

City of Delaware

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POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021



A LETTER FROM THE 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, 2021. 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 2021 City of Delaware Annual Comprehensive Financial Report. The Annual Report consists of 266 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 2021 PAFR, I invite you to contact me to share any suggestions, questions, or comments you may have at ralger@delawareohio.net

Sincerely,



Rob Alger
Acting Finance Director

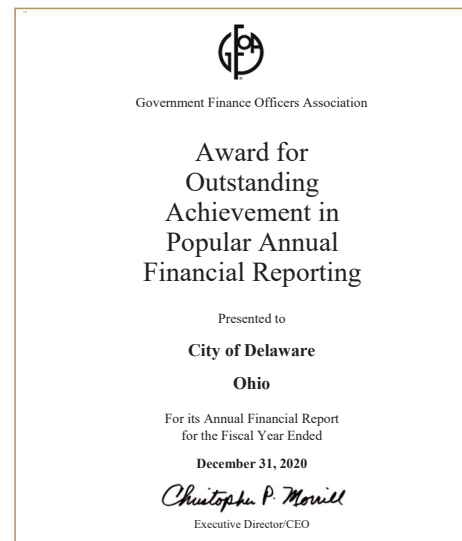


ELECTED AND CITY OFFICIALS

As of December 31, 2021

Back Row: Clerk of Council Elaine McCloskey, Stephen Tackett, Drew Farrell, Lisa Keller, Cory Hoffman, City Manager Tom Homan;
Front Row: Kent Shafer, Carolyn Kay Riggle, Catlin Frazier

AWARD



The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for 2020. The City has applied for the same award for 2021.

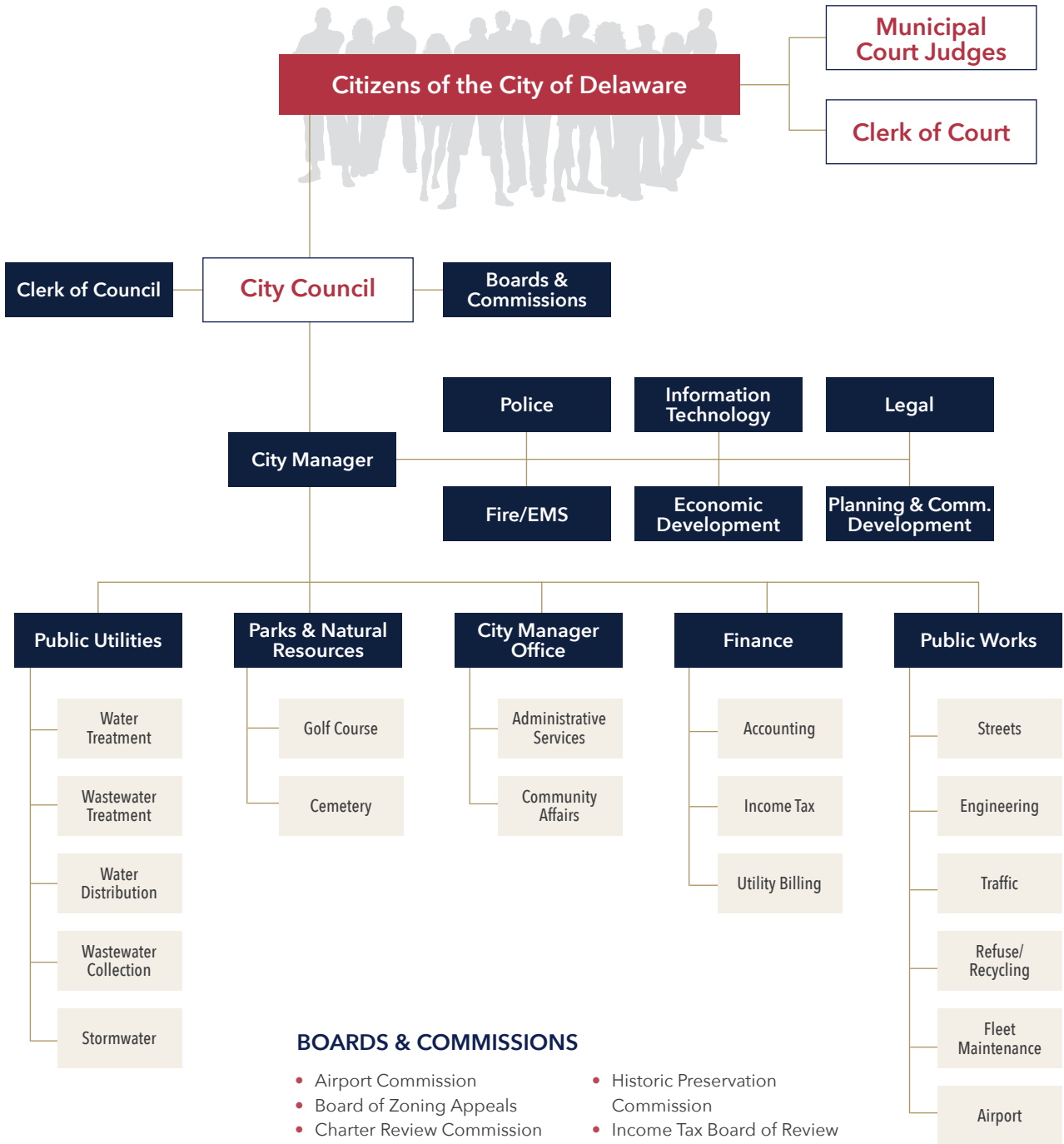
CONTACTING THE CITY

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Office Hours:
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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)

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 2021, 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	2.50%
City of Worthington	2.50%
City of Gahanna	2.50%
City of Dublin	2.00%
City of Westerville	2.00%
City of Delaware	1.85%
City of Newark	1.75%
City of Marysville	1.50%
City of Pataskala	1.00%

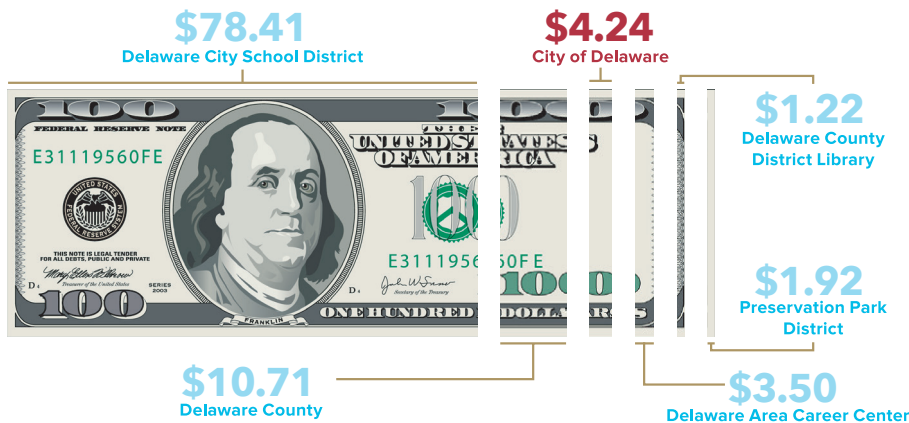
Source of Income Tax Revenue (Last Four Years—Shown In thousands)

	WITHHOLDING	%	RESIDENTIAL	%	BUSINESS	%	TOTAL
'21	\$22,160	66.38%	\$8,001	0.00%	\$3,222	9.65%	\$33,383
'20	\$19,885	69.02%	\$6,987	24.24%	\$1,937	6.72%	\$28,809
'19	\$20,339	65.61%	\$8,505	27.44%	\$2,156	6.95%	\$31,000
'18	\$18,775	73.24%	\$4,995	19.48%	\$1,867	7.28%	\$25,637

Property Tax – Where It Goes

Only a small portion of your property tax supports 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 Parks 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	\$3,058.11
Delaware County	\$417.69
Delaware Area Career Center	\$136.57
City of Delaware	\$165.41
Delaware County District Library	\$47.55
Preservation Parks District	\$74.97
TOTAL	\$3,900.30

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?

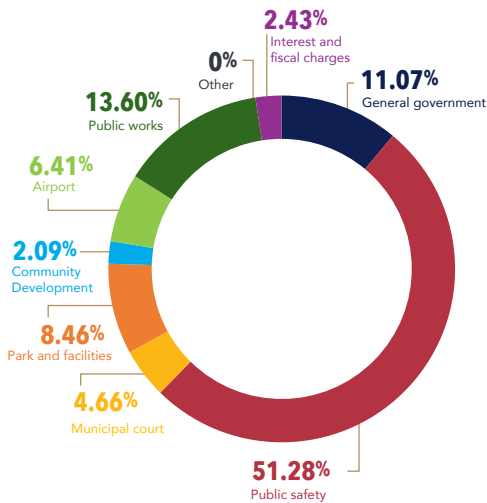
Government Wide Financial Statement Expenses

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 Facility Maintenance.

Public Safety Expenses relate to the City's Police and Fire Department. The Police Department is staffed with a Chief of Police, four Captains, six Sergeants, and 54 sworn officers. The Department responds to about 35,000 calls for service annually in providing police protection to approximately 42,000 residents and covering a land area of 20 square miles. In 2022, the Department will add two new officers and deploy body-worn cameras to all sworn officers. The City of Delaware Fire Department has earned international accredited agency status through a voluntary self-assessment and accreditation program. Delaware is one of only 289 departments worldwide to be accredited. Department responses total over 6,000 annually and fire officers and firefighters work and train every day to protect our community from four strategically based fire stations. Personnel total nearly 19,000 hours training in areas that includes fire suppression, officer development, emergency medical, hazardous materials, and technical rescue. 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.

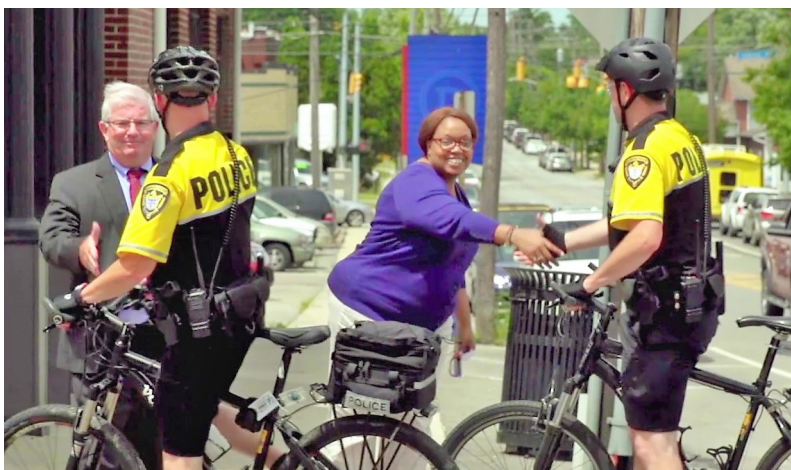
The Parks and Natural Resources Department operates and maintains 24 parks, 20 miles of trails, a golf course, a 72-acre cemetery, and an urban forest consisting of more than 15,000 trees. In addition, recreation programming and a public swimming pool and splash pad fall under its responsibility.

Total Expenses 2021



Total Expenses By Department/Function (Shown In Thousands)

	'21	'20	'19
General government	\$4,562	\$11,065	\$8,017
Public safety	\$21,136	\$28,020	\$5,024
Municipal court	\$1,922	\$3,210	\$4,124
Park and facilities	\$3,486	\$3,305	\$3,958
Community development	\$860	\$1,071	\$955
Airport	\$2,643	\$1,822	\$2,268
Public works	\$5,603	\$6,182	\$12,049
Other	-	-	\$5
Interest and fiscal charges	\$1,001	\$866	\$975
TOTAL	\$41,213	\$55,541	\$37,376
Change from Prior Year	(\$25.8%)	48.6%	17.2%



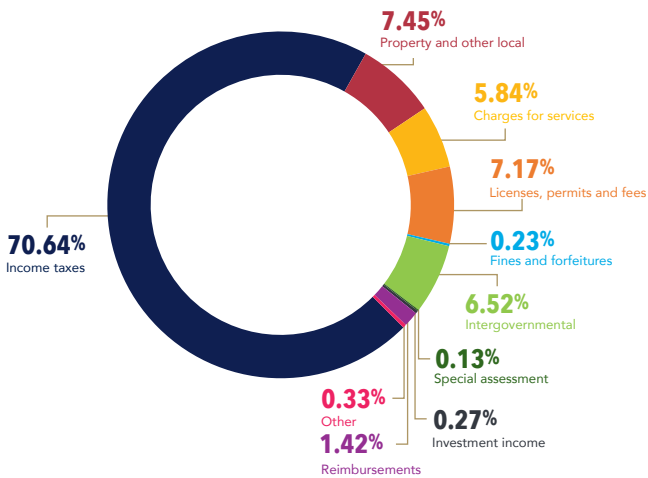
GENERAL FUND ANALYSIS

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 2021.

General Fund Revenue By Source – 3 Year Comparison

Over 78% of the City's General Fund revenue is derived from income tax (70.64%) and property and other local tax (7.45%). 7.17% of City revenue resulted from a variety of licenses, permits, and fees including building permits, engineering fees, 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 2021



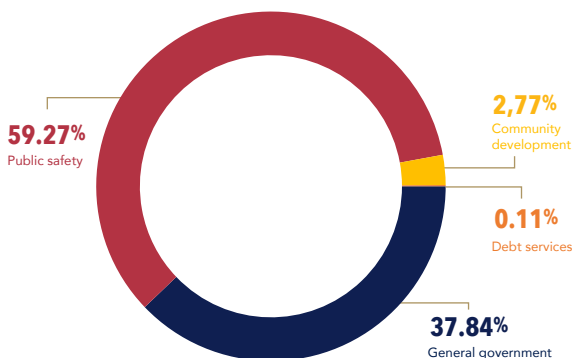
	'21	'20	'19
Income taxes	\$17,111	\$14,960	\$14,827
Property and other local	\$1,804	\$1,500	\$1,485
Charges for services	\$1,414	\$1,367	\$879
Licenses, permits and fees	\$1,736	\$1,577	\$1,761
Fines and forfeitures	\$57	\$75	\$108
Intergovernmental	\$1,580	\$1,464	\$936
Special assessments	\$33	\$11	\$44
Investment income	\$65	\$258	\$942
Reimbursements	\$344	\$76	\$116
Other	\$79	\$152	\$122
TOTAL	\$24,223	\$21,440	\$21,219
Change from Prior Year	12.98%	1.04%	.62%

(Shown In Thousands)

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 Facility Maintenance.

General Fund Expenses 2021



	'21	'20	'19
General government	\$6,386	\$6,541	\$5,231
Public safety	\$10,003	\$9,505	\$9,197
Community development	\$468	\$289	\$326
Debt services	\$19	\$10	\$19
TOTAL	\$16,876	\$16,345	\$14,773
Change from Prior Year	3.25%	10.64%	.19%

(Shown In Thousands)

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, and refunded as general obligation bonds in 2020, 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.

	PRINCIPAL OUTSTANDING 12/31/21
General Obligation (GO) & Income Tax (IT) Bonds	\$42,895,000
Ohio Water Development Association Loans	\$35,611,246
Past Service Pension Obligation	\$194,644
Total Bonds, Loans, & Pensions Outstanding	\$78,700,890

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:

TRAFFIC SIGNAL AND TECHNOLOGY UPGRADE

A traffic signal and technology upgrade along key travel corridors will improve efficiency and safety. Most of the equipment controlling the city traffic signals is more than 20 years old and is outdated. It is being replaced with new circuitry and technology, including fiber optics, for the coming autonomous and connected vehicle need, as well as signal pre-emption abilities for public safety, and additional ADA compliant crossings.



CONNECTING STREETS AND ELEMENTARY SCHOOL

Penick Avenue now extends west across the Schultz Elementary site to Cobblestone Drive at Rock Creek Drive. The project was a partnership with the Delaware City School District as part of its Schultz Elementary expansion. The work included a new school bus drive and drop-off area accessed from the new portion of Penick. Street lights, school zone flashers and pedestrian activated beacons also are part of the project.

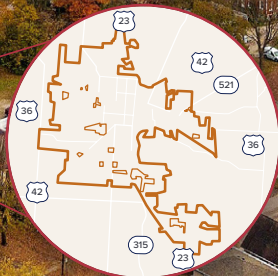
WEST CENTRAL PATH OPENS

The West Central Avenue multi-use path project was completed in 2021 between Houk Road and Lexington Blvd., part of a broader effort to deliver on resident requests for more walking options and a more-connected bike path network.





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 about 20 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.