830)	1,065,739	362,964
Net pension liability	7,617,301		(1,293,928)	6,323,373	-
Net OPEB liability	2,848,182		(813,905)	2,034,277	-
Compensated absences	173,552	415,483	(371,746)	217,289	21,728
Long-term liabilities	$ 22,759,682	$ 415,483	$ (4,628,342)	$ 18,546,823	$ 2,198,740

The compensated absences liability, the net pension liability and the net OPEB liability attributable to governmental activities will be paid by the governmental and internal service funds. The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. As of December 31, 2019, $33,686 of compensated absences, $500,128 of net pension liability and $144,917 of net OPEB liability from internal service funds are included in the above amounts.

NOTE 6 INTERFUND TRANSFERS, RECEIVABLES & PAYABLES

The composition of interfund transfers as of the year ended December 31, 2019 was as follows:

	Transfer In	Transfer Out
General Fund	$ 16,173,921	$ 2,940,175
Capital Projects Fund	2,354,835	-
Nonmajor Governmental Funds	364,420	92,081
Electric Fund	-	12,304,320
Water Fund	-	3,017,320
Sewer Fund	-	1,252,200
Parking Fund	-	588,000
Stormwater Fund	800,000	-
Internal Services Fund	500,920	-
Total transfers	$ 20,194,096	$ 20,194,096

Annual transfers of electric utility revenues have been made to the General Fund since 1996. The City's policy is that transfers may be made from the enterprise funds to the General Fund provided such transfers will take into consideration each enterprise fund's financial strength and operating condition.

The composition of interfund balances as of the year ended December 31, 2019 was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Community Development	$ 88,000
General	Transportation	14,484
Electric	Maintenance	700,000
Maintenance	General	2,623,400
Maintenance	Transportation	8,300
Maintenance	Electric	422,000
Maintenance	Water	136,000
Maintenance	Sewer	47,100
Maintenance	Parking	63,200
Maintenance	Stormwater	25,700
Self Insurance	Maintenance	2,033,500
Total		$ 6,161,684

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods & services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts include balances of working capital loans made to funds that are awaiting receivables. Due to /from between governmental activities and business type activities in total are shown net on the Government Wide Statement of Net Position and total $6,059,200.

NOTE 7 ENCUMBRANCES

Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. Amounts reported as encumbrances in the General Fund are reported as an assignment of Fund Balance. Encumbrances in the Capital Projects Fund and Other Governmental Funds are reported as restricted and assigned fund balances. The following table includes functional encumbrance balances as of December 31, 2019:

	Total	General Fund	Capital Projects Fund	Other Governmental Funds
General government	$ 161,769	$ 113,110	$ -	$ 48,659
Public safety	119,821	5,010	-	114,811
Public works	4,193	4,193	-	-
Culture & recreation	6,513	6,363	-	150
Capital projects	1,056,316	-	1,056,316	-
	$ 1,348,611	$ 128,675	$ 1,056,316	$ 163,620

NOTE 8 PENSIONS

Plan Description

Substantially all full-time employees of the City are covered by the Amended Pension Plan for Employees of the City of Newark, Delaware, created and operated under Section 2.98 of the City Code. This is a contributory, single-employer defined benefit pension plan accounted for as a pension trust fund and administered by the City Council sitting as the Board of Trustees. The defined benefit pension plan is reported in the City's financial statements and is not included in the report of any other public employee retirement system or other entity. A separate report for the Pension Trust Fund is not prepared.

Each year, on January 1, Milliman Consulting, prepares a complete Pension Plan Actuarial Valuation Report that is available for review in the Finance Department. On a monthly basis, Vanguard Investment Group, the Principal Financial Group, and DTI Consulting prepare performance monitoring reports on the investment returns of plan assets. Finance Department staff prepares a separate report which, along with those of the consultants, is transmitted to the Board of Trustees, discussed at regular public meetings and made available for review in the Finance Department.

All employees, immediately upon date of hire, who meet one of the five eligible classes of membership, are eligible to enroll in the Plan: Local 1670 employees hired prior to April 1, 2014, Employees Council hired prior to January 1, 2014, exempt employees hired prior to January 1, 2012, police employees and special police (Chief of Police) hired prior to January 1, 2012. The plan is closed to all membership classes except for police employees. Benefits are determined by membership class, but eligibility and vesting are based on total service.

Although plan assets are collectively managed and administered, the plan is actually a combination of three plans with distinctly different levels of benefits. Although there are three benefit levels, all plan assets are available to pay benefits to any plan member. The three plans are:

1. Non-Police – civilian, non-sworn, regular, full-time employees
2. Police – all sworn police officers except the Chief of Police
3. Special Police – the Chief of Police

NOTE 8 PENSIONS (cont'd)

Non-Police and Special Police employees are entitled to a benefit at 2.1 percent of their final average compensation comprised of base pay plus longevity times years of credited service. For Exempt and Special Police employees, final average compensation equals the average of the employee's 60 highest paid consecutive months of City employment. For members of the Communication Workers of America (white collar) and the American Federation of State, County and Municipal Employees (blue collar), final average compensation equals the average of the employee's 36 highest paid consecutive months of City employment. For Non-Police employees the normal retirement date is the first day of the month coinciding with or next following the latter of the fifth anniversary of the member's plan participation date or the member's 65th birthday. For Special Police the normal retirement date is the later of the employee's 50th birthday or the employee's fifth anniversary of participation in the Plan. The Plan permits early retirement for Non-Police employees at age 55 with the completion of 15 or more years of credited service. The early retirement benefit is actuarially reduced unless the sum of years of service and age is equal to 85. There are no early retirement options for Special Police.

Police employees are entitled to a benefit calculated at different rates. For service prior to January 1, 1978, a benefit at 2.2 percent of the final average compensation (the average of the employee's 36 highest paid consecutive months of employment with the City) comprised of base pay plus longevity times years of credited service. For service from January 1, 1978 through December 31, 1987, service credits accumulate at the rate of 2.25 percent for each year of service. For service after December 31, 1987 service credits accumulate at the rate of 2.5 percent for each year of service up to twenty years.

Service credits accumulate at the rate of 3.5 percent per year after twenty years.

Police members shall not be required to contribute after accumulating the maximum normal retirement benefit of 67.5 percent of final average compensation.

Normal retirement for Police employees hired before January 1, 1989 is the earlier of (1) the later of the employee's 50th birthday or the fifth anniversary of the member's date of participation in the plan or (2) the completion of 20 years of credited service as a Police employee. For a Police employee hired after January 1, 1989, normal retirement occurs upon the completion of 20 years of credited service as a contributing member. A Police member who has completed 15 or more years of credited service and who terminates employment no more than five years prior to the member's Normal Retirement Date shall be eligible to receive a retirement pension benefit commencing on the first of the month following the member's Normal Retirement Date.

Each employee who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment may be eligible for a disability pension equal to the employee's accumulated service credits, reduced by any benefits paid under the City's long-term disability insurance program. Police and Special Police employees whose disability results from the discharge of their official duties, shall receive pension benefits of not less than seventy-five percent of their prior December 1st compensation, reduced by any benefits paid under any workmen's compensation law, the City's long-term disability issuance program and 50 percent of actual Social Security Act disability benefits.

If a member terminates employment before becoming eligible for any other benefits under the plan, the member is entitled to a complete refund of the employee's pension contributions. The contributions are refunded with interest, which accumulates at the rate of four percent annually.

NOTE 8 PENSIONS (cont'd)

With five years or more of credited service, eight vested benefit options of equivalent actuarial value are available as follows:

1. A retirement benefit for the remainder of the employee's life.
2. A retirement benefit for a minimum of five years and then only for the rest of the member's life. If the member does not live for five years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the five-year period.
3. A retirement benefit for a minimum of 10 years and then only for the rest of the member's life. If the member does not live for 10 years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the 10-year period.
4. A retirement benefit for a minimum of 15 years and then only for the rest of the member's life. If the member does not live for 15 years after terminating employment, then the beneficiary would continue to receive the benefit for the remainder of the 15-year period.
5. A survivor benefit equal to 50 percent of the employee's benefit after the member's death.
6. A survivor benefit equal to 66-2/3 percent of the employee's benefit after the member's death.
7. A survivor benefit equal to 75 percent of the employee's benefit after the member's death.
8. A survivor benefit equal to 100 percent of the employee's benefit after the member's death.

The contribution percentage for Non-Police and Special Police employees in 2019 was 2.5 percent of current base and longevity pay earned for the first quarter of 2019 and 3.5 percent for the remainder of the year.

Police employees of the City are required to contribute a variable percentage of their current base and longevity pay.

The Police employee contribution rate, as outlined in the FOP Collective Bargaining Agreement approved by City Council, is equal to the City's contribution rate to the police fund for the prior year; however, the rate increase is limited to not more than 2 percent over the previous year's contribution rate and the overall rate cannot exceed 7.0 percent. The Police employee contribution rate was 7.0 percent in 2019.

In 2006, the assumed retirement rates for police officers hired before 1989 were updated to reflect actual plan experience. Previously, it was assumed that these officers retired by age 50. Now, their assumed retirement age follows a table of rates, ending at the age at which they attain maximum accumulated service credits (67.5 percent of final average earnings). Significant actuarial assumptions used in determining the net pension benefit obligation include:

(a) rate of return on the investment present and future assets of 6.5 percent per year compounded annually, net of investment and administrative expenses;

(b) salaries that are assumed to increase annually by a percentage that is based on years of service with rates varying from 3.5 percent to 6.0 percent for non-police employees and 3.5 percent to 8.5 percent for police employees;

(c) a 2.5 percent employee contribution rate for non-police and 7.0 percent for police and;

(d) the assumption that benefits will not increase after retirement.

The City's contributions for the fiscal year ended December 31, 2019 totaled $3,912,802 including $362,802 of funds provided by the State of Delaware. The State aid for police pension is recorded through the general fund escrow account.

NOTE 8 PENSIONS (cont'd)

Plan Membership

As of January 1, 2019, the most recent actuarial valuation, employee membership consisted of:

Police and Nonpolice Participants	Police	Non Police	Total
Active employees	71	104	175
Retired and disabled members receiving benefits	70	130	200
Deferred vested participants	2	10	12
Total	143	244	387

The City's total payroll for all employees covered by Plan for the current year was $12,651,764. Participation in the plan is required for management employees hired prior to January 1, 2012, Local 1670 employees hired prior to April 1, 2014, and Employees Council hired prior to January 1, 2014.

Plan Administration

The City Council of Newark, Delaware, acting as Trustees of the Amended Pension Plan for Employees of the City of Newark, Delaware is responsible for directing and monitoring the investment policies and management of Plan Assets. Administration of the Plan is overseen by the Operations and Investment Committee and is composed of three individuals appointed by City Council. The Operations and Investment Committee has the authority to determine the accuracy and timeliness of all payments due the Plan, accounting for and depositing all payments made to the Plan, making payment and distribution of moneys as authorized by the Trustees, answering all correspondence on the rights and benefits of members and employees, certifying application for benefits to the Trustees for approval or confirmation, directing and monitoring the performance of all consultants, managers, custodians, compiling information on investments for presentation to Trustees, keeping records, files, and documents belonging to Trustees, assisting the Trustees in the discharge of their functions, reviewing and determining actuarial assumptions.

Investment Policy

The Pension Committee is responsible for administering the investment policies of the Plan and providing oversight for the management of the Plan assets. The investment goal of the Plan is long term growth of capital with emphasis on total return while avoiding excessive risk. Investment managers are expected to adhere to investment management styles for which they are hired and are evaluated regularly for adherence to investment discipline. Managers are expected to purchase and hold a wide variety of different instruments or securities. The trust invests in several fixed income mutual funds with varying rates Ba+ or higher.

NOTE 8 PENSIONS (cont'd)

The following was the Plan's adopted asset allocation policy as of December 31, 2019:

Asset Class	Minimum	Target	Maximum
Risk Based Assets	60%	70%	80%
Large Cap U.S. Equity	20%	25%	30%
Mid Cap U.S. Equity	5%	10%	20%
Small Cap U.S. Equity	0%	5%	15%
Non-U.S. Equity	5%	10%	20%
Emerging Market Equity	0%	5%	10%
Real Estate	0%	5%	10%
High Yield Bonds	0%	7%	15%
Commodities	0%	3%	5%
Fixed Income	25%	28%	35%
Cash	0%	2%	30%

Plan Assets

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The Vanguard Company manages the investment of pension plan assets and maintains numerous commingled investment funds for qualified public employee pension plans. These investments are not categorized according to the level of risk assumed at year end because they are not represented by securities.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged and paid by short-term assets of the plan.

NOTE 8 PENSIONS (cont'd)

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Net Position
Employee's Pension Trust Fund

ASSETS		
Investments:		
Domestic equity mutual funds	$	26,379,842
International equity mutual funds		20,820,057
Fixed income mutual funds		23,608,874
Real estate equity funds		6,617,073
Total assets		77,425,846
NET POSITION		
Restricted for employee post employment benefits	$	77,425,846

Statement of Changes in Plan Net Position
Employee's Pension Trust Fund

ADDITIONS		
Contributions:		
Employer contributions	$	3,550,000
State aid - police		362,802
Employee contributions		641,550
Total contributions		4,554,352
Investments:		
Net decrease in fair value of investments		13,381,274
Total investment loss		13,381,274
Total additions		17,935,626
DEDUCTIONS		
Benefits		4,936,658
Administrative expenses		116,285
Total deductions		5,052,943
Change in net position		12,882,683
Net position, January 1		64,543,163
Net position, December 31	$	77,425,846

NOTE 8 PENSIONS (cont'd)

Concentrations

The Pension Plan did not hold investments in any one organization that represented 5 percent or more of the Plan's fiduciary net position as of December 31, 2019.

Rate of Return of Investments

The annual money weighted rate of return on pension plan investments, net of pension plan investment expenses, for the fiscal year ended December 31, 2019 was 20.84 percent. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

The long-term expected rate of return on pension plan investments was determined by adding the expected inflation to expected long-term real returns, reflecting expected volatility and correlation. Best estimates of real rate of return for each major asset class included in the Plan's target asset allocation as of December 31, 2019 are detailed below:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
U.S. Cash	-0.01%	2.00%
U.S. Core Fixed Income	1.46%	18.00%
U.S. Core Bonds	1.40%	10.00%
U.S. High Yield Bonds	3.08%	7.00%
U.S. Large Cap	4.34%	12.50%
U.S. Large/Mid Cap	4.48%	12.50%
U.S. Small Cap	5.66%	5.00%
U.S. Mid Cap	4.72%	10.00%
Foreign Developed Equity	5.97%	10.00%
Emerging Markets Equity	8.07%	5.00%
U.S. REITs	4.93%	5.00%
Commodities	2.75%	3.00%

NOTE 8 PENSIONS (cont'd)

Net Pension Liability

The net pension liability of the trust as of December 31, 2019 was for the measurement date December 31, 2019:

Total pension liability	$ 105,473,000
Fiduciary net position	(77,425,846)
Net pension liability	$ 28,047,154
Fiduciary net position as a % of total pension liability	73.41%

Changes in net pension liability:	
Service cost	$ 1,970,556
Interest on total pension liability	6,307,605
Effect of plan changes	895,000
Effect of economic/demographic (gains) or losses	(513,503)
Effect of assumptions changes or inputs	4,251,000
Benefit payments	(4,936,658)
Net change in total pension liability	7,974,000
Total pension liability, beginning	97,499,000
Total pension liability, ending (a)	$ 105,473,000
Fiduciary Net Position	
Employer contributions	3,912,802
Member contributions	641,550
Investment income net of investment expenses	13,381,274
Benefit payments	(4,936,658)
Administrative expenses	(116,285)
Net change in plan fiduciary net position	12,882,683
Fiduciary net position, beginning	64,543,163
Fiduciary net position, ending (b)	$ 77,425,846
Net pension liability, ending = (a) - (b)	$ 28,047,154
Covered payroll	$ 12,651,764
Net pension liability as a % of covered payroll	221.69%

NOTE 8 PENSIONS (cont'd)

Method and assumptions used to determine net pension liability were as follows:

Valuation date	January 1, 2019, rolled forward to December 31,2019
Measurement date	December 31, 2019
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 23 year amortization period and will decline by 1 year each year. A separate base was established for 2017 Early Retirement Incentive Plan (ERIP) - 5 year closed period.
Asset valuation method	Market value of assets less unrecognized gains/losses over a 3-year period. Gains/losses are based on actuarial value of assets.
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	Based on 3.0% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Cost of living adjustments	None
General inflation	2.5%
Retirement	Rates vary by employee group, age, and type of retirement, 2% to 100%
Mortality rate	RP-2006 Mortality Tables projected on a generational basis using Scale MP-2018.

Discount Rate

The discount rate for calculating the total pension liability is equal to a single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount rate	6.00%
Long-term expected rate of return	6.00%

NOTE 8 PENSIONS (cont'd)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Amended Pension Plan for the Employees of the City of Newark, Delaware, calculated using the discount rate of 6 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate of 1 percentage point lower (5 percent) or 1 percentage point higher (7 percent) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total pension liability	$ 119,074,000	$ 105,473,000	$ 94,185,000
Fiduciary net position	77,425,846	77,425,846	77,425,846
Net pension liability	$ 41,648,154	$ 28,047,154	$ 16,759,154

Deferred Inflows/Outflows of Resources

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (401,872)	$ 1,360,036
Changes of assumptions	-	5,217,522
Net difference between projected and actual earnings	(4,634,698)	-
Total	$ (5,036,570)	$ 6,577,558

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	$ 1,329,058
2021	489,559
2022	1,075,252
2023	(1,352,881)

NOTE 9 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. All assets and income of the DCP are held in the DCP Trust for the exclusive benefit of participants and their beneficiaries. These assets are not the sole property of the City and are not subject to the claims of the City's general creditors, therefore, the assets are not on the City's balance sheet and all costs and expenses of administering the plan are borne by the participants.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City of Newark Other Post-Employment Benefits Trust Fund is a single employer defined benefit OPEB plan administered by the City Council sitting as the Board of Trustees. The fund, adopted under City Resolution No. 08-DD on December 8, 2008, provides medical and life insurance benefits to eligible retired City employees and their spouses. The plan is reported in the City's financial statements and is not included in the report of any other public employee retirement system or other entity. A separate report for the OPEB Trust Fund is not prepared

Participant data consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

Participants	
Active	174
Retired	173
Total	347

Funding Policy

The trust is funded through contributions made by the City as an employer, earnings from investments, and reimbursements from retirees and spouses. The City's cost of providing retiree medical coverage and life insurance is paid out of the OPEB Fund. In 2019, the City contributed $1,426,178 to prefund benefits and to pay current premiums for post-employment benefits. For 2019, the current premium costs of those benefits were $626,178.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(cont'd)

Investment Policy/ Rate of Return/Discount Rate

The pension trust and OPEB trust share the same investment policy, long term expected rate of return results and discount rate. Refer to footnote 8 for this information.

The annual money weighted rate of return on OPEB plan investments, net of plan investment expenses, for the fiscal year ended December 31, 2019 was 20.79 percent. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. The money weighted rate of return is calculated net of investment expenses.

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Net Position
Other Post-Employment Benefits Plan
December 31, 2019

ASSETS	
Cash and cash equivalents	$ 45,034
Investments:	
Domestic equity mutual funds	4,769,149
International equity mutual funds	2,639,503
Fixed income mutual funds	3,815,155
Real estate equity funds	984,232
Prepaid expenses	
Total assets	12,253,073
NET POSITION	
Restricted for employee post employment benefits	$ 12,253,073

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(cont'd)

Statement of Changes in Plan Net Position
Other Post-Employment Benefits Plan
For the Year Ended December 31, 2019

ADDITIONS	
Contributions:	
Employer contributions	$ 1,426,178
Investments:	
Investment earnings	288,199
Net increase (decrease) in fair value of investments	1,756,653
Total additions	3,471,030
DEDUCTIONS	
Benefits	626,178
Administrative expenses	15,440
Total deductions	641,618
Change in net position	2,829,412
Net position, January 1	9,423,661
Net position, December 31	$ 12,253,073

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

Net OPEB Liability

The components of the net OPEB liability of the trust as of December 31, 2019 were as follows:

Total OPEB liability	$	20,304,000
Fiduciary net position		(12,253,073)
Net OPEB liability	$	8,050,927
Fiduciary net position as a % of total OPEB liability		60.35%

Changes in Net OPEB Liability

Total OPEB liability		
Service cost	$	467,117
Interest on total OPEB liability		1,342,448
Effect of plan changes		-
Effect of economic/demographic (gains) or losses		(77,387)
Effect of assumptions changes or inputs		(1,194,000)
Benefit payments		(827,178)
Net change in total OPEB liability		(289,000)
Total OPEB liability, beginning		20,593,000
Total OPEB liability, ending (a)	$	20,304,000
Fiduciary net position		
Employer contributions		1,627,178
Investment income net of investment expenses		2,044,852
Benefit payments		(827,178)
Administrative expenses		(15,440)
Net change in plan fiduciary net position		2,829,412
Fiduciary net position, beginning		9,423,661
Fiduciary net position, ending (b)	$	12,253,073
Net OPEB liability, ending = (a) - (b)	$	8,050,927
Fiduciary net position as a % of total OPEB liability		60.35%
Covered payroll	$	12,425,486
Net OPEB liability as a % of covered payroll		64.79%

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

The City's net OPEB liability was measured as of December 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019.

Method and assumptions used to determine net OPEB liability were as follows:

Valuation date	January 1, 2019, rolled forward to December 31,2019
Measurement date	December 31, 2019
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 23 year amortization period and will decline by 1 year each year. A separate base was established for 2017 ERIP - 5 years over a closed period.
Asset valuation method	Market value of assets.
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	Based on 3.0% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Healthcare cost trend rates	Based on Society of Actuaries Getzen Model with adjustments for administrative expenses, aging factors, potential excise taxes due to healthcare reform and other healthcare reform provisions.
Mortality rate	RP-2006 Mortality Tables projected on a generational basis using Scale MP-2018.

Sensitivity Analysis

The following presents the net OPEB for the City, calculated using the discount rate of 6 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate of 1 percentage point lower (5 percent) or 1 percentage point higher (7 percent) than the current rate.

	1% Decrease 5.00%	**Current Discount Rate 6.00%**	**1% Increase 7.00%**
Total OPEB liability	$ 22,617,000	$ 20,304,000	$ 18,312,000
Fiduciary net position	12,253,073	12,253,073	12,253,073
Net OPEB liability	$ 10,363,927	$ 8,050,927	$ 6,058,927

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont'd)

The following presents the net OPEB for the City, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate of 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 19,106,000	$ 20,304,000	$ 21,438,000
Fiduciary net position	12,253,073	12,253,073	12,253,073
Net OPEB liability	$ 6,852,927	$ 8,050,927	$ 9,184,927

Deferred Inflows/Outflows of Resources

For the year ended December 31, 2019, the City recognized OPEB expense of $674,596. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	$ (78,055)
Changes of assumptions	(991,994)
Net difference between projected and actual earnings	(426,581)
Total	$ (1,496,630)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	$ (311,774)
2021	(311,774)
2022	(311,776)
2023	(536,379)
2023	(24,927)

NOTE 11 SECTION 401A CITY MANAGER'S RETIREMENT FUND

The City of Newark 401A Retirement Fund is a money purchase retirement plan known as the City of Newark, Delaware City Manager's Pension Plan. This plan is administered by the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust with the City of Newark serving as the trustee. The plan was adopted under Resolution No. 08-W on October 13, 2008. The former City Manager participated in the plan. Contributions to the plan were made by the City and the former City Manager according to the plan contribution provisions. There were no contributions to the Fund in 2019.

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Net Position
Section 401(a) City Manager's Retirement Fund
December 31, 2019

ASSETS	
Investments:	
Balanced asset allocation mutual funds	$ 257,095
Total assets	257,095
NET POSITION	
Restricted for employee post employment benefits	$ 257,095

Statement of Changes in Plan Net Position
Section 401(a) City Manager's Retirement Fund
For the Year Ended December 31, 2019

ADDITIONS	
Investments:	
Net decrease in fair value of investments	$ 29,865
Total investment loss	29,865
Total additions	29,865
Net Position, January 1	227,230
Net Position, December 31	$ 257,095

NOTE 12 SECTION 401A EMPLOYEES RETIREMENT FUND

The City of Newark 401A Retirement Fund is a money purchase retirement plan and trust known as the City of Newark, Delaware Employee Defined Contribution Pension Plan. This plan is administered by the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, with the City of Newark serving as the trustee. The plan, adopted under Resolution No. 12-R on October 8, 2012 and amended on January 1, 2014, includes management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and Employees Council hired after January 1, 2014. Contributions to the plan are made by the City and covered employees according to the plan's contribution provisions. In 2019, total contributions to the Fund were $546,550.

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Assets
Section 401(a) Employees' Retirement Fund
December 31, 2019

ASSETS		
Investments:		
Domestic equity mutual funds	$	2,333,879
Accounts receivable		85,135
Total assets		2,419,014
NET POSITION		
Restricted for employee post employment benefits	$	2,419,014

NOTE 12 SECTION 401A EMPLOYEES RETIREMENT FUND (cont'd)

Statement of Changes in Plan Net Position
Section 401(a) Employees' Retirement Fund
For the Year Ended December 31, 2019

ADDITIONS	
Contributions:	
Employer contributions	$ 305,755
Employee contributions	240,795
Total contributions	546,550
Investments:	
Investment earnings	4,885
Net decrease in fair value of investments	366,845
Total investment loss	371,730
Total additions	918,280
DEDUCTIONS	
Benefits	22,844
Administrative expenses	1,123
Total deductions	23,967
Change in Net Position	894,313
Net Position, January 1	1,524,701
Net Position, December 31	$ 2,419,014

NOTE 13 RETIREMENT HEALTH SAVINGS PLAN 2009

The City of Newark Retirement Health Savings Plan 2009 is an employer-sponsored health savings plan that is administered by the City Council sitting as the Board of Trustees. The fund, adopted under City Resolution No. 09-Q on August 24, 2009, is a savings vehicle that allows management employees to accumulate assets to pay for their medical expenses, their spouse's, and their dependents in retirement.

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Net Position
Retirement Health Savings Plan 2009
December 31, 2019

ASSETS	
Investments:	
Domestic equity mutual funds	$ 354,206
Total assets	354,206
NET POSITION	
Restricted for employee post employment benefits	$ 354,206

Statement of Changes in Plan Net Position
Retirement Health Savings Plan 2009
For the Year Ended December 31, 2019

ADDITIONS	
Contributions:	
Employee contributions	$ 14,096
Total contributions	14,096
Investments:	
Net decrease in fair value of investments	53,173
Total investment loss	53,173
Total additions	67,269
DEDUCTIONS	
Benefits	26,602
Administrative expenses	1,006
Total deductions	27,608
Change in net position	39,661
Net position, January 1	314,545
Net position, December 31	$ 354,206

NOTE 14 RETIREMENT HEALTH SAVINGS PLAN 2012

The City of Newark Retirement Health Savings Plan 2012 is an employer-sponsored health savings plan that is administered by the City Council sitting as the Board of Trustees. The fund, adopted under City Resolution No. 12-S on October 8, 2012 and amended on January 1, 2014, is a savings vehicle that allows management employees hired after January 1, 2012, Local 1670 employees hired after April 1, 2014, and Employees Council employees hired after January 1, 2014, to accumulate assets to pay for their medical expenses, their spouse's, and their dependents in retirement. Contributions to the plan are made by the City and covered employees according to the plan contribution provisions.

The condensed financial statements as of and for the year ended December 31, 2019 are as follows:

Statement of Plan Net Position
Retirement Health Savings Plan 2012
December 31, 2019

ASSETS	
Investments:	
Domestic equity mutual funds	$ 813,021
Total assets	813,021
NET POSITION	
Restricted for employee post employment benefits	$ 813,021

Statement of Changes in Plan Net Position
Retirement Health Savings Plan 2012
For the Year Ended December 31, 2019

ADDITIONS	
Contributions:	
Employer contributions	$ 122,909
Employee contributions	59,500
Total contributions	182,409
Investments:	
Net decrease in fair value of investments	134,216
Total investment loss	134,216
Total additions	316,625
DEDUCTIONS	
Benefits	7,152
Administrative expenses	2,939
Total deductions	10,091
Change in net position	306,534
Net position, January 1	506,487
Net position, December 31	$ 813,021

NOTE 15 RISK MANAGEMENT

The City maintains commercial insurance coverage for risk of losses relating to general, automotive, police professional, public officials and crime. There has been no significant change in coverage during the past year. There are no outstanding general liability claims above the insurance limit.

The City is self-insured for workers' compensation; however, medical costs related to on-the-job injuries are covered by the City's health insurance provider for employees covered by the City's group health plan. There is one workers' compensation claim above the insurance limit. The City's compensation payments are calculated based upon a written policy administered by the City.

The City maintains an insurance fund for worker's compensation claims and deductible amounts paid to its insurance underwriters. That insurance fund is included in these statements. Resources are allocated to this fund from operating funds. Historically, the City has experienced very few individual claims. As of December 31, 2019, there were several outstanding workers compensation claims included in accrued liabilities:

Fiscal Year	Aggregate Liability for Claims beginning 1/1	Current Year Claims	Actual Claims Payments	Aggregate Liability for Claims ending 12/31
2019	$ 2,886,356	$ 78,026	$ 793,217	$ 2,171,165
2018	$ 204,500	$ 4,017,785	$ 1,335,929	$ 2,886,356
2017	$ 121,782	$ 363,058	$ 280,340	$ 204,500

NOTE 16 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC.

The City is a member of the Delaware Municipal Electric Corporation (DEMEC). DEMEC is a public corporation constituted as a Joint Action Agency and a wholesale electric utility. DEMEC was established in 1979 and represents nine municipal electric distribution utilities located in the State of Delaware and provides full requirements wholesale electric power supply service to eight of the nine members, including the City, through the operation of owned generation assets and various wholesale supply contracts with external parties.

The City purchases 100 percent of its electric supply requirements from DEMEC under a long-term full requirements service contract 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 City 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.

On May 1, 2001, the City entered into separate power sales agreements to purchase a 47.4 percent interest in the capacity produced by Unit 1 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. The City is entitled to 47.4 percent 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.

NOTE 16 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC. (cont'd)

On May 1, 2011, the City entered into separate power sales agreements to purchase a 43.7 percent interest in the capacity produced by Unit 2 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware, owned by DEMEC. The City is entitled to 43.7 percent of all power supply and ancillary products generated from the existing nominal 50 MW natural gas fired combustion turbine generator for the useful life of the facility.

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

In December 2015, DEMEC entered into a loan agreement with the Delaware Sustainable Energy Utility for the purpose of financing a LED Streetlight Project for the City. This loan is recorded on DEMEC's financial statement. DEMEC is repaying the debt with the City's Green Energy Funds which are held by DEMEC. Upon completion of the project in 2016, the City recognized the LED streetlights as assets. Capital grant revenue will be recognized over the repayment period.

NOTE 17 LITIGATION

There were four pending lawsuits in which the City was involved at December 31, 2019. The City is seeking a dismissal in two of the cases and the City's motions are currently pending court decisions. The third lawsuit relates to a zoning designation that could potentially be resolved through ordinance. The remaining lawsuit is currently in the beginning stages of mediation. Additionally, there are three pending claims against the City as of the date of the financial statements. Two of the claimants have hired counsel and there has been no suit filed on the other claim.

NOTE 17 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities including the City of Newark. Specific to the City of Newark, COVID-19 may impact various of its 2020 operations and financial results including, but not limited to, City's utility and real estate tax collections and lost revenue for lodging taxes, parking, Parks department activities and events as well as expenditure increases for emergency preparedness supplies and overtime costs. Management and Council are taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

During the period from January 1, 2020 through June 26,2020, both domestic and international equity markets have experienced significant declines. These losses are not reflected in the financial statements as of and for the year ended December 31, 2019 as these events occurred subsequent to year end and are still developing.

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CITY OF NEWARK
MUNICIPAL

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS *
DECEMBER 31

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service cost	$ 1,657,347	$ 1,630,162	$ 1,739,878	$ 1,839,970	$ 1,828,519	$ 1,970,556
Interest on total pension liability	5,109,595	5,295,916	5,545,543	5,667,566	5,888,322	6,307,605
Effect of plan changes	-	-	-	301,000	3,000	895,000
Effect of economic/demographic (gains) or losses	(336,929)	596,848	503,390	403,715	1,877,397	(513,503)
Effect of assumptions changes or inputs	-	-	4,565,000	-	1,603,000	4,251,000
Benefit payments	(3,617,747)	(3,930,926)	(4,206,811)	(4,762,251)	(4,848,238)	(4,936,658)
Net change in total pension liability	2,812,266	3,592,000	8,147,000	3,450,000	6,352,000	7,974,000
Total pension liability, beginning	73,145,734	75,958,000	79,550,000	87,697,000	91,147,000	97,499,000
Total pension liability, ending (a)	$ 75,958,000	$ 79,550,000	$ 87,697,000	$ 91,147,000	$ 97,499,000	$ 105,473,000
Fiduciary Net Position						
Employer contributions	3,607,379	3,546,256	3,448,649	3,341,627	3,850,986	3,912,802
Member contributions	498,028	513,766	522,921	529,344	565,748	641,550
Investment income (loss) net of investment expenses	3,328,627	231,608	4,421,702	9,216,606	(3,787,283)	13,381,274
Benefit payments	(3,617,747)	(3,930,926)	(4,206,811)	(4,762,251)	(4,848,238)	(4,936,658)
Administrative expenses	(134,643)	(29,425)	(80,915)	(53,630)	(86,550)	(116,285)
Net change in plan fiduciary net position	3,681,644	331,279	4,105,546	8,271,696	(4,305,337)	12,882,683
Fiduciary net position, beginning	52,458,335	56,139,979	56,471,258	60,576,804	68,848,500	64,543,163
Fiduciary net position, ending (b)	$ 56,139,979	$ 56,471,258	$ 60,576,804	$ 68,848,500	$ 64,543,163	$ 77,425,846
Net pension liability, ending = (a) - (b)	$ 19,818,021	$ 23,078,742	$ 27,120,196	$ 22,298,500	$ 32,955,837	$ 28,047,154
Fiduciary net position as a % of total pension liability	73.91%	70.99%	69.08%	75.54%	66.20%	73.41%
Covered payroll	$ 12,880,696	$ 12,562,421	$ 12,908,988	$ 12,128,926	$ 12,593,688	$ 12,651,764
Net pension liability as a % of covered payroll	153.86%	183.71%	210.09%	183.85%	261.69%	221.69%

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

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS *
DECEMBER 31, 2019

Notes to schedule:

Valuation date	January 1, 2019, rolled forward to December 31,2019
Measurement date	December 31, 2019
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 23 year amortization period and will decline by 1 year each year. A separate base was established for 2017 Early Retirement Incentive Plan (ERIP) - 5 year closed period.
Asset valuation method	Market value of assets less unrecognized gains/losses over a 3-year period. Gains/losses are based on actuarial value of assets.
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	Based on 3.0% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Cost of living adjustments	None
General inflation	2.5%
Retirement	Rates vary by employee group, age, and type of retirement, 2% to 100%
Mortality rate	RP-2006 Mortality Tables projected on a generational basis using Scale MP-2018.

CITY OF NEWARK, DELAWARE
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
DECEMBER 31, 2019

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2010	2,277,619	2,469,544	(191,925)	12,735,266	19.39%
2011	2,614,758	2,743,738	(128,980)	12,683,712	21.63%
2012	2,832,003	2,923,317	(91,314)	12,927,854	22.61%
2013	3,070,787	2,906,464	164,323	12,866,664	22.59%
2014	3,166,294	3,607,379	(441,085)	12,880,696	28.01%
2015	2,998,093	3,546,256	(548,163)	12,562,421	28.23%
2016	3,044,590	3,448,649	(404,059)	12,908,988	26.72%
2017	3,507,333	3,341,627	165,706	12,128,926	27.55%
2018	3,857,788	3,850,986	6,802	12,593,688	30.58%
2019	3,897,013	3,912,802	(15,789)	12,651,764	30.93%

SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31, 2014	6.33%
Year Ended December 31, 2015	0.41%
Year Ended December 31, 2016	7.86%
Year Ended December 31, 2017	15.35%
Year Ended December 31, 2018	-5.53%
Year Ended December 31, 2019	20.84%

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS **
FOR THE YEAR ENDED DECEMBER 31

	2017	2018	2019
Total OPEB liability			
Service cost	$ 427,447	$ 440,270	$ 467,117
Interest on total OPEB liability	1,239,529	1,289,956	1,342,448
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(33,805)	(25,162)	(77,387)
Effect of assumptions changes or inputs	-	(51,000)	(1,194,000)
Benefit payments (including implicit rate subsidy)	(823,852)	(918,064)	(827,178)
Net change in total OPEB liability	809,319	736,000	(289,000)
Total OPEB liability, beginning	19,047,681	19,857,000	20,593,000
Total OPEB liability, ending (a)	$ 19,857,000	$ 20,593,000	$ 20,304,000
Fiduciary net position			
Employer contributions	1,001,172	1,414,064	1,627,178
Implicit rate subsidy contribution*	222,000	304,000	201,000
Investment income (loss) net of investment expenses	1,156,971	(543,150)	2,044,852
Benefit payments	(601,852)	(614,064)	(827,178)
Implicit rate subsidy payments*	(222,000)	(304,000)	(201,000)
Administrative expenses	(20,933)	(22,390)	(15,440)
Net change in plan fiduciary net position	1,535,358	234,460	2,829,412
Fiduciary net position, beginning	7,653,843	9,189,201	9,423,661
Fiduciary net position, ending (b)	$ 9,189,201	$ 9,423,661	$ 12,253,073
Net OPEB liability, ending = (a) - (b)	$ 10,667,799	$ 11,169,339	$ 8,050,927
Fiduciary net position as a % of total OPEB liability	46.31%	45.76%	60.35%
Covered payroll	$ 11,696,145	$ 11,696,145	$ 12,425,486
Net OPEB liability as a % of covered payroll	91.15%	95.50%	64.79%

*In accordance with illustration B1 of the 2017-2 Implementation Guide, premium payments on behalf of retirees have been adjusted to reflect age-based claims cost. The amount of the implicit rate subsidy adjustment should be subtracted from healthcare costs attributable to active employees. Additionally, the implicit rate subsidy contribution and payments of $201,000 are not reflected on the Statement of Changes in Net Position – Fiduciary Funds.

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

CITY OF NEWARK, DELAWARE
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS **
FOR THE YEAR ENDED DECEMBER 31

Notes to schedule:

Valuation date	January 1, 2019, rolled forward to December 31,2019
Measurement date	December 31, 2019
Actuarial cost method	Entry Age Normal
Amortization period	Level dollar 23 year amortization period and will decline by 1 year each year. A separate base was established for 2017 ERIP - 5 years over a closed period.
Asset valuation method	Market value of assets.
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	Based on 3.0% wage inflation rates plus reflecting wage progression and longevity increases for each employee group.
Healthcare cost trend rates	Based on Society of Actuaries Getzen Model with adjustments for administrative expenses, aging factors, potential excise taxes due to healthcare reform and other healthcare reform provisions.
Mortality rate	RP-2006 Mortality Tables projected on a generational basis using Scale MP-2018.

CITY OF NEWARK, DELAWARE
RSI - OPEB
DECEMBER 31, 2019

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2012	1,081,823	1,095,884	(14,061)	N/A	N/A
2013	1,212,836	1,189,031	23,805	N/A	N/A
2014	1,212,634	1,252,031	(39,397)	N/A	N/A
2015	1,171,936	535,209	636,727	N/A	N/A
2016	1,256,296	628,586	627,710	N/A	N/A
2017	1,389,203	1,001,172	388,031	11,696,145	8.56%
2018	1,383,560	1,414,064	(30,504)	11,696,145	12.09%
2019	1,249,413	1,627,178	(377,765)	12,425,486	13.10%

SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31, 2014	N/A
Year Ended December 31, 2015	N/A
Year Ended December 31, 2016	N/A
Year Ended December 31, 2017	15.14%
Year Ended December 31, 2018	-5.65%
Year Ended December 31, 2019	20.79%

2019

Rodney Dormitory Site Demolition

COMBINING FUND STATEMENTS

CITY OF NEWARK, DELAWARE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Debt Service	Special Revenue Funds: Transportation Fund	Special Revenue Funds: Downtown Newark Partnership Fund	Special Revenue Funds: Community Development Fund	Special Revenue Funds: Law Enforcement	Special Revenue Funds: Parks and Recreation	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	$ 38,641	$ -	$ -	$ 334	$ 1,170,659	$ 334,531	$ 1,544,165
Accounts receivable	-	83,742	-	122,613	22,517	-	228,872
Prepaid items	7,699	999	-	-	-	-	8,698
Total assets	$ 46,340	$ 84,741	$ -	$ 122,947	$ 1,193,176	$ 334,531	$ 1,781,735
LIABILITIES							
Accounts payable and accrued expenses	$ -	$ 57,019	$ -	$ 34,947	$ 219,025	$ 750	$ 311,741
Unearned revenues	-	-	-	-	189,975	-	189,975
Due to other funds	-	22,784	-	88,000	-	-	110,784
Total liabilities	-	79,803	-	122,947	409,000	750	612,500
FUND BALANCES							
Nonspendable							
Prepaid items	7,699	999	-	-	-	-	8,698
Restricted for							
Safetytown programs	-	-	-	-	-	64,864	64,864
Parks donations	-	-	-	-	-	32,638	32,638
Recreation donations	-	-	-	-	-	35,673	35,673
Island beautification	-	-	-	-	-	124,844	124,844
Parkland improvements	-	-	-	-	-	62,694	62,694
Other parks programs	-		-	-	-	13,068	13,068
Law enforcement	-	-	-	-	784,176	-	784,176
Assigned to							
Debt service	38,641	-	-	-	-	-	38,641
Transportation	-	3,939	-	-	-	-	3,939
Economic development	-	-	-	-	-	-	-
Total fund balances	46,340	4,938	-	-	784,176	333,781	1,169,235
Total liabilities and fund balances	$ 46,340	$ 84,741	$ -	$ 122,947	$ 1,193,176	$ 334,531	$ 1,781,735

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

		Special Revenue Funds					
	Debt Service	Transportation Fund	Downtown Newark Partnership Fund	Community Development Fund	Law Enforcement	Parks and Recreation	Total Nonmajor Governmental Funds
REVENUES							
Fines, forfeits and costs	$ -	$ -	$ -	$ -	$ 28,345	$ -	$ 28,345
Interest, dividends and rents	-	-	-	-	793	-	793
Intergovernmental revenues	-	257,453	-	226,776	370,862	45,191	900,282
Charges for services	-	-	-	-	-	-	-
Total revenues	-	257,453	-	226,776	400,000	45,191	929,420
EXPENDITURES							
Current:							
General government	-	230,700	-	-	-	-	230,700
Public safety	-	-	-	-	291,760	-	291,760
Community development	-	-	-	201,776	-	-	201,776
Culture and recreation	-	-	-	-	-	13,672	13,672
Debt service:							
Principal	248,112	-	-	-	-	-	248,112
Interest	23,040	-	-	-	-	-	23,040
Capital outlay	-	120,021	-	25,000	194,098	-	339,119
Total expenditures	271,152	350,721	-	226,776	485,858	13,672	1,348,179
Excess (deficiency) of revenues over (under) expenditures	(271,152)	(93,268)	-	-	(85,858)	31,519	(418,759)
OTHER FINANCING SOURCES (USES)							
Dissolution of Downtown Newark Partnership Fund	-	-	-	-	-	-	-
Transfers in	271,152	93,268	-	-	-	-	364,420
Transfers out	-	-	(92,081)	-	-	-	(92,081)
Total other financing sources and (uses)	271,152	93,268	(92,081)	-	-	-	272,339
Net change in fund balances	-	-	(92,081)	-	(85,858)	31,519	(146,420)
Fund balances - January 1	46,340	4,938	92,081	-	870,034	302,262	1,315,655
Fund balances - December 31	$ 46,340	$ 4,938	$ -	$ -	$ 784,176	$ 333,781	$ 1,169,235

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
EXPENDITURES				
Debt service:				
Principal	$ 246,487	$ 246,487	$ 248,112	$ (1,625)
Interest	24,665	24,665	23,040	1,625
Total debt service	271,152	271,152	271,152	-
Total expenditures	271,152	271,152	271,152	-
Deficiency of revenues under expenditures	(271,152)	(271,152)	(271,152)	-
Other Financing Sources (Uses)				
Transfers In	271,152	271,152	271,152	-
Total other financing sources and uses	271,152	271,152	271,152	-
Net change in fund balances	-	-	-	$ -
Fund balances - January 1	46,340	46,340	46,340	
Fund balances - December 31	$ 46,340	$ 46,340	$ 46,340	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Intergovernmental revenues	$ 257,453	$ 257,453	$ 257,453	$ -
Total revenues	257,453	257,453	257,453	-
EXPENDITURES				
Current:				
General government	223,820	223,820	230,700	(6,880)
Total general government	223,820	223,820	230,700	(6,880)
Capital outlay	130,000	130,000	120,021	9,979
Total expenditures	353,820	353,820	350,721	3,099
Excess (deficiency) of revenues over (under) expenditures	(96,367)	(96,367)	(93,268)	3,099
Other Financing Sources (Uses)				
Transfers in	120,784	120,784	93,268	(27,516)
Total other financing sources and uses	120,784	120,784	93,268	(27,516)
Net change in fund balances	24,417	24,417	-	$ (24,417)
Fund balances - January 1	4,938	4,938	4,938	
Fund balances - December 31	$ 29,355	$ 29,355	$ 4,938	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DOWNTOWN NEWARK PARTNERSHIP SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Intergovernmental revenues	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community development	-	-	-	-
Total insurance special revenue fund	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(92,081)	(92,081)	(92,081)	-
Total other financing sources and uses	(92,081)	(92,081)	(92,081)	-
Net change in fund balances	(92,081)	(92,081)	(92,081)	$ -
Fund balances - January 1	92,081	92,081	92,081	
Fund balances - December 31	$ -	$ -	$ -	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts (Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Intergovernmental revenues	$ 272,300	$ 272,300	$ 226,776	$ (45,524)
Total revenues	272,300	272,300	226,776	(45,524)
EXPENDITURES				
Current:				
Community development:				
Community development & subventions	248,548	248,548	201,776	46,772
Total community development	248,548	248,548	201,776	46,772
Capital outlay	25,000	25,000	25,000	-
Total expenditures	273,548	273,548	226,776	46,772
Excess of revenues over expenditures	(1,248)	(1,248)	-	1,248
Other Financing Sources (Uses)				
Transfers In	1,248	1,248	-	(1,248)
Total other financing sources and uses	1,248	1,248	-	(1,248)
Net change in fund balances	-	-	-	$ -
Fund balances - January 1	-	-	-	
Fund balances - December 31	$ -	$ -	$ -	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Fines, forfeits and costs	$ 27,000	$ 27,000	$ 28,345	$ 1,345
Interest, dividends and rents	-	-	793	793
Intergovernmental revenues	299,367	299,367	370,862	71,495
Total revenues	326,367	326,367	400,000	73,633
EXPENDITURES				
Current:				
Public safety:				
Police	242,828	242,828	291,760	(48,932)
Total public safety	242,828	242,828	291,760	(48,932)
Capital outlay	-	-	194,098	(194,098)
Total expenditures	242,828	242,828	485,858	(243,030)
Excess (deficiency) of revenues over (under) expenditures	83,539	83,539	(85,858)	(169,397)
Net change in fund balances	83,539	83,539	(85,858)	$ (169,397)
Fund balances - January 1	870,034	870,034	870,034	
Fund balances - December 31	$ 953,573	$ 953,573	$ 784,176	

CITY OF NEWARK, DELAWARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budgetary Basis)**	**Variance with Final Budget - Favorable (Unfavorable)**
REVENUES				
Intergovernmental revenue	$ 36,200	$ 36,200	$ 45,191	$ 8,991
Total revenues	36,200	36,200	45,191	8,991
EXPENDITURES				
Current:				
Culture and recreation:				
Parks and recreation	35,100	35,100	6,537	28,563
Landscape beautification	14,975	14,975	7,135	7,840
Total culture and recreation	50,075	50,075	13,672	36,403
Total expenditures	50,075	50,075	13,672	36,403
Excess (deficiency) of revenues over (under) expenditures	(13,875)	(13,875)	31,519	45,394
Other Financing Sources (Uses)				
Transfers in	13,875	13,875	-	(13,875)
Total other financing sources and uses	13,875	13,875	-	(13,875)
Net change in fund balances	-	-	31,519	$ 31,519
Fund balances - January 1	302,262	302,262	302,262	
Fund balances - December 31	$ 302,262	$ 302,262	$ 333,781	

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Maintenance Fund	Self-Insurance Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 156,131	$ 602,257	$ 758,388
Investments, unrestricted	-	709,270	709,270
Accounts receivable, net	881	3,034	3,915
Due from other funds	3,325,700	2,033,500	5,359,200
Inventory	12,851	-	12,851
Prepaid items	32,638	-	32,638
Total current assets	3,528,201	3,348,061	6,876,262
Noncurrent assets:			
Capital assets, net:			
Land	44,230	-	44,230
Buildings	661,742	-	661,742
Improvements	8,762	-	8,762
Machinery and equipment	301,344	-	301,344
Total noncurrent assets	1,016,078	-	1,016,078
Total assets	4,544,279	3,348,061	7,892,340
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension amounts	119,900	-	119,900
Deferred OPEB amounts	-	-	-
Total deferred outflow of resources	119,900	-	119,900
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	92,534	2,176,440	2,268,974
Compensated absences	3,369	-	3,369
Due to other funds	2,733,500	-	2,733,500
Total current liabilities	2,829,403	2,176,440	5,005,843
Noncurrent liabilities:			
Compensated absences	30,317	-	30,317
Net OPEB liability	144,917	-	144,917
Net pension liability	500,128	-	500,128
Total noncurrent liabilities	675,362	-	675,362
Total liabilities	3,504,765	2,176,440	5,681,205
DEFERRED INFLOW OF RESOURCES			
Deferred pension amounts	94,688	-	94,688
Deferred OPEB amounts	26,940	-	26,940
	121,628	-	121,628
NET POSITION			
Net investment in capital assets	1,016,078	-	1,016,078
Unrestricted	21,708	1,171,621	1,193,329
Total net position	$ 1,037,786	$ 1,171,621	$ 2,209,407

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Maintenance Fund	Self-Insurance Fund	Total Internal Service Funds
Operating Revenues:			
Charges for service	$ 2,056,895	$ 78,026	$ 2,134,921
Miscellaneous	6,109	-	6,109
Total operating revenues	2,063,004	78,026	2,141,030
Operating Expenses:			
Personnel	798,290	-	798,290
Materials and supplies	681,863	-	681,863
Contracted services	295,252	78,026	373,278
Depreciation	65,304	-	65,304
Other	160,757	-	160,757
Total operating expenses	2,001,466	78,026	2,079,492
Operating income	61,538	-	61,538
Nonoperating Revenues (Expenses):			
Interest and investment revenue	-	27,634	27,634
Total nonoperating revenues (expenses)	-	27,634	27,634
Income before capital grants, capital contributions, and transfers	61,538	27,634	89,172
Capital grants and contributions	71,628	-	71,628
Transfers in	280,000	220,920	500,920
Change in net position	413,166	248,554	661,720
Total net position - beginning of year	624,620	923,067	1,547,687
Total net position - end of year	$ 1,037,786	$ 1,171,621	$ 2,209,407

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Maintenance Fund	Self-Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges for fleet management services	$ 1,353,866	$ -	$ 1,353,866
Receipts from interfund charges for facility management services	702,659	-	702,659
Receipts from interfund charges for risk management services	-	796,763	796,763
Other operating receipts	6,109	-	6,109
Payments to suppliers for goods and services	(1,117,443)	(791,488)	(1,908,931)
Payments to employees for services	(760,661)	-	(760,661)
Net cash provided (used) by operating activities	184,530	5,275	189,805
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	280,000	220,920	500,920
Net cash provided (used) by noncapital financing activities	280,000	220,920	500,920
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(407,755)	-	(407,755)
Net cash provided (used) by capital and related financing activities	(407,755)	-	(407,755)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	12,181	12,181
Net cash provided (used) by investing activities	-	12,181	12,181
Net increase (decrease) in cash and cash equivalents	56,775	238,376	295,151
Cash and cash equivalents - beginning of year	99,356	363,881	463,237
Cash and cash equivalents - end of year	$ 156,131	$ 602,257	$ 758,388
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 61,538	$ -	$ 61,538
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	65,304	-	65,304
Effect of changes in operating assets and liabilities			
Accounts receivable	(370)	52,237	51,867
Due from other funds	666,500	666,500	1,333,000
Inventory	173	-	173
Prepaid expenses	10,119	-	10,119
Deferred outflow pension amounts	48,430	-	48,430
Deferred outflow OPEB amounts	16,781	-	16,781
Accounts payable	7,036	(713,462)	(706,426)
Compensated absences	3,422	-	3,422
Net OPEB liability	(56,131)	-	(56,131)
Net pension liability	(92,283)	-	(92,283)
Due to other funds	(666,500)	-	(666,500)
Deferred inflow pension amounts	94,688	-	94,688
Deferred inflow OPEB amounts	25,823	-	25,823
Total adjustments	122,992	5,275	128,267
Net cash provided (used) by operating activities	$ 184,530	$ 5,275	$ 189,805
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	-	15,598	15,598
Increase (decrease) in accrued interest receivable	-	145	145

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Employees Pension Trust Fund	Section 401(a) City Manager's Retirement Fund	Section 401(a) Retirement Fund	Other Post-Employment Benefits Fund	RHS Plan 2009	RHS Plan 2012	Total Fiduciary Funds
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ 45,034	$ -	$ -	$ 45,034
Investments:							
Domestic equity mutual funds	26,379,842	-	2,333,879	4,769,149	354,206	813,021	34,650,097
International equity mutual funds	20,820,057	-	-	2,639,503	-	-	23,459,560
Fixed income mutual funds	23,608,874	-	-	3,815,155	-	-	27,424,029
Real estate equity funds	6,617,073	-	-	984,232	-	-	7,601,305
Balanced asset allocation mutual funds	-	257,095	-	-	-	-	257,095
Accounts receivable	-	-	85,135	-	-	-	85,135
Total assets	77,425,846	257,095	2,419,014	12,253,073	354,206	813,021	93,522,255
LIABILITIES							
Accounts payable and accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
NET POSITION							
Net position restricted for employee post employment benefits	$ 77,425,846	$ 257,095	$ 2,419,014	$ 12,253,073	$ 354,206	$ 813,021	$ 93,522,255

CITY OF NEWARK, DELAWARE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Employees Pension Trust Fund	Section 401(a) City Manager's Retirement Fund	Section 401(a) Retirement Fund	Other Post-Employment Benefits Fund	RHS Plan 2009	RHS Plan 2012	Total Fiduciary Funds
ADDITIONS							
Contributions:							
Employer contributions	$ 3,550,000	$ -	$ 305,755	$ 1,426,178	$ -	$ 122,909	$ 5,404,842
State aid - police	362,802	-	-	-	-	-	362,802
Employee contributions	641,550	-	240,795	-	14,096	59,500	955,941
Total contributions	4,554,352	-	546,550	1,426,178	14,096	182,409	6,723,585
Investments:							
Investment earnings	1,776,665	-	4,885	288,199	-	-	2,069,749
Net decrease in fair value of investments	11,604,609	29,865	366,845	1,756,653	53,173	134,216	13,945,361
Total investment earnings (deficit)	13,381,274	29,865	371,730	2,044,852	53,173	134,216	16,015,110
Total additions	17,935,626	29,865	918,280	3,471,030	67,269	316,625	22,738,695
DEDUCTIONS							
Benefits	4,936,658	-	22,844	626,178	26,602	7,152	5,619,434
Administrative expenses	116,285	-	1,123	15,440	1,006	2,939	136,793
Total deductions	5,052,943	-	23,967	641,618	27,608	10,091	5,756,227
Change in net position	12,882,683	29,865	894,313	2,829,412	39,661	306,534	16,982,468
Net position - January 1	64,543,163	227,230	1,524,701	9,423,661	314,545	506,487	76,539,787
Net position - December 31	$ 77,425,846	$ 257,095	$ 2,419,014	$ 12,253,073	$ 354,206	$ 813,021	$ 93,522,255

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PAY WITH THE APP
PASSPORT PARKING
ZONE 19712
DISPLAY OF RECEIPT NOT REQUIRED
INSTRUCTIONS
1 PRESS KEYPAD
2 FOLLOW PROMPTS
3 MAKE PAYMENT
4 TAKE RECEIPT
CANCEL
OK
NO CHANGE GIVEN

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Newark's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF NEWARK, DELAWARE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	$ 23,098,225	$ 23,474,857	$ 27,031,981	$ 28,039,416	$ 30,202,907	$ 30,269,082	$ 31,378,295	$ 32,033,351	$ 32,127,961	$ 32,860,010
Restricted	-	241,912	337,388	322,332	426,369	176,186	1,337	893,224	1,172,296	1,117,957
Unrestricted	13,325,662	13,830,066	12,002,129	13,562,419	13,531,373	(2,964,236)	(5,589,425)	(8,585,727)	(16,763,284)	(16,293,499)
Total governmental activities net position	$ 36,423,887	$ 37,546,835	$ 39,371,498	$ 41,924,168	$ 44,160,649	$ 27,481,032	$ 25,790,207	$ 24,340,848	$ 16,536,973	$ 17,684,468
Business-type activities										
Net investment in capital assets	$ 37,038,824	$ 37,821,033	$ 39,486,456	$ 45,847,342	$ 45,621,495	$ 49,953,620	$ 54,356,297	$ 58,842,536	$ 60,558,726	$ 65,964,765
Restricted	-	668,642	8,786,225	1,928,424	817,815	-	-	-	-	-
Unrestricted	11,979,078	14,561,705	8,290,134	12,604,948	18,603,562	14,729,687	15,273,278	16,417,133	18,851,124	19,204,772
Total business-type activities net position	$ 49,017,902	$ 53,051,380	$ 56,562,815	$ 60,380,714	$ 65,042,872	$ 64,683,307	$ 69,629,575	$ 75,259,669	$ 79,409,850	$ 85,169,537
Primary government										
Net investment in capital assets	$ 61,295,890	$ 66,518,437	$ 73,886,758	$ 75,824,402	$ 80,222,702	$ 85,734,592	$ 85,734,592	$ 90,875,887	$ 92,686,687	$ 98,824,775
Restricted	910,554	9,123,613	2,250,756	1,244,184	176,186	1,337	1,337	893,224	1,172,296	1,117,957
Unrestricted	28,391,771	20,292,263	26,167,367	32,134,935	11,765,451	9,683,853	9,683,853	7,831,406	2,087,840	2,911,273
Total primary government net position	$ 90,598,215	$ 95,934,313	$ 102,304,882	$ 109,203,521	$ 92,164,339	$ 95,419,782	$ 95,419,782	$ 99,600,517	$ 95,946,823	$ 102,854,005

CITY OF NEWARK, DELAWARE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	$ 7,100,937	$ 8,380,516	$ 6,237,220	$ 6,395,748	$ 7,079,702	$ 7,515,728	$ 7,758,601	$ 7,934,478	$ 8,513,469	$ 8,162,236
Public safety	10,494,199	10,899,136	11,426,222	12,220,141	13,012,788	15,712,929	14,523,004	15,256,085	17,692,838	17,371,732
Public works	4,608,499	4,303,785	5,938,001	5,034,078	4,920,853	5,355,309	5,234,161	5,435,573	5,853,165	5,383,774
Community development	297,483	320,682	150,939	219,480	178,555	238,997	204,919	152,971	257,509	201,776
Culture and recreation	1,916,029	2,020,999	2,908,610	2,992,043	3,263,524	3,646,885	3,476,444	3,575,722	4,543,526	3,948,473
Interest expense	86,321	87,994	37,453	30,814	28,512	22,073	19,551	21,032	22,037	15,087
Total governmental activities expenses	24,503,468	26,013,112	26,698,445	26,892,304	28,483,934	32,491,921	31,216,680	32,375,861	36,882,544	35,083,078
Business-type activities:										
Electric	45,272,708	44,815,073	41,681,970	39,515,400	39,747,555	41,767,161	40,754,499	39,901,201	40,724,087	39,003,819
Water	3,930,138	4,105,171	3,928,933	4,534,736	5,262,775	5,702,289	5,551,922	5,851,339	5,046,620	5,603,083
Sewer	4,195,238	4,206,078	4,559,881	4,947,453	5,092,098	5,201,543	5,388,663	5,560,685	5,973,196	6,358,390
Parking	765,549	809,599	805,008	865,948	1,012,311	1,593,805	1,566,019	1,740,399	1,952,617	2,049,277
Stormwater (initiated in 2018)									1,104,922	911,681
Total business-type activities expenses	54,163,633	53,935,921	50,975,792	49,863,537	51,114,739	54,264,798	53,261,103	53,053,624	54,801,442	53,926,250
Total primary government expenses	$ 78,667,101	$ 79,949,033	$ 77,674,237	$ 76,755,841	$ 79,598,673	$ 86,756,719	$ 84,477,783	$ 85,429,485	$ 91,683,986	$ 89,009,328
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 3,858,308	$ 3,969,259	$ 3,996,682	$ 3,942,052	$ 3,723,116	$ 2,443,382	$ 2,657,236	$ 3,081,864	$ 3,068,057	$ 3,292,784
Public safety	1,641,801	1,519,987	1,436,915	1,921,357	1,702,677	891,512	1,313,738	1,348,763	2,587,645	1,412,797
Public works	178,582	223,603	184,811	113,402	10,169	8,843	8,687	20,564	17,804	39,147
Culture and recreation	522,701	538,444	570,866	614,771	586,013	623,025	655,634	668,514	706,987	720,923
Operating grants and contributions	1,240,437	1,262,306	1,067,730	1,328,639	1,347,577	1,220,225	1,250,818	1,321,862	1,388,615	1,845,043
Capital grants and contributions	1,698,039	1,565,828	3,393,569	1,493,727	2,051,726	665,475	588,637	1,670,470	1,338,317	1,305,054
Total governmental activities program revenues	9,139,868	9,079,427	10,650,573	9,413,948	9,421,278	5,852,462	6,474,750	8,112,037	9,107,425	8,615,748
Business-type activities:										
Charges for services:										
Electric	57,757,600	56,230,178	53,455,096	51,156,188	50,484,772	53,022,467	53,202,489	52,884,838	55,311,837	52,817,450
Water	6,610,742	6,346,031	7,347,756	7,288,821	8,455,187	9,045,018	9,564,594	9,595,035	9,600,198	9,307,957
Sewer	5,528,975	5,643,113	6,002,001	5,989,085	6,691,812	6,709,584	7,174,004	7,054,106	7,237,658	7,415,214
Parking	1,138,887	1,383,768	1,381,148	1,422,411	1,501,768	2,712,473	2,772,597	2,899,949	2,930,539	2,744,814
Stormwater (initiated in 2018)									2,028,116	2,435,618
Capital grants and contributions	660,740	644,724	66,045	442,870	1,796,634	298,368	149,250	69,764	145,869	535,109
Total business-type activities program revenues	71,696,944	70,247,814	68,252,046	66,299,375	68,930,173	71,787,910	72,862,934	72,503,692	77,254,217	75,256,162
Total primary government program revenues	$ 80,836,812	$ 79,327,241	$ 78,902,619	$ 75,713,323	$ 78,351,451	$ 77,640,372	$ 79,337,684	$ 80,615,729	$ 86,361,642	$ 83,871,910
Net (expense)/revenue										
Governmental activities	$ (15,363,600)	$ (16,933,685)	$ (16,047,872)	$ (17,478,356)	$ (19,062,656)	$ (26,639,459)	$ (24,741,930)	$ (24,263,824)	$ (27,775,119)	$ (26,467,330)
Business-type activities	17,533,311	16,311,893	17,276,254	16,435,838	17,815,434	17,523,112	19,601,831	19,450,068	22,452,775	21,329,912
Total primary government net expense	$ 2,169,711	$ (621,792)	$ 1,228,382	$ (1,042,518)	$ (1,247,222)	$ (9,116,347)	$ (5,140,099)	$ (4,813,756)	$ (5,322,344)	$ (5,137,418)

CITY OF NEWARK, DELAWARE
CHANGES IN NET POSITION - CONTINUED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Real estate taxes	$ 5,027,187	$ 5,102,146	$ 5,264,245	$ 5,515,859	$ 5,612,294	$ 5,794,770	$ 6,264,005	$ 6,557,441	$ 6,729,794	$ 6,766,578
Real estate transfer taxes	969,617	988,807	1,162,016	1,424,534	1,821,278	2,074,082	1,430,654	1,584,426	2,365,285	2,646,573
Franchise fees	383,816	399,960	412,079	424,649	444,853	462,368	482,218	471,456	628,907	423,106
Lodging taxes (intiated 12/01/2018)									46,937	760,647
Investment earnings	247,932	117,447	129,570	8,984	126,100	116,947	116,018	115,172	124,038	640,030
Miscellaneous	42	1,039	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	25,647	7,240	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	13,172	-	41,176	34,040	22,960	18,912	9,730	59,200	51,403	25,863
Transfers	13,115,896	12,389,994	13,732,314	12,622,960	13,271,652	14,255,640	14,748,480	14,026,770	16,292,527	16,352,028
Total governmental activities	19,783,309	19,006,633	20,741,400	20,031,026	21,299,137	22,722,719	23,051,105	22,814,465	26,238,891	27,614,825
Business-type activities:										
Investment earnings	111,882	74,758	126,956	5,021	118,376	124,235	92,917	166,645	192,272	742,903
Miscellaneous	6,474	12,821	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	(636)	24,000	-	-	-	25,750	-	40,151	-	38,900
Transfers	(13,115,896)	(12,389,994)	(13,732,314)	(12,622,960)	(13,271,652)	(14,255,640)	(14,748,480)	(14,026,770)	(16,292,527)	(16,352,028)
Total business-type activities	(12,998,176)	(12,278,415)	(13,605,358)	(12,617,939)	(13,153,276)	(14,105,655)	(14,655,563)	(13,819,974)	(16,100,255)	(15,570,225)
Total primary government	$ 6,785,133	$ 6,728,218	$ 7,136,042	$ 7,413,087	$ 8,145,861	$ 8,617,064	$ 8,395,542	$ 8,994,491	$ 10,138,636	$ 12,044,600
Change in Net Position										
Governmental activities	$ 2,072,948	$ 4,693,528	$ 2,552,670	$ 2,236,481	$ (3,916,740)	$ (1,690,825)	$ (1,449,359)	$ (1,536,228)	$ (1,536,228)	$ 1,147,495
Business-type activities	4,033,478	3,670,896	3,817,899	4,662,158	3,417,457	4,946,268	5,630,094	6,352,520	6,352,520	5,759,687
Total primary government	$ 6,106,426	$ 8,364,424	$ 6,370,569	$ 6,898,639	$ (499,283)	$ 3,255,443	$ 4,180,735	$ 4,816,292	$ 4,816,292	$ 6,907,182

CITY OF NEWARK, DELAWARE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

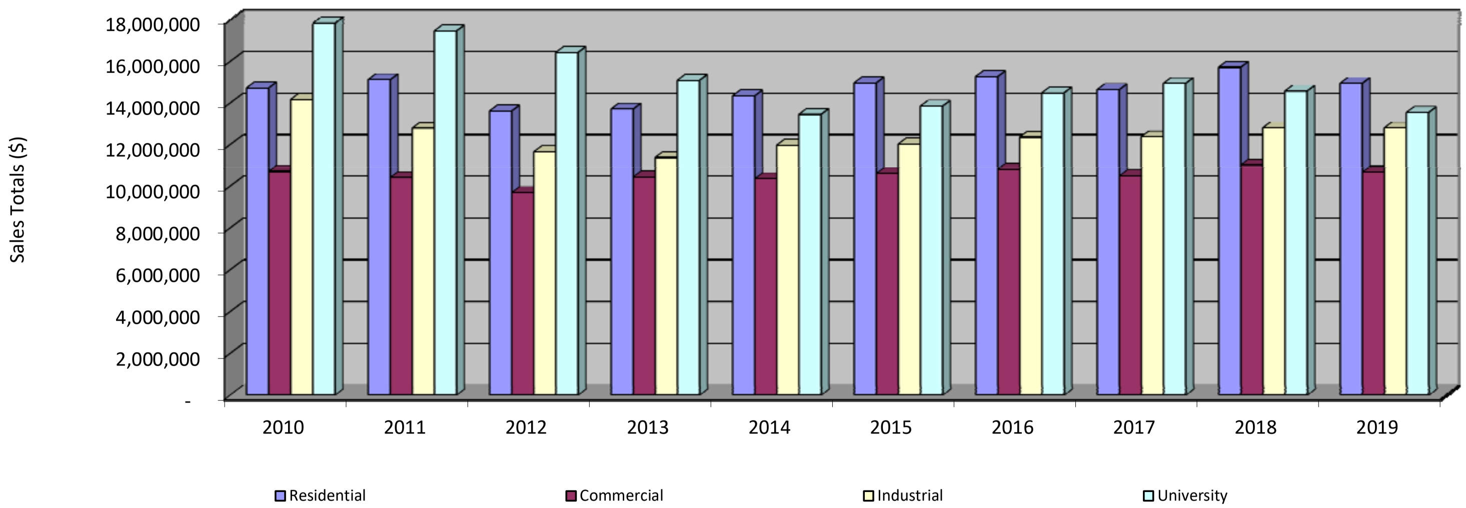
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	$ 124,999 (1)									
Unreserved	2,424,341									
Total general fund	$ 2,549,340									
All other governmental funds										
Reserved	$ 8,215,681 (1)									
Unreserved, reported in:										
Special revenue funds	203,598									
Capital projects fund	-									
Total all other governmental funds	$ 8,419,279									
General fund										
Fund balances:										
Nonspendable		$ 105,441	$ 54,026	$ 80,580	$ 128,618	$ 309,223	$ 126,359	$ 156,325	$ 165,163	$ 574,799
Restricted		150,664	132,891	85,030	98,682	-	-	-	-	170,540
Committed		-	-	-	-	-	-	-	-	-
Assigned		25,257	24,165	115,804	108,022	108,720	111,514	93,285	156,304	128,675
Unassigned		2,559,055	2,697,321	4,295,720	4,082,549	3,868,737	4,144,251	4,283,966	3,637,979	3,803,145
Total general fund		$ 2,840,417	$ 2,908,403	$ 4,577,134	$ 4,417,871	$ 4,286,680	$ 4,382,124	$ 4,533,576	$ 3,959,446	$ 4,677,159
All other governmental funds										
Fund balances:										
Nonspendable		$ 34,559	$ 54,176	$ 27,363	$ 20,257	$ 52,846	$ 12,199	$ 7,699	$ 68,829	$ 69,828
Restricted		2,434,591	760,724	877,335	946,722	747,478	875,174	893,224	1,172,296	1,117,957
Committed		-	-	-	-	-	-	-	-	-
Assigned		6,470,015	8,141,835	8,010,460	7,895,040	7,216,613	5,673,497	4,598,693	3,949,378	5,506,809
Unassigned		(36)	-	-	-	-	-	-	-	-
Total all other governmental funds		$ 8,939,129	$ 8,956,735	$ 8,915,158	$ 8,862,019	$ 8,016,937	$ 6,560,870	$ 5,499,616	$ 5,190,503	$ 6,694,594

Note:
(1) In Fiscal Year 2011, GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was implemented.

CITY OF NEWARK, DELAWARE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	$ 6,203,242	$ 6,412,978	$ 6,838,340	$ 7,365,042	$ 7,878,425	$ 8,331,220	$ 8,176,877	$ 8,613,323	$ 9,770,923	$ 10,596,904
Licenses and permits	2,253,729	1,945,632	1,961,647	2,291,368	2,140,480	1,494,793	1,649,231	2,174,978	2,896,107	1,254,096
Fines, forfeits and costs	2,265,043	2,465,745	2,306,788	2,394,708	1,989,715	1,507,219	2,014,327	1,867,284	2,218,118	1,944,709
Investment earnings	241,324	169,599	129,570	8,984	126,100	109,343	110,008	107,460	113,998	612,396
Intergovernmental revenues	2,739,318	2,618,365	4,251,023	2,238,117	2,893,994	1,457,261	1,315,182	2,464,797	1,785,210	2,615,126
Charges for services/fees	1,682,618	1,836,072	1,920,840	1,905,503	1,891,780	986,429	1,003,861	1,105,646	1,276,082	2,281,547
Community donations	-	-	-	-	-	-	-	-	425,249	5,000
Subvention-University of Delaware	204,000	207,125	211,500	511,003	516,620	504,953	492,149	499,331	506,658	515,271
Total revenues	15,589,274	15,655,516	17,619,708	16,714,725	17,437,114	14,391,218	14,761,635	16,832,819	18,992,345	19,825,049
Expenditures										
General government	5,083,006	5,650,131	5,977,569	6,067,682	6,783,535	6,532,539	7,102,547	7,333,498	7,996,746	7,592,387
Public safety	10,413,230	10,899,188	10,976,608	11,646,760	12,724,277	12,946,674	13,295,638	14,230,492	16,286,387	15,992,469
Public works	4,440,437	4,966,108	4,932,173	3,929,085	3,863,765	3,804,497	3,799,250	4,056,558	4,472,833	4,007,015
Community development	297,483	320,682	150,939	219,480	178,555	238,997	204,919	152,971	257,509	201,776
Culture and recreation	2,473,122	2,584,379	2,623,249	2,575,895	2,778,489	2,720,807	2,739,878	2,899,397	3,783,579	3,127,665
Bond issuance costs	-	22,189	-	-	-	-	-	-	-	-
Lease acquisition costs	-	-	4,500	-	-	-	-	-	-	-
Capital outlay	1,990,104	2,547,520	5,772,745	3,079,323	4,402,660	2,308,342	3,514,189	3,410,170	3,154,129	2,317,855
Debt service										
Principal	285,000	1,670,000	160,000	183,880	179,609	191,603	197,137	218,293	241,458	248,112
Interest and other charges	89,718	101,709	31,444	42,466	33,239	30,744	26,910	28,418	29,944	23,040
Total expenditures	25,072,100	28,761,906	30,629,227	27,744,571	30,944,129	28,774,203	30,880,468	32,329,797	36,222,585	33,510,319
Excess of revenues over (under) expenditures	(9,482,826)	(13,106,390)	(13,009,519)	(11,029,846)	(13,507,015)	(14,382,985)	(16,118,833)	(15,496,978)	(17,230,240)	(13,685,270)
Other financing sources (uses)										
Proceeds of long-term capital-related lease	-	-	-	-	-	-	-	430,000	-	-
Transfers in	16,954,694	17,366,337	17,981,393	16,634,009	17,415,013	17,672,928	16,296,303	14,649,848	17,686,213	18,893,176
Transfers out	(4,258,798)	(4,986,260)	(4,249,079)	(4,011,049)	(4,143,360)	(3,417,288)	(1,547,823)	(553,496)	(1,393,686)	(3,032,256)
Proceeds from debt	-	1,530,000	269,164	-	-	-	-	-	-	-
Proceeds from sales of capital assets	53,121	7,240	43,633	34,040	22,960	56,388	9,730	60,824	54,470	46,154
Litigation Settlement	-	-	(950,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	12,749,017	13,917,317	13,095,111	12,657,000	13,294,613	14,312,028	14,758,210	14,587,176	16,346,997	15,907,074
Net change in fund balances	$ 3,266,191	$ 810,927	$ 85,592	$ 1,627,154	$ (212,402)	$ (70,957)	$ (1,360,623)	$ (909,802)	$ (883,243)	$ 2,221,804
Debt service as a percentage of noncapital expenditures	1.6%	6.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.9%	0.8%	0.9%

CITY OF NEWARK, DELAWARE
ELECTRIC USAGE AND ACTUAL SALES TOTALS
LAST TEN FISCAL YEARS



	RESIDENTIAL			COMMERCIAL			INDUSTRIAL			UNIVERSITY			TOTALS		
YEAR	SALES (kWh)	AMOUNT ($)	AVG RATE ($/kWh)	SALES (kWh)	AMOUNT ($)	AVG RATE ($/kWh)	SALES (kWh)	AMOUNT ($)	AVG RATE ($/kWh)	SALES (kWh)	AMOUNT ($)	AVG RATE ($/kWh)	SALES (kWh)	AMOUNT ($)	AVG RATE ($/kWh)
2010	95,050,384	14,726,803	0.155	70,985,485	10,709,367	0.151	99,556,219	14,169,577	0.142	140,461,314	17,851,612	0.127	406,053,402	57,457,359	0.142
2011	91,825,911	15,120,100	0.165	69,658,960	10,409,620	0.149	94,563,322	12,792,357	0.135	145,931,881	17,466,559	0.120	401,980,074	55,788,636	0.139
2012	90,231,853	13,615,230	0.151	70,596,053	9,689,088	0.137	94,263,963	11,644,586	0.124	147,373,607	16,428,015	0.111	402,465,476	51,376,919	0.128
2013	90,374,056	13,710,184	0.152	76,290,773	10,439,109	0.137	90,233,965	11,380,234	0.126	145,121,562	15,088,929	0.104	402,020,356	50,618,456	0.126
2014	93,042,185	14,341,836	0.154	74,147,270	10,351,510	0.140	91,928,003	11,969,138	0.130	145,697,539	13,447,627	0.092	404,814,997	50,110,111	0.124
2015	96,750,581	14,964,142	0.155	75,642,389	10,602,388	0.140	91,831,587	12,022,056	0.131	152,519,176	13,844,523	0.091	416,743,733	51,433,109	0.123
2016	95,925,301	15,266,720	0.159	75,032,185	10,806,310	0.144	91,430,937	12,361,327	0.135	154,130,075	14,485,603	0.094	416,518,498	52,919,960	0.127
2017	92,951,598	14,640,923	0.158	73,267,323	10,484,103	0.143	92,677,500	12,370,251	0.133	154,697,941	14,935,996	0.097	413,594,362	52,431,273	0.127
2018	98,863,064	15,720,735	0.159	76,218,764	11,011,743	0.144	94,250,040	12,804,462	0.136	156,259,346	14,570,633	0.093	425,591,214	54,107,573	0.127
2019	96,397,523	14,943,381	0.155	76,310,791	10,664,016	0.140	98,051,478	12,800,345	0.131	153,531,544	13,536,632	0.088	424,291,336	51,944,374	0.122

CITY OF NEWARK, DELAWARE
PRINCIPAL ELECTRIC UTILITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Customer	Type of Business	2019 Consumption (1)	2019 Rank	2019 Percentage of Total Consumption	2010 Consumption (1)	2010 Rank	2010 Percentage of Total Consumption
University of Delaware (2)	Public University	163,112,300	1	38.44%	144,370,338	1	35.55%
Rohm & Haas Electronics	Manufacturing-Various	28,914,941	2	6.81%	31,104,256	2	7.66%
Power Systems Composites LLC	Wholesale Electric Equipment	13,091,232	3	3.09%	6,823,152	3	1.68%
Acme Markets	Retail - Groceries	5,856,840	4	1.38%	2,732,400	10	0.67%
DuPont Specialty Products USA LLC	Chemicals and Synthetics	5,743,584	5	1.35%			
GWL 300 McIntire LLC (3)	Warehousing	3,982,800	6	0.94%			
Christina School District	Public Schools	3,785,991	7	0.89%	3,466,368	8	0.85%
Quest Pharmaceutical Services	Pharmaceutical Research	3,320,733	8	0.78%			
Verizon Communications	Public Utility	3,113,611	9	0.73%	3,206,952	9	0.79%
The Chemours Company	Chemical Research Hub	2,865,600	10	0.68%			
E I Dupont De Nemours & Company	Chemicals and Synthetics				5,605,992	4	1.38%
Fraunhofer USA, Inc.	Biotechnology Research				4,971,360	5	1.22%
Supermarkets General Corp.	Retail-Groceries				4,157,000	6	1.02%
618 G P Warehouse LLC (3)	Warehousing				4,146,720	7	1.02%
		233,787,632		55.10%	210,584,538		51.86%

Note: (1) Peak demand rate is not considered.
(2) University totals include accounts not billed at "University" rate.

CITY OF NEWARK, DELAWARE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax Exempt Property	Total Taxable Assessed Value (1)	Direct Tax Rate (Per $100)	Estimated Actual Value
2010	557,224,520	953,153,800	739,864,508 [2]	770,513,812 [2]	0.5558	N/A
2011	559,853,320	955,678,400	738,403,483	777,128,237	0.6458	N/A
2012	564,568,720	965,638,700	740,299,430	789,907,990	0.6458	N/A
2013	568,315,120	915,930,100 [3]	683,587,511 [3]	800,657,709	0.6858	N/A
2014	580,370,620	924,677,400	688,152,173	816,895,847	0.6961	N/A
2015	587,674,420	937,377,045	696,332,863	828,718,602	0.6961	N/A
2016	592,327,020	950,452,300	694,712,283	848,067,037	0.7065	N/A
2017	592,310,200	956,158,820	694,898,159	853,570,861	0.7737	N/A
2018	595,920,120	960,560,200	697,490,594	858,989,726	0.7737	N/A
2019	**589,537,920** [4]	**974,675,100**	**709,403,008** [4]	**854,810,012** [4]	**0.8047**	**N/A**

(1) Source: City of Newark Finance Department, in consultation with New Castle County Department of Land Use.
(2) The Chrysler Assembly Plant site was purchased by the University of Delaware on November 23, 2009. Beginning July 1, 2014, the property received a partial tax exemption for educational purposes, and a portion has been developed for taxable commercial purposes.
(3) The assessment of $63,299,900 for the Chrysler Assembly Plant, which had initially been listed as fully exempt upon the property acquisition by the University of Delaware, was removed as of July 1, 2013.
(4) A large apartment parcel was transferred to the University of Delaware and was granted an educational exemption.

Note: As provided by State of Delaware law, the City of Newark utilizes property assessments established by the New Castle County Department of Land Use. The County last conducted a County-wide reassessment of all real property on July 1, 1985. Real property is assessed at 100% of the 1983 market value.

CITY OF NEWARK, DELAWARE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

	Direct Rate	Overlapping Rates		
Fiscal Year	City of Newark	New Castle County	Christina School District	Total Tax Rate
2010	0.6458	0.2436	1.8187	2.70805
2011	0.6458	0.2436	1.9427	2.83212
2012	0.6858	0.2436	2.1107	3.04010
2013	0.6961	0.2436	2.1711	3.11077
2014	0.6961	0.2436	2.2700	3.20968
2015	0.7065	0.2436	2.2709	3.22097
2016	0.7737	0.2436	2.5614	3.57865
2017	0.7737	0.2436	2.5695	3.58679
2018	0.7737	0.2618	2.6372	3.67270
2019	**0.8047**	**0.2904**	**2.6774**	**3.77251**

Note: The real estate tax rate is a single component figure established by City Council through budget adoption and applies to all classes of real property.

CITY OF NEWARK, DELAWARE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		2019			2010		
Customer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pauline A. Mayer, Inc.	Retail Property / Apartments	$ 19,894,400	1	2.33%	$ 10,484,500	4	1.36%
1743 Holdings LLC	Industrial & Education Park	13,486,620	2	1.58%			
Delmarva Power & Light Company	Public Utility	11,345,300	3	1.33%			
BPG Hotel Partners, LLC	Hotels	11,112,300	4	1.30%	11,112,300	2	1.44%
Bainbridge CC Delaware Apartments	Apartments	10,680,300	5	1.25%			
Rohm and Haas Electronic Materials	Manufacturing	8,562,000	6	1.00%	8,562,000	6	1.11%
Verizon Communication	Public Utility	8,377,300	7	0.98%	11,416,000	1	1.48%
University of Delaware	Education (Non-exempt portion)	7,616,800	8	0.89%	7,442,100	10	0.97%
College Square III LLC	Retail Property	7,290,100	9	0.85%			
BRE Foxtrot	Industrial Park	7,029,200	10	0.82%			
Fusco Properties L P	Apartments				10,668,700	3	1.38%
CHF-Delaware LLC	Apartments				9,769,700	5	1.27%
UDEL Holdings LLC	Apartments				8,248,100	7	1.07%
Fusco Enterprises L P	Retail Property				7,876,300	8	1.02%
Emory Hill & Company	Industrial Park				7,781,700	9	1.01%
		105,394,320		12.33%	93,361,400		12.12%

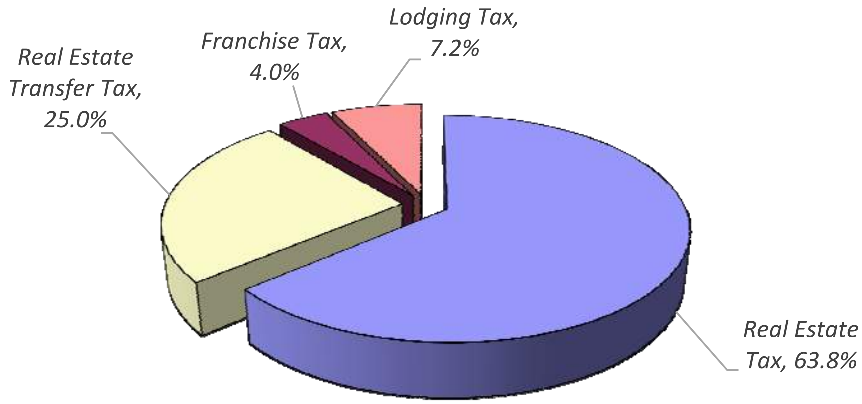
Notes:
- Pauline A. Mayer, Inc. constructed two large townhouse rental complexes in 2014 to add to their retail properties.
- 1743 Holdings LLC was established by the University of Delaware to develop an industrial and educational hub on the site of the former Chrysler Assembly Plant.
- Fusco Properties L P and Fusco Enterprises L P have divested their properties among several successor entities, including College Square III LLC.
- CHF-Delaware LLC has tranferred its interest to the University of Delaware. This property now receives an educational exemption.
- UDEL Holdings has divested its properties among several successor entities.
- Emory Hill & Company has divested some of its properties among several successor entities, including BRE Foxtrot.

CITY OF NEWARK, DELAWARE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections for Year	
		Amount	Percent of Levy		Amount (2)	Percent of Levy
2010	4,980,536	4,898,066	98.3%	77,167	4,975,233	99.9%
2011	5,028,511	4,919,181	97.8%	103,163	5,022,344	99.9%
2012	5,423,483	5,316,521	98.0%	100,228	5,416,749	99.9%
2013	5,600,551	5,465,413	97.6%	126,715	5,592,128	99.8%
2014	5,681,209	5,583,639	98.3%	89,182	5,672,821	99.9%
2015	5,876,646	5,679,339	96.6%	182,379	5,861,718	99.7%
2016	6,592,320 [3]	6,462,051	98.0%	108,639	6,570,690	99.7%
2017	6,626,727	6,505,395	98.2%	93,841	6,599,236	99.6%
2018	6,655,070	6,554,123	98.5%	63,248	6,617,371	99.4%
2019	**6,892,362**	**6,770,258**	**98.2%**	**-**	**6,770,258**	**98.2%**

Notes:
(1) Represents initial annual levy plus quarterly supplementary billings.
(2) Excludes tax penalties/interest.
(3) Tax billings represent a tax rate increase of 9.5% over prior year.

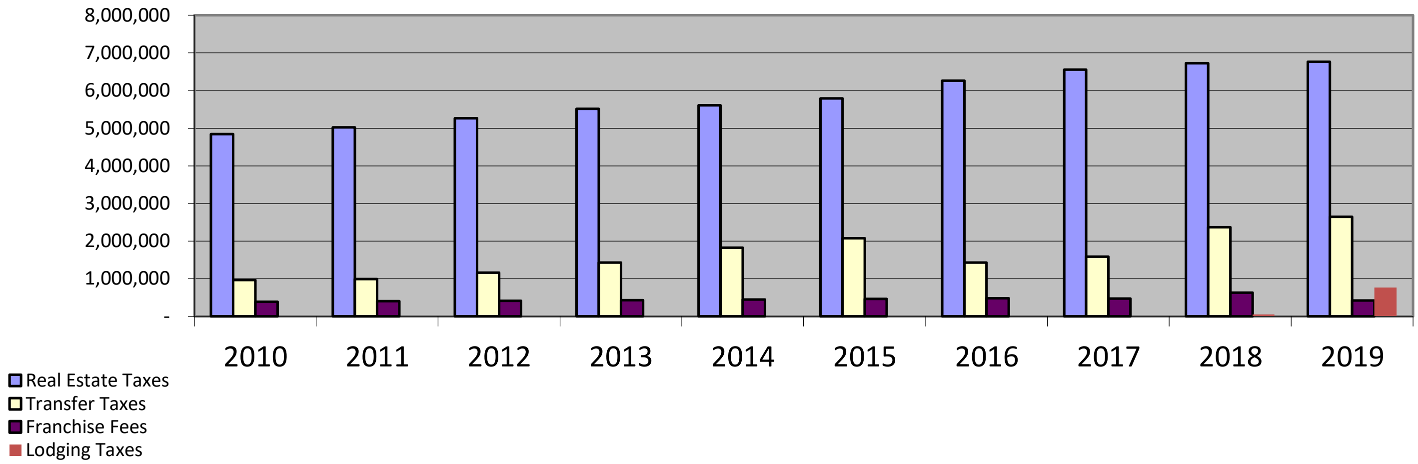
CITY OF NEWARK, DELAWARE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)



Fiscal Year 2019

Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Franchise Tax	Lodging Tax	Total
2010	5,027,187	969,617	383,816	0	6,380,620
% of total	78.8%	15.2%	6.0%	0.0%	100.0%
2011	5,102,146	988,807	399,960	0	6,490,913
% of total	78.6%	15.2%	6.2%	0.0%	100.0%
2012	5,264,245	1,162,016	412,079	0	6,838,340
% of total	77.0%	17.0%	6.0%	0.0%	100.0%
2013	5,515,859	1,424,534	424,649	0	7,365,042
% of total	74.9%	19.3%	5.8%	0.0%	100.0%
2014	5,612,294	1,821,278	444,853	0	7,878,425
% of total	71.3%	23.1%	5.6%	0.0%	100.0%
2015	5,794,770	2,074,082	462,368	0	8,331,220
% of total	69.6%	24.9%	5.5%	0.0%	100.0%
2016	6,264,005	1,430,654	482,218	0	8,176,877
% of total	76.6%	17.5%	5.9%	0.0%	100.0%
2017	6,557,441	1,584,426	471,456	0	8,613,323
% of total	76.1%	18.4%	5.5%	0.0%	100.0%
2018	6,729,794	2,365,285	628,907	46,937	9,770,923
% of total	68.9%	24.2%	6.4%	0.5%	100.0%
2019	**6,766,578**	**2,646,573**	**423,106**	**760,647**	**10,596,904**
% of total	63.8%	25.0%	4.0%	7.2%	100.0%

CITY OF NEWARK, DELAWARE
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)



Fiscal Year	Real Estate Taxes	Real Estate Transfer Taxes	Franchise Fees	Lodging Taxes	Total
2010	4,849,809	969,617	383,816	-	6,203,242
2011	5,024,211	988,807	399,960	-	6,412,978
2012	5,264,245	1,162,016	412,079	-	6,838,340
2013	5,515,859	1,424,534	424,649	-	7,365,042
2014	5,612,294	1,821,278	444,853	-	7,878,425
2015	5,794,770	2,074,082	462,368	-	8,331,220
2016	6,264,005 [1]	1,430,654	482,218	-	8,176,877
2017	6,557,441	1,584,426	471,456	-	8,613,323
2018	6,729,794	2,365,285	628,907	46,937	9,770,923
2019	**6,766,578**	**2,646,573**	**423,106**	**760,647**	**10,596,904**

Notes:
[1] Tax billings represent a tax rate increase of 9.5% over previous year, 50% recognized in 2016.

CITY OF NEWARK, DELAWARE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities		Business-Type Activities				
Fiscal Year	**General Obligation Bonds***	**Other Notes Payable**	**General Obligation Bonds ***	**Other Notes Payable**	**Total Primary Government**	**Percentage of Personal Income**	**Per Capita**
2010	1,670,000	-	12,685,000	-	14,355,000	2.35%	456
2011	1,530,000	-	12,035,000	-	13,565,000	2.20%	426
2012	1,418,832	269,164	11,419,461	12,078,276	25,185,733	3.67%	779
2013	1,257,598	240,284	10,396,381	11,508,591	23,402,854	3.34%	721
2014	1,091,364	220,675	9,353,300	10,603,972	21,269,311	2.96%	649
2015	920,130	194,073	8,295,220	9,745,261	19,154,684	2.57%	574
2016	743,896	166,936	7,217,140	8,973,855	17,101,827	2.23%	514
2017	562,662	553,643	6,109,060	8,044,470	15,269,835	1.92%	453
2018	381,428	487,185	4,975,979	7,144,669	12,989,261	1.57%	386
2019	**195,194**	**419,073**	**3,797,898**	**6,173,986**	**10,586,151**	**1.23%**	**312**

*Includes unamortized premiums

Sources: Population - Delaware Population Consortium projection
Federal Reserve Bank of Philadelphia Quarterly Percent Change (2010-2011 Personal Income)
City of Newark estimate based on increase in Personal Income growth for Delaware from US Department of Commerce, Bureau of Economic Analysis (2012-2019 Personal Income)

CITY OF NEWARK, DELAWARE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO TAXABLE ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population	Total Taxable Assessed Value	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds & Notes	Net General Obligation Bonds and Notes Payable	Percentage of Net Long-Term Debt to Assessed Value (1)	Net Long-Term Debt Per Capita
2010	31,490	770,513,812	1,670,000	12,685,000	14,355,000	1.86%	456
2011	31,880	777,128,237	1,530,000	12,035,000	13,565,000	1.75%	426
2012	32,324	789,907,990	1,418,832	11,419,461	12,838,293	1.63%	397
2013	32,449	800,657,709	1,257,598	10,396,381	11,653,979	1.46%	359
2014	32,760	816,895,847	1,091,364	9,353,300	10,444,664	1.28%	319
2015	33,395	828,718,602	920,130	8,295,220	9,215,350	1.11%	276
2016	33,264	848,067,037	743,896	7,217,140	7,961,036	0.94%	239
2017	33,674	853,570,861	562,662	6,109,060	6,671,722	0.78%	198
2018	33,673	858,989,726	381,428	4,975,979	5,357,407	0.62%	159
2019	**33,941**	**854,810,012**	195,194	**3,797,898**	**3,993,092**	**0.47%**	**118**

Notes: [1] A City-wide reassessment of all real property was last updated on July 1, 1985
Real property is assessed at 100% of the 1983 market value

Sources: City of Newark Finance Department (Taxable Assessments)
Delaware Population Consortium projection

CITY OF NEWARK, DELAWARE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2019

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Newark	Amount Applicable to City of Newark
New Castle County	$ 180,370,000 [1]	4.49% [2]	$ 8,098,613
Christina School District	26,401,416	13.30% [3]	3,511,388
Overlapping Debt	$ 206,771,416		$ 11,610,001
City of Newark General Obligation Bonds	$ 195,194 [1]	100.00%	$ 195,194
City of Newark Other Notes Payable	419,073 [1]	100.00%	419,073
Direct Debt	$ 614,267		$ 614,267
Total Direct and Overlapping Debt	$ 207,385,683		$ 12,224,268

Sources: New Castle County Office of Finance, Christina School District, and City of Newark Department of Finance.

(1) Debt related to business-type activities is not included in this presentation.
(2) Determined by dividing the taxable assessed valuation of the City of Newark ($854,810,012) by the total taxable assessed valuation of New Castle County ($19,055,907,000). Net Debt Outstanding is as of June 30, 2019.
(3) Determined by dividing the students enrolled in the City of Newark (1,862) by the total student enrollment of the Christina School District (14,003). Net debt outstanding is as of June 30, 2019.

CITY OF NEWARK, DELAWARE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit (1)	77,051	77,713	78,991	80,066	81,690	82,872	84,807	85,357	85,899	85,481
Total net debt applicable to limit	14,308	13,518	12,792	11,608	10,399	9,169	7,915	6,626	5,311	3,947
Legal debt margin	62,743	64,195	66,199	68,458	71,291	73,703	76,892	78,731	80,588	81,534
Total net debt applicable to the limit as a percentage of debt limit	18.57%	17.39%	16.19%	14.50%	12.73%	11.06%	9.33%	7.76%	6.18%	4.62%

Legal Debt Margin for Fiscal Year 2019

Total assessed value	$ 1,564,213
Less: exempt real property	(709,403)
Total taxable assessed value	$ 854,810
Debt limit (10% of taxable assessed value)	85,481
Debt applicable to limit:	
General obligation bonds	3,993
Less: amount set aside for repayment of general obligation debt	(46)
Total net debt applicable to limit	3,947
Legal debt margin	$ 81,534

Notes: In accordance with Section 407.1 of the City Charter, if general obligation bonds are issued, the total outstanding debt secured by such bonds shall not exceed ten (10) per centum of the assessed value of all the real estate subject to taxation located within the City. If revenue bonds are issued, each such bond shall recite in substance that said bond, including interest thereon, is payable from the revenue pledged to the payment thereof, and that said bond does not constitute a debt of the City of Newark within the meaning of the bonded indebtedness limitation.

CITY OF NEWARK, DELAWARE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2)		Per Capita Income (3)	School Enrollment (4)	Univ of DE Enrollment (5)	Unemployment Rate (6)
2010	31,490	610,928,740		19,401	3,854	21,176	7.5%
2011	31,880	617,771,142		19,378	3,740	21,489	7.4%
2012	32,324	686,636,280	*	21,242	3,842	21,856	6.5%
2013	32,449	700,369,005	*	21,584	4,519	22,166	5.3%
2014	32,760	717,878,230	*	21,913	4,508	22,680	5.3%
2015	33,395	745,875,480	*	22,335	4,176	22,852	4.4%
2016	33,264	767,505,869	*	23,073	4,354	23,009	3.8%
2017	33,674	795,903,586	*	23,636	4,834	23,774	3.3%
2018	33,673	827,739,730	*	24,582	4,289	24,120	3.1%
2019	**33,941**	**861,677,058**	*	**25,387**	**4,354**	**23,808**	**2.6%**

Sources:
(1) Delaware Population Consortium projection (Population)
(2) and (3) Federal Reserve Bank of Philadelphia Quarterly Percent Change (Personal Income 2010-2011)
(4) For 2019: Christina School District 1,862 / Local Independent Schools 2,492
(5) University of Delaware Office of Institutional Research
(6) Delaware Department of Labor
(*) Estimated based on increase in Personal Income growth for Delaware from US Department of Commerce Bureau of Economic Analysis.

CITY OF NEWARK, DELAWARE
PRINCIPAL EMPLOYERS IN NEW CASTLE COUNTY[1]
CURRENT YEAR AND TEN YEARS AGO

	2019			2010		
Industry Description	**Employment**	**Rank**	**Percentage of Total County Employment**	**Employment**	**Rank**	**Percentage of Total County Employment**
Health care and social assistance	71,533	1	16.1%	56,674	1	14.0%
Retail trade	51,568	2	11.6%	53,003	2	13.1%
Finance and insurance	42,173	3	9.5%	36,720	3	9.1%
Accommodation and food services	40,262	4	9.1%	32,556	4	8.0%
State government	30,327	5	6.8%	29,633	5	7.3%
Local government	27,740	7	6.2%	25,785	7	6.4%
Administration and waste services	27,495	6	6.2%	23,038	9	5.7%
Manufacturing	27,291	8	6.1%	26,150	6	6.5%
Professional and technical services	26,735	9	6.0%	24,261	8	6.0%
Construction	22,752	10	5.1%	19,884	10	4.9%
Transportation and warehousing	14,303	11	3.2%	9,123	14	2.3%
Total	382,179		85.9%	336,827		83.3%

(1) The United States Department of Labor, Employment & Training Administration has informed the Delaware Department of Labor that pursuant to 20 CFR (Code of Federal Regulations) Part 603, this information (the names of Delaware's top employers) is confidential and may not be disclosed to the public. Therefore, information about employment by industry is provided.

Note: The information presented is for New Castle County, Delaware, in which the City of Newark is entirely located, and is reprinted, with permission, from their 2019 Comprehensive Annual Financial Report, page 131.

CITY OF NEWARK, DELAWARE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31									
Function	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
General government	37.0	36.5	36.0	37.5	39.0	39.5	42.5	43.0	48.0	49.0
Public safety										
Police										
Officers	68.0	68.0	68.0	68.0	68.0	71.0	71.0	71.0	71.0	71.0
Civilian	19.0	21.5	21.5	21.0	20.5	19.0	19.0	20.0	20.0	20.0
Code enforcement	11.0	11.0	10.0	10.0	11.0	15.0	15.0	11.0	11.0	11.0
Streets										
Engineering	10.5	10.0	10.0	5.0	7.0	7.0	7.0	8.0	8.0	8.0
Maintenance	12.5	11.5	11.5	9.0	9.0	9.0	9.0	7.0	8.0	7.0
Sanitation	13.0	12.0	12.0	10.0	9.0	10.0	9.0	9.0	9.0	9.0
Culture and recreation	20.0	19.5	19.5	19.5	18.5	18.0	18.0	18.0	18.0	18.0
Electric	22.0	22.0	22.0	22.0	22.0	22.0	23.0	23.0	24.0	23.0
Water & wastewater	19.0	19.0	19.0	26.0	25.0	27.0	27.5	30.0	29.0	31.0
Parking	4.5	4.5	4.5	5.0	9.0	10.0	10.0	13.0	13.0	13.0
Fleet/facilities maintenance	5.0	5.0	5.0	4.0	4.0	4.0	4.0	10.0	10.0	10.0
Total	241.5	240.5	239.0	237.0	242.0	251.5	255.0	263.0	269.0	270.0

Source: City's Personnel Office.

CITY OF NEWARK, DELAWARE
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Public Safety										
Police calls for service	45,562	48,348	44,115	40,015	39,260	45,572	48,017	53,441	50,679	45,010
Criminal charges	3,675	3,215	3,825	4,346	3,313	2,244	2,488	2,277	2,124	2,615
Traffic summonses	11,724	12,302	12,962	12,612	9,909	9,325	10,453	9,313	10,270	11,551
Parking summonses	8,005	6,916	6,562	7,365	5,612	5,952	6,959	7,604	10,652	11,676
Meter summonses	26,024	22,740	20,229	19,515	16,525	15,780	22,710	23,630	23,297	17,546
Building permits issued	2,108	1,976	1,894	1,893	2,115	1,751	1,552	1,812	1,669	1,703
Public Works										
Refuse tons collected	8,091	7,746	7,936	6,714	5,709	5,722	5,799	5,826	5,944	6,246
Recycling tons collected	N/A	1,989.00	2,074.00	2,175.00	1,535.00	2,411.52	1,984.85	1,804.43	1,902.85	1,496.89
Miles of street	66	66	66	66	66	66	66	66	66	66
Patches (s.f.)	57,631	34,086	25,559	30,714	48,588	62,154	35,178	61,905	37,016	36,171
Curbs replaced and installed (l.f.)	8,967	24,569	24,151	17,193	11,775	16,550	12,871	11,181	6,859	9,485
Sidewalks										
4" (s.f.)	18,804	24,344	21,512	23,631	25,132	24,976	23,065	19,485	8,215	12,172
6" (s.f.)	4,555	7,965	6,941	9,548	17,650	12,326	10,386	7,277	4,492	4,661
General Government										
Parking tickets issued	34,388	29,957	27,102	27,080	22,283	21,174	29,669	31,234	33,949	29,222
Culture and Recreation										
Trails in Newark parks (mi)	15.2	15.2	16.8	16.8	16.8	16.8	16.8	16.8	16.8	17.1
Registrants	8,316	7,876	7,902	7,602	7,290	7,344	7,422	7,484	7,582	7,608
Participants	86,700	76,684	84,292	77,482	73,946	76,152	77,831	75,944	76,236	76,332
Electric										
MWH's sold	406,053	401,980	402,465	402,020	404,815	416,744	416,518	413,594	425,591	424,291
MWH's purchased	438,960	436,108	436,313	435,318	428,573	457,749	453,550	445,869	464,741	461,483
Meters in service	11,988	11,948	11,763	11,722	12,280	12,734	12,754	12,823	12,714	12,628
Water and Waste Water										
Meters in service	9,795	9,842	9,842	9,628	10,140	10,259	10,282	10,279	10,339	10,364
Fire hydrants in system	877	877	876	880	900	762	762	768	758	745
Gallons of water sold (000's)	1,023,461	1,029,332	1,028,271	919,383	1,215,020	1,092,816	1,056,537	1,028,878	1,028,295	1,021,183
Gallons of sewage collected (000's)	768,424	760,850	794,165	714,996	912,999	803,602	798,070	816,068	845,285	852,374

CITY OF NEWARK, DELAWARE
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	36	36	38	35	35	35	35	35	35	34
Sanitation										
Collection trucks	14	12	12	12	12	10	8	8	9	9
Streets										
Miles of streets	66	66	66	66	66	66	66	66	66	66
Street lights	2,776	2,776	2,856	2,870	2,909	2,837	2,834	2,948	2,960	2,960
Traffic signals	56	57	70	74	74	75	75	69	71	73
Culture and recreation										
Parks acreage	652.0	657.0	658.2	658.2	654.9	654.9	658.2	658.2	658.2	658.2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis and basketball courts	37	37	37	37	37	37	37	37	37	37
Community centers	1	1	1	1	1	1	1	1	1	1
Electric										
Substations transformers	25	27	27	27	27	27	28	29	29	29
Miles of high voltage service lines	108	165 [1]	175	175	175	175	175	175	175	175
Miles of low voltage service lines	N/A	N/A	N/A	N/A	N/A	190 [2]	182	181	182	182
Water										
Water mains (miles)	170	170	170	170	170	146 [1]	143	144	137	135
Wells in operation	9	9	9	9	9	4	4	4	4	4
Maximum daily capacity (Mgal)	8.5	8.5	8.5	8.5	8.5	5.8	6.0	6.0	6.0	6.0
Sewer										
Sanitary sewers (miles)	99	99	99	99	99	96	94	96	94	94
Storm sewers (miles)	59	59	59	59	59	70	74	74	74	74
Parking										
On-street parking spaces	392	430	455	457	457	457	457	457	448	489
Parking lots maintained	6	6	6	6	7	7	7	6	6	6

Sources: Various city departments.

(1) A new GIS system was utilized to measure the infrastructure.