

City of Delaware

POPULAR ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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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, 2023. 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 2023 City of Delaware Annual Comprehensive Financial Report. The Annual Report consists of 276 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 2022 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 2023 PAFR, I invite you to contact me to share any suggestions, questions, or comments you may have at ralger@delawareohio.net

Sincerely,



Rob Alger
Finance Director



ELECTED AND CITY OFFICIALS

As of December 31, 2023

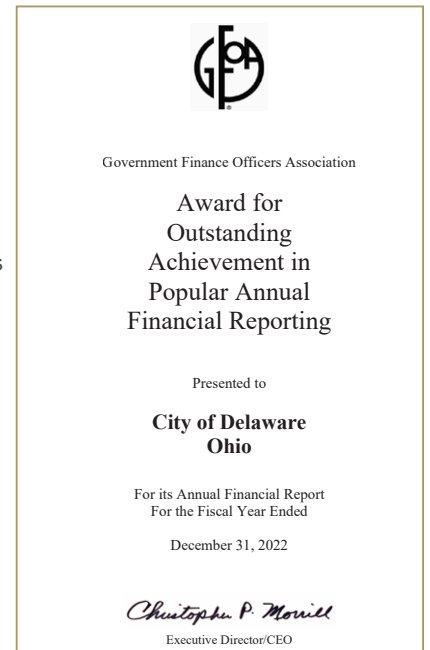
Back row: City Manager Tom Homan, Linsey Griffith, Kevin Rider, Cory Hoffman, Adam Haynes, Council Clerk Sarah Dinovo.

Front row: Kent Shafer, Carolyn Kay Riggle, Catlin Frazier

AWARDS

The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for 2022. The City has applied for the same award for 2023.

In 2022, the City won the GFOA Triple Crown Award. This award recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.

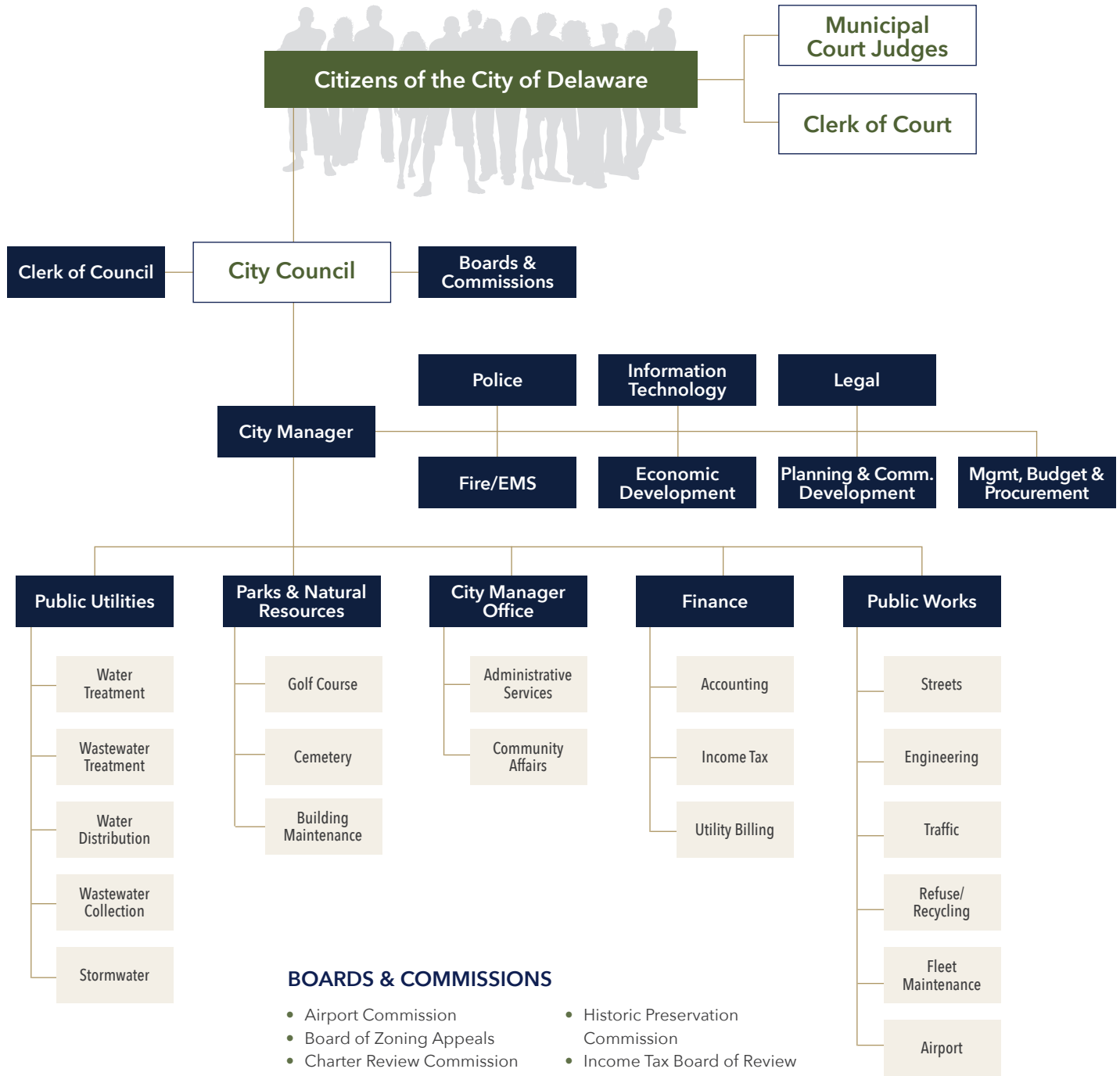


CONTACTING THE CITY

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M-F, 8am-5pm
Website
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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 Division

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.

Income Tax Rates

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)

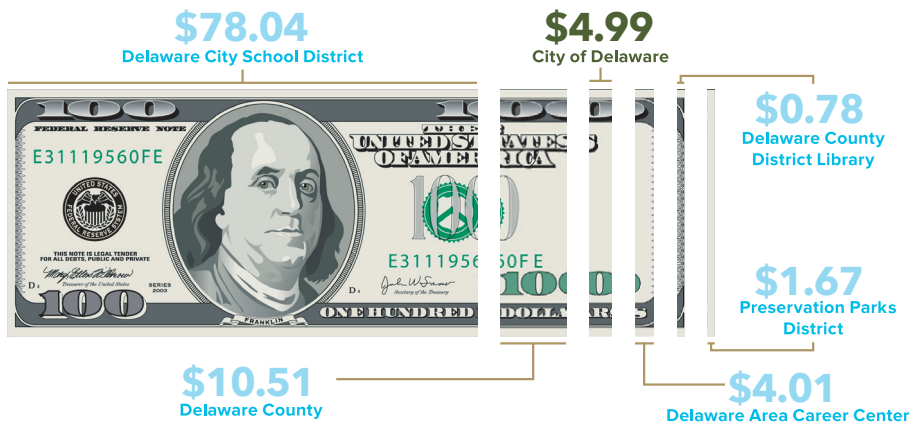
	WITHHOLDING	%	RESIDENTIAL	%	BUSINESS	%	TOTAL
'23	\$28,152,280	68.26%	\$9,147,498	22.18%	\$3,945,463	9.57%	\$41,244,241
'22	\$25,541,000	71.55%	\$6,788,000	19.02%	\$3,369,000	9.44%	\$35,698,000
'21	\$22,160,000	66.38%	\$8,001,000	23.97%	\$3,222,000	9.65%	\$33,383,000
'20	\$19,885,000	69.02%	\$6,987,000	24.24%	\$1,937,000	6.72%	\$28,809,000

Years prior to 2023 are rounded to the nearest thousand

Property Tax – Where It Goes

Only a small portion of your property tax supports City operations. The City receives approximately \$4.99 of every \$100 of property tax paid. The Delaware City School District, Delaware Area Career Center, Delaware County, 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	\$2,584.03
Delaware County	\$348.01
Delaware Area Career Center	\$132.85
City of Delaware	\$165.39
Delaware County District Library	\$25.87
Preservation Parks District	\$55.30
TOTAL	\$3,311.44

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

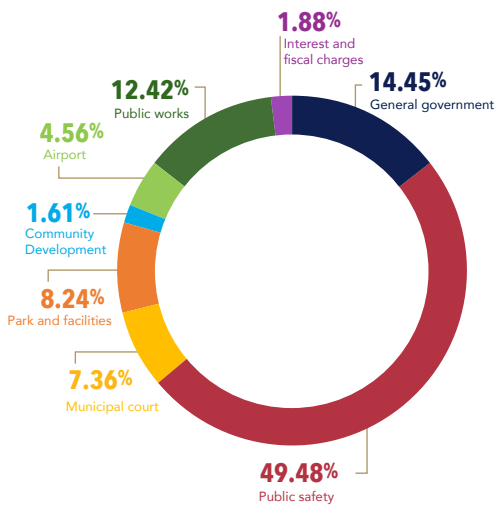
The majority of City of Delaware public funding – approximately 52 percent - goes toward public safety expenses related to the City's Police and Fire Department.

The Police Department responds to about 35,000 calls for service annually in providing police protection to approximately 45,000 residents and covering a land area of 20 square miles. With a "safe city" as its focus the police department operates with a community policing philosophy focus and works collaboratively with community stakeholders to eliminate underlying causes of crime. The department is staffed with a Chief of Police, Asst. Chief of Police, two Captains, seven Sergeants, and 49 police officers.

Fire Department responses total more than 7,000 annually, and all personnel work and train daily to protect our community from four strategically based fire stations. Personnel totaled over 20,000 hours of training in multiple disciplines including fire suppression, officer development, emergency medical services, hazardous materials, and technical rescue. A fifth fire station is planned to open in 2026. The department is staffed with 53 firefighters, 13 lieutenants, five captains, two assistant chiefs and one fire chief. The department has earned international accredited agency status through a self-assessment and accreditation program. Delaware is one of only 300 departments worldwide to be accredited.

The General Government category includes a broad range of expenses related to the operation of the City. These expenses include for the Municipal Court, City Manager's Office, Administrative Services, Airport, Finance, Planning and Community Development and Building and Facility Maintenance.

Total Expenses 2023



Total Expenses By Department/Function

	'23	'22	'21
General government	\$9,146,725	\$7,106,499	\$4,561,850
Public safety	\$31,327,823	\$25,661,597	\$21,136,235
Municipal court	\$4,662,288	\$3,528,919	\$1,921,617
Park and facilities	\$5,219,256	\$3,565,204	\$3,486,370
Community development	\$1,020,490	\$1,035,432	\$859,522
Airport	\$2,889,863	\$1,426,031	\$2,643,217
Public works	\$7,863,823	\$6,372,973	\$5,603,178
Interest and fiscal charges	\$1,189,748	\$862,065	\$1,000,751
TOTAL	\$63,320,016	\$49,558,720	\$41,212,740
Change from Prior Year	(27.77%)	(20.2%)	(25.8%)



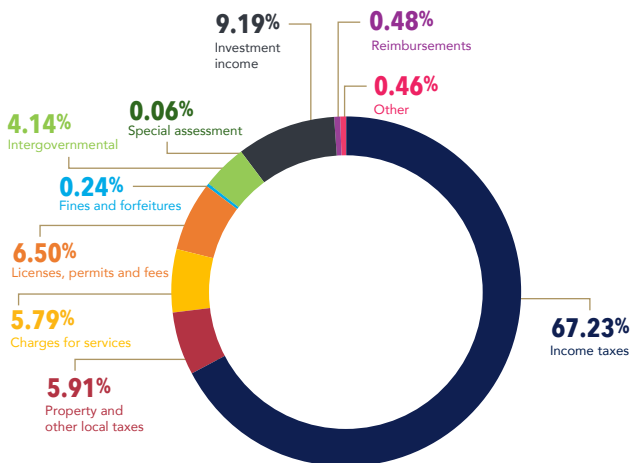
GENERAL FUND ANALYSIS

The General Fund is the City's primary operating fund. It accounts for the majority of the financial activity of the City, including all departments within the cost centers listed in the expense chart below. The Annual Comprehensive 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 2023.

General Fund Revenue By Source – 3 Year Comparison

Nearly 60% of the City's General Fund revenue is derived from income tax (67.23%). A total of 6.5% of City revenue resulted from a variety of licenses, permits, and fees including building permits, engineering fees, and cable franchise fees. Intergovernmental revenue was primarily from homestead and rollback reimbursements from the State of Ohio and local government fund distributions.

General Fund Revenues 2023

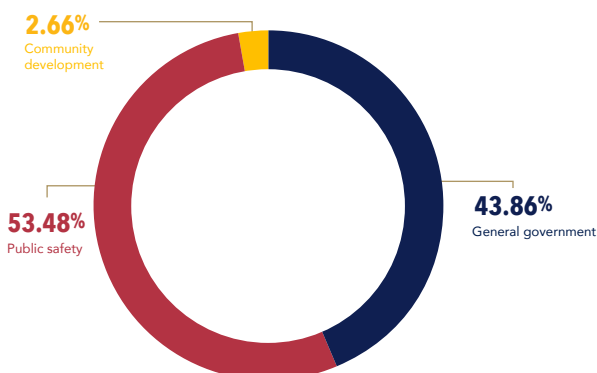


	'23	'22	'21
Income taxes	\$22,289,388	\$20,410,136	\$17,111,157
Property and other local taxes	\$1,958,581	\$1,891,842	\$1,804,428
Charges for services	\$1,917,887	\$1,958,029	\$1,413,574
Licenses, permits and fees	\$2,155,613	\$1,882,472	\$1,736,096
Fines and forfeitures	\$80,306	\$67,184	\$56,483
Intergovernmental	\$1,371,698	\$1,319,818	\$1,818,429
Special assessments	\$19,796	\$45,332	\$33,078
Investment income	\$3,047,506	\$255,451	\$65,297
Reimbursements	\$157,908	\$212,487	\$105,557
Other	\$152,054	\$61,819	\$78,939
TOTAL	\$33,150,737	\$28,104,570	\$24,223,038
Change from Prior Year	17.96%	16.02%	12.98%

General Fund Expenditure 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 Expenditure 2023



	'23	'22	'21
General government	\$9,221,834	\$8,612,515	\$6,723,369
Public safety	\$11,244,531	\$11,280,999	\$10,109,950
Community development	\$559,267	\$530,555	\$493,862
TOTAL	\$21,025,632	\$20,424,069	\$17,327,162
Change from Prior Year	2.95%	17.87%	3.25%

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 12/31/23
General Obligation (GO) & Income Tax (IT) Bonds	\$32,980,000
Ohio Water Development Authority Loans	\$33,080,227
Past Service Pension Obligation	\$172,197
Total Bonds, Loans, & Pensions Outstanding	\$63,232,424

RECENT INFRASTRUCTURE PROJECTS

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

FINAL SECTION OF SAWMILL PARKWAY UNDER WAY

The final section of Sawmill Parkway extends the roadway 3,200 feet to South Section Line Road. The road completes a key transportation link and enhances the economic base of the City of Delaware. Nearly 300 acres of industrial space are now available, including the new Sawmill Pointe Business Park.



NEIGHBORHOOD IMPROVEMENT PROJECT MOVES FORWARD

The Noble Street Neighborhood Street Improvement Project will reconstruct or resurface a total of 6,910 feet of pavement on Ross Street, Noble Street, David Street, Eaton Street, and South Washington Street between Bernard Avenue and London Road. Total project funding will consist of a \$495,000 state grant, \$50,000 in Revolving Loan Funds and \$189,200 of city general funds.

SOUTHWEST FOCUS AREA A TOP PRIORITY FOR INVESTMENT AND DEVELOPMENT

The Southwest Focus Area Plan has been created and approved. The Plan, an offshoot of the Delaware Together Comprehensive Plan, provides specific guidance for future development, along with new zoning regulations to support the implementation of the plan's recommendations. Focus area assets include an existing business and industrial base, roadway and utility infrastructure, and an active airport. Two rounds of public engagement were held during the planning process. Each round included opportunities for both in-person interaction and online review and comment.





CITY OF DELAWARE
1 South Sandusky St. | Delaware, OH 43015



COMMUNITY PROFILE

The City of Delaware, with a population of approximately 45,000, 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.