

City of Delaware

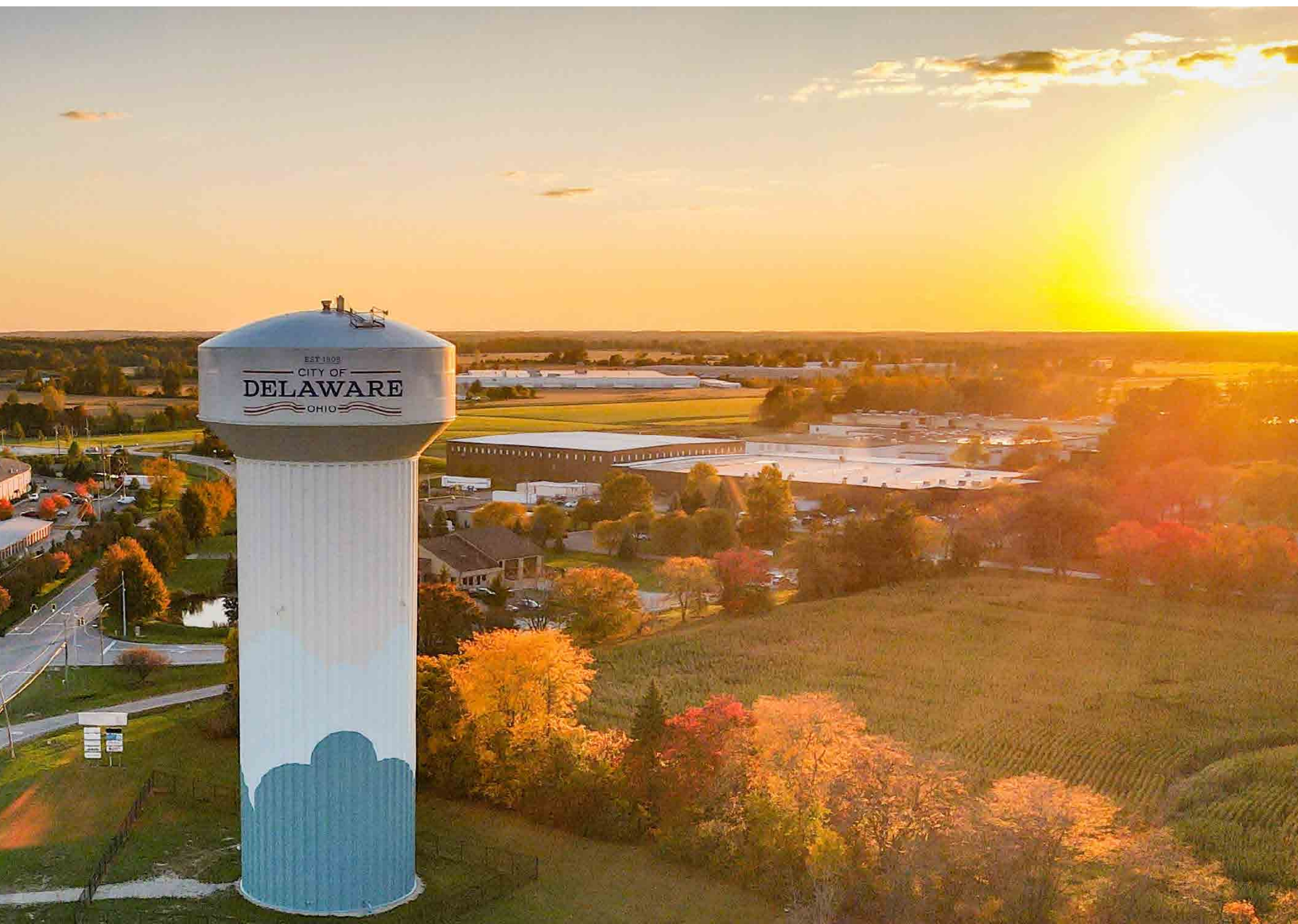
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POPULAR ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020



A LETTER FROM DIRECTOR OF FINANCE



Dear Citizens of
the City of Delaware:

Through the efforts of the City of Delaware Finance Department, I am pleased to present the City's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2020. The purpose of this report is to provide residents and businesses with information pertinent to the City's fiscal operations in a user-friendly format.

The financial information for this report has been taken from the 2020 City of Delaware Comprehensive Annual Financial Report. The Annual Report consists of 261 pages of detailed financial statements, notes and schedules as well as very detailed statistical information. The Annual Report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by Wilson, Shannon and Snow, a CPA firm in Newark, OH. The City received an unmodified opinion on the audit, which means that no significant deficiencies were identified that required modification. The City's Annual Report can be obtained on the City's website at: www.delawareohio.net.

The City of Delaware's PAFR is unaudited and presented on a GAAP basis, unless otherwise noted.

The purpose of the PAFR, which earned an Outstanding Achievement award in 2020 from the Government Finance Officers Association, is to provide our citizens with summarized financial data and as a means of increasing awareness and knowledge of the operations of the City. We feel that citizens deserve transparency when it comes to their tax dollars, and this report is designed to help assist you in gaining a better understanding of the City's resources and how we put your tax dollars to use.

Thank you for taking the time to read this year's report. As you review our 2020 PAFR, I invite you to contact me to share any suggestions, questions, or comments you may have at jnahvi@delawareohio.net

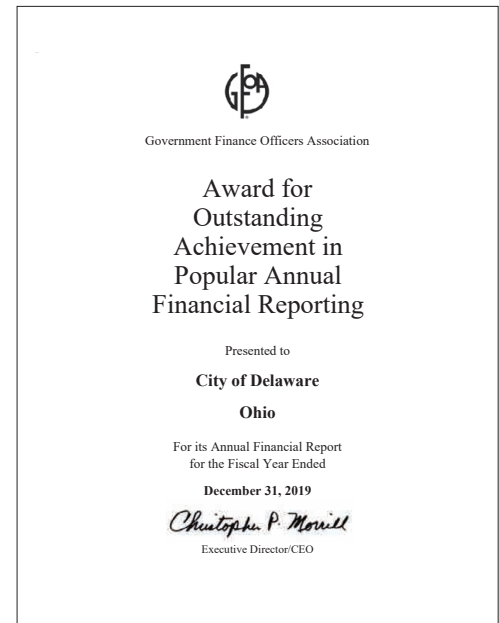
Justin Nahvi
Director of Finance



Rob Alger
City Accountant



AWARD



The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report for 2019. The City has applied for the same award for 2020.

CONTACTING THE CITY

City of Delaware

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Delaware, OH 43015
P: 740.203.1000

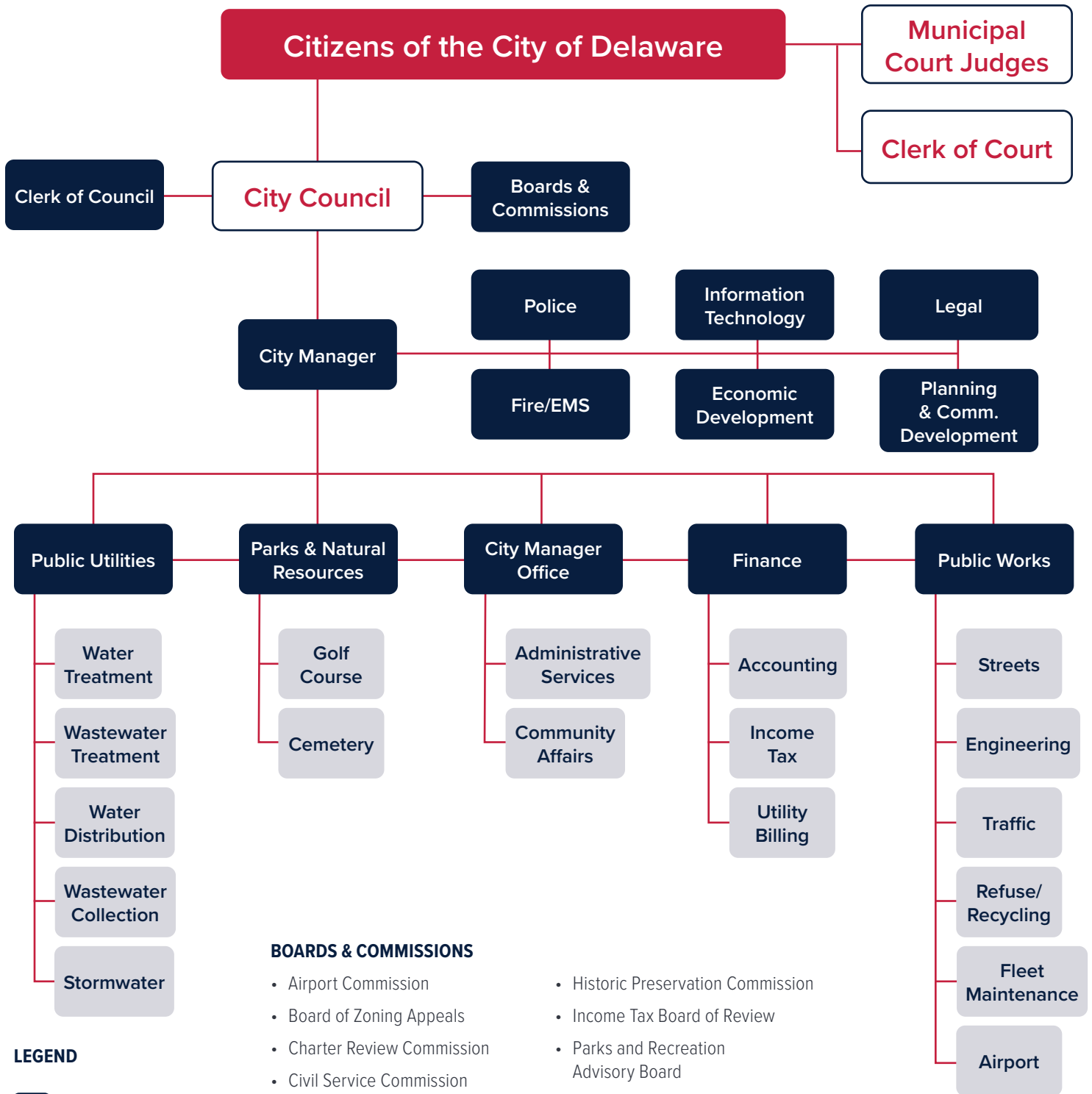
Office Hours:

M–F, 8am–5pm

Website

www.delawareohio.net

CITY GOVERNMENT



BOARDS & COMMISSIONS

- Airport Commission
- Board of Zoning Appeals
- Charter Review Commission
- Civil Service Commission
- Finance Committee
- Parking & Safety Committee
- Public Records Committee
- Public Works & Public Utilities Committee
- Historic Preservation Commission
- Income Tax Board of Review
- Parks and Recreation Advisory Board
- Permanent Tax Advisory Committee
- Planning Commission
- Shade Tree Commission
- Sister City Advisory Board

LEGEND

- T Elected Position
- T Department (Appointed Director)
- T Elected Position



WHERE DOES THE MONEY COME FROM?

Primary sources of revenue come from income tax, property tax, and charges for services.

MUNICIPAL INCOME TAX

Income Tax represents the largest source of revenue for the City. The City's income tax rate is 1.85%. 1.0% is for general operations, 0.7% is for Fire/EMS, and 0.15% is for parks and recreation. In 2019, Council allocated a portion of the general operations income tax to support capital expenditures (including debt payments). This portion can be adjusted each year based on the needs of the City.

Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on the net-profits of businesses doing business within the City. Employer withholding payments have made up over 65% of the income tax revenue collected over the past 4 years.

TOTAL INCOME TAX REVENUE

The chart below shows how Delaware compares to other neighboring communities in their income tax rate.

City of Columbus	2.5%	City of Delaware	1.85%
City of Worthington	2.5%	City of Newark	1.75%
City of Gahanna	2.5%	City of Marysville	1.5%
City of Dublin	2.0%	City of Pataskala	1.0%
City of Westerville	2.0%		

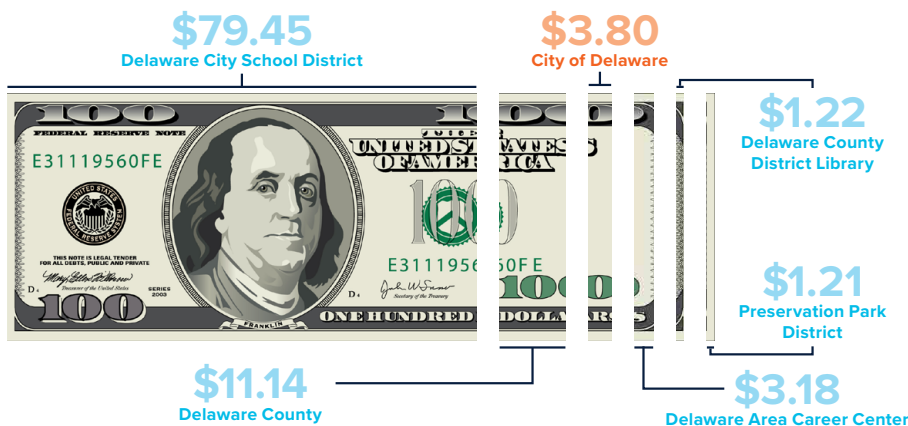
SOURCE OF INCOME TAX REVENUE (Last Four Years—Shown In thousands)

	WITHHOLDING	%	RESIDENTIAL	%	BUSINESS	%	TOTAL
'20	\$19,339	69.03%	\$6,984	24.24%	\$1,937	6.72%	\$28,806
'19	\$20,339	65.61%	\$8,505	27.44%	\$2,156	6.95%	\$31,000
'18	\$18,775	73.23%	\$4,995	19.48%	\$1,867	7.28%	\$25,637
'17	\$18,719	73.27%	\$4,805	18.81%	\$2,025	7.93%	\$25,549

PROPERTY TAX—WHERE IT GOES

Only a small portion of your property tax support City operations. The City receives approximately \$3.80 of every \$100 of property tax paid. The Delaware City School District, Delaware Career Center, Delaware County, the Delaware County District Library, and the Preservation Park District received a portion of the property tax revenue.

HOW \$100 OF PROPERTY TAX IS ALLOCATED



THE ANNUAL TAX IMPACT OF A \$200,000 HOME IN DELAWARE

Delaware City School District	\$2,835.19
Delaware County	\$397.70
Delaware Area Career Center	\$113.38
City of Delaware	\$135.62
Delaware County District Library	\$43.55
Preservation Park District	\$43.26
TOTAL	\$3,568.70

UNDERSTANDING PROPERTY TAX

Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage.' The County Auditor's office handles the administration of property taxes in the state of Ohio, by collecting and distributing the taxes paid to the appropriate jurisdiction.

WHAT ARE THE CITY'S FUNDS USED FOR?

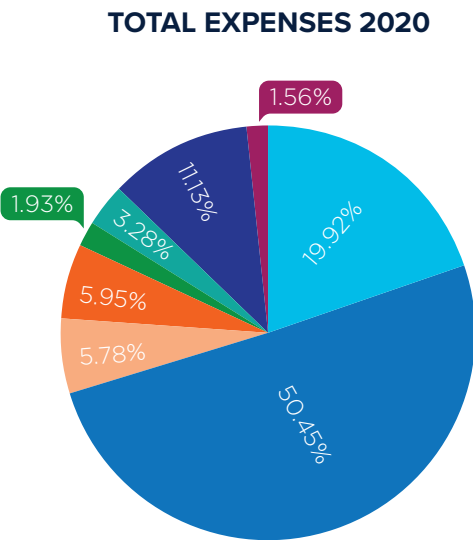
GOVERNMENT WIDE FINANCIAL STATEMENT EXPENSES

The General Government category is inclusive of a broad range of expenses related to the operation of the City. These expenses include City Council, the City Manager's Office, Administrative Services, Finance, Planning and Community Development and Municipal Building and Ground Maintenance.

Public Safety Expenses relate to the City's Police and Fire Department. The Police Department annually handles about 30,000 calls for service. In most cases, the department is the primary resource for citizen contact regarding emergency and non-emergency needs. Consistent with the concept of community policing, the department endeavors to assist citizens in eliminating the underlying causes of crime, conflicts or safety hazards by assisting in the coordination of a concerted effort involving various branches of city government. Fire and emergency medical services are provided by dedicated and highly-skilled professionals who undertake nearly 16,000 training hours each year in areas that include fire suppression, officer development, emergency medical, hazardous materials and technical rescue. The Fire Department operates from four strategically placed fire stations throughout the City and responds to more than 6,000 incidents annually. The commitment and mission of the Delaware Fire Department continues to be, "Protection through preparedness and response, delivered by the highest trained professionals." The fluctuation in public safety expenses is due to the accounting treatment of the pension and OPEB liability, as required by the Governmental Accounting Standards Board.

The Parks and Natural Resources Department operates and maintains 24 parks, 20 miles of trails, a golf course, a 72-acre cemetery, and an urban forest consisting of more than 15,000 trees. Parks and Natural Resources works closely with several City Council-appointed boards and commission, including the Shade Tree Commission and the Parks and Recreation Advisory Board.

TOTAL EXPENSES BY DEPARTMENT/FUNCTION (shown in thousands)



	'20	'19	'18	'17
General Government	\$11,065	\$8,017	\$8,484	\$6,708
Public Safety	\$28,020	\$5,024	\$23,576	\$18,710
Municipal Court	\$3,210	\$4,124	\$3,282	\$3,121
Park and Facilities	\$3,305	\$3,958	\$3,283	\$3,557
Community Development	\$1,071	\$955	\$676	\$1,168
Airport	\$1,822	\$2,268	\$2,148	\$1,620
Public Works	\$6,182	\$12,049	\$2,603	\$5,821
Other	—	\$5	—	—
Interest and Fiscal Charges	\$866	\$975	\$1,074	\$1,056
TOTAL	\$55,541	\$37,376	\$45,126	\$41,761



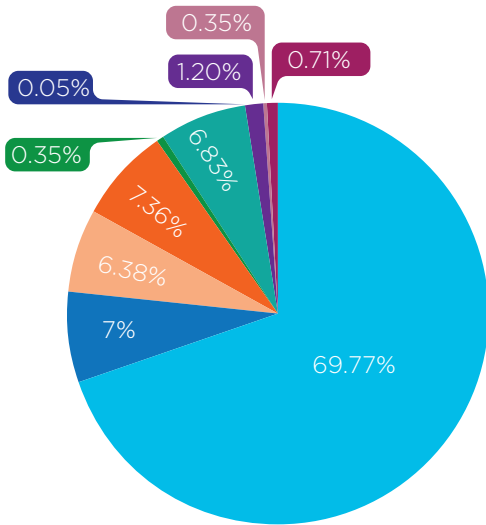
GENERAL FUND ANALYSIS

The General Fund is the City's primary operating fund. It accounts for the majority of the financial activity of the City including all the departments listed in the expense chart below. The Comprehensive Annual Financial Report reports the General Fund using a modified accrual basis of accounting. However, in order to break the numbers down to a more usable format, we have presented this information on a cash basis, which represents actual cash coming in and going out during 2020.

GENERAL FUND REVENUE BY SOURCE—3 YEAR COMPARISON

Over 76% of the City's General Fund revenue is derived from income tax (69.78%) and property and other local tax (7%). 7.36% of City revenue resulted from a variety of licenses, permits, and fees including building permits, engineering fees, liquor permits and franchise fees. Intergovernmental revenue was primarily from homestead and rollback reimbursements from the State of Ohio and local government fund distributions.

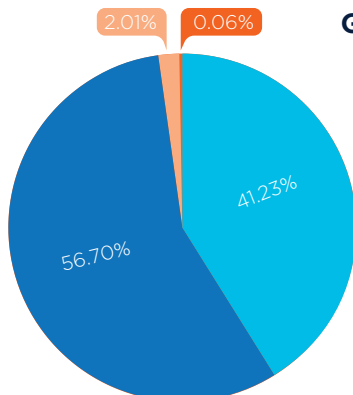
GENERAL FUND REVENUES 2020
(Shown in thousands)



	'20	'19	'18
Income tax	\$14,960	\$14,827	\$14,558
Property and other local	\$1,500	\$1,485	\$1,423
Charges for services	\$1,367	\$879	\$1,656
Licenses, permits and fees	\$1,577	\$1,761	\$1,590
Fines and forfeitures	\$75	\$108	\$155
Intergovernmental	\$1,023	\$936	\$490
Special Assessments	\$11	\$44	\$13
Investment Income	\$258	\$942	\$797
Reimbursements	\$76	\$116	\$135
Other	\$152	\$122	\$207
TOTAL	\$20,999	\$21,219	\$21,023

GENERAL FUND EXPENSE BY FUNCTION—3 YEAR COMPARISON

The General fund is the main operating fund of the City and pays a significant amount of the personnel costs of City employees, as well as the day-to-day operating expenditures. Public safety is the largest category of expenditures, which includes the City's Police Department. The City accounts for Fire/EMS expenditures in a separate special revenue fund, because there is a voted income tax to support these costs. The General Government is the other significant expenditure category. These expenses include: City Council, the City Manager's Office, Administrative Services, Finance, Planning and Community Development and Municipal Building and Ground Maintenance.



GENERAL FUND EXPENSES 2020
(Shown in thousands)

	'20	'19	'18
General Government	\$7,000	\$5,714	\$6,157
Public Safety	\$9,628	\$9,262	\$9,132
Community Development	\$341	\$351	—
Debt Services	\$10	\$18	—
TOTAL	\$16,979	\$15,345	\$15,289

Budgetary Basis

A LOOK AT THE CITY'S DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities or the refinancing of bonds and notes. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds in the governmental activities will be paid through the bond retirement funds. General obligation bonds in the enterprise funds are paid from charges for services from the respective funds.

Ohio Water Development Authority loans were used to fund a Wastewater Treatment Expansion Facility, a water system expansion project and the Penry Road Wellfield.

Income tax bonds were issued in 2010 to provide for City park improvements and for the construction of the YMCA/Training and Community Center. Principal and interest on the bonds are to be paid from the City's levied .15% income tax specific to parks and recreation.

Past service liability for police and firefighters is paid out of the general fund through the year 2035.

Description	Principal Outstanding 12/31/20
General Obligation (GO) & Income Tax (IT) Bonds	\$48,205,000
Ohio Water Development Association Loans	\$38,238,420
Past Service Pension Obligation	\$205,180
Total Bonds, Loans, & Pensions Outstanding	\$86,648,600

RECENT INFRASTRUCTURE PROJECTS

The City is investing in infrastructure development to improve mobility within the City and continue to enhance the economic vitality of the City and the region. Examples of this investment include:

GLENN PARKWAY

In 2020 Glenn Parkway was extended from Sycamore Drive to a new intersection at Berlin Station Road. Glenn Parkway is designated as a major arterial route on the east side of Delaware in the City's thoroughfare plan and completion of this phase extended this roadway 2.1 miles north of US23.

EAST WILLIAM STREET

E. William St. was widened in 2020 by adding a center turn lane from Potter St. to just east of Foley St. and enlarging the intersection of William St. and Lake St. to better accommodate truck turning movements. Enlarging this intersection entailed replacing the existing pedestrian bridge over William St., adding new street lighting and sidewalks, as well as enhanced landscaping and aesthetic improvements at the William St. and Lake St. intersection. Lastly a new mast arm traffic signal was installed at Cheshire Road replacing the existing signal at Ann St.



City of Delaware
1 South Sandusky St.
Delaware, OH 43015

COMMUNITY PROFILE

The City of Delaware, with a population of approximately 42,000, is a full-service municipality that serves as the county seat for Delaware County, Ohio. The City is located 24 miles north along US Route 23 from Ohio's capital city, Columbus Ohio. The City encompasses 19.1 square miles and was founded in 1808 by Moses Byxbe on the west bank of the Olentangy River. The village was named after the Delaware tribe who shared the territory between Columbus and Lake Erie with the Mingos and other tribes.

Delaware was incorporated in 1816, and adopted a city charter in 1951 establishing a Council/Manager form of government whereby the City Manager is the chief executive and administrative officer of the City and is charged with the responsibility for the administration of all municipal affairs as empowered by the charter. The City is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution, various sections of the Ohio Revised Code, and the City's charter.

