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CITY OF
DELAWARE
OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2018

PREPARED BY THE FINANCE DEPARTMENT

City of Delaware, Ohio

Comprehensive Annual Financial Report *For The Year Ended December 31, 2018*

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Cover Pictures:

Top; the newly constructed Refuse and Recycling building located at 440 E William St.

Middle; Solar panels installed at the new Refuse and Recycling building and used to power the building.

Bottom; Fire Station 304, finished during 2018 and opened January 1, 2019. It is located on the City's southeast side at the Cheshire Rd & Glenn Parkway roundabout.

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June 17, 2019

Members of City Council and
Citizens of Delaware, Ohio

Ohio Revised Code requires that each public office be audited at least every two fiscal years, except under U.S. Office of Management and Budget (OMB) *Compliance Supplement*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which may require, or has elected to have, an audit every fiscal year. The City of Delaware [the City] meets the requirements for an annual audit and this report is published to satisfy that requirement for the year ended December 31, 2018.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management and is based upon a comprehensive framework of internal controls that they have established for this purpose. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that [1] the cost of a control should not exceed the benefits likely to be derived from its implementation and [2] the valuation of costs and benefits requires estimates and judgments by management. We believe the data as presented is accurate in all material respects and that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In accordance with Ohio law, an independent audit is required to be performed on all financial operations of the City. Either the Auditor of State of Ohio, or, if the Auditor permits, an independent public accounting firm conducts the audits. For 2018, Wilson, Shannon, and Snow, Inc. performed these services. Their report is presented in the front of the Financial Section.

Management's Discussion and Analysis [MD&A] immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Reporting Entity

The City has reviewed its reporting entity definition in order to insure compliance and conformance with the Governmental Accounting Standards Board Statement Number 14, *"The Financial Reporting Entity,"* as amended

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by GASB Statement No. 39, *“Determining Whether Certain Organizations are Component Units”* and GASB Statement No.61, *“The Financial Reporting Entity: Omnibus”*. For financial reporting definition purposes, City management considered all agencies, departments, and organizations comprising the City of Delaware, the primary government, and its potential component units. Areas of consideration include financial accountability, ability to impose its will, financial benefit, and financial burden. The City has no component units.

The City of Delaware

The City is the seat of Delaware County, 25 miles north of downtown Columbus, the Ohio state capital. Delaware is an independent, full service city that has retained its small town qualities while adapting to recent high levels of growth and development. Delaware County is the fastest growing county in Ohio, identified as one of the 100 fastest growing, wealthiest and most educated areas of the country. Housing in Delaware is available in older, tree-lined neighborhoods, newer modern subdivisions, condominium developments and rental complexes. The population of Delaware increased by about 40 percent between 2000 and 2010, going from just over 25,000 residents to over 35,000. Delaware’s population exceeded 40,000 in 2018.

The region was originally occupied by the Delaware Indians who shared the territory between Columbus and Lake Erie with the Mingos and other tribes. Prehistoric Hopewell Mound Builders inhabited this area even earlier. Delaware was a country village in an agricultural region in 1808. Following the War of 1812, settlers arrived at a faster pace, including the parents of Rutherford B. Hayes, 19th President of the United States, who was born in Delaware in 1822. He met his future wife at Ohio Wesleyan University in Delaware.

Prior to the Civil War, Delaware had Northern sympathies and brought the underground railway through the area. The local Africa Road owes its name to this era. During and following the War, railroads played an important role in expanding the markets of Delaware. By 1900, Delaware had its own electric street railway and an electric interurban rail line connecting the community with Columbus and Marion.

In the modern era, farming has declined steadily throughout Delaware County as residential and industrial development has flourished. The proximity to Columbus, as well as historic periods of growth and prosperity, has greatly influenced the economy of Delaware. Its history, however, is carefully preserved in its many 19th century buildings and homes, its comfortable scale and architecture, and the pace of life as a home town.

The City covers over 19 square miles. The City of Delaware provides municipal and general administrative services under the supervision of the City Manager for police protection, fire and emergency medical services, water, sewer, storm sewer, and refuse utility services, road maintenance and improvement, a wide array of parks and recreational facilities and services, and other support services. The City also maintains a county-wide municipal court under the elected offices of 2 Judges and a Clerk of Court.

City Government

Delaware was founded in 1808 and incorporated in 1816. The City is a Charter Municipal Corporation established and operated under the laws of the State of Ohio. The Charter was first adopted November 6, 1951, and established the Council/Manager form of government. Delaware City Council consists of seven elected members. Three City Council positions are elected at-large; the other four positions are elected from the four wards of the City. The regular term of every member of Council is four years. Elections of members of Council are staggered such that every other year either the three at-large positions are elected or the four ward positions are elected. At the conclusion of each bi-annual election, one of the three at-large members of Council is elected

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Mayor by vote of all seven members of Council to serve a two-year term. The Mayor presides at meetings of Council and is recognized as the official head of the City for all ceremonial purposes, military purposes, and for servicing civil process.

The members of Council are the legislative authority of the City. Council enacts ordinances and resolutions relative to City services, tax levies, appropriating and borrowing money, licensing, and regulating businesses and trades, and other various municipal purposes.

The City Manager is the City's chief executive officer and is appointed by Council. It is the duty of the City Manager to act as chief conservator of the peace within the City; to supervise the administration of the affairs of the City; and to see that the ordinances of the City and the laws of the State are enforced. The City Manager supervises the administration of all departments and appoints the various department heads and other City employees. He also executes all contracts, conveyances, and evidences of indebtedness of the City.

City administrative departments operating under the supervision of the City Manager include: Police, Fire, Finance, City Attorney, Planning and Community Development, Public Works and Engineering, Parks and Recreation, and Public Utilities.

Economic Conditions and Outlook

The City of Delaware set many economic development records in 2018 including the management of 345 business attraction, retention and expansion projects. With this high level of activity, the local economy continues to thrive. Successful 2018 projects led to the creation of 259 new jobs in the and retention of 41 jobs.

Another indicator of a vibrant and healthy economy is occupancy rates. Our downtown increased to a 95% first-floor occupancy rate, while our retail centers averaged 91% occupancy. A majority of our retail centers are at 100% occupancy. Now, second and third floors are being renovation for offices and apartments.

With this type of growth, a limiting factor has become availability of pad-ready land and available buildings. The opening of the Sawmill Parkway Extension in 2016 has allowed us to work toward making over 1,000 new acres pad-ready for boutique manufacturers, R&D centers, tech companies and business services. We also are working with building owners to prepare or redevelop older buildings for high-end office spaces for technology companies and creative services firms.

National trends are showing traditional brick-and-mortar retail of everyday goods continuing to be in decline. Therefore, it has been difficult to attract non-boutique retailers to our community. Specialty and boutique retail continues to be strong.

The City of Delaware continues to be a statewide and regional leader in economic development. Not only are we leaders in job creation but also in policy and strategy development. Sean Hughes served on the Ohio Economic Development Association (OEDA) board of directors and the board of directors for the Mid-Ohio Development Exchange (MODE).

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Major Initiatives

Police: The Police Department has added community engagement as a major undertaking in the past few years. Community engagement became a necessity due to recent current events across the country, and was developed out of ongoing meetings with members of the community. In addition to regularly occurring events such as Safety Town, Picnic with the Cops at First Friday, DPD Basketball Camp, and the Citizens Police Academy, and Coffee with the Cops(to name a few); the Police Department has also made a concerted effort to make connections on a day to day basis. A Community Impact Officer (CIO) position was budgeted and hired. The job of the CIO is to create opportunities for all officers to be able to engage in non-enforcement activities in the community. Combined with our efforts to an improved response to crimes by immediately addressing underlying problems associated with crime, our community engagement efforts will allow us to better serve the city.

Fire-EMS: In 2010, a 0.3% income tax increase was voted in to fund the construction, equipping, and staffing of two new fire stations to provide more efficient and effective fire protection for all areas within the growing City. Land was purchased in 2011 for two new stations one in the northwest section of the City, the other in the southeast. Design on the northwest station [303] began in 2011, construction began toward the end of 2012, and the Department began operation in September 2013. Construction of the southeast station [304] began in 2018 and began operations in February 2019. The City began hiring new firefighter/EMS personnel in 2011 to staff the two new stations. As of May 1, 2018, the Department has hired 21 new positions. The Department placed into service a new 100' ladder truck, four new paramedic ambulance, a new engine, a new 107' Quint/Engine and replaced aging self-contained breathing apparatus and cardiac monitors/defibrillators. In 2018, the Insurance Service Office (ISO) conducted an assessment of the fire protection and upgraded the ISO Classification to a Class 2 insurance rating, effective August 1, 2018.

Public Utilities: In 2018, the Public Utilities Department completed tertiary treatment upgrades at the wastewater treatment plant. The tertiary upgrades allow the City's treatment process to meet ever evolving OEPA regulations, as well as continued good stewardship over our natural resource of the Olentangy River. Other projects completed in 2018 include the replacement of approximately 1,000 linear feet of six-inch water line on Blymer Street, 1,000 feet of eight-inch water main on East Winter Street, and 1,000 feet of six-inch water line on Stilson Street. The stormwater division worked with OWU to install two new bio-retention rain gardens on campus, hosted river clean-up events, and sponsored an Earth day tree planting and litter collection event.

Public Works: The new 27,000 SF refuse building was completed in 2018 and is now occupied by the refuse collection fleet, replacement tip-cart inventory, and 9000 SF recycling processing and loading area. The existing recycling building on Cherry Street was demolished in 2018 and the former recycling yard restored to a native Ohio prairie and pollinator garden. At the Airport, grant applications are being prepared for the reconstruction of pavement areas around the City owned T-hanger units A-F. Plans for construction of a second privately-owned corporate hanger remain under consideration. The next phase of Glenn Parkway from Sycamore Drive to Berlin Station Road is under design with anticipated construction in 2020. The design will accommodate the eventual extension of Glenn Parkway below the existing Norfolk-Southern railway north of Berlin Station Road. The City continues to work on several transportation initiatives utilizing State and Federal grants including the East William Street Widening project, Citywide Traffic Signal Improvements Phase I, The Point Intersection Railway Bridge Replacement project, West Central Over-height Vehicle Detection Warning System, and Union and Houk Road resurfacing improvements. The City is also expanding its resurfacing program to include additional local residential streets as a result of the anticipated increase in funding associated with the recently improved 10 ½ cent gas tax increase.

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Recreation: The Parks and Natural Resource Department includes Urban Forestry, Hidden Valley Golf Course and Oak Grove Cemetery. The Parks and Natural Resource department has completed the Glen Ross Park improvements, which include new trails, landscaping and athletic field space. Playground improvements have been completed at Belle Avenue Park. The Veterans Splash Pad has added additional seating space with shaded table and expanded deck space around the splash pad. The Mingo Recreation Center gym has been updated with a new heating system, new lighting, renovated exhaust fans and pickleball lines on the floor. The Hilborn Room has replaced the HVAC system and renovated the walls to improve appearance. Additional lighting has been updated that will reduce maintenance and energy costs. Future facility improvements include new windows and flooring. Trail work continues along Central Avenue with the final link from Houk Road to Lexington Blvd. undergoing design in 2019 and construction anticipated for 2020. This link will greatly improve pedestrian safety and provide a safe active transportation route for west side residents. The department is also bidding a sign package that will add entrance signs, traffic directional signs and kiosks to parks and the cemetery. Blue Limestone Park has added two new basketball courts and will be programmed for youth activities and tournaments. Several shelters and dugouts received new metal roofs to replace aging roofs. Planning for a new neighborhood park off Houk Road, west of the Delaware Recreation Center YMCA, is underway with amenities to include athletic field space for soccer, lacrosse, football and cricket and additional walking trails. The Oak Grove Cemetery is completing a master plan study that will guide future development. Initial projects will include Liberty Road entrance improvements and stream restoration efforts in 2020. The Hidden Valley Golf Course will continue to use the Sustainability Plan to make improvements to become more connected to the community and increase play. The golf course will be introducing beer sales and hire a new supervisor in 2019.

Planning & Community Development: New home building, including single and multi-family homes, condos and apartments, increased over 147% in number built [permits to build] and increased in value 74% from 2017 to 2018. Residential building permits totaled 252 for 2017 and 623 in 2018. Excluding 250 units in apartments still shows an increase from 252 to 373 in family dwellings. These 373 permits totaled some \$90.5 million in home value, from \$64.5 million in 2017. Commercial permits decreased by 1, from 243 in number to 242 and from their value increased from \$23.6 million in 2017 to \$31.5 million in 2018.

Economic Development:

Industry – In early 2018, the Tax Incentive Review Council (TIRC) reported to Council and the Ohio Development Services Agency the status of the 13 active City tax incentive agreements. These agreements have created 621 jobs with a \$30,717,256.76 payroll. Additionally, these incentive agreements have generated \$2,975,968 in real property tax investment.

In 2018, we welcome multiple office/tech/medical companies including CAMS, Inc, Tomahawk Strategic Solutions, Family Urgent Care, Bar 1 Motorsports, Snow Paw Solutions, DK Architects, GBO Digital, NESCO Staffing, Siphon Group, Rose Orthodontics, Peak Property Group, ReYuze, United Systems & Software, Yummy Kettle Corn (HQ), Shannon Thomas Insurance, ALV Jewels, Breidenbach Consulting, and Allegiance Technologies LLC.

We also welcome multiple retail and restaurant businesses including Rebel Toys, Romeo's Pizza, All-Star Designs, Redline Athletics, Hot Tropix Design, Smoked Ohio BBQ & Bar, Tiny House, Old Dog Alehouse & Brewery, gather, The Wonder Within, William Street B&B, Encompass Eatery Food Truck, Delaware Music Center, Ruthless Ink, Box Drop and Mattress Firm.

Several companies also completed expansions in 2017 including Midwest Acoust-A-Fiber, Engineered Materials Systems and American Freight.

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Business Incentives and Creating Development

The City of Delaware allows tax incentives offers tax incentives meeting the requirements set forth under GASB Statement No. 77 primarily through Enterprise Zone tax abatements (EZA) and Community Reinvestment Areas (CRA). The EZA program has not been utilized in many years as its function is now limited to benefit businesses from abatement of real estate taxes. The City's CRA program benefits business from the abatement of real estate taxes and effects public tax dollars.

All City business incentives start the above abatement processes with an application process from the business declaring their commitments of building improvements and/or job creation by moving their business into the City. Thereby, the business will improve an existing building or constructing a new building(s) to accommodate their new increased manufacturing, professional or retail establishment's personnel and equipment. The City, after reviewing the applications, will accept, amend, or deny the business request based upon the criteria (minimum return on investment criteria) as stated in the notes to the financial statements. Thus, a complete cost/benefit analysis is performed by the administration before making a decision on the businesses incentive request. The City makes public any decision to allow any incentives through an ordinance approved by City Council. When an agreement requires the City to have a Delaware City School District (DCSD) tax sharing agreement under section 5709.82 of the Ohio Revised Code, the City will enter into an agreement with the DCSD.

The Delaware County Appraisal Department under the County Fiscal Officer, assigns taxable values to new or improved commercial property improvements. This new or improvement valuation is used in conjunction with a contract between the City and the business to establish the dollar amount of abated valuation associated with the new construction and/or improvements.

Monitoring Incentives: The City of Delaware is required by statute, to file online annually, by March 31st, all abatement information with the State of Ohio. This applies to each individual abatement contract and overall statistics of the CRA program related to the abatements granted. Information such as number of jobs created, retained employment, the amount of payroll related to increased jobs, real estate improvement dollars invested, income tax dollars generated from each and overall contracts.

The City is required to submit to a review of all CRA and EZA Contract agreements with the Tax Incentive Review Council (TIRC) annually in August. The TIRC is organized by Section 5709.85 (A) (1) of the Ohio Revised Code. consisting of 7 members: one legislative appointee, one County Auditor (Fiscal Officer) appointee, one member of the Board of Education, the Chief Financial Officer of the City, and two - ix - members of the public appointed by the City Manager with concurrence of the legislative authority (City Council), with at least four members being residents of the City. The TIRC reviews the State of Ohio CRA/EZA forms of each corresponding business incentive and votes to continue, request modification of the current agreement, decide that the business is non-compliant with their contract requirements, or if appropriate, let the incentives expire.

The TIRC presents its recommendations to the City of Delaware Council at a public meeting and, by resolution, can accept, modify or reject the recommendations of the TIRC. City Council reserves the right to terminate abatements and incentives when businesses are not in compliance. City Council's Goals and strategic plan as they review/and or approve these incentives and recommendations are to maintain the City of Delaware's competitiveness as a site for location of new businesses and the expansion of existing businesses, create and retain jobs, and increase real estate values, for tax purposes. The economic effect of these incentives are immediate when increasing jobs as municipal income taxes increase, however, for the most part the positive economic effects from collection of real estate taxes, will be in the future.

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Significant 2018 City of Delaware Business Highlights

Downtown Delaware is one of the City's most defining elements because it is an intact historic business district—parts of which have been placed on the National Register of Historic Places. The central business district has a large concentration of retail and commercial businesses and is becoming a popular food and beverage destination due to a growing number of restaurants, microbreweries and bars. The historic downtown continues to positively evolve and be vibrant with an increasing first-floor occupancy rate at 95%. Second and third-floor office/residential space occupancy rates hover around 80%.

Ohio Wesleyan University is a direct component of the built downtown environment and is considered a downtown anchor. This advantageous location offers cultural and educational opportunities for students, businesses and the community.

The City of Delaware maintains an active Main Street program which provides a full-time director. Main Street Delaware implements key events in the downtown such as First Friday, Main Street Delaware Farmers' Market, Planter Programs, sidewalk cleaning, Christmas decorations, Santa House, Carriage Rides, Chocolate Walk, March for Art, Artful Spaces, Public Art, Design Awards, 12 Days of Christmas and more. The U.S. Department of Interior certified Delaware as a Certified Local Government and Delaware has been named "Best Hometown" by Ohio Magazine. The City was also one of the nation's first eight Preserve America Communities, as selected by the White House.

The following table shows comparative average monthly employment and unemployment statistics for the indicated periods.

<u>Year</u>	<u>Employed in</u>	<u>Unemployment Rate</u>		
	<u>County</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
2009	85,973	6.9	10.8	10.0
2010	86,200	7.1	9.6	9.4
2011	85,754	6.7	7.4	8.1
2012	91,751	5.0	7.0	7.5
2013	98,700	5.2	6.2	6.8
2014	99,500	3.2	4.7	5.6
2015	101,490	3.5	4.8	5.0
2016	100,500	3.4	4.9	4.7
2017	106,877	2.9	4.7	4.9
2018	108,245	3.4	4.6	3.9

Source: Ohio Job and Family Services, US Census Bureau.

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The following employers (private and public) have some of the largest work forces within the City:

Employer	Nature of Activity or Business	Approximate Number of Employees
Ohio Health-Grady Hospital	Medical services	1,500
Delaware County	County government	1,100
The Kroger Company	Grocery & retail	1,086
Delaware City School District	Education	646
Ohio Wesleyan University	Education	576
Advance Auto	Automotive parts distribution	406
PPG Industries OH	Aftermarket auto finishes	383
Vertiv [Liebert]	High voltage UPS systems	347
City of Delaware	Municipal government	330
Domtar [formerly AHP]	Disposable diaper manufacturer	290

Financial Information

The City of Delaware's accounting system is organized on a "Fund Basis". Each fund is a distinct, self-balancing account.

Development of the City's accounting system includes consideration of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that [1] the cost of a control should not exceed the benefits likely to be derived from its implementation and [2] the valuation of costs and benefits requires estimates and judgments by management.

The City adopts its annual appropriation ordinance on or before January 1 of each year. The City Manager and the Finance Director prepare the budget legislation and submit it to City Council for their consideration and approval. All disbursements require appropriation authority. The legal level of budgetary control is at the payroll expenditures/expenses and other expenditures/expenses. For reporting purposes, the City further divides "other" by their function.

The Finance Director is authorized to transfer appropriations between line items, within a department or fund. Any increase in the total appropriations for a department must be approved by City Council. A purchase order is required before making any purchase over \$250.

Financial Policies

The City's budget is not a static document. It is prepared prior to the beginning of the year it represents; however, it is scrutinized by staff at least on a monthly basis for accountability. The City may budget to receive a certain amount of revenue in an account or fund, to be used for certain operations or capital improvements. However, if those revenues are not received in their entirety or at all, those appropriations are not necessarily deemed allowable expenditures. The Finance Director, City Manager, and Departmental Directors, review the budget to determine what operations or projects may be postponed, dismissed entirely, or done sooner, depending on the circumstances. In times when the economy is slow, and fee collections are decreased, this scrutinizing plays a major role in maintaining a positive budget balance.

City of Delaware, Ohio

In April 2017, Moody's Investors Service issued a Aa2 rating for the City's General Obligation Bond Issue, Series 2017. This rating was maintained with the City's previous Aa2 bond rating. In issuing their credit opinion, Moody's indicated "The Aa2 rating reflects the City's moderately sized and growing tax base, its proximity to the expanding Columbus (Aaa stable) metro area, and sound financial operations supported by prudent management and robust income tax growth. These strengths are balanced against the City's heightened debt and pension burdens."

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Delaware for its Comprehensive Annual Financial Report for the year ended December 31, 2017. This is the sixteenth consecutive award the City has received for a CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Delaware Finance Department believes this current report continues to conform to the program's requirements, and it will be submitted to GFOA for review.

Acknowledgements

We would like to thank the many departments that assisted in providing information reported in this CAFR, as well as the Delaware County Auditor's Office. We would also like to recognize City Council for their continued support and commitment to responsible financial reporting.

We are pleased to present this report to the residents and taxpayers of the City of Delaware.

Sincerely,

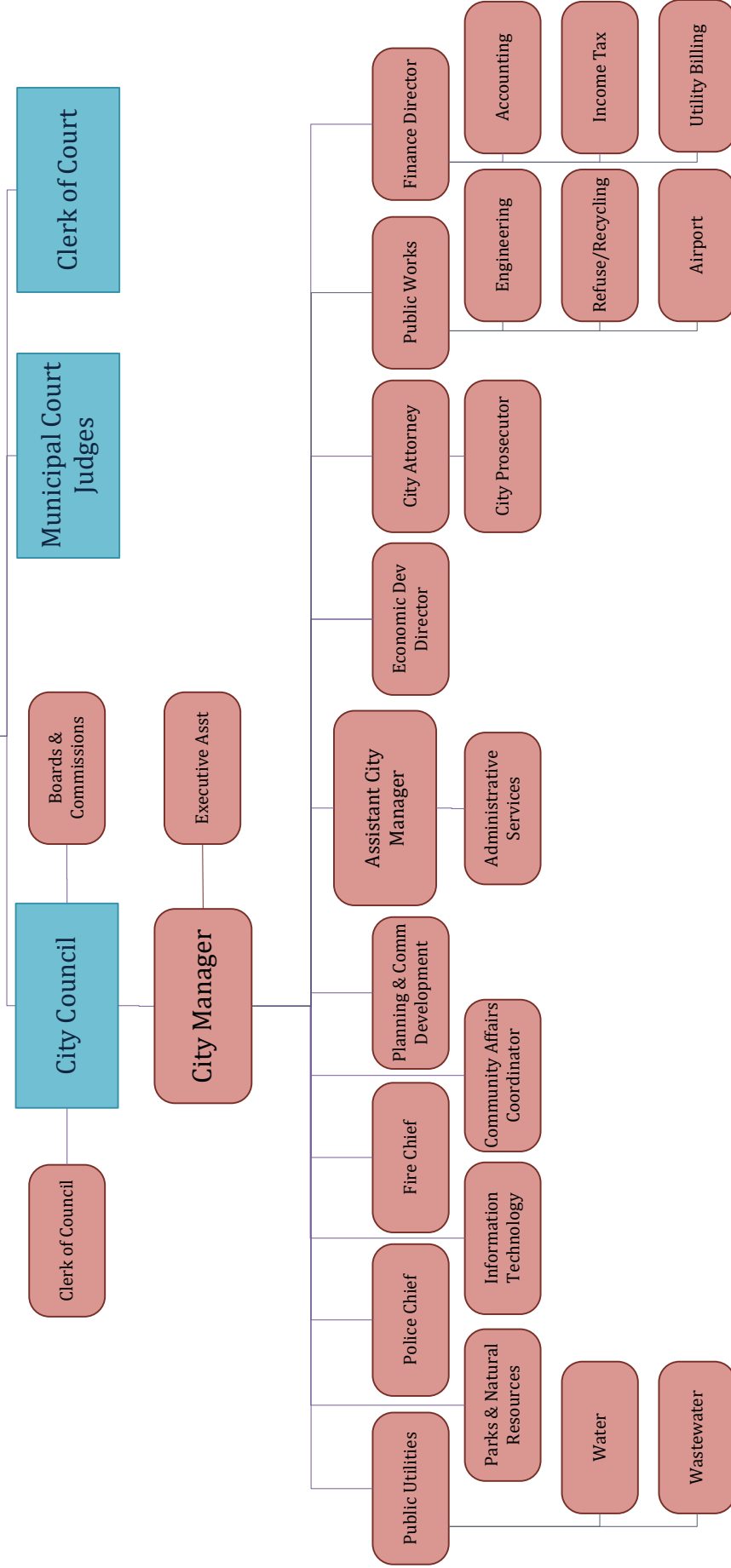


Dean P. Stelzer
Finance Director

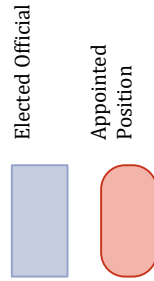


Robert L. Alger
City Accountant

Citizens of the City of Delaware



Legend



Boards & Commissions

- Airport Commission
- Board of Zoning Appeals
- Charter Review Commission
- Civil Service Commission
- Finance Committee
- Golf Course Advisory Board
- Historic Preservation Commission
- Income Tax Board of Review
- Parks and Recreation Advisory Board
- Permanent Tax Advisory Committee
- Planning Commission
- Shade Tree Commission

CITY OF DELAWARE,
OHIO

Elected and Appointed Officials

As of December 31, 2018

Elected Officials

City Council

Chris Jones --- First Ward
Lisa Keller --- Second Ward
Jim Browning --- Third Ward

Kyle Rohrer --- Fourth Ward
Carolyn Riggle --- At-large/Mayor

George Hellinger --- At-large/Vice-mayor
Kent Shafer --- At-large

Municipal Court

David Sunderman --- Municipal Court Judge
Marianne Hemmeter --- Municipal Court Judge
Cindy Dinovo --- Clerk of Court

Appointed Officials

R. Thomas Homan --- City Manager
Jackie Walker --- Assistant City Manager
Darren Schulman --- City Attorney
Dean Stelzer --- Finance Director
Bill Ferrigno --- City Engineer/Public Works
Director
Blake Jordan --- Public Utilities Director
Dave Efland --- Planning & Community
Development Director
Lee Yoakum --- Community Affairs Coordinator
John Donahue --- Fire Chief
Bruce Pijanowski --- Police Chief
Sean Hughes --- Econ. Develop. Coordinator
Ted Miller --- Parks Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Delaware
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

City of Delaware
Delaware County
One South Sandusky Street
Delaware, Ohio 43015



INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

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 Delaware, Delaware County, Ohio (the City), as of and for the year ended December 31, 2018, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 of Delaware, Delaware County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire/EMS Income Tax funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*". We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension liability/asset and other post-employment benefit liability and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

City of Delaware
Delaware County
Independent Auditor's Report

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

Wilson, Shannon & Son, Inc.

Newark, Ohio
June 17, 2019

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CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The management's discussion and analysis of the City of Delaware's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The total net position of the City increased \$18 million. Net position of governmental activities increased \$5.5 million or 9.58% from 2017's restated net position and net position of business-type activities increased \$12.5 million or 12.35% from 2017's restated net position.
- General revenues accounted for \$33.7 million or 64.08% of total governmental activities revenue. Program specific revenues accounted for \$19.0 million or 35.92% of total governmental activities revenue.
- The City had \$47.1 million in expenses related to governmental activities; \$19.0 million of these expenses were offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$28.2 million were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$33.7 million.
- The General Fund had revenues and other financing sources of \$21.8 million in 2018. This represents an increase of \$1.8 million from 2017. The expenditures and other financing uses of the general fund, which totaled \$20.5 million in 2018, increased \$1.6 million from 2017. The net increase in fund balance for the general fund was \$1.3 million or 16.06% compared with the 2017 balance.
- The Fire/EMS Income Tax Fund had revenues and other financing sources of \$11.2 million in 2018. This represents a decrease of \$2.6 million from 2017 revenues and other sources. The expenditures and other financing uses of the Fire/EMS Income Tax Fund, which totaled \$13.0 million in 2018, increased \$4.2 million from 2017. The net decrease in fund balance for the Fire/EMS Income Tax Fund was \$1.8 million or 15.81%.
- The Capital Improvement Fund had revenues and other financing sources of \$3.2 million in 2018. The expenditures and other financing uses of the Capital Improvement Fund totaled \$4.4 million in 2018. The net decrease in the fund balance for the Capital Improvement Fund was \$1.1 million or 64.09%.
- The Glenn Road South Construction Fund had revenues and other financing sources of \$7.3 million in 2018. The expenditures of the Glenn Road South Construction Fund totaled \$9.9 million in 2018. The net decrease in the fund balance for the Glenn Road South Construction Fund was \$2.6 thousand or 26.40%.
- Net position for the business-type activities, which are made up of the Water, Sewer, Storm Sewer, Refuse, Parking Lot, and Golf Course enterprise funds, increased in 2018 by \$12.5 million.
- In the General Fund, the actual revenues and other financing sources came in \$1.7 million more than they were in the final budget and actual expenditures and other financing uses were \$0.6 million more than the amount in the final budget. Final budgeted revenues and other financing sources were \$0.1 million less than the original budgeted revenue. Budgeted expenditures and other financing uses increased \$0.8 million from the original to the final budget.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street department, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, storm sewer, refuse, parking and golf operations are reported here.

The City's statement of net position and statement of activities can be found on pages 23-25 of this report.

Reporting the City's Most Significant Funds

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 of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 15.

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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental 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. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. 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.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the General Fund, Fire/EMS Income Tax fund, Capital Improvement Fund, and Glenn Road South Construction Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 26-31 of this report.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and golf course management functions. City's enterprise funds considered to be major funds include the Water Fund, Sewer Fund, Refuse Fund and Storm Water Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City reports a Self-Insurance Fund, Worker's Compensation Fund, Garage Rotary Fund, and Information Technologies Rotary Fund. The basic proprietary fund financial statements can be found on pages 32-41 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 42 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 44-106 of this report.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension and OPEB liabilities. The required supplementary information can be found on pages 108-119 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position for 2018 compared to 2017. The net position at December 31, 2017 has been restated as described in Note 2.

Table 1
Net Position
December 31, 2018 and 2017
(as restated)
(In Thousands*)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>
	2018	2017	2018	2017	2018	2017
<i>Assets</i>						
Current and Other Assets	\$ 71,236	\$ 69,321	\$ 30,790	\$ 27,942	\$ 102,026	\$ 97,263
Capital Assets, Net	<u>106,910</u>	<u>100,681</u>	<u>150,574</u>	<u>143,445</u>	<u>257,484</u>	<u>244,126</u>
Total Assets	<u>178,146</u>	<u>170,002</u>	<u>181,364</u>	<u>171,387</u>	<u>359,510</u>	<u>341,389</u>
<i>Deferred Outflows of Resources</i>						
Pension	6,408	9,999	919	1,882	7,327	11,881
OPEB	3,100	134	220	32	3,320	166
Other	9	11	58	59	67	70
Total Deferred Outflows of Resources	<u>9,517</u>	<u>10,144</u>	<u>1,197</u>	<u>1,973</u>	<u>10,714</u>	<u>12,117</u>
<i>Liabilities</i>						
Current and Other Liabilities	6,516	3,961	1,503	1,347	8,019	5,308
Long-term Liabilities						
Due Within One Year	10,327	13,523	3,590	3,513	13,917	17,036
Due in More than One Year:						
Net Pension Liability	35,411	39,618	3,355	4,659	38,766	44,277
Net OPEB Liability	30,616	25,957	2,322	2,098	32,938	28,055
Other Amounts	<u>35,978</u>	<u>37,755</u>	<u>57,379</u>	<u>60,721</u>	<u>93,357</u>	<u>98,476</u>
Total Liabilities	<u>118,848</u>	<u>120,814</u>	<u>68,149</u>	<u>72,338</u>	<u>186,997</u>	<u>193,152</u>
<i>Deferred Inflows of Resources</i>						
Property Taxes	1,850	1,632	-	-	1,850	1,632
Pension	3,283	302	833	86	4,116	388
OPEB	<u>786</u>	<u>-</u>	<u>178</u>	<u>-</u>	<u>964</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>5,919</u>	<u>1,934</u>	<u>1,011</u>	<u>86</u>	<u>6,930</u>	<u>2,020</u>
<i>Net Position</i>						
Net Investment in Capital Assets	63,787	55,409	90,700	80,275	154,487	135,684
Restricted	30,541	33,710	-	-	30,541	33,710
Unrestricted	<u>(31,432)</u>	<u>(31,721)</u>	<u>22,701</u>	<u>20,661</u>	<u>(8,731)</u>	<u>(11,060)</u>
Total Net Position	<u>\$ 62,896</u>	<u>\$ 57,398</u>	<u>\$ 113,401</u>	<u>\$ 100,936</u>	<u>\$ 176,297</u>	<u>\$ 158,334</u>

* reporting in 'thousands' displays some rounding variances

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$83,221,351 to \$57,397,826 for governmental activities and \$103,001,587 to \$100,936,010 for business-type activities.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$176.3 million. At year-end, net position was \$62.9 million and \$113.4 million for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets net represented 71.62% of total assets. Total capital assets include land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The City's net investment in capital assets at December 31, 2018, was \$63.8 million and \$90.7 million in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, \$30.5 million represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$31.4 million.

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CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The table below shows the changes in net position for years 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 2.

Change in Net Position

Table 2

Changes in Net Position For the Years Ended December 31, 2018 and 2017

(as restated)

(In Thousands)*

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2018	<i>Restated</i> 2017	2018	<i>Restated</i> 2017	2018	<i>Restated</i> 2017
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 9,638	\$ 10,194	\$ 23,664	\$ 19,589	\$ 33,302	\$ 29,783
Operating Grants and Contributions	2,141	2,211	-	-	2,141	2,211
Capital Grants and Contributions	7,126	4,165	8,224	2,934	15,350	7,099
Total Program Revenues	<u>18,905</u>	<u>16,570</u>	<u>31,888</u>	<u>22,523</u>	<u>50,793</u>	<u>39,093</u>
General Revenues:						
Property Taxes	1,819	1,630	-	-	1,819	1,630
Income Taxes	28,042	26,942	-	-	28,042	26,942
Other Taxes	86	83	-	-	86	83
Grants and Other Contributions not						
Restricted to Specific Programs	953	1,156	-	-	953	1,156
Payments in Lieu of Taxes	1,459	746	-	-	1,459	746
Interest Income	817	400	442	228	1,259	628
Miscellaneous	541	214	90	108	631	322
Total General Revenues	<u>33,717</u>	<u>31,171</u>	<u>532</u>	<u>336</u>	<u>34,249</u>	<u>31,507</u>
Total Revenues	<u>52,622</u>	<u>47,741</u>	<u>32,420</u>	<u>22,859</u>	<u>85,042</u>	<u>70,600</u>
Expenses						
General Government	8,484	6,708	-	-	8,484	6,708
Public Safety	23,575	18,710	-	-	23,575	18,710
Municipal Court	3,282	3,121	-	-	3,282	3,121
Parks & Facilities	3,283	3,557	-	-	3,283	3,557
Community Development	676	1,168	-	-	676	1,168
Airport	2,148	1,620	-	-	2,148	1,620
Public Works	4,602	5,821	-	-	4,602	5,821
Interest and Fiscal Charges	1,074	1,056	-	-	1,074	1,056
Water	-	-	7,882	7,552	7,882	7,552
Sewer	-	-	7,466	7,447	7,466	7,447
Storm Sewer	-	-	971	1,388	971	1,388
Refuse	-	-	3,389	3,119	3,389	3,119
Other Business-type Activities	-	-	247	231	247	231
Total Expenses	<u>47,124</u>	<u>41,761</u>	<u>19,955</u>	<u>19,737</u>	<u>67,079</u>	<u>61,498</u>
Changes in Net Position	<u>5,498</u>	<u>5,980</u>	<u>12,465</u>	<u>3,122</u>	<u>17,963</u>	<u>9,102</u>
Net Position at Beginning of Year [as restated]	<u>57,398</u>	N/A	<u>100,936</u>	N/A	<u>158,334</u>	N/A
Net Position at End of Year	<u>\$ 62,896</u>	<u>\$ 57,398</u>	<u>\$ 113,401</u>	<u>\$ 100,936</u>	<u>\$ 176,297</u>	<u>\$ 158,334</u>

* reporting in 'thousands' displays some rounding variances

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$166,377 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$2,750,738.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2018 program expenses under GASB 75	\$ 47,124,193	\$ 19,955,038
OPEB expense under GASB 75	(2,518,296)	(232,442)
2018 contractually required contributions	<u>54,788</u>	<u>3,465</u>
Adjusted 2018 program expenses	44,660,685	19,726,061
Total 2017 program expenses under GASB 45	<u>41,760,838</u>	<u>19,736,569</u>
Increase (decrease) in program expenses not related to OPEB	<u>\$ 2,899,847</u>	<u>\$ (10,508)</u>

Governmental Activities

Governmental activities net position increased 9.58% or \$5.5 million in 2018.

Public safety, which primarily supports the operations of the police and fire departments accounted for \$23.6 million of the total governmental expenses of the City. These expenses were partially funded by \$1.3 million in direct charges to users of the services, \$775 in operating grants and contributions and \$54 thousand in capital grants and contributions. Public works expenses totaled \$4.6 million. Public works expenses were partially funded by \$106 thousand in direct charges to users of the services, \$1.9 million in operating grants and contributions and \$6.3 million in capital grants and contributions. General government expenses totaled \$8.5 million. General government expenses were partially funded by \$2.9 million in direct charges to users of the services, \$140 thousand in operating grants and contributions and \$442 thousand in capital grants and contributions.

The state and federal government contributed to the City a total of \$2.1 million in operating grants and contributions and \$7.1 million in capital grants and contributions. These revenues are restricted to a particular program or purpose.

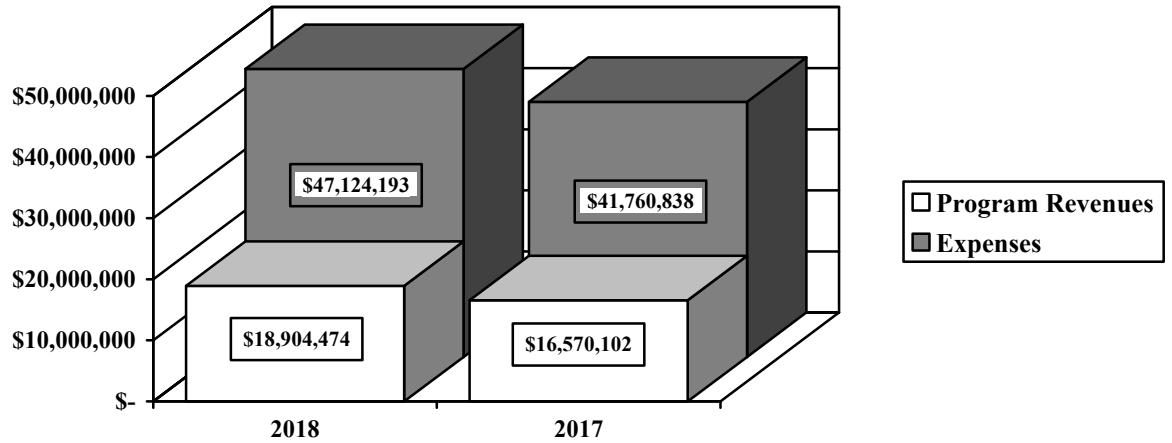
General revenues totaled \$33.7 million and amounted to 64.08% of total governmental revenues. These revenues primarily consist of property, income tax and other tax revenue of \$29.9 million. Unrestricted grants and entitlements of \$953 thousand, which includes local government funds, is the other primary source of general revenues.

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities (In Thousands)*

	Total Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2018</u>	Net Cost of Services <u>2017</u>
Program Expenses:				
General government	\$ 8,484	\$ 6,708	\$ 4,976	\$ 3,792
Public safety	23,575	18,710	22,184	17,476
Municipal court	3,282	3,121	(231)	(1,100)
Parks and facilities	3,283	3,557	2,237	2,876
Community development	676	1,168	623	627
Airport	2,148	1,620	1,110	278
Public works	4,602	5,821	(3,753)	186
Interest and Fiscal Charges	<u>1,074</u>	<u>1,056</u>	<u>1,074</u>	<u>1,056</u>
Total Expenses	<u>\$ 47,124</u>	<u>\$ 41,761</u>	<u>\$ 28,220</u>	<u>\$ 25,191</u>

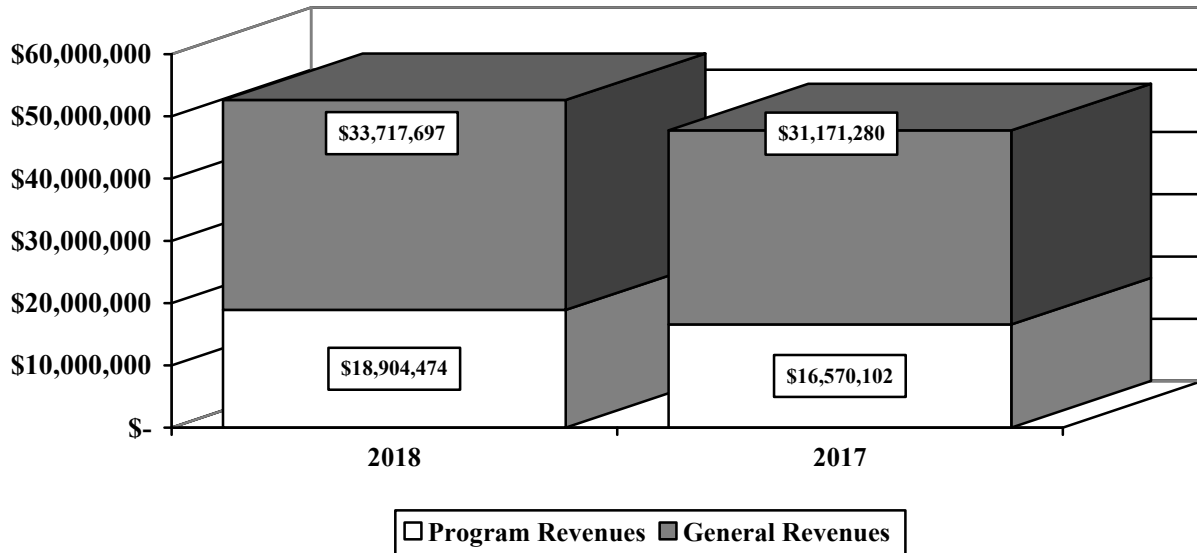
* reporting in 'thousands' displays some rounding variances

The dependence upon general revenues for governmental activities is apparent, with 59.88% of expenses supported through taxes and other general revenues.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Governmental Activities - General and Program Revenues

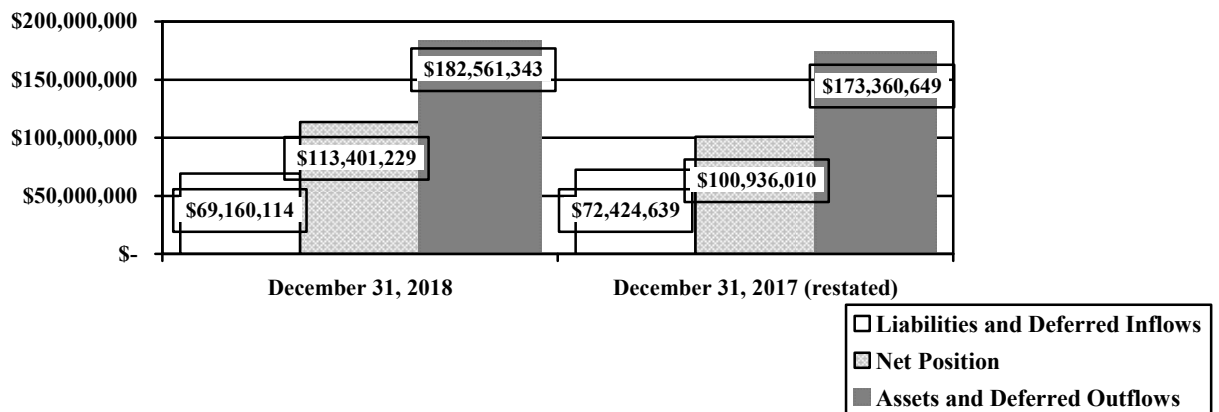


Business-type Activities

Business-type activities include the water, sewer, storm sewer, refuse, parking, SEH bond and golf enterprise funds. These programs had program revenues of \$31.9 million, general revenues of \$532 thousand and expenses of \$20.0 million for 2018.

The graph below shows the business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at year-end 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 2.

Net Position in Business - Type Activities



CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Financial Analysis of the Government'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, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 26) reported a combined fund balance of \$51.0 million which is \$1.4 million below last year's balance of \$52.4 million. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 for all major and nonmajor governmental funds.

	Fund Balances 12/31/18	Fund Balances 12/31/17	Increase (Decrease)
Major Funds:			
General	\$ 9,542,063	\$ 8,221,313	\$ 1,320,750
Fire/EMS income tax	9,628,626	11,436,103	(1,807,477)
Capital improvement	637,745	1,776,172	(1,138,427)
Glenn road south construction	7,312,821	9,935,538	(2,622,717)
Other nonmajor governmental funds	<u>23,898,231</u>	<u>21,020,503</u>	<u>2,877,728</u>
Total	<u>\$ 51,019,486</u>	<u>\$ 52,389,629</u>	<u>\$ (1,370,143)</u>

General Fund

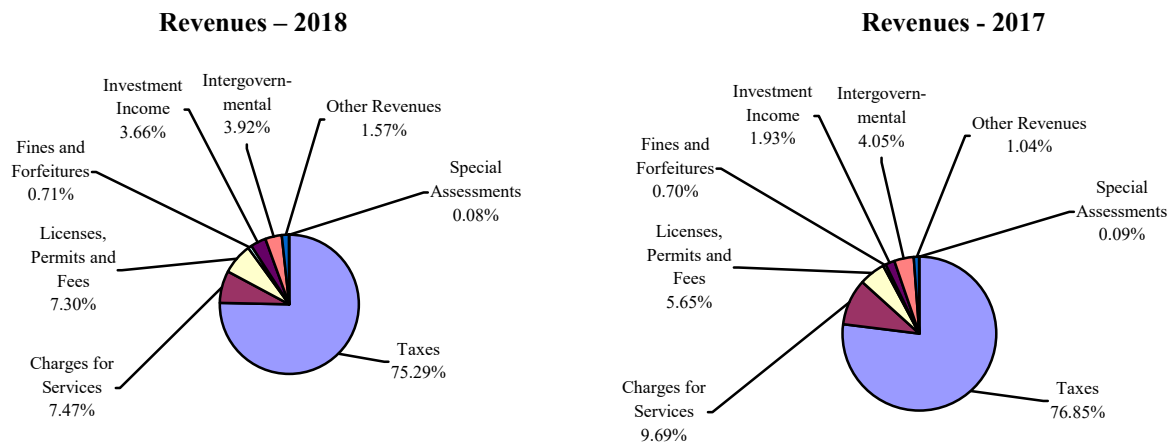
The General Fund increased just over \$1.3 million. The Parks & Recreation fund, which is merged into the General Fund for reporting, had its recreational programs operated by the YMCA beginning in 2012, so the operational costs required to run these programs is no longer a cost to the City. The table that follows assists in illustrating the revenues of the general fund. Total taxes collected increased \$1 million, investment income increased \$409 thousand. Charges for services decreased \$314 thousand in 2018 as the City began decreasing the amount pre-billed for Engineering Fees [inspections of underground infrastructure] and has switched to billing monthly for inspections performed in 2019. This was offset by an increase of \$457 thousand in licenses, permits and fees by as new developments picked back up in 2018. For just inspections, the City performed 9,736 in 2017 and 12,657 in 2018, a 30% increase. Building permits increase from 504 in 2017 to 1,246 in 2018. Other revenue has one large, one-time payment of \$100,000 from a developer that would have mislead readers had it been put in another revenue category, so it was posted accordingly.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 16,390,220	\$ 15,395,582	6.46 %
Charges for services	1,627,062	1,941,210	(16.18) %
Licenses, permits and fees	1,589,564	1,132,517	40.36 %
Fines and forfeitures	154,379	139,893	10.36 %
Investment income	796,561	387,615	105.50 %
Special assessments	13,870	16,036	(13.51) %
Intergovernmental	854,304	811,543	5.27 %
Other	<u>342,747</u>	<u>207,854</u>	64.90 %
Total	<u>\$ 21,768,707</u>	<u>\$ 20,032,250</u>	8.67 %

Tax revenue represents 75.29% of all General Fund revenue.



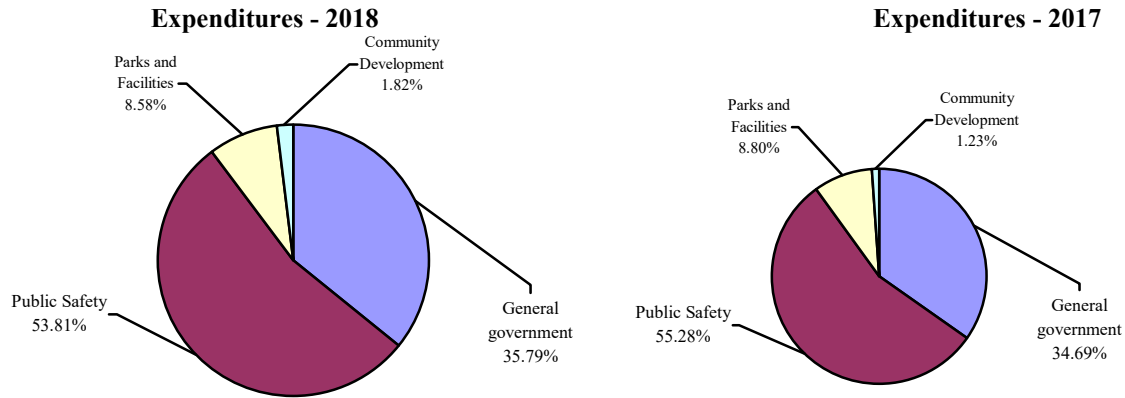
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 5,940,923	\$ 5,329,512	11.47 %
Public safety and municipal court	8,931,756	8,493,089	5.16 %
Parks and facilities	1,424,763	1,352,367	5.35 %
Community development	<u>301,953</u>	<u>189,603</u>	59.26 %
Total	<u>\$ 16,599,395</u>	<u>\$ 15,364,571</u>	8.04 %

Total expenditures increased 8.04% from 2017. The largest expenditure line item, public safety, increased 5.16%, mostly in wages and benefits. General government increased \$611 thousand; mostly from an additional \$287 thousand in wages and benefits, another \$87 thousand for contracted services. Community development had an increase in income tax sharing of \$112 thousand in 2018.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)



Fire/EMS Income Tax Fund

The Fire/EMS Income Tax Fund had revenues and other financing sources of \$11.2 million in 2018. This represents a decrease of \$2.5 million from 2017 revenues and other sources, as 2017 had a \$3.5 million bond issuance and 2018 had a \$800 thousand increase in income tax revenue. The expenditures and other financing uses of the Fire/EMS Income Tax Fund, which totaled \$13.0 million in 2018, increased \$4.3 million from 2017, considering a new fire station was constructed in 2018. The net decrease in fund balance for the Fire/EMS Income Tax Fund was \$1.8 million or 15.81%. This decrease is can also be attributed to the construction of Fire Station 304, the City's 4th.

Capital Improvement Fund

The Capital Improvement Fund is funded by federal and state grants, and significantly funded by transfers from the General Fund, which were increased by \$198 thousand for 2018. When grants are in high demand and short supply, as continued the case again in 2018, the fund is more reliant on General Fund transfers. The Capital Improvement Fund's revenues and other financing sources totaled \$3.2 million in 2018. The expenditures and other financing uses of the Capital Improvement Fund totaled \$4.4 million in 2018. Expenditures exceeded revenues by \$2.4 million, an increase of \$1.1 million over 2017, and along with the increased transfers from the General Fund, the fund balance reduced by \$1.1 million or 64.09%.

Glenn Road South Construction Fund

The Glenn Road South Construction Fund had revenues and other financing sources of \$7.3 million in 2018. The expenditures of the Glenn Road South Construction Fund totaled \$9.9 million in 2018. The net decrease in the fund balance for the Glenn Road South Construction Fund was \$2.6 thousand or 26.40%.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The Glenn Road South Construction Fund was initially funded in 2006 by a \$12.5 million bond anticipation note, which was rolled-over in 2007 and 2008. In 2009, this note was increased to \$18 million and at the end of 2010, as well as 2011, Glenn Road South, Middle, and North bond anticipation notes had been paid down to \$14.5 million. For 2012, a new 'section' of the Glenn Road South area was resurfaced and these notes increased to \$15.5 million. At the end of 2016, the notes stand at \$11 million. These notes are funding a project being accounted for in several different funds, so the allocation of the note proceeds varies over the years these projects are in process; the majority allocated to the Glenn Road South fund. In 2014, the beginning fund balance and net position of the Glenn Road South fund was restated to include the amount owed by the Delaware South New Community Authority [NCA] for infrastructure where the City has funded construction within the Authority's boundaries. This restatement increased beginning balance by \$9.5 million. At the end of 2018, the amount owed by the NCA was \$7.23 million.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City department heads and such other budgetary documents, as are required by State statute, including the annual appropriations ordinance, which is effective the first day of January.

The City's most significant budgeted fund is the General Fund. The final estimated resources were exceeded by actual revenues by 8.52%. Although down significantly from 2017, Charges for Services [largely Engineering fees] exceeded expectations by 25.20% [\$333 thousand], Licenses and Permits exceeded 38.83% [\$445 thousand] as developments still grew in the City. Income tax collections also increased. Although the percentage was only 1.89%, it still added almost \$271 thousand to the bottom line. For expenditures, the largest variance percentage between the original budget and the final amended budget was in the area of General Government; varying by just under 5%. The final appropriations increased 2.17% over original but actual expenditures were below the original appropriation and below the final appropriation by \$678 thousand [4.25%]. Broken down by program; Public Safety expenditures [Police Department and Street Lighting] were 3.81% [\$362 thousand] under budget; largely due to personal services coming in \$323 thousand under budget, and General Government expenditures were 4.89% under budget; personal services \$39 thousand under budget collectively for all departments, and services and charges \$228 thousand under budget collectively for all departments, making up \$267 thousand of the \$316 thousand in savings.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements is related to interfund activity. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

The City's major business-type funds are the water, sewer, storm sewer, and refuse funds. As a rule, these funds consistently generate sufficient revenues to cover costs, in part due to capacity fees charged to new customers and developers to hook into the City's water and sewer lines, and storm sewer and refuse fees charged to all residents and businesses. All utility rates are reviewed annually to determine whether or not rates should be increased in order to cover current expenses and to prepare for. There was not an increase in water rates and in refuse rates for 2018, and none are scheduled for 2019. There are no known significant future fund resource limitations on any of the major business-type funds.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2018, the City had \$257.5 million (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. Of this total, \$107 million was reported in governmental activities and \$150.6 million was reported in business-type activities. See Note 8 in the basic financial statements for additional capital asset disclosure. The following table shows 2018 balances compared to 2017:

Capital Assets at December 31 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 8,783,889	\$ 8,726,675	\$ 4,509,561	\$ 4,509,561	\$ 13,293,450	\$ 13,236,236
Buildings and improvements	29,428,279	29,948,842	45,483,982	47,673,344	74,912,261	77,622,186
Machinery & equipment	5,118,829	5,814,945	5,403,873	5,596,795	10,522,702	11,411,740
Infrastructure	56,954,796	52,774,450	89,412,348	83,539,766	146,367,144	136,314,216
Construction in progress	<u>6,624,258</u>	<u>3,416,098</u>	<u>5,764,187</u>	<u>2,125,799</u>	<u>12,388,445</u>	<u>5,541,897</u>
Totals	<u>\$ 106,910,051</u>	<u>\$ 100,681,010</u>	<u>\$ 150,573,951</u>	<u>\$ 143,445,265</u>	<u>\$ 257,484,002</u>	<u>\$ 244,126,275</u>

The City's net investment in capital assets respectively for governmental and business-type activities as of December 31, 2018, was \$63.8 million and \$90.7 million. This investment in capital assets includes land, land improvements, buildings and improvements, roads, bridges, storm sewers, traffic signalization, street lighting, machinery and equipment, and water and sewer lines. There were no significant changes in governmental activity capital assets and business-type activity capital assets during 2018. The net investment in capital assets is directly affected by increases to capital assets, debt, and depreciation. For 2018, capital assets in governmental activities increased by just under \$6.2 million, after depreciation, including \$4.2 million in roads – constructed and developer contributed. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 53.27% and 59.38% of the City's total governmental and business-type capital assets respectively.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2018 and 2017:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 16,066,149	\$ 17,413,408
Income tax bonds	15,865,000	16,435,000
Bond anticipation notes	7,150,000	10,265,000
Capital lease obligation	<u>41,384</u>	<u>205,042</u>
Total long-term obligations	<u>\$ 39,122,533</u>	<u>\$ 44,318,450</u>
	<u>Business-type Activities</u>	
	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 16,368,851	\$ 17,251,592
Water loans	30,503,806	31,524,347
Sewer loans	12,727,481	14,078,534
Capital lease obligation	<u>-</u>	<u>19,971</u>
Total long-term obligations	<u>\$ 59,600,138</u>	<u>\$ 62,874,444</u>

Total debt [including notes payable and other long-term liabilities] decreased \$8.5 million [excluding compensated absences, pension and OPEB-related obligations]. The City issued \$7,150,000 in bond anticipation notes during the year and made debt payments totaling \$15.7 million during the year [excluding compensated absences, pension and OPEB-related obligations].

At December 31, 2018, the City had several long-term obligations outstanding totaling over \$98.7 million. The obligations included nearly \$48.3 million in bonds, including \$19.9 million in refunding bonds. Of this amount, \$59.6 million will be repaid from business-type activities. As mentioned, the City entered into a long-term loan with Ohio Water Development Authority to fund construction of the new Wastewater Treatment Facility. Proceeds totaled \$26.3 million. The improvements, completed in 2008, increased the City's wastewater treatment capacity from 5 million gallons per day to 10 million gallons per day. This additional capacity is needed to service the continued growth of the City for the next 15 to 20 years. As of December 31, 2018, \$12.7 million remained outstanding on the loan. The City entered into 2 long-term loans with OWDA in 2011 to assist in funding the completion of the Westside Transmission Main Waterline project and the Penry Road Wellfield. These loans totaling \$3.3 million had a year-end balance of just over \$3.2 million. In 2012, the City obtained another loan from OWDA to fund a Water Treatment Plant Rehabilitation and Expansion project. This loan will have a maximum of almost \$31.5 million and the expansion project was completed in 2014, the rehab project was completed in late 2015. At the end of 2018, the amount borrowed was just over \$31.5 million, payback began in 2015, and the remaining principal was \$30.5 million. In 2012, the City entered into 2 capital leases; one for the new Fire Department Ladder Truck [\$1.1 million] and one for 2 Refuse Department Packer Trucks [\$382 thousand]. Repayment began on the ladder truck in 2012 and the balance at December 31 was just over \$41 thousand. Repayment began in 2013 on the packers and their balance was paid off in 2018.

In addition to the debt outlined above, the City's long-term debt also includes compensated absences, pension and OPEB-related obligations. Additional information on the City's long-term debt can be found in Note 10 of this report.

CITY OF DELAWARE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

Current Financial Issues

The City has one bond anticipation note outstanding for \$7.150 million reported as long term. The notes are for the Glenn Road Extension project to extend Glenn Road from Curve Road to US23 and for the City's Safewalk Program which involves repairing and replacing unsafe sidewalks within the City. This note will be bonded in 2019.

The City is also in the beginning stages of replacing the railroad bridge on the east side at "The Point" and widening the highly-congested intersection. This will occur over the next several years and be upwards of \$25 million when completed.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to Dean P. Stelzer, Finance Director, 1 South Sandusky Street, Delaware, OH 43015.

City of Delaware, Ohio

Basic Financial Statements

CITY OF DELAWARE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 47,233,566	\$ 28,467,751	\$ 75,701,317
Receivables (net of allowance for uncollectibles):			
Income taxes	7,461,627	-	7,461,627
Property and other local taxes	1,926,254	-	1,926,254
Payment in lieu of taxes	1,105,070	-	1,105,070
Accounts	95,503	1,828,919	1,924,422
Loans receivable	497,526	-	497,526
Special assessments	229,949	-	229,949
Due from other governments	12,035,383	-	12,035,383
Materials and supplies inventory	31,226	93,875	125,101
Prepayments	363,053	137,072	500,125
Restricted assets:			
Cash and cash equivalents in segregated accounts	104,782	-	104,782
Customer deposits	13,757	211,100	224,857
Net pension asset	137,844	51,475	189,319
Capital assets:			
Land and construction in progress	15,408,147	10,273,748	25,681,895
Depreciable capital assets, net	91,501,904	140,300,203	231,802,107
Total capital assets, net	106,910,051	150,573,951	257,484,002
Total assets	178,145,591	181,364,143	359,509,734
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	9,395	58,529	67,924
Pension	6,407,683	918,631	7,326,314
OPEB	3,100,242	220,040	3,320,282
Total deferred outflows of resources	9,517,320	1,197,200	10,714,520
Total assets and deferred outflows of resources	187,662,911	182,561,343	370,224,254
Liabilities:			
Accounts payable	465,668	347,060	812,728
Retainage payable	213,116	83,620	296,736
Accrued wages and benefits payable	437,587	60,378	497,965
Compensated absences payable - matured	411,020	-	411,020
Due to other governments	71,274	6,954	78,228
Accrued interest payable	133,137	793,661	926,798
Payable from restricted assets:			
Customer deposits	13,757	211,100	224,857
Claims payable	1,227,470	-	1,227,470
Notes payable	3,115,000	-	3,115,000
Unearned revenue	428,207	-	428,207
Long-term liabilities:			
Due within one year	10,327,088	3,590,026	13,917,114
Due in more than one year - net OPEB liability	30,615,593	2,322,528	32,938,121
Due in more than one year - net pension liability	35,410,729	3,354,904	38,765,633
Other amounts due in more than one year	35,978,282	57,379,074	93,357,356
Total liabilities	118,847,928	68,149,305	186,997,233
Deferred inflows of resources:			
Property taxes levied for the next year	1,850,012	-	1,850,012
Pension	3,283,301	832,928	4,116,229
OPEB	785,866	177,881	963,747
Total deferred inflows of resources	5,919,179	1,010,809	6,929,988
Total liabilities and deferred inflows of resources	124,767,107	69,160,114	193,927,221
Net position:			
Net investment in capital assets	63,786,821	90,699,719	154,486,540
Restricted for:			
Capital projects	8,034,142	-	8,034,142
Debt service	314,657	-	314,657
Public safety	9,152,982	-	9,152,982
Municipal court	2,289,361	-	2,289,361
Public works	579,529	-	579,529
Airport	136,737	-	136,737
Parks and facilities	5,275,293	-	5,275,293
Community development	4,723,814	-	4,723,814
Perpetual care; non-expendable	34,191	-	34,191
Unrestricted (deficit)	(31,431,723)	22,701,510	(8,730,213)
Total net position	\$ 62,895,804	\$ 113,401,229	\$ 176,297,033

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

			Program Revenues	
		Charges for	Operating Grants	Capital Grants
	Expenses	Services and Sales	and Contributions	and Contributions
Governmental activities:				
Current:				
General government	\$ 8,483,826	\$ 2,925,357	\$ 140,323	\$ 441,975
Public safety	23,575,556	1,336,603	775	54,028
Municipal court.	3,281,870	3,512,911	-	
Parks and facilities.	3,282,622	879,697	55,954	109,963
Community development.	675,747	15,785	37,409	-
Airport.	2,148,005	861,128	-	176,711
Public works.	4,602,686	106,100	1,906,822	6,342,933
Interest and fiscal charges	1,073,881	-	-	-
Total governmental activities.	<u>47,124,193</u>	<u>9,637,581</u>	<u>2,141,283</u>	<u>7,125,610</u>
Business-type activities:				
Water	7,881,700	8,762,047	-	2,303,390
Sewer	7,466,091	10,306,336	-	3,438,694
Storm sewer.	971,181	853,769	-	2,481,564
Refuse	3,388,766	3,542,295	-	-
Other business-type activities:				
Golf	211,660	156,058	-	-
Parking.	35,640	43,768	-	-
Total business-type activities	<u>19,955,038</u>	<u>23,664,273</u>	<u>-</u>	<u>8,223,648</u>
Total primary government	<u><u>\$ 67,079,231</u></u>	<u><u>\$ 33,301,854</u></u>	<u><u>\$ 2,141,283</u></u>	<u><u>\$ 15,349,258</u></u>

General revenues:

Income taxes levied for:

General purposes.
Public safety.
Parks and facilities.

Property taxes levied for:

General purposes.
Public safety.

Other taxes.

Grants and contributions not restricted
to specific programs

Payment in lieu of taxes.

Investment earnings

Miscellaneous

Total general revenues.

Change in net position

Net position at beginning of year (restated). .

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (4,976,171)	\$ -	\$ (4,976,171)
(22,184,150)	-	(22,184,150)
231,041	-	231,041
(2,237,008)	-	(2,237,008)
(622,553)	-	(622,553)
(1,110,166)	-	(1,110,166)
3,753,169	-	3,753,169
(1,073,881)	-	(1,073,881)
(28,219,719)	-	(28,219,719)
-	3,183,737	3,183,737
-	6,278,939	6,278,939
-	2,364,152	2,364,152
-	153,529	153,529
-	(55,602)	(55,602)
-	8,128	8,128
-	11,932,883	11,932,883
(28,219,719)	11,932,883	(16,286,836)
15,162,563	-	15,162,563
10,605,999	-	10,605,999
2,273,604	-	2,273,604
1,401,768	-	1,401,768
417,334	-	417,334
85,748	-	85,748
952,685	-	952,685
1,459,185	-	1,459,185
817,470	442,592	1,260,062
541,341	89,744	631,085
33,717,697	532,336	34,250,033
5,497,978	12,465,219	17,963,197
57,397,826	100,936,010	158,333,836
\$ 62,895,804	\$ 113,401,229	\$ 176,297,033

CITY OF DELAWARE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Fire/EMS Income Tax	Capital Improvement	Glenn Road South Construction	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents.	\$ 7,690,885	\$ 9,031,814	\$ 2,037,627	\$ 2,749,561	\$ 20,336,559	\$ 41,846,446
Receivables (net of allowance for uncollectibles):						
Income taxes	4,033,885	2,822,713	-	-	605,029	7,461,627
Property and other local taxes	1,472,028	-	-	-	454,226	1,926,254
Payments in lieu of taxes.	-	-	-	-	1,105,070	1,105,070
Accounts	84,793	-	-	-	10,710	95,503
Loans receivable	-	-	-	-	497,526	497,526
Special assessments	-	-	229,949	-	-	229,949
Interfund loans.	1,236,286	-	-	-	-	1,236,286
Due from other funds	6,474	-	-	-	71,738	78,212
Due from other governments.	446,416	216,444	536,002	7,228,260	3,608,261	12,035,383
Materials and supplies inventory.	-	-	-	-	31,226	31,226
Prepayments	149,964	879	-	-	51,345	202,188
Restricted assets:						
Cash and cash equivalents in segregated accounts	13,166	-	-	-	91,616	104,782
Customer deposits.	-	-	-	-	13,757	13,757
Total assets.	<u>\$ 15,133,897</u>	<u>\$ 12,071,850</u>	<u>\$ 2,803,578</u>	<u>\$ 9,977,821</u>	<u>\$ 26,877,063</u>	<u>\$ 66,864,209</u>
Liabilities:						
Accounts payable	\$ 154,836	\$ 81,607	\$ 64,750	\$ -	\$ 82,546	\$ 383,739
Retainage payable	-	150,015	63,101	-	-	213,116
Accrued wages and benefits payable.	207,765	169,370	-	-	54,192	431,327
Compensated absences payable	252,834	74,610	-	-	83,576	411,020
Interfund loans payable.	-	-	1,236,286	-	-	1,236,286
Due to other funds	-	-	-	-	78,212	78,212
Due to other governments	31,372	29,079	-	-	9,890	70,341
Unearned revenue	428,207	-	-	-	-	428,207
Payable from restricted assets:						
Customer deposits.	-	-	-	-	13,757	13,757
Notes payable.	-	-	450,000	2,665,000	-	3,115,000
Total liabilities.	<u>1,075,014</u>	<u>504,681</u>	<u>1,814,137</u>	<u>2,665,000</u>	<u>322,173</u>	<u>6,381,005</u>
Deferred inflows of resources:						
Property taxes levied for the next year.	1,412,932	-	-	-	437,080	1,850,012
Payments in lieu of taxes levied for the next year	-	-	-	-	1,105,070	1,105,070
Delinquent property tax revenue not available.	59,096	-	-	-	17,146	76,242
Special assessments revenue not available.	-	-	229,949	-	-	229,949
Income tax revenue not available	2,770,147	1,938,543	-	-	415,512	5,124,202
Intergovernmental revenue not available	274,645	-	121,747	-	681,851	1,078,243
Total deferred inflows of resources	<u>4,516,820</u>	<u>1,938,543</u>	<u>351,696</u>	<u>-</u>	<u>2,656,659</u>	<u>9,463,718</u>
Total liabilities and deferred inflows of resources.	<u>5,591,834</u>	<u>2,443,224</u>	<u>2,165,833</u>	<u>2,665,000</u>	<u>2,978,832</u>	<u>15,844,723</u>
Fund balances:						
Nonspendable	166,458	879	-	-	671,713	839,050
Restricted	-	9,627,747	-	7,312,821	16,380,912	33,321,480
Committed.	518,989	-	637,745	-	6,776,660	7,933,394
Assigned.	450,662	-	-	-	68,946	519,608
Unassigned.	8,405,954	-	-	-	-	8,405,954
Total fund balances.	<u>9,542,063</u>	<u>9,628,626</u>	<u>637,745</u>	<u>7,312,821</u>	<u>23,898,231</u>	<u>51,019,486</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,133,897</u>	<u>\$ 12,071,850</u>	<u>\$ 2,803,578</u>	<u>\$ 9,977,821</u>	<u>\$ 26,877,063</u>	<u>\$ 66,864,209</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018

Total governmental fund balances		\$ 51,019,486
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		106,895,191
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Income taxes receivable	\$ 5,124,202	
Property and other local taxes receivable	76,242	
Payment in lieu of taxes receivable	1,105,070	
Special assessments receivable	229,949	
Intergovernmental receivable	<u>1,078,243</u>	
Total		7,613,706
Internal service funds are used by management to charge the costs of garage services, information technology, insurance and worker's compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position. The net position of the internal service funds are:		3,224,342
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(133,137)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		9,395
Unamortized premiums/discounts on bond issuances are not recognized in the funds.		(885,697)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds		
Net pension asset	129,965	
Deferred outflows of resources	6,272,221	
Deferred inflows of resources	(3,101,573)	
Net pension liability	<u>(34,897,205)</u>	
Total		(31,596,592)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	3,069,435	
Deferred inflows of resources	(720,449)	
Net OPEB liability	<u>(30,260,091)</u>	
Total		(27,911,105)
Long-term liabilities, including bonds payable, loans payable, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(16,066,149)	
Income tax bonds	(15,865,000)	
Capital lease obligations payable	(41,384)	
Compensated absences payable	(5,992,286)	
Police and fire past pension costs	(224,966)	
Notes payable	<u>(7,150,000)</u>	
Total		(45,339,785)
Net position of governmental activities		\$ 62,895,804

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Fire/EMS Income Tax	Capital Improvement	Glenn Road South Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Income taxes.	\$ 14,966,912	\$ 10,468,407	\$ -	\$ -	\$ 2,244,081	\$ 27,679,400
Property and other local taxes.	1,423,308	-	-	-	424,212	1,847,520
Miscellaneous taxes	-	-	-	-	85,748	85,748
Special assessments	13,870	-	65,387	-	-	79,257
Payments in lieu of taxes.	-	-	-	-	1,258,115	1,258,115
Intergovernmental	854,304	-	930,576	-	2,907,696	4,692,576
Investment income.	796,561	-	-	-	219,977	1,016,538
Licenses, permits and fees.	1,589,564	-	-	-	-	1,589,564
Fines and forfeitures.	154,379	-	-	-	2,622,262	2,776,641
Impact fees	-	-	-	45,282	1,130,068	1,175,350
Charges for services.	1,627,062	677,213	-	-	1,615,204	3,919,479
Donations	-	-	-	-	47,487	47,487
Reimbursements	127,267	-	-	-	23,546	150,813
Miscellaneous.	215,480	7,472	-	-	178,585	401,537
Total revenues	<u>21,768,707</u>	<u>11,153,092</u>	<u>995,963</u>	<u>45,282</u>	<u>12,756,981</u>	<u>46,720,025</u>
Expenditures:						
Current:						
General government	5,940,923	-	1,253,621	-	457,555	7,652,099
Public safety:						
Police.	8,016,922	-	-	-	448,253	8,465,175
Fire	-	12,164,709	-	-	239,093	12,403,802
Other.	902,502	-	89,486	-	-	991,988
Municipal court	12,332	-	-	-	2,902,273	2,914,605
Parks & facilities	1,424,763	-	224,303	-	907,541	2,556,607
Community development	301,953	-	-	-	332,631	634,584
Airport	-	-	-	-	1,248,984	1,248,984
Public works	-	-	1,383,199	2,999	3,526,929	4,913,127
Debt service:						
Principal retirement	-	163,658	450,000	9,815,000	1,926,545	12,355,203
Interest and fiscal charges.	-	2,636	-	118,663	1,140,157	1,261,456
Total expenditures.	<u>16,599,395</u>	<u>12,331,003</u>	<u>3,400,609</u>	<u>9,936,662</u>	<u>13,129,961</u>	<u>55,397,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,169,312</u>	<u>(1,177,911)</u>	<u>(2,404,646)</u>	<u>(9,891,380)</u>	<u>(372,980)</u>	<u>(8,677,605)</u>
Other financing sources (uses):						
Note issuance	-	-	-	7,150,000	-	7,150,000
Sale of capital assets	3,942	317	-	-	34,540	38,799
Transfers in	-	-	2,237,500	-	5,677,539	7,915,039
Transfers (out).	(3,852,504)	(629,883)	(971,281)	-	(2,461,371)	(7,915,039)
Premium on long-term note issuance.	-	-	-	118,663	-	118,663
Total other financing sources (uses).	<u>(3,848,562)</u>	<u>(629,566)</u>	<u>1,266,219</u>	<u>7,268,663</u>	<u>3,250,708</u>	<u>7,307,462</u>
Net change in fund balances.	1,320,750	(1,807,477)	(1,138,427)	(2,622,717)	2,877,728	(1,370,143)
Fund balances at beginning of year	<u>8,221,313</u>	<u>11,436,103</u>	<u>1,776,172</u>	<u>9,935,538</u>	<u>21,020,503</u>	<u>52,389,629</u>
Fund balances at end of year.	<u>\$ 9,542,063</u>	<u>\$ 9,628,626</u>	<u>\$ 637,745</u>	<u>\$ 7,312,821</u>	<u>\$ 23,898,231</u>	<u>\$ 51,019,486</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

**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, 2018**

Net change in fund balances - total governmental funds \$ (1,370,143)

*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 is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital outlay	\$	6,608,752	
Donated capital assets		5,181,323	
Current year depreciation		<u>(5,561,875)</u>	
Total			6,228,200

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income tax revenue		362,766	
Property and other local tax revenue		(28,418)	
Payments in lieu of taxes		201,070	
Special assessments revenue		(38,306)	
Intergovernmental revenue		<u>183,580</u>	
Total			680,692

The issuance of notes and bonds are reported as other financing sources in the governmental funds; however, in the statement of activities they are not reported as revenues as they increase the liabilities on the statement of net position.

(7,150,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

12,355,203

In the statement of activities, interest is accrued on outstanding bonds, whereas, in the governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities.

Decrease in accrued interest payable		3,383	
Amortization of deferred amounts on refunding		(2,349)	
Amortization of bond premiums/discounts		<u>67,878</u>	
Total			68,912

Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension		3,052,450	
OPEB		<u>54,788</u>	
Total			3,107,238

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension		(5,311,487)	
OPEB		<u>(2,518,296)</u>	
Total			(7,829,783)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(324,316)

Internal service funds are used by management to charge the costs of garage, information technology, insurance and worker's compensation to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, are allocated among the governmental activities.

(268,025)

Change in net position of governmental activities \$ 5,497,978

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 14,387,387	\$ 14,287,387	\$ 14,557,901	\$ 270,514
Property and other local taxes	1,341,000	1,341,000	1,423,308	82,308
Charges for services	1,323,000	1,323,000	1,656,439	333,439
Licenses, permits and fees	1,145,000	1,145,000	1,589,564	444,564
Fines and forfeitures	140,000	140,000	154,916	14,916
Intergovernmental	834,000	834,000	849,900	15,900
Special assessments	-	-	12,586	12,586
Investment income	-	-	796,561	796,561
Reimbursements.	135,000	135,000	135,185	185
Other.	100,000	100,000	206,582	106,582
Total revenues	<u>19,405,387</u>	<u>19,305,387</u>	<u>21,382,942</u>	<u>2,077,555</u>
Expenditures:				
Current:				
General government.	6,156,159	6,472,909	6,156,693	316,216
Public Safety.	9,471,406	9,494,406	9,132,450	361,956
Total expenditures	<u>15,627,565</u>	<u>15,967,315</u>	<u>15,289,143</u>	<u>678,172</u>
Excess of revenues over expenditures	<u>3,777,822</u>	<u>3,338,072</u>	<u>6,093,799</u>	<u>2,755,727</u>
Other financing sources (uses):				
Sale of capital assets	402,000	402,000	3,942	(398,058)
Advances out.	-	-	(1,154,411)	(1,154,411)
Transfers out.	(4,657,500)	(5,137,500)	(5,264,312)	(126,812)
Total other financing sources (uses)	<u>(4,255,500)</u>	<u>(4,735,500)</u>	<u>(6,414,781)</u>	<u>(1,679,281)</u>
Net change in fund balances	(477,678)	(1,397,428)	(320,982)	1,076,446
Fund balances at beginning of year.	4,488,399	4,488,399	4,488,399	-
Prior year encumbrances appropriated.	513,142	513,142	513,142	-
Fund balance at end of year.	<u>\$ 4,523,863</u>	<u>\$ 3,604,113</u>	<u>\$ 4,680,559</u>	<u>\$ 1,076,446</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE/EMS INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 10,350,000	\$ 10,350,000	\$ 10,524,572	\$ 174,572
Charges for services.	640,000	640,000	855,957	215,957
Intergovernmental.	3,125	3,125	-	(3,125)
Reimbursements.	1,000	1,000	-	(1,000)
Other	3,500	3,500	7,472	3,972
Total revenues	<u>10,997,625</u>	<u>10,997,625</u>	<u>11,388,001</u>	<u>390,376</u>
Expenditures:				
Current:				
Public Safety				
Personal services	8,307,797	8,277,797	7,556,781	721,016
Materials and supplies	298,837	298,837	289,179	9,658
Services and charges.	786,001	786,001	691,224	94,777
Refunds	310,000	310,000	343,377	(33,377)
Capital outlay	4,812,125	4,812,125	4,393,875	418,250
Debt service:				
Principal retirement.	166,294	166,294	166,294	-
Total expenditures	<u>14,681,054</u>	<u>14,651,054</u>	<u>13,440,730</u>	<u>1,210,324</u>
Excess of expenditures over revenues	<u>(3,683,429)</u>	<u>(3,653,429)</u>	<u>(2,052,729)</u>	<u>1,600,700</u>
Other financing sources (uses):				
Sale of capital assets.	-	-	317	317
Transfers out.	(629,883)	(629,883)	(629,883)	-
Total other financing sources (uses)	<u>(629,883)</u>	<u>(629,883)</u>	<u>(629,566)</u>	<u>317</u>
Net change in fund balances	(4,313,312)	(4,283,312)	(2,682,295)	1,601,017
Fund balances at beginning of year.	7,036,896	7,036,896	7,036,896	-
Prior year encumbrances appropriated. . .	3,531,937	3,531,937	3,531,937	-
Fund balance at end of year	<u>\$ 6,255,521</u>	<u>\$ 6,285,521</u>	<u>\$ 7,886,538</u>	<u>\$ 1,601,017</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DELAWARE, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Sewer	Refuse
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 13,564,047	\$ 12,039,629	\$ 1,868,735	\$ 909,634
Receivables (net of allowance for uncollectibles):				
Accounts	637,138	757,131	106,246	328,404
Materials and supplies inventory.	73,156	20,089	-	-
Prepayments	46,928	55,844	-	33,775
Total current assets.	14,321,269	12,872,693	1,974,981	1,271,813
Noncurrent assets:				
Restricted assets:				
Customer deposits.	211,100	-	-	-
Net pension asset	18,201	16,627	2,501	12,560
Capital assets:				
Land and construction in progress.	762,033	6,448,013	853,611	1,999,337
Depreciable capital assets, net.	64,099,907	54,903,655	20,496,580	611,448
Total capital assets, net	64,861,940	61,351,668	21,350,191	2,610,785
Total noncurrent assets	65,091,241	61,368,295	21,352,692	2,623,345
Total assets	79,412,510	74,240,988	23,327,673	3,895,158
Deferred outflows of resources:				
Unamortized deferred charges on refunding. . . .	-	58,529	-	-
Pension.	343,702	268,582	45,950	233,404
OPEB.	87,325	56,177	11,454	59,226
Total deferred outflows of resources	431,027	383,288	57,404	292,630

<u>Nonmajor</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 85,706	\$ 28,467,751	\$ 5,387,120
-	1,828,919	-
630	93,875	-
525	137,072	160,865
<u>86,861</u>	<u>30,527,617</u>	<u>5,547,985</u>
-	211,100	-
1,586	51,475	7,879
210,754	10,273,748	-
<u>188,613</u>	<u>140,300,203</u>	<u>14,860</u>
<u>399,367</u>	<u>150,573,951</u>	<u>14,860</u>
<u>400,953</u>	<u>150,836,526</u>	<u>22,739</u>
<u>487,814</u>	<u>181,364,143</u>	<u>5,570,724</u>
-	58,529	-
26,993	918,631	135,462
5,858	220,040	30,807
<u>32,851</u>	<u>1,197,200</u>	<u>166,269</u>
- - Continued		

CITY OF DELAWARE, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Sewer	Refuse
Liabilities:				
Current liabilities:				
Accounts payable	\$ 46,623	\$ 206,732	\$ 12,038	\$ 81,667
Accrued wages and benefits payable	24,134	18,781	2,499	13,126
Due to other governments	2,517	2,073	360	1,870
Accrued interest payable.	528,066	265,595	-	-
Compensated absences payable - current	85,345	66,447	8,785	46,176
Retainage payable	-	83,620	-	-
Claims payable - current.	-	-	-	-
Estimated liability for landfill closure costs	-	-	-	5,000
General obligation bonds payable - current.	137,160	341,155	-	-
Special assessment bonds payable - current	-	440,000	-	-
OWDA loans payable - current	1,053,871	1,399,990	-	-
Total current liabilities.	<u>1,877,716</u>	<u>2,824,393</u>	<u>23,682</u>	<u>147,839</u>
Long-term liabilities:				
Payable from restricted assets - customer deposits	211,100	-	-	-
Compensated absences payable - matured	288,787	227,774	25,422	122,014
General obligation bonds payable	2,167,091	1,486,068	-	-
Special assessment bonds payable	-	12,071,471	-	-
Claims payable	-	-	-	-
OWDA loans payable	29,449,935	11,327,491	-	-
Estimated liability for landfill closure costs	-	-	-	200,000
Net OPEB liability	821,225	750,196	112,837	566,708
Net pension liability	1,186,264	1,083,662	162,994	818,612
Total noncurrent liabilities	<u>34,124,402</u>	<u>26,946,662</u>	<u>301,253</u>	<u>1,707,334</u>
Total liabilities	<u>36,002,118</u>	<u>29,771,055</u>	<u>324,935</u>	<u>1,855,173</u>
Deferred inflows of resources:				
Pension.	286,328	275,748	41,435	201,913
OPEB.	61,176	60,752	8,406	42,216
Total deferred inflows of resources	<u>347,504</u>	<u>336,500</u>	<u>49,841</u>	<u>244,129</u>
Total liabilities and deferred inflows of resources.	<u>36,349,622</u>	<u>30,107,555</u>	<u>374,776</u>	<u>2,099,302</u>
Net position:				
Net investment in capital assets	32,053,883	34,285,493	21,350,191	2,610,785
Unrestricted (deficit)	11,440,032	10,231,228	1,660,110	(522,299)
Total net position	<u>\$ 43,493,915</u>	<u>\$ 44,516,721</u>	<u>\$ 23,010,301</u>	<u>\$ 2,088,486</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

		Governmental Activities - Internal Service Fund
Nonmajor	Total	
\$ -	\$ 347,060	\$ 81,929
1,838	60,378	6,260
134	6,954	933
-	793,661	-
6,097	212,850	30,902
-	83,620	-
-	-	278,397
-	5,000	-
-	478,315	-
-	440,000	-
-	2,453,861	-
8,069	4,881,699	398,421
-	211,100	-
13,021	677,018	48,986
-	3,653,159	-
-	12,071,471	-
-	-	949,073
-	40,777,426	-
-	200,000	-
71,562	2,322,528	355,502
103,372	3,354,904	513,524
187,955	63,267,606	1,867,085
196,024	68,149,305	2,265,506
27,504	832,928	181,728
5,331	177,881	65,417
32,835	1,010,809	247,145
228,859	69,160,114	2,512,651
399,367	90,699,719	14,860
(107,561)	22,701,510	3,209,482
\$ 291,806	\$ 113,401,229	\$ 3,224,342

CITY OF DELAWARE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Sewer	Refuse
Operating revenues:				
Charges for services	\$ 5,665,118	\$ 7,344,877	\$ 853,769	\$ 3,532,675
Capacity fees	3,081,171	2,961,459	-	-
Deposits	15,758	-	-	-
Reimbursements	-	-	-	9,620
Other	36,357	14,936	1,164	28,957
Total operating revenues	<u>8,798,404</u>	<u>10,321,272</u>	<u>854,933</u>	<u>3,571,252</u>
Operating expenses:				
Personal services	1,976,997	1,555,213	260,027	1,345,915
Services and charges.	2,184,488	2,333,604	68,396	1,624,719
Materials and supplies	570,870	293,137	59,820	212,737
Claims.	-	-	-	-
Depreciation.	2,070,049	2,249,548	582,938	205,306
Other.	41	-	-	27
Total operating expenses	<u>6,802,445</u>	<u>6,431,502</u>	<u>971,181</u>	<u>3,388,704</u>
Operating income (loss).	<u>1,995,959</u>	<u>3,889,770</u>	<u>(116,248)</u>	<u>182,548</u>
Nonoperating revenues (expenses):				
Interest revenue	227,655	214,937	-	-
Gain (loss) on sale of capital assets	3,330	-	-	-
Interest and fiscal charges	(1,079,255)	(1,034,589)	-	(62)
Total nonoperating revenues (expenses)	<u>(848,270)</u>	<u>(819,652)</u>	<u>-</u>	<u>(62)</u>
Income (loss) before capital contributions.	1,147,689	3,070,118	(116,248)	182,486
Capital contributions	<u>2,303,390</u>	<u>3,438,694</u>	<u>2,481,564</u>	<u>-</u>
Change in net position.	3,451,079	6,508,812	2,365,316	182,486
Net position at beginning of year (restated)	<u>40,042,836</u>	<u>38,007,909</u>	<u>20,644,985</u>	<u>1,906,000</u>
Net position at end of year.	<u>\$ 43,493,915</u>	<u>\$ 44,516,721</u>	<u>\$ 23,010,301</u>	<u>\$ 2,088,486</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

			Governmental Activities - Internal Service Fund
Nonmajor	Total		
\$ 199,826	\$ 17,596,265	\$ 7,399,213	
-	6,042,630	-	
-	15,758	-	
-	9,620	823,391	
5,000	86,414	191,859	
204,826	23,750,687	8,414,463	
160,427	5,298,579	730,616	
65,579	6,276,786	1,533,358	
20,332	1,156,896	318,589	
-	-	6,097,600	
962	5,108,803	3,657	
-	68	-	
247,300	17,841,132	8,683,820	
(42,474)	5,909,555	(269,357)	
-	442,592	-	
-	3,330	1,332	
-	(2,113,906)	-	
-	(1,667,984)	1,332	
(42,474)	4,241,571	(268,025)	
-	8,223,648	-	
(42,474)	12,465,219	(268,025)	
334,280	100,936,010	3,492,367	
\$ 291,806	\$ 113,401,229	\$ 3,224,342	

CITY OF DELAWARE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Sewer	Refuse
Cash flows from operating activities:				
Cash received from customers.	\$ 5,658,293	\$ 7,322,974	\$ 850,523	\$ 3,523,505
Cash received for premiums.	-	-	-	-
Cash received for capacity fees.	3,081,171	2,961,459	-	-
Cash payments for personal services.	(1,781,166)	(1,428,091)	(221,043)	(1,150,809)
Cash payments for materials and supplies	(561,692)	(281,927)	(61,613)	(221,301)
Cash payments for services and charges.	(2,192,126)	(2,122,907)	(62,783)	(1,623,690)
Cash payments for claims	-	-	-	-
Other cash receipts or payments.	51,698	14,764	1,164	38,498
Net cash provided by (used in)				
operating activities	<u>4,256,178</u>	<u>6,466,272</u>	<u>506,248</u>	<u>566,203</u>
Cash flows from capital and related				
financing activities:				
Cash received from sale of capital assets	3,330	-	-	-
Cash payments for the acquisition of capital assets .	(62,107)	(1,803,307)	(120,356)	(2,028,071)
Cash payments for principal retirement	(1,151,467)	(2,102,868)	-	(19,971)
Cash payments for interest and fiscal charges	(1,095,365)	(1,041,654)	-	(92)
Net cash used in capital and related				
financing activities	<u>(2,305,609)</u>	<u>(4,947,829)</u>	<u>(120,356)</u>	<u>(2,048,134)</u>
Cash flows from investing activities:				
Cash received from interest earned.	227,655	214,937	-	-
Net cash provided by investing activities.	<u>227,655</u>	<u>214,937</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and				
cash equivalents	2,178,224	1,733,380	385,892	(1,481,931)
Cash and cash equivalents at beginning of year . . .	<u>11,596,923</u>	<u>10,306,249</u>	<u>1,482,843</u>	<u>2,391,565</u>
Cash and cash equivalents at end of year	<u><u>\$ 13,775,147</u></u>	<u><u>\$ 12,039,629</u></u>	<u><u>\$ 1,868,735</u></u>	<u><u>\$ 909,634</u></u>

		Governmental Activities - Internal Service Fund	
Nonmajor	Total		
\$ 199,826	\$ 17,555,121	\$ 1,728,509	
-	-	5,670,704	
-	6,042,630	-	
(138,900)	(4,720,009)	(707,054)	
(20,679)	(1,147,212)	(328,412)	
(70,310)	(6,071,816)	(1,507,776)	
-	-	(5,817,168)	
5,000	111,124	1,015,250	
(25,063)	11,769,838	54,053	
-	3,330	1,332	
-	(4,013,841)	(4,498)	
-	(3,274,306)	-	
-	(2,137,111)	-	
-	(9,421,928)	(3,166)	
-	442,592	-	
-	442,592	-	
(25,063)	2,790,502	50,887	
110,769	25,888,349	5,336,233	
\$ 85,706	\$ 28,678,851	\$ 5,387,120	

- - Continued

CITY OF DELAWARE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss).	\$ 1,995,959	\$ 3,889,770	\$ (116,248)	\$ 182,548
Adjustments:				
Depreciation.	2,070,049	2,249,548	582,938	205,306
Changes in assets, deferred inflows, liabilities and deferred outflows:				
(Increase) in accounts receivable.	(7,123)	(21,903)	(3,246)	(9,170)
(Increase) decrease in materials and supplies inventory	9,100	5,709	-	-
(Increase) decrease in prepayments.	(4,083)	(543)	-	(2,676)
(Increase) in net pension asset.	(8,654)	(7,352)	(1,179)	(5,952)
Decrease in deferred outflows - pension.	310,663	361,547	43,986	215,642
(Increase) in deferred outflows - OPEB.	(76,138)	(45,308)	(9,904)	(51,482)
Increase (decrease) in accounts payable	(10,041)	132,765	3,772	(74)
Increase in retainage payable.	-	83,620	-	-
(Decrease) in accrued wages and benefits	(13,925)	(16,651)	(1,105)	(6,568)
Increase (decrease) in compensated absences payable.	(14,764)	(19,217)	11,704	52,580
(Decrease) in due to other governments	(5,982)	(5,650)	(602)	(3,392)
(Decrease) in landfill postclosure costs	-	-	-	(5,000)
Increase in customer deposits	6,230	-	-	-
(Decrease) in net pension liability.	(424,182)	(480,915)	(60,074)	(296,109)
Increase (decrease) in net OPEB liability.	96,027	45,653	12,388	64,739
Increase in deferred inflows - pension.	271,866	234,447	35,412	183,595
Increase in deferred inflows - OPEB.	61,176	60,752	8,406	42,216
Increase in claims payable.	-	-	-	-
Net cash provided by / (used in) operating activities	<u>\$ 4,256,178</u>	<u>\$ 6,466,272</u>	<u>\$ 506,248</u>	<u>\$ 566,203</u>

Non-cash capital transactions:

The Water fund received water lines donated by developers with a fair value of \$2,303,390. These were recorded as capital assets.

The Sewer fund received sewer lines donated by developers with a fair value of \$3,438,694. These were recorded as capital assets.

The Storm Sewer fund received storm sewer lines donated by developers with a fair value of \$2,481,564. These were recorded as capital assets.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

			Governmental Activities - Internal Service Fund
Nonmajor	Total		
\$ (42,474)	\$ 5,909,555	\$	(269,357)
962	5,108,803		3,657
-	(41,442)		-
(177)	14,632		-
371	(6,931)		32,963
(720)	(23,857)		(2,852)
31,929	963,767		207,687
(4,843)	(187,675)		(24,916)
(5,272)	121,150		10,092
-	83,620		
201	(38,048)		(6,368)
5,573	35,876		(23,507)
(297)	(15,923)		(2,359)
-	(5,000)		-
-	6,230		-
(42,713)	(1,303,993)		(334,379)
5,779	224,586		(26,317)
21,287	746,607		171,236
5,331	177,881		65,417
-	-		253,056
<u>\$ (25,063)</u>	<u>\$ 11,769,838</u>	<u>\$</u>	<u>54,053</u>

CITY OF DELAWARE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2018**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 976,075
Intergovernmental.	<u>98,622</u>
Total assets.	<u>\$ 1,074,697</u>
 Liabilities:	
Due to other governments	\$ 47,162
Undistributed assets	<u>1,027,535</u>
Total liabilities.	<u>\$ 1,074,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Delaware [the City] have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Delaware, Ohio (the "City") is an incorporated municipality under the laws of the State of Ohio. Its charter was adopted November 6, 1951, and established the Council/Manager form of government. The City presently provides the following services as authorized by its charter: public safety, airport, public works, recreation and parks, cemetery, engineering, public health and water, sewer, storm sewer, and refuse enterprise activities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are fairly presented and complete.

The primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. They comprise the City's legal entity which provides various services including a public safety department, a public works department, a grounds & facilities department, a parks and facilities department, a planning & community development department, a utility department, an engineering department, and a cemetery. The City is also responsible for the construction, maintenance, and repairs associated with the water and sewer lines, and the provision of water and sewer treatment services. The City Manager and City Council have direct responsibility for these services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the City is obligated for the debt of the organization. Component units may include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City has no blended or discretely presented component units.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Delaware Municipal Court's (the "Court") activities are included within these basic financial statements as required by Governmental Accounting Standard No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus."* The City includes the Court's cash balance and liability to others within its agency funds, and the City's share of Court fines collected and operating expenditures in the Municipal Court Fund. The City established this fund in 2002 because the County's population grew above 100,000 citizens, which requires the presiding judge and clerk to be elected by the County's voting residents. The Court serves as the Court of record and has jurisdiction within Delaware County. The City, however, has no ability to select or influence Court management and cannot dictate budget and other fiscal matters. The Court is presided over by a separately elected judge and clerk that have the authority to select and appoint all officials of the Court and to direct the Court's activity.

On February 12, 2007, Resolution 07-05 was adopted by Delaware City Council creating Delaware South New Community Authority [DSNCA], a jointly governed organization. On February 9, 2009, Resolution 09-05 was adopted by Delaware City Council creating Delaware North New Community Authority [DNNCA], a jointly governed organization. See Note 22 for further information.

On October 29, 2012, Resolution 12-47 was adopted for which the City accepted ownership of Oak Grove Cemetery. The City had deeded the cemetery to the Oak Grove Cemetery Company in 1906. The Company [renamed 'Association'] dissolved in 2012 and deeded the property back to the City.

On June 22, 2015, Ordinance 15-58 was adopted entering the City into an agreement with the JEDD Board and making the City part of the Berkshire Township – City of Delaware Joint Economic Development District.

B. Basis of Presentation - Fund Accounting

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements distinguish between activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely, to a significant extent, upon fees and charges for support. Indirect interfund and internal service fund activities are generally eliminated to avoid the "doubling-up" effect on revenues and expenses; direct expenses are not eliminated within these functional categories. Interfund services provided and used are not eliminated in the process of consolidation. The government-wide financial statements do not include the assets and liabilities of the City's agency funds.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The government-wide statement of net position presents the financial condition of the City at year end, displaying all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, the difference between these other elements. Net position is displayed in three components; net investment in capital assets, restricted, and unrestricted.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

The *Restricted* component of Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The Net Position is reported as restricted when constraints placed upon their use are either: (1) externally imposed by creditors [such as through debt covenants], grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

The *Unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. When both restricted and non-restricted resources are available for use, it is the City's policy to use non-restricted resources first, and then restricted resources, as they are needed.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements. All other funds are aggregated and reported as non-major governmental or non-major enterprise funds.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America for local governments as prescribed by the GASB.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/equity, revenues, and expenditures [expenses]. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds - Governmental funds are those through which most governmental functions are typically financed. The acquisition, use, and balances of the City's expendable financial resources and related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position. The following are the City's major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The fund balance of the General Fund is available to the City for any purpose provided it is expended or transferred according to the City's Charter and Code and the general laws and regulations of the State of Ohio.

Fire/EMS Income Tax Fund - To account for the collection and distribution of City-levied income taxes used for the Fire Department and Emergency Medical Services.

Capital Improvement Fund - To account for capital improvements funded by income taxes earmarked for general improvement of all City facilities and operations that were recorded in the General Fund and transferred to the Capital Improvement fund.

Glenn Road South Construction Fund - To account for construction costs of the southern-most 8,700 feet of roadway from the Glenn Ross development to US 23 South.

Other Governmental Funds - of the City are used to account for (a) accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources when use is restricted for a particular purpose.

Proprietary (Business-type) Funds - Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector where the intent of the governing body is that the cost [expenses, including depreciation] of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City reports the following major proprietary funds:

Water Fund - Accounts for the operations of water treatment, distribution, administration, and related expenses, including capital improvements and debt service. The operations are exclusively financed by customer user charges.

Sewer Fund - Accounts for the wastewater collection, treatment, administration, and related expenses, including capital improvements and debt service. The operations are exclusively financed by customer user charges.

Storm Sewer Fund - Accounts for fees charged to residents and businesses to construct and maintain the City's storm sewers.

Refuse Fund - Accounts for the operations of the solid waste collection and recyclable materials collection systems, and related expenses including capital improvements. The operations are exclusively financed by customer user charges.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other nonmajor enterprise funds are used to account for the operations of the City's golf course and parking lots.

Additionally, the City reports the following fund types:

Internal Service Funds - are used to account for the financing of goods or services provided by one department of the City to other departments of the City on a cost-reimbursement basis, such as vehicle maintenance, information technology, self-insurance, and worker's compensation costs.

Fiduciary Funds - are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds include agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities include funds received from the Municipal Court and passed through to the Law Library or the State Highway Patrol, funds collected from the Planning department and passed through to the State from building permits, funds collected in the form of income taxes from employees working in the newly-established Berkshire JEDD. These are treated as intergovernmental revenues and will be distributed to the various parties involved.

C. Basis of Accounting

Governmental Funds - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental fund types follow the modified accrual basis of accounting. Under this method of accounting, the City recognized revenue when it becomes both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be two months [60 days] after year end. Grants and entitlements must also meet timing, eligibility, and contingency requirements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term debt are recognized as expenditures when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Revenues accrued at the end of the year included income tax withholdings, hotel transient taxes, property and other taxes, intergovernmental, rents [building, parking, t-hangar], billings for services and materials, and loans. Revenues not accrued at year-end included fines, permits, and parking meter revenues because they are generally not measurable until received in cash.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statements of financial position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources [expense/expenditure] until then. For the City, deferred outflows of resources include a deferred charge on refunding and a deferred outflow of resources related to pension and other postemployment benefits reported in the government-wide statement of net position. The deferred charge resulted from the difference in carrying value of refunded debt in 2002, and its reacquisition price. This amount is being deferred and amortized over the life of the refunding debt. The deferred outflows of resources related to pension and net OPEB liability, respectively, are explained in Notes 14 and 15.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources [revenue] until that time. For the City, deferred inflows of resources include property taxes, pension, other postemployment benefits, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance calendar year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period they become available. Deferred inflows of resources related to pension and net OPEB liability, respectively, are reported on the government-wide statement of net position. (See Notes 14 and 15).

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Proprietary Funds - All proprietary funds [enterprise funds and internal service funds] are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The accrual basis of accounting is used for reporting purposes by the proprietary funds.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred. Unbilled service charges are recognized as revenue at year-end.

D. Cash and Investments

Cash received by the City is deposited in a central bank account. Money for all funds, except for cash in segregated accounts, is maintained in the account or temporarily used to purchase investments. Individual fund integrity is maintained through City records. Each fund's interest in the pool of cash and investments is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. Cash equivalents refer to investments, such as those described below, which are readily converted to cash with no loss of principal.

The Ohio Revised Code authorizes the City to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; bankers' acceptances; commercial paper notes rated prime and issued by United States corporations; written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days; and STAR Ohio.

The City invested in STAR Ohio during 2018. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the general fund during the year amounted to \$796,561, which includes \$646,404 assigned from other funds. Other non-major governmental funds also received interest in the amount of \$219,977.

E. Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories of proprietary funds are stated at the lower of cost or market on a first-in, first-out basis. Inventories of the proprietary funds are expensed when used.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Restricted Assets

Restricted assets represent certain resources, which are segregated from other resources of the City to reflect restricted cash held for customer deposits paid into the City for utilities and airport t-hangar leases, and for cash in segregated accounts for municipal court unclaimed funds.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond the current year-end, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure is reported in the year in which services are consumed.

H. Interfund Assets and Liabilities

Short-term interfund loans or the short-term portion of advances are classified as “interfund receivables/payables.” Long-term interfund loans or the long-term portion of advances are classified as “advances from/to other funds.”

Amounts owed to a particular fund by another fund in the City for goods or services rendered are classified as “due from other funds/due to other funds.” These interfund transactions are eliminated on the government-wide statements.

Any residual balances outstanding between the governmental activities and business-type activities would be reported in the government-wide financial statements as “internal balances”. For 2018, none were reported.

I. Capital Assets

Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, infrastructure and all other assets that are used in operations and that have initial useful lives extending beyond one reporting period. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, sidewalks, and similar items.

The City further defines new capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years, except for infrastructure which has a threshold of \$50,000.

All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their acquisition value at the time received. Interest on constructed assets, if material, is capitalized and amortized on the straight-line basis over the estimated useful life of the asset.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation: Depreciation is an element of expense resulting from the use of long-lived assets. It is measured by allocating the expected net cost of using the asset over its estimated useful life in a systematic and rational manner. Depreciation has been provided using the straight-line method over the following estimated useful lives for both Governmental and Business-Type assets:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 - 25 years
Vehicles (autos and trucks)	5 - 8 years
Equipment	5 - 25 years
Buildings	25 - 50 years
Building Improvements	Up to 30 years
Infrastructure	15 - 100 years
Infrastructure Improvements	5 - 50 years

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Bond Discounts, Premiums and Issuance Costs

Material discounts and premiums are reported as deferred charges and amortized over the life of the bond using the straight-line method. Any material discounts or premiums (1) are shown separately from the account of the bond liability, (2) are amortized using the straight-line method, and (3) are reflected as interest income or expense in the Statement of Activities. Issuance costs are reported as expenses in the period incurred.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Compensated Absences

The City accrues a liability for compensated absences in accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. These benefits are accrued into and paid out of the funds the employees' wages are paid from; primarily the General, Street Maintenance & Repair, Cemetery, Fire/EMS Income Tax, Airport Improvement, Municipal Court, Water, Sewer, Storm Sewer, Refuse, Golf Course, Garage Rotary, and Information Technology Rotary funds.

The liability is based on the sick leave accumulated at December 31, by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The amount is based on the accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. These amounts are reported in governmental fund statements only if they have matured.

Payment of vacation and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payments is not readily determinable. Management believes that sufficient resources will be made available when payment is due. For governmental funds, the City's liability for unpaid accumulated sick leave and vacation time is the amount to be paid using expendable available financial resources [within 60 days] and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board – Recognition and Measurement of Certain Liabilities and expenditures in Governmental Fund Financial Statements.

M. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

During the course of normal operations, the City has transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Fund Balance

The City reports classifications of fund equity based on the purpose for which resources were received and the level of constraint placed on the resources.

Nonspendable

Nonspendable fund balance indicates resources that are not expected to be converted to cash because they are not in a spendable form.

Restricted

Restricted fund balance are resources that have purpose constraints placed upon them by laws, regulations, creditors, grantors, or other external parties and are considered available only for the purpose for which they were received.

Committed

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (specifically – Ordinance; the highest level action that constitutes the most binding constraint) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process.

Assigned

Assigned fund balances occur through the City's purchasing policy; Council has given the City Manager and Finance Director the authority to constrain monies for intended purposes, which are reported as *assigned* fund balances.

Unassigned

Unassigned fund balance classification includes all other funds in spendable form not restricted, committed, or assigned. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Intergovernmental Revenues

In governmental funds, federal and state grants awarded on a non-reimbursement basis, state shared revenues, and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. They must also meet timing, eligibility, and contingency requirements. Reimbursable-type grants are recorded as due from other governments and revenues when the related expenditures are made.

P. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Net Pension

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies unrestricted resources when an expense is incurred for purposes for which restricted and unrestricted net position are available. None of the City's restricted net position was by enabling legislation at December 31, 2018.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the City, these revenues are charges for services, capacity fees for the Water and Sewer funds, reimbursements, and miscellaneous revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

S. Donated Infrastructure

Contributions of capital in governmental and proprietary funds [donated infrastructure] arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisitions and construction. These contributions are reported as revenue in the proprietary fund financial statements and as capital grants and contributions on the Statement of Activities for both governmental and business-type activities.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. In 2018, the City had no extraordinary or special items.

U. Fair Market Value

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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the City has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the City's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	\$ 83,221,351	\$ 103,001,587
Deferred outflows - payments subsequent to measurement date	134,012	32,365
Net OPEB liability	<u>(25,957,537)</u>	<u>(2,097,942)</u>
Restated net position at January 1, 2018	<u>\$ 57,397,826</u>	<u>\$ 100,936,010</u>

	Water	Sewer	Storm Sewer	Refuse	Non-major Funds	Internal Service Fund
Net position as previously reported	\$ 40,756,847	\$ 38,701,583	\$ 20,743,884	\$ 2,400,225	\$ 399,048	\$ 3,868,295
Deferred outflows - payments subsequent to measurement date	11,187	10,869	1,550	7,744	1,015	5,891
Net OPEB liability	<u>(725,198)</u>	<u>(704,543)</u>	<u>(100,449)</u>	<u>(501,969)</u>	<u>(65,783)</u>	<u>(381,819)</u>
Restated net position at January 1, 2018	<u>\$ 40,042,836</u>	<u>\$ 38,007,909</u>	<u>\$ 20,644,985</u>	<u>\$ 1,906,000</u>	<u>\$ 334,280</u>	<u>\$ 3,492,367</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

B. Deficit Fund Net Position

Fund balances at December 31, 2018 included a deficit of \$47,956 in the Garage Rotary Internal Service fund. The General fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2), above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool STAR Ohio;
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Director of Finance by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Director of Finance or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Restricted Assets

The City is holding \$329,639 in restricted assets in the City Treasury. These assets are restricted for unclaimed monies of the Municipal Court, and as deposits for utility service and T-hangar rentals. These amounts are included in the carrying amount of deposits.

B. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$5,610,690 and the bank balance of all City deposits was \$7,123,442. Of the bank balance, \$6,526,067 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized and \$597,375 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

As of December 31, 2018, the City had the following investments and maturities:

Measurement/ Investment Type	Measurement Amount	Investment Maturity
		6 months or less
Amortized cost:		
Star Ohio	\$ 71,396,341	\$ 71,396,341
Total	<u>\$ 71,396,341</u>	<u>\$ 71,396,341</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

The weighted average maturity of investments is 0.0 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the 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. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2018:

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Amortized Cost:		
Star Ohio	\$ 71,396,341	100.00
Total	<u>\$ 71,396,341</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,610,690
Investments	<u>71,396,341</u>
Total	<u>\$ 77,007,031</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 47,352,105
Business-type activities	28,678,851
Agency funds	<u>976,075</u>
Total	<u>\$ 77,007,031</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 4 - INTERFUND ACTIVITY

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:

Capital improvement	\$ 2,237,500
Non-major governmental funds	1,615,004

Transfers from Fire/EMS Income Tax Fund

Non-major governmental funds	629,883
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Transfers from Capital Improvement fund to:

Non-major governmental funds	971,281
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Transfers from non-major governmental funds to:

Non-major governmental funds	<u>2,461,371</u>
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Total transfers	<u><u>\$ 7,915,039</u></u>
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Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Interfund Loans

The City reported an interfund loan from the general fund to the capital improvement fund for \$1,236,286. This loan is expected to be repaid during 2019.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously. The assessed value for 2017, upon which the 2018 collections were based was approximately \$795.0 million. The assessed value for 2018, upon which the 2019 collections will be based is approximately \$838 million.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Delaware. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

NOTE 6 - MUNICIPAL INCOME TAX

The City collects an income tax of 1.85% of City of Delaware taxable income, defined as gross wages and salaries before any deductions and profits. Filing is mandatory for all residents. Employers within the City are required to withhold tax on all employees working in the City and remit those monies on either a quarterly or monthly schedule. Employers are required to reconcile those withholdings on an annual basis.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 7 - RECEIVABLES

Receivables at December 31, 2018, consisted of taxes, accounts (billings for user charged services), special assessments, interfund, loans, payments in lieu of taxes, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the Basic Financial Statements. Amounts not considered fully collectible are shown. The allowance represents an estimate of uncollectible amounts and does not represent actual cash accounts written off by management. The only receivables not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

A summary of accounts related to utility services is as follows:

<u>Fund:</u>	<u>Gross Receivable</u>	<u>Less: Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
Water	\$ 649,767	\$ (12,629)	\$ 637,138
Sewer	775,047	(17,916)	757,131
Storm Sewer	107,594	(1,348)	106,246
Refuse	336,669	(8,265)	328,404
Total	<u>\$ 1,869,077</u>	<u>\$ (40,158)</u>	<u>\$ 1,828,919</u>

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**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 7 - RECEIVABLES - (Continued)

A summary of the principal items of intergovernmental receivables were as follows:

<u>Governmental Activities</u>	<u>Amount</u>
<u>Major Funds:</u>	
General	
Local Government	\$ 296,841
Homestead and Rollback	86,315
Local Agency Reimbursements	63,260
Total General	<u>446,416</u>
 Fire/EMS Income Tax	
Local Agency Reimbursements	<u>216,444</u>
 Capital Improvement	
Road Improvement Grants	<u>536,002</u>
 Glenn Road South Construction	
Grants	<u>7,228,260</u>
 <u>Other Governmental Funds:</u>	
Street Maintenance and Repair	664,243
State Highway	53,857
License Fee	215,707
Municipal Court	246,033
Police and Fire Pension	52,396
Point Project	59,623
Glenn Road North Construction	<u>2,316,402</u>
Total Other Governmental Funds	<u>3,608,261</u>
 Total Governmental Activities	<u><u>\$ 12,035,383</u></u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2018, was as follows:

<u>Governmental activities:</u>	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/18</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 8,726,675	\$ 57,214	\$ -	\$ 8,783,889
Construction in progress	<u>3,416,098</u>	<u>5,220,454</u>	<u>(2,012,294)</u>	<u>6,624,258</u>
Total capital assets, not being depreciated	<u>12,142,773</u>	<u>5,277,668</u>	<u>(2,012,294)</u>	<u>15,408,147</u>
<i>Capital assets, being depreciated:</i>				
Buildings & Improvements	57,319,132	1,840,927	-	59,160,059
Machinery & Equipment	17,384,346	819,308	(448,410)	17,755,244
Infrastructure	<u>70,454,725</u>	<u>5,868,964</u>	<u>-</u>	<u>76,323,689</u>
Total capital assets, being depreciated	<u>145,158,203</u>	<u>8,529,199</u>	<u>(448,410)</u>	<u>153,238,992</u>
<i>Less: accumulated depreciation:</i>				
Buildings & Improvements	(27,370,290)	(2,361,490)	-	(29,731,780)
Machinery & Equipment	(11,569,401)	(1,515,424)	448,410	(12,636,415)
Infrastructure	<u>(17,680,275)</u>	<u>(1,688,618)</u>	<u>-</u>	<u>(19,368,893)</u>
Total accumulated depreciation	<u>(56,619,966)</u>	<u>(5,565,532)</u>	<u>448,410</u>	<u>(61,737,088)</u>
Total capital assets, being depreciated, net	<u>88,538,237</u>	<u>2,963,667</u>	<u>-</u>	<u>91,501,904</u>
Governmental activities capital assets, net	<u>\$ 100,681,010</u>	<u>\$ 8,241,335</u>	<u>\$(2,012,294)</u>	<u>\$ 106,910,051</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General Government	\$ 233,268
Public Safety	1,548,445
Municipal Court	38,547
Parks & Facilities	1,247,400
Community Development	13,869
Airport	880,906
Public Works	1,599,440
Capital assets held by the City's internal service funds are charged to the various functions based on the usage of the assets.	<u>3,657</u>
Total depreciation expense - governmental activities	<u><u>\$ 5,565,532</u></u>

B. Business-type activities capital asset activity for the year ended December 31, 2018 was as follows:

	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/18</u>
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,509,561	\$ -	\$ -	\$ 4,509,561
Construction in progress	<u>2,125,799</u>	<u>3,638,388</u>	<u>-</u>	<u>5,764,187</u>
Total capital assets, not being depreciated	<u>6,635,360</u>	<u>3,638,388</u>	<u>-</u>	<u>10,273,748</u>
<i>Capital assets, being depreciated:</i>				
Buildings & Improvements	77,673,589	-	-	77,673,589
Machinery & Equipment	11,590,079	368,529	(332,264)	11,626,344
Infrastructure	<u>116,398,579</u>	<u>8,230,572</u>	<u>-</u>	<u>124,629,151</u>
Total capital assets, being depreciated	<u>205,662,247</u>	<u>8,599,101</u>	<u>(332,264)</u>	<u>213,929,084</u>
<i>Less: accumulated depreciation:</i>				
Buildings & Improvements	(30,000,245)	(2,189,362)	-	(32,189,607)
Machinery & Equipment	(5,993,284)	(561,451)	332,264	(6,222,471)
Infrastructure	<u>(32,858,813)</u>	<u>(2,357,990)</u>	<u>-</u>	<u>(35,216,803)</u>
Total accumulated depreciation	<u>(68,852,342)</u>	<u>(5,108,803)</u>	<u>332,264</u>	<u>(73,628,881)</u>
Total capital assets, being depreciated, net	<u>136,809,905</u>	<u>3,490,298</u>	<u>-</u>	<u>140,300,203</u>
Business-type activities capital assets, net	<u><u>\$ 143,445,265</u></u>	<u><u>\$ 7,128,686</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150,573,951</u></u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Water	\$ 2,070,049
Sewer	2,249,548
Storm Sewer	582,938
Refuse	205,306
Other	<u>962</u>
Total depreciation expense - business-type activities	<u><u>\$ 5,108,803</u></u>

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

In 2012, the City entered into a capital lease for the acquisition of a fire truck. This lease meets the criteria of a capital lease, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital assets consisting of the fire department ladder truck has been capitalized in the amount of \$1,091,176. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide financial statements. Principal and interest payments are reflected as debt service expenditures and are paid from the Fire/EMS Income Tax Fund.

Also in 2012, the City entered into a capital lease for the acquisition of a 2 Packers (trash trucks) for the Refuse fund. This lease meets the criteria of a capital lease, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital assets consisting of equipment has been capitalized in the amount of \$382,338. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide financial statements. Principal and interest payments are made from the Refuse fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2019	<u>\$ 41,574</u>
Total future minimum lease payments	41,574
Less: amount representing interest	<u>(190)</u>
Present value of net minimum lease payments	<u><u>\$ 41,384</u></u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS

During 2018, the following changes occurred in the long-term obligations. The long-term obligations at December 31, 2017 have been restated as described on Note 2.

Governmental activities:	<u>Restated Balance 12/31/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/18</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds					
2017 Various Purpose Refunding Bonds - 2.0-4%	\$ 3,933,408	\$ -	\$ (327,259)	\$ 3,606,149	\$ 309,272
Unamortized bond premium	383,914	-	(27,422)	356,492	-
2015 Various Purpose Refunding Bonds - 1.5-4%	5,695,000	-	(240,000)	5,455,000	250,000
Unamortized bond premium	251,562	-	(14,798)	236,764	-
2013 Various Purpose Refunding Bonds - 1.5-4%	6,070,000	-	(435,000)	5,635,000	445,000
Unamortized bond premium	204,089	-	(14,590)	189,499	-
2012 Various Purpose Refunding Bonds - 1%	1,715,000	-	(345,000)	1,370,000	352,413
Unamortized bond premium	30,311	-	(7,843)	22,468	-
Unamortized bond discount	(12,028)	-	2,406	(9,622)	-
Income Tax Bonds					
2010 Park Facilities Bonds - 4.25	16,435,000	-	(570,000)	15,865,000	605,000
Unamortized bond premium	95,727	-	(5,631)	90,096	-
Capital Lease					
2012 Fire Department Ladder Truck - 1.83%	205,042	-	(163,658)	41,384	41,384
Bond Anticipation Notes					
2018 Various Purpose Notes - 3%	-	7,150,000	-	7,150,000	7,150,000
2017 Various Purpose Notes - 1.25%	10,265,000	-	(10,265,000)	-	-
Compensated absences	5,771,365	3,506,900	(3,206,091)	6,072,174	1,164,333
Past police & fire service liability	234,252	-	(9,286)	224,966	9,686
Net pension liability					
Ohio Public Employees Retirement System	12,481,327	-	(3,497,414)	8,983,913	-
Ohio Police and Fire Pension Fund	27,136,926	-	(710,110)	26,426,816	-
Net OPEB liability					
Ohio Public Employees Retirement System	5,620,454	598,915	-	6,219,369	-
Ohio Police and Fire Pension Fund	20,337,083	4,059,141	-	24,396,224	-
Total governmental activities long-term obligations	<u>\$ 116,853,432</u>	<u>\$ 15,314,956</u>	<u>\$(19,836,696)</u>	<u>\$ 112,331,692</u>	<u>\$ 10,327,088</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	Restated Balance 12/31/17	Additions	Reductions	Balance 12/31/18	Amounts Due in One Year
Sewer Income Tax Special Obligation Bonds					
2009 Southeast Highland - 3.25%	\$ 12,930,000	\$ -	\$ (420,000)	\$ 12,510,000	\$ 440,000
Unamortized bond premium	1,548	-	(77)	1,471	-
Sewer General Obligation Bonds					
2017 US 23 N Sewer Refunding Bonds - 2.0-4%	625,851	-	(36,815)	589,036	38,568
Unamortized bond premium	63,421	-	(4,530)	58,891	-
2012 Sewer System Imp & Refunding Bonds - 1%	1,470,000	-	(295,000)	1,175,000	302,587
Unamortized bond premium	28,192	-	(5,639)	22,553	-
Unamortized bond discount	(22,822)	-	4,565	(18,257)	-
Water General Obligation Bonds					
2017 King Hill Water Twr Refunding Bonds - 2.0-4%	2,225,741	-	(130,926)	2,094,815	137,160
Unamortized bond premium	225,546	-	(16,110)	209,436	-
Refuse Capital Lease					
2012 Refuse Packers - 1.83%	19,971	-	(19,971)	-	-
Compensated Absences	853,992	654,864	(618,988)	889,868	212,850
Postclosure landfill obligation	210,000	-	(5,000)	205,000	5,000
Water Loans Payable					
2011/2012 OWDA Water Expansion 2.86-3.67%	31,524,347	-	(1,020,541)	30,503,806	1,053,871
Sewer Loans Payable					
2004 OWDA Wastewater Expansion 3.59%	14,078,534	-	(1,351,053)	12,727,481	1,399,990
Net pension liability					
Ohio Public Employees Retirement System	4,658,897	-	(1,303,993)	3,354,904	-
Net OPEB liability					
Ohio Public Employees Retirement System	2,097,942	224,586	-	2,322,528	-
Total business-type activities					
long-term obligations	<u>\$ 70,991,160</u>	<u>\$ 879,450</u>	<u>\$ (5,224,078)</u>	<u>\$ 66,646,532</u>	<u>\$ 3,590,026</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements: The principal and interest requirements to retire long-term bond debt obligations at December 31 are:

Year Ending December 31,	Governmental bonds			Business-type activities bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,961,685	\$ 967,424	\$ 2,929,109	\$ 918,315	\$ 629,617	\$ 1,547,932
2020	1,925,543	1,064,221	2,989,764	929,456	628,953	1,558,409
2021	2,001,550	1,006,518	3,008,068	948,450	599,581	1,548,031
2022	2,102,992	967,284	3,070,276	982,667	569,189	1,551,856
2023	1,853,296	926,702	2,779,998	711,704	557,308	1,269,012
2024 - 2028	10,006,636	3,488,441	13,495,077	3,988,364	2,334,385	6,322,749
2029 - 2033	10,194,447	1,604,495	11,798,942	4,329,895	1,430,765	5,760,660
2034 - 2037	1,885,000	82,725	1,967,725	3,560,000	432,250	3,992,250
Total	<u>\$31,931,149</u>	<u>\$10,107,810</u>	<u>\$42,038,959</u>	<u>\$16,368,851</u>	<u>\$ 7,182,048</u>	<u>\$23,550,899</u>

General Obligation Bonds: The City issued governmental activity various purpose bonds and business-type activity general obligation bonds in 2017 to refund the 2006 various purpose bonds and to provide funding to enhance the municipal fire safety facilities, but constructing, furnishing and equipping a new fire station. The City issued governmental activity various purpose bonds in 2015 to replace the notes for recreation facilities improvements, further work on the Glenn Road projects, and for EMS vehicles. The City issued governmental activity bonds in 2013 to finance improvements made to the Jack Florance [Mingo] Pool and the recently built Skate Park, the 8,000 square foot addition to the Justice Center, the City-wide phone system, toward the purchase of a vacant manufacturing building to use as the Public Works facility, the construction of Fire Station 303, and part of the Glenn Road construction project. In 2012, governmental activity Various Purpose Refunding bonds were issued to refund 2002 Various Purpose bonds, which were issued to fund US 23/US 42 road improvements and for downtown City street improvements. The 2012 Sewer System Improvement & Refunding bonds originated in 1992 and were refunded the first time in 2002. They were issued to fund improvements to the City's sewer system and for current sewer system improvements. The 2006 Various Purpose bonds were issued to fund several projects, including the construction of 3 T-hangars at the Municipal Airport, the purchase of land and buildings on Ross Street for the Grounds & Facilities department, landfill remediations at our Curve Road Landfill, construction of the Kingman Hill Water Tower, the 23 N. Sewer, and Houk Road improvements.

General Income Tax Special Obligation Bonds: Special obligation bonds were issued in 2009 to refund notes issued to fund the Southeast Highland Sewer construction that began in 2004. Principal and interest on the Bonds, unless paid from other sources, are to be paid from pledged revenues, including receipts of the City's general income tax, and the pledged funds. Special obligation bonds were issued in 2010 to provide for City park improvements and for the construction of the YMCA/Training and Community Center on the City's westside. Principal and interest on the Bonds are to be paid from the City's levied 0.15% income tax.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Past Service Police and Firefighters Liability: Past service liability for police and firefighters is being paid out of the General fund over time through the year 2035. The principal and interest requirements to retire this obligation at December 31 are:

Year Ending <u>December 31,</u>	Principal	Interest	Total
2019	\$ 9,686	\$ 9,458	\$ 19,144
2020	10,101	9,043	19,144
2021	10,535	8,609	19,144
2022	10,988	8,157	19,145
2023	11,460	7,685	19,145
2024 - 2028	65,118	30,605	95,723
2029 - 2033	80,357	15,367	95,724
2034 - 2035	26,721	1,126	27,847
Total	<u>\$ 224,966</u>	<u>\$ 90,050</u>	<u>\$ 315,016</u>

Compensated Absences: Additions and deletions of accrued vacation and sick leave are shown combined. Compensated absences are recorded in the fund from which the liability will be paid in the future. This includes the General, Street Maintenance & Repair, Cemetery, Airport, Fire/EMS Income Tax, Municipal Court, Parks & Natural Resources, Water, Sewer, Storm, Refuse, Golf Course, Garage Rotary, and Info Tech Rotary funds.

Capital Lease Obligation: See Note 9 for additional details.

The Ohio Revised Code (ORC) provides that the net general obligation debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2018, the City's total net debt and unvoted net debt were approximately 5.1% of the total assessed value of all property within the City.

As of December 31, 2018, the City had no debt approved by the voters or Council, which had not been issued.

The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with Delaware County and the Delaware City School District. As of December 31, 2018, these entities have complied with the requirement that overlapping debt must not exceed 1% (10 mills) of the assessed property value.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loans: During 2007, the City completed its loan agreement with the Ohio Water Development Authority to fund the new Wastewater Treatment Expansion Facility. This loan replaced the note issued in 2003. The loan proceeds were on a progression basis over the duration of construction, up to a maximum of \$26.17 million [plus capitalized interest] at an interest rate of 3.59%. Total proceeds to be borrowed were fully disbursed as of December 31, 2008, and OWDA finalized financing terms and repayment requirements are immediately following. In 2010, the City entered into another loan agreement with OWDA for up to \$2.225 million [plus capitalized interest] for a water-system extension on the City's far north side. The loan proceed draws were completed in 2011 and will be repaid over 25 years at an interest rate of 3.67% and OWDA financing terms and repayment requirements are immediately following. The City has 2 other OWDA funded projects; Penry Road Wellfield and the Water Treatment Expansion Project. The Wellfield project has been completed and repayment requirements have been finalized. The Expansion project was completed in 2015, but the repayment requirements have not been finalized as of the date of this report. For the aforementioned projects that the terms are finalized, debt requirements are as follows:

Year Ending December 31,	Wastewater-System Project			Water-System Projects		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,399,990	\$ 444,464	\$ 1,844,454	\$ 1,053,871	\$ 982,607	\$ 2,036,478
2020	1,450,701	393,753	1,844,454	1,088,305	948,173	2,036,478
2021	1,503,249	341,205	1,844,454	1,123,880	912,598	2,036,478
2022	1,557,700	286,754	1,844,454	1,160,634	875,844	2,036,478
2023	1,614,123	230,331	1,844,454	1,198,607	837,871	2,036,478
2024 - 2028	5,201,718	331,642	5,533,360	6,608,265	3,574,126	10,182,391
2029 - 2033	-	-	-	7,765,794	2,416,597	10,182,391
2034 - 2038	-	-	-	8,711,203	1,066,338	9,777,541
2039	-	-	-	1,793,247	43,508	1,836,755
Total	<u>\$12,727,481</u>	<u>\$ 2,028,149</u>	<u>\$14,755,630</u>	<u>\$30,503,806</u>	<u>\$11,657,662</u>	<u>\$42,161,468</u>

Defeasance of Bonds

In prior years, the City defeased 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, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2018, \$2,243,834 and \$4,167,166 of governmental activities and business-type activities, respectively, of bonds outstanding are considered defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$23,489 in the governmental activities and \$117,054 in the business-type activities. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 11 - NOTES PAYABLE

Notes were reissued in 2018 for improvements made to Glenn Parkway Phases 1 & 2, capital improvements and sidewalk repairs. These were accounted for in the Capital Improvement fund and the Glenn Road South Construction fund.

	Balance <u>12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2018</u>
Notes Payable				
Various Purpose - 1%	\$ 750,000	\$ 3,115,000	\$ (750,000)	\$ 3,115,000
Total	<u>\$ 750,000</u>	<u>\$ 3,115,000</u>	<u>\$ (750,000)</u>	<u>\$ 3,115,000</u>

NOTE 12 - LANDFILL CLOSURES

The City closed the Cherry Street Landfill in 1975 and the Curve Road Landfill in 1990. The City properly notified the Ohio Environmental Protection Agency for both closings. Both landfills were at 100% capacity and postclosure costs reflect estimates to monitor the landfills, as required by Ohio Administrative Code 3745-27, through the year 2020. The City awarded contracts to URS Greiner Corporation for monitoring and testing the CSL and to Burgess & Niple for monitoring and testing the CRL. No assets are restricted for payment of postclosure care costs and these costs are subject to changes related to the effects of inflation, revision of laws and other variables. The costs for monitoring and testing the landfills will be expended from the Refuse fund.

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2018, the City contracted with several different insurance providers for various coverages, as follows:

<u>Type of Coverage</u>	<u>Liability Limits</u>	<u>Deductible</u>
Property	\$ 2,000,000	\$ 2,500
Inland Marine	2,000,000	1,000
General Liability	2,000,000	-
Automobile	1,000,000	-
Excess Liability	10,000,000	-
Public Officials Liability	1,000,000	15,000
Police Liability	1,000,000	25,000

The City carries \$1,000,000 of comprehensive combined single limit general liability coverage with a \$1,000 deductible, a \$1,000,000 general law enforcement liability insurance policy and \$1,000,000 public officials' liability, each with a \$5,000 deductible, as well as \$5,000,000 umbrella coverage. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,515,992 for 2018. Of this amount, \$143,303 is reported as due to other governments.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,011,747 for 2018. Of this amount, \$88,214 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2018, the specific liability of the City was \$224,966 payable in semi-annual payments through the year 2035.

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.07548000%	0.18236900%	0.02522300%	0.42844000%	
Proportion of the net pension liability/asset current measurement date	<u>0.07865100%</u>	<u>0.13822000%</u>	<u>0.03316600%</u>	<u>0.43058300%</u>	
Change in proportionate share	<u>0.00317100%</u>	<u>-0.04414900%</u>	<u>0.00794300%</u>	<u>0.00214300%</u>	
Proportionate share of the net pension liability	\$ 12,338,817	\$ -	\$ -	\$ 26,426,816	\$ 38,765,633
Proportionate share of the net pension asset	-	(188,161)	(1,158)	-	(189,319)
Pension expense	3,001,335	30,377	(376)	3,179,658	6,210,994

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 12,602	\$ -	\$ 2,252	\$ 401,044	\$ 415,898
Changes of assumptions	1,474,572	16,443	138	1,151,556	2,642,709
Changes in employer's proportionate percentage/ difference between employer contributions	469,976	-	-	269,992	739,968
City contributions subsequent to the measurement date	<u>1,407,998</u>	<u>80,364</u>	<u>27,630</u>	<u>2,011,747</u>	<u>3,527,739</u>
Total deferred outflows of resources	<u>\$ 3,365,148</u>	<u>\$ 96,807</u>	<u>\$ 30,020</u>	<u>\$ 3,834,339</u>	<u>\$ 7,326,314</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 243,160	\$ 56,056	\$ -	\$ 47,808	\$ 347,024
Net difference between projected and actual earnings on pension plan investments	2,648,982	29,687	326	914,166	3,593,161
Changes in employer's proportionate percentage/ difference between employer contributions	80,935	-	-	95,109	176,044
Total deferred inflows of resources	<u>\$ 2,973,077</u>	<u>\$ 85,743</u>	<u>\$ 326</u>	<u>\$ 1,057,083</u>	<u>\$ 4,116,229</u>

\$3,527,739 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2019	\$ 1,329,045	\$ (9,438)	\$ 258	\$ 694,527	\$ 2,014,392
2020	(89,999)	(10,250)	249	454,185	354,185
2021	(1,166,469)	(16,901)	206	(492,669)	(1,675,833)
2022	(1,088,504)	(16,198)	213	(289,108)	(1,393,597)
2023	-	(5,775)	313	322,165	316,703
Thereafter	-	(10,738)	825	76,409	66,496
Total	<u>\$ (1,015,927)</u>	<u>\$ (69,300)</u>	<u>\$ 2,064</u>	<u>\$ 765,509</u>	<u>\$ (317,654)</u>

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF DELAWARE
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 21,910,596	\$ 12,338,817	\$ 4,358,838
Combined Plan	(102,283)	(188,161)	(247,414)
Member-Directed Plan	(663)	(1,158)	(1,658)

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

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DELAWARE COUNTY, OHIO**

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FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income *	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
Global Inflation			
Protected Securities *	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 36,634,506	\$ 26,426,816	\$ 18,101,523

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$11,052 for 2018. Of this amount, \$1,045 is reported as due to other governments.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$47,201 for 2018. Of this amount, \$2,070 is reported as due to other governments.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.07641700%	0.42844000%	
Proportion of the net OPEB liability current measurement date	<u>0.07866000%</u>	<u>0.43058300%</u>	
Change in proportionate share	<u>0.00224300%</u>	<u>0.00214300%</u>	
Proportionate share of the net OPEB liability	\$ 8,541,897	\$ 24,396,224	\$ 32,938,121
OPEB expense	\$ 800,253	\$ 1,950,485	\$ 2,750,738

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 6,654	\$ -	\$ 6,654
Changes of assumptions	621,940	2,380,553	3,002,493
Changes in employer's proportionate percentage/ difference between employer contributions	193,841	59,041	252,882
City contributions subsequent to the measurement date	11,052	47,201	58,253
Total deferred outflows of resources	<u>\$ 833,487</u>	<u>\$ 2,486,795</u>	<u>\$ 3,320,282</u>

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 123,044	\$ 123,044
Net difference between projected and actual earnings on pension plan investments	636,316	160,586	796,902
Changes in employer's proportionate percentage/ difference between employer contributions	43,801	-	43,801
Total deferred inflows of resources	<u>\$ 680,117</u>	<u>\$ 283,630</u>	<u>\$ 963,747</u>

\$58,253 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$ 213,190	\$ 298,530	\$ 511,720
2020	213,190	298,530	511,720
2021	(124,982)	298,530	173,548
2022	(159,080)	298,532	139,452
2023	-	338,677	338,677
Thereafter	-	623,165	623,165
Total	<u>\$ 142,318</u>	<u>\$ 2,155,964</u>	<u>\$ 2,298,282</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 11,348,278	\$ 8,541,897	\$ 6,271,562

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 8,172,774	\$ 8,541,897	\$ 8,923,190

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

*levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

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DELAWARE COUNTY, OHIO**

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 30,495,581	\$ 24,396,224	\$ 19,703,046

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 18,951,430	\$ 24,396,224	\$ 31,733,977

Changes between Measurement Date and Report Date - In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

**CITY OF DELAWARE
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 16 - BUDGETS AND BUDGETARY ACCOUNTING

The City's budget is adopted and modified as follows:

1. Prior to August 15, the Finance Director submits, to the County Budget Commission, an estimate of year end balances and of the next year's revenues. The Commission returns a Certificate of Estimated Resources, limiting the maximum amount the City may expend from a given fund type.
2. Prior to November 15, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the year commencing the following January 1. The legal level of control is payroll expenditures/expenses and other expenditures/expenses. For reporting purposes, the City further divides "other" by their function.
3. Public hearings are held to obtain taxpayers' comments.
4. Prior to January 1 and after publication of the proposed budget ordinances, the budget is legally enacted by ordinance.
5. Shortly after January 1, the Certificate of Estimated Resources is amended to reflect the actual unencumbered balances from the preceding year and for changes in estimated resources since the original submittal.
6. Supplemental appropriations and transfers of appropriations between funds and departments must be approved by City Council. Supplemental appropriations were necessary during the year. The budget figures that appear in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Expenditures cannot exceed appropriations at the legal level of control. Unencumbered appropriations lapse at year-end, and encumbered appropriations are reported as expenditures in the current year.

Encumbrance accounting is utilized in the Governmental Funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, and to maintain legal compliance. Unclaimed Funds and Municipal Court Unclaimed Funds did not have a legally adopted budget for 2018.

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General Fund and the Fire/EMS Income Tax Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 16 - BUDGETS AND BUDGETARY ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	<u>General fund</u>	<u>Fire/EMS Income Tax</u>
Budget basis	\$ (320,982)	\$ (2,682,295)
Net adjustment for revenue accruals	340,156	(234,909)
Net adjustment for expenditure accruals	(1,784,608)	(35,549)
Net adjustment for other sources/uses	2,566,219	-
Funds budgeted elsewhere	16,274	-
Adjustment for encumbrances	503,691	1,145,276
GAAP basis	<u>\$ 1,320,750</u>	<u>\$ (1,807,477)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the parks and recreation fund.

NOTE 17 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds.

Within the General Fund Unassigned Fund Balance are funds associated with the Development Reserve and Budget Reserve funds. The Development Reserve fund was set up as a management-discretion set-aside to assist with debt service, and support future economic development opportunities. There are no "minimum fund balance" or "expenditure-specific" requirements. If the City needs the money for an allowable purchase, they just need the proper appropriation authority. The Development Reserve fund balance at December 31, 2018 was \$964,886. The Budget Reserve fund is more formal and was set up to maintain a balance equal to 5% of the cash-basis revenues credited to the General Fund in the preceding fiscal year. It will be used to cover, in a given budget year, revenue shortfalls or when expenditures exceed projected amounts. If funds are used, the City will re-establish the required balance within three years. The Budget Reserve fund balance at December 31, 2018 was \$1,163,864.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**CITY OF DELAWARE
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 17 - FUND BALANCE - (Continued)

Fund balance	General	Fire/EMS Income Tax	Capital Improvement	Glenn Rd. South Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and Supplies Inventory	\$ -	\$ -	\$ -	\$ -	\$ 31,226	\$ 31,226
Unclaimed Funds	16,494	-	-	-	57,425	73,919
Perpetual Care	-	-	-	-	34,191	34,191
Prepayments	149,964	879	-	-	51,345	202,188
Loan Receivable	-	-	-	-	497,526	497,526
Total nonspendable	<u>166,458</u>	<u>879</u>	<u>-</u>	<u>-</u>	<u>671,713</u>	<u>839,050</u>
Restricted:						
Fire Department Expansion	-	9,627,747	-	-	-	9,627,747
Justice Center Equipment	-	-	-	-	115,012	115,012
Road Resurfacing & Equipment	-	-	-	7,312,821	4,639,240	11,952,061
Parks & Facilities	-	-	-	-	4,884,018	4,884,018
Airport Expansion	-	-	-	-	157,898	157,898
Community Redevelopment	-	-	-	-	2,530	2,530
Community Development Loans	-	-	-	-	270,186	270,186
Municipal Court	-	-	-	-	5,691,486	5,691,486
Cemetery	-	-	-	-	264,933	264,933
Debt Service	-	-	-	-	336,521	336,521
Other Purposes	-	-	-	-	19,088	19,088
Total restricted	<u>-</u>	<u>9,627,747</u>	<u>-</u>	<u>7,312,821</u>	<u>16,380,912</u>	<u>33,321,480</u>
Committed:						
Police and Fire Donations and Expansion	-	-	-	-	765,897	765,897
Future Budget and Development	-	-	-	-	3,719,473	3,719,473
Parks & Facilities	187,865	-	-	-	1,655,672	1,843,537
Airport Operation	-	-	-	-	479,553	479,553
Road Resurfacing & Equipment	-	-	637,745	-	155,614	793,359
General Government	<u>331,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451</u>	<u>331,575</u>
Total committed	<u>518,989</u>	<u>-</u>	<u>637,745</u>	<u>-</u>	<u>6,776,660</u>	<u>7,933,394</u>
Assigned:						
General government	15,677	-	-	-	68,946	84,623
Public safety programs	28,335	-	-	-	-	28,335
Community development	24,466	-	-	-	-	24,466
Public health and welfare	141,447	-	-	-	-	141,447
Subsequent year appropriations	<u>240,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,737</u>
Total assigned	<u>450,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,946</u>	<u>519,608</u>
Unassigned	<u>8,405,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,405,954</u>
Total fund balances	<u>\$ 9,542,063</u>	<u>\$ 9,628,626</u>	<u>\$ 637,745</u>	<u>\$ 7,312,821</u>	<u>\$ 23,898,231</u>	<u>\$ 51,019,486</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 18 - SELF INSURANCE AND WORKERS COMPENSATION

The City provides medical and dental coverage for its employees and is self-insured up to a stop loss limit for the cost of providing this coverage. Under the self-insurance program, the Self-Insurance Fund (an internal service fund) provides coverage for up to a maximum of \$70,000 in any one year for each employee. The City purchases commercial insurance for claims in excess of coverage provided by the Self-Insurance Fund. The City had no occurrences in which settled claims exceeded the total stop-loss coverage in any of the last three years.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on a per-employee charge. These monies are recorded as a charge for service in the Self-Insurance Fund and as an expenditure or expense, as applicable, in the disbursing fund.

The claims liability of \$1,227,470 reported in the internal service fund at December 31, 2018, is based on estimates in accordance with the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*", as amended by GASB Statement No. 30, "*Risk Financing Omnibus*", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the current and past years are as follows:

		Beginning of Year Liability	Current Year Claims & Changes in Estimates	Claims Payments	End of Year Liability
Self-Insurance					
2018	\$	351,816	\$ 5,510,132	\$(5,564,096)	\$ 297,852
2017		381,226	4,866,040	(4,895,450)	351,816
Worker Compensation					
2018	\$	622,598	\$ 560,092	\$ (253,072)	\$ 929,618
2017		722,317	230,713	(330,432)	622,598

NOTE 19 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two nonmajor enterprise funds to account for Golf Course and Parking Lots. None of these activities is supported by revenue bonds or other revenue backed debt instruments and, therefore, segment information is not required. See the combining statements included as part of this CAFR for detailed fund activity of the nonmajor enterprise funds.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 20 - OTHER COMMITMENTS

A. Contractual

At December 31, 2018, the City had uncompleted contracts, as follows:

<u>Description</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining Commitment</u>
Design And Construction of Fire Station 304	\$ 3,440,000	\$ 2,667,727	\$ 772,273
Constriction of Tertiary Filters at WWTP	1,967,182	1,697,443	269,739
Renovation of City Hall Annex	1,945,686	1,364,526	581,160
Heffner/Winter Resurfacing	809,503	603,517	205,986
Bikepath Constriction	343,531	282,228	61,303
Upgrade to City-wide Signals Project	330,272	69,900	260,372
US 23 Microsurfacing	320,376	267,972	52,404
Glenn Road Extension Project	305,000	143,610	161,390
E William Right-of-way Acquisitions	245,000	187,054	57,946
20 yard Lodal Acquisition bid	245,000	-	245,000
Stormwater Project	235,000	-	235,000
CCTV Sewer Inspection System	213,394	-	213,394
Update to Comprehensive Plan	175,000	51,864	123,136
US 23 Glenn Rd-Peachblow Traffic Signal	140,000	-	140,000
Income Tax Software Upgrade	115,000	-	115,000
Point Project Railroad Plan Review Fees	100,000	-	100,000
EPR Consulting Services	79,700	-	79,700

B. Revenue Sharing Agreement

The City has entered into an agreement with the Delaware City School District [the“District”] to compensate the District, via a local foundation, for property tax revenues lost as a result of a tax exempt enterprise zone established in the city. For each year the exemption is in effect, the City is obligated to pay the District an amount equal to fifty percent of the income taxes collected on new employee payroll by employers within the enterprise zone. The agreement with this company expires December 31, 2023.

C. Encumbrances

As discussed in Note 16, Budgets and Budgetary Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of cash-basis encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

**CITY OF DELAWARE
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 20 - OTHER COMMITMENTS - (Continued)

Governmental Funds	
General Fund	\$ 527,164
Fire/EMS Income Tax	1,145,276
Capital Improvement	1,368,250
Glenn Road South Construction	148,254
Nonmajor Governmental Funds	<u>1,328,777</u>
Total Governmental Funds	<u>4,517,721</u>
Proprietary Funds	
Water	289,033
Sewer	676,601
Storm Sewer	183,567
Refuse	406,630
Nonmajor Enterprise Funds	16,967
Internal Service Funds	<u>107,083</u>
Total Proprietary Funds	<u>1,679,881</u>
Agency Funds	
Nonmajor Agency Funds	<u>3,513</u>
Total Agency Funds	<u>3,513</u>
Total	<u><u>\$ 6,201,115</u></u>

NOTE 21 - CONTINGENT LIABILITIES

The City is a party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS

Delaware South New Community Authority; On February 12, 2007, the Delaware South New Community Authority [DSNCA] was created by the adoption of Resolution 07-05 by Delaware City Council, pursuant to Chapter 349 of the Ohio Revised Code. The DSNCA was established to encourage the orderly development of a well-planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the DSNCA to carry out the new community development program.

The DSNCA is governed by a seven member Board of Trustees. Delaware City Council appoints three citizen members to the Board to represent the interests of present and future residents of the District and one member to serve as a representative of local government. The Developer shall appoint three members to serve on the Board as representatives of the Developer.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

The Glenn Road Extension Bond Anticipation Notes, currently reported by the City, will ultimately be reimbursed by the DSNCA. The City agreed to construct the Glenn Road improvements on behalf of the DSNCA and to carry any debt obligations until such time as the DSNCA is able to issue debt sufficient to pay any outstanding principal and interest on debt issued by the City. Although the City agreed to construct such improvements on behalf of the DSNCA, the City does not approve the respective budgets or impose its will on its operations.

Northern New Community Authority; On December 10, 2007, the Northern New Community Authority [NNCA] was created by the adoption of Ordinance 07-103 by Delaware City Council, pursuant to Chapter 349 of the Ohio Revised Code. Like the DSNCA, the NNCA was established to encourage the orderly development of a well-planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the NNCA to carry out the new community development program.

The NNCA is governed by a seven member Board of Trustees. Delaware City Council appoints three citizen members to the Board to represent the interests of present and future residents of the District and one member to serve as a representative of local government. The Developer shall appoint three members to serve on the Board as representatives of the Developer. Although the City agreed to construct such improvements on behalf of the NNCA, the City does not approve the respective budgets or impose its will on its operations.

City of Delaware – Berkshire Township JEDD; On November 1, 2014, the Joint Economic Development District was created by the adoption of Ordinance 14-102. An outlet mall will be built within the borders of the JEDD and the City will collect income tax assessed on the workers within the district and distribute to the JEDD, Township, and City.

The JEDD is governed by a five-member board. One member represents the City; one, the Township; one, the owners of businesses within the JEDD; one, the persons working within the JEDD; and one member selected by the other four. Other provisions apply, should there be no businesses or persons working within the JEDD. The initial appointments will vary from one to four years in length. After which, the appointments will be for four-year terms as long as each member serves out their term.

The City collects income taxes on behalf of the JEDD and calculates the amounts due to the JEDD Board, Berkshire Township, and the City. The JEDD Board is to receive 1% of the *gross* revenues, the City; 4%. Of the net revenues, Berkshire Township is to receive 60%, the City; 40%.

NOTE 23 - TAX ABATEMENT DISCLOSURES

The City of Delaware provides tax abatements under four programs: the Residential Community Reinvestment Area Program, the Industrial/Commercial Community Reinvestment Area Program, the Enterprise Zone Program, and the Tax Increment Financing Program.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 23 - TAX ABATEMENT DISCLOSURES - (Continued)

- The Residential Community Reinvestment Area Program provides property tax abatements to encourage improvements and reinvestment to distressed single-family and multiple-unit dwellings. The program is established under the auspices of a state statute (ORC 3735.65 – ORC 3735.70) empowering cities and counties to establish such programs. The abatements equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, are administered as a reduction in the property tax bill, and last for 7 years. Abatements are obtained through application by the property owner prior to commencing improvements and require subsequent provision by the owner of proof that the improvements have been made. Due to this program being administered by our Chief Building Officer and these improvements requiring final occupancy permits, improvement verification happens at the time of the final inspections. Because taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. No other commitments were made by the City of Delaware as part of these agreements.
- The Industrial/Commercial Community Reinvestment Area Program and Enterprise Zone Program provide property tax abatements to encourage improvements and reinvestment to buildings and unimproved or redevelopment land in the CRA areas or EZ zones. In accordance with all policies and structure set forth in the ORC 3735.65, 3735.66, 3735.67, 3735.671, 3735.672, 3735.673, 3735.68, 3735.69, 3735.70, 5709.82, 5709.83, 5709.85, and all other sections of chapter 5709 the City of Delaware may offer a property tax incentives to an Industrial or Commercial project on the property improvements made to the parcel(s) within a CRA or Enterprise Zone area using the following ROI formula and guidelines. Retail or restaurant projects abatements are limited to the Downtown Historic Districts. Industrial, manufacturing, office, retail and restaurant projects may not exceed 15 years per ORC for CRAs or 10 years for EZs (non-industrial projects are not eligible for EZ abatements.). CRA or Enterprise Zone agreement will be suggested by the following formulas:

o Formula 1 – City Return On Investment (ROI):

((Projected Income Tax from New (not retained unless it is shown that a company will leave without the abatement on an expansion/retention project) Payroll for Entire Term of Projected Abatement X (multiplied by) Most recent IMPLAN multiplier for industrial or commercial) – (minus) any negotiation School Compensation Agreements to be paid by the City.

MINUS

Projected Total Taxes Abated for Entire Term of Projected Abatement – (subtracted by) Total of School Pilot Payments if Negotiated

DIVIDED BY

Projected Total Taxes Abated for Entire Term of Projected Abatement – (subtracted by) Total of School Pilot Payments if Negotiated

AND

Formula 2 – School District(s) Return On Investment (ROI)(This is actually the percentage of revenues the schools will receive in comparison to if the project had not been abated while also taking into account the amount the schools would have continued to receive if the project had never happened.):

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 23 - TAX ABATEMENT DISCLOSURES - (Continued)

The total sum of all negotiated School Pilot Payment Agreements, School Compensation Agreements to be Paid by the City, and/or unabated taxes including the taxes to be paid on the land with any increases on such due to changes in zoning or use

DIVIDED BY

The total sum of taxes paid on the project with no abatement – (minus) the taxes currently paid on the property or that would continue to be paid on the property if the project did not happen.

Guidelines:

- The City of Delaware reserves the right to extend or reject CRA or Enterprise Zone abatements to any company in or seeking to be in a current CRA or Enterprise Zone area.
- Projected taxes abated to be used in the City of Delaware's Economic Development Incentive Policy's (EDIP) formula will be calculated using the above CRA ROI Calculators.
- Company needs will be requested during the CRA or Enterprise Zone application process. The application already has fields for requested percentage and term of requested abatement, but also will include a request for justification for the abatement.
- The CRA formula inputs (percentage and term of abatement) will be adjusted until it reaches an abatement value that meets the needs of the company while also maintaining a positive ROI for the community. This result will translate into a percentage and term of abatement. Only projects with 25% or greater City of Delaware ROI and 30% or greater School District(s) ROI will be eligible for 100% for 15 year abatements (10-year maximum for EZs) if the ROI equals or exceeds 25% (City) and 30% (School District(s)) utilizing 100% for 15 year abatement inputs (10 years for EZs) in the ROI formulas above.
- Only projects with average annual wages exceeding the annual Low to Moderate Income (LMI) for Delaware County will be considered for abatements greater than 50%.
- Only primary target industries listed in the most recent city economic development plan will be considered for 100% gross CRA or EZ tax abatements unless otherwise stated in this EDIP.
- Secondary target industries specified in the most recent city economic development plan will be limited to the Downtown historic districts or areas for which the City desires significant redevelopment. In these areas, secondary target industries will be able to negotiate up to 100% gross CRA tax abatements for fifteen (15) years unless otherwise stated in this EDIP.
- Industries not specified as target industries in the current city economic development plan or industries that harm the overall infrastructure, environment or well-being of the residents of the City of Delaware will not be considered for CRA or EZ tax abatements unless otherwise stated in this EDIP.

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DELAWARE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 23 - TAX ABATEMENT DISCLOSURES - (Continued)

- Retail or restaurant projects outside of historic downtown Delaware will not be considered for property tax abatements unless they are proven to be of high economic impact to the community such as when infilling a particular building that has been vacant for an extended period or has lacked considerable reinvestment and has harmed the community as such, or as stated otherwise in this EDIP.
- Projects may require School Compensation Agreements or School Pilot Payment Agreements.
- In accordance with all policies and structure set forth in the ORC 5709.40, 5709.41, 5709.411, 5709.42, and 5709.43, the City of Delaware may utilize Tax Increment Financing (TIF) tax incentives to assist in paying for public infrastructure for an economic development project. When agreed upon by the impacted school districts, these TIF agreements can range from 50% to 100% on property tax improvements not abated by another abatement program for ten to thirty years. Taxes are paid by the owner of the property and then redistributed by the County Auditor to the City of Delaware to be placed in a special fund created for a specific public infrastructure improvement.

Below is the information relevant to the disclosure of these programs for the year ended December 31, 2018:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Residential Community Reinvestment Area Program	\$ 144,116
Industrial/Commercial Community Reinvestment Area Program	728,507
Tax Increment Financing Program	902,657

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Delaware and the Delaware City School District created Community Reinvestment Area Compensation Agreements. These agreements require municipal income tax revenue sharing with the Delaware City School District when income tax collections meet specific criteria. For 2018, the required amounts of income tax dollars paid by the City to the Delaware City School District totaled \$ 93,260.

NOTE 24 – SUBSEQUENT EVENT

On March 27, 2019, the City issued \$7,150,000 in general obligation bonds with interest rates ranging from 2.0%-5.0% and a final maturity date of December 1, 2028. The proceeds of these bonds were used to retire a portion of the City's outstanding notes payable.

City of Delaware, Ohio

Required Supplementary Information

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.078651%	0.0754800%	0.0755070%	0.0749970%	0.0749970%
City's proportionate share of the net pension liability	\$ 12,338,817	\$ 17,140,224	\$ 13,078,764	\$ 9,016,601	\$ 8,833,300
City's covered payroll	\$ 10,613,669	\$ 10,977,483	\$ 11,913,067	\$ 11,372,533	\$ 10,094,700
City's proportionate share of the net pension liability as a percentage of its covered payroll	116.25%	156.14%	109.79%	79.28%	87.50%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.138220%				
City's proportionate share of the net pension asset	\$ 188,161				
City's covered payroll	\$ 566,077				
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.24%				
Plan fiduciary net position as a percentage of the total pension asset	137.28%				
<i>Member Directed Plan:</i>					
City's proportion of the net pension asset	0.033166%				
City's proportionate share of the net pension asset	\$ 1,158				
City's covered payroll	\$ 181,780				
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%				
Plan fiduciary net position as a percentage of the total pension asset	124.46%				

Note: Information prior to 2014 for the Traditional Plan and 2018 for the Combined and Member Directed Plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST FIVE YEARS

	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.43058300%	0.42844000%	0.4277160%	0.4314390%	0.4314390%
City's proportionate share of the net pension liability	\$ 26,426,816	\$ 27,136,926	\$ 27,515,270	\$ 22,350,329	\$ 21,012,433
City's covered payroll	\$ 9,461,696	\$ 10,051,229	\$ 10,011,687	\$ 9,595,476	\$ 8,591,897
City's proportionate share of the net pension liability as a percentage of its covered payroll	279.30%	269.99%	274.83%	232.93%	244.56%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST SIX YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,407,998	\$ 1,379,777	\$ 1,317,298	\$ 1,429,568
Contributions in relation to the contractually required contribution	<u>(1,407,998)</u>	<u>(1,379,777)</u>	<u>(1,317,298)</u>	<u>(1,429,568)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 10,057,129	\$ 10,613,669	\$ 10,977,483	\$ 11,913,067
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 80,364	\$ 73,590		
Contributions in relation to the contractually required contribution	<u>(80,364)</u>	<u>(73,590)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 574,029	\$ 566,077		
Contributions as a percentage of covered payroll	14.00%	13.00%		
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 27,630	\$ 18,178		
Contributions in relation to the contractually required contribution	<u>(27,630)</u>	<u>(18,178)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 276,300	\$ 181,780		
Contributions as a percentage of covered payroll	10.00%	10.00%		

Note: Information prior to 2017 for the City's combined plan and member directed plan and 2013 for the traditional plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>
\$ 1,364,704	\$ 1,312,311
<u>(1,364,704)</u>	<u>(1,312,311)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 11,372,533	\$ 10,094,700
12.00%	13.00%

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

	LAST SEVEN YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,011,747	\$ 2,012,030	\$ 2,131,004	\$ 2,011,348
Contributions in relation to the contractually required contribution	<u>(2,011,747)</u>	<u>(2,012,030)</u>	<u>(2,131,004)</u>	<u>(2,011,348)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,440,172	\$ 9,461,698	\$ 10,051,906	\$ 10,011,687
Contributions as a percentage of covered payroll	21.31%	21.26%	21.20%	20.09%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,953,639	\$ 1,467,496	\$ 1,794,627
<u>(1,953,639)</u>	<u>(1,467,496)</u>	<u>(1,794,627)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,595,476	\$ 8,591,897	\$ 12,317,275
20.36%	17.08%	14.57%

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

LAST TWO YEARS

	2018	2017
City's proportion of the net OPEB liability	0.078660%	0.076417%
City's proportionate share of the net OPEB liability	\$ 8,541,897	\$ 7,718,696
City's covered payroll	\$ 11,361,526	\$ 10,977,483
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	75.18%	70.31%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior-year end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST TWO YEARS

	2018	2017
City's proportion of the net OPEB liability	0.43058300%	0.42844000%
City's proportionate share of the net OPEB liability	\$ 24,396,224	\$ 20,337,083
City's covered payroll	\$ 9,461,696	\$ 10,051,906
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	257.84%	202.32%
Plan fiduciary net position as a percentage of the total OPEB liability	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

	LAST SIX YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 11,052	\$ 119,069	\$ 30,792	\$ 28,591
Contributions in relation to the contractually required contribution	<u>(11,052)</u>	<u>(119,069)</u>	<u>(30,792)</u>	<u>(28,591)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 10,907,458	\$ 11,361,526	\$ 10,977,483	\$ 11,913,067
Contributions as a percentage of covered payroll	0.10%	1.05%	0.28%	0.24%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>
\$ 27,294	\$ 93,699
<u>(27,294)</u>	<u>(93,699)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 11,372,533	\$ 10,094,700
0.24%	0.93%

CITY OF DELAWARE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST TWO YEARS

	2018	2017
Contractually required contribution	\$ 47,201	\$ 47,308
Contributions in relation to the contractually required contribution	(47,201)	(47,308)
Contribution deficiency (excess)	\$ -	\$ -
City's covered payroll	\$ 9,440,172	\$ 9,461,698
Contributions as a percentage of covered payroll	0.50%	0.50%

Note: Information prior to 2017 for the City's contributions are unavailable.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELAWARE, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.

City of Delaware, Ohio

*Combining Statements and
Individual Fund Schedules*

CITY OF DELAWARE, OHIO

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The fund balance of the General Fund is available to the City for any purpose provided it is expended or transferred according to the City's Charter and Code and the general laws and regulations of the State of Ohio.

Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Parks and Recreation Fund

To account for fees charged for recreational activities, and park rentals, and transfers from the General Fund to be used for park and recreation purposes.

Tree Replacement Fund

To account for fees and donations received to assist in the purchase and maintenance of trees that populate the City's streets and neighborhoods.

Unclaimed Funds

To account for outstanding checks that have not been cashed in a year or more. This fund does not have a legally adopted budget.

Development Reserve Fund

To account for reserves amounts to be used for future debt service obligations related to infrastructure constructed by the City in response to current and future development. In addition, the funds are available for support of future economic development opportunities.

Budget Reserve Fund

To account for the set-aside of contingency funds equal to 5% of annual General Fund revenues. The fund shall be used to stabilize the City's General Fund against cyclical changes in revenues and expenditures. The fund balance will not be appropriated to provide for ongoing general operations of the City.

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Street Maintenance and Repair Fund

Required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Improvement Fund

Required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for the maintenance of state highways within the City.

License Fee Fund

Required by the Ohio Revised Code to account for monies received from the State of Ohio for the maintenance of public roads, highways, streets and bridges within the City.

Cemetery Fund

To account for operational revenues and expenditures to maintain the Oak Grove Cemetery.

Airport Improvement Fund

To account for fuel sales, T-hangar rentals, tie-downs, miscellaneous sales, and transfers from the General Fund used to maintain the City's Municipal Airport.

CITY OF DELAWARE, OHIO

Nonmajor Special Revenue Funds - (continued)

Airport T-Hangars Fund

To account for expansion T-hangar rentals used to maintain the City's Municipal Airport T-hangars.

Recreation Center Income Tax Fund

To account for the collection and distribution of City-levied income taxes used for park improvements and the construction of the YMCA/Training and Community Center on the City's west side.

Airport TIF Fund

To account for payments in lieu of taxes that will be used, in part, to reimburse the General Fund for costs associated with commercial improvements made at the Municipal Airport.

Glenn Road Bridge TIF Fund

To account for costs incurred with the construction of Glenn Road 1000 feet south of the Glenn Road Railroad Bridge to a point 2000 feet north of the bridge.

Sky Climber/V&P TIF Fund

To account for payments in lieu of taxes that will be used for improvements of two of Delaware's newest businesses.

Mill Run TIF Fund

To account for payments in lieu of taxes that will be used for improvements in the Mill Run area on the City's east side.

Municipal Court Fund

To account for the collection and distribution of the Municipal Court's money, collected from fines and forfeitures. The court acts as the municipal court for all of Delaware County.

IDIAM

To account for the collection of Municipal Court funds for indigent drivers interlock and alcohol monitoring devices issued to indigent defendants.

Drug Enforcement Fund

To account for a portion of money seized during drug-related arrests used in educating students in the consequences of using drugs.

Court Alcohol Treatment Fund

Required by the Ohio Revised Code to account for 50 percent of fines received by the City for convictions related to persons whose driver's license was suspended for driving under the influence of alcohol.

OMVI Enforcement and Education Fund

To account for fines imposed under Section 4511.99 (A) of the Ohio Revised Code. These monies are used to pay costs incurred in enforcing Section 4511.99 of the Ohio Revised Code, and to educate the public about laws governing the operation of a motor vehicle under the influence of alcohol and the danger thereof.

Police Judgment Fund

To account for a portion of seized money used for purchasing of equipment and for training.

Park Exaction Fees Fund

To account for developers' fees used in park improvements.

Computer Legal Research Fund

To account for fines imposed under Section 1901.26.1 of the Ohio Revised Code to assure the efficient operation of the court by means of computerization, and to make available computerized legal research services.

Court Special Projects Fund

To account for fines imposed under Section 1901.26(B)(1) of the Ohio Revised Code to acquire and pay for special projects of the court including, but not limited to, the acquisition of additional facilities or the rehabilitation of existing facilities, the acquisition of equipment, the hiring and training of staff, community service programs, mediation or dispute resolution services, the employment of magistrates, the training and education of judges, acting judges, and magistrates, and other related services.

Probation Services Fund

To account for specific court costs used to maintain ongoing probation services.

CITY OF DELAWARE, OHIO

Nonmajor Special Revenue Funds - (continued)

Police and Fire Pension Fund

To account for a voted real estate tax operating levy which pays for the accrued past service liability for police and fire disability and pension benefits.

Community Promotion Fund

To account for allocated revenues from the City's Hotel/Motel Occupancy Tax to events, organizations, and activities that promote the community and other cultural opportunities.

Community Development Block Grant Fund

To account for Federal-funded housing, development, and City-wide improvement programs.

Revolving Loan Fund

To account for State of Ohio economic development funds loaned to qualified Delaware businesses. The loan payments are made available for future loans to new businesses.

Community Housing Improvement Program Fund (CHIP)

To account for Federal grant money received for improving rental and owner-occupied properties within the City.

Fire Donations Fund

To account for donations received by the City's Fire Department. The donations are used, in part, to purchase equipment for the Fire Department.

Park Donations Fund

To account for donations received by the City to help beautify and decorate the City's parks.

Police Donations Fund

To account for donations given to the City Police Department. Most of the donations are used to purchase new equipment.

Mayor's Donations Fund

To account, in part, for donations received for marriage ceremonies performed by the Mayor.

Project Trust Fund

To account for money received from developers prior to the development of land to assure the developers provide the required elements, such as park land, water retention site, etc.

Municipal Court Unclaimed Funds

To account for outstanding checks that have not been cashed in a year or more from the Municipal Court. This fund is not budgeted by the City.

Nonmajor Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund

To account for transfers in, interest earned, and proceeds of debt, that are utilized for the repayment of general obligation bonds of the City.

Park Improvement Bond Retirement Fund

To account for the transfers in, interest earned, and the repayment of the principle and interest toward the 2010 income tax-funded bond.

CITY OF DELAWARE, OHIO

Nonmajor Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or assets that will be held in trust funds.

Point Project

To account for costs incurred with the re-construction and widening of the "Point", where US Routes 36 and 37 meet at the railroad overpass on the City's East side.

FAA Airport Expansion Fund

To account for Federal and State funds used for the relocation and expansion of the City's Municipal Airport.

FAA Airport Allocation/Improvement Fund

To account for Federal funds used for the Automatic Weather Observation System [AWOS] installation and the replacement of the non-directional beacon [NDB].

Equipment Replacement Fund

To account for transfers from departments to provide for the future replacement of equipment.

Park Impact Fees Fund

To account for developers' fees collected to maintain a level of service associated with the City's parks required with the increased growth.

Police Impact Fees Fund

To account for developers' fees collected to maintain a level of service associated with the City's Police Department required with the increased growth.

Fire Impact Fees Fund

To account for developers' fees collected to maintain a level of service associated with the City's Fire Department required with the increased growth.

Municipal Impact Fees Fund

To account for fees used to expand the capacity of the City's municipal facilities and infrastructure.

Glenn Road North Construction Fund

To account for costs incurred with the construction of Glenn Road from Curve Road, then 5500 feet north to US Route 36/37.

Nonmajor Permanent Fund

Cemetery Perpetual Fund

To account for funds endowed to the Oak Grove Cemetery where the interest will be used to pay for upkeep of certain gravesites.

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 16,136,827	\$ 447,794	\$ 3,751,938	\$ -	\$ 20,336,559
Receivables (net of allowance for uncollectibles):					
Income taxes	605,029	-	-	-	605,029
Property and other local taxes	454,226	-	-	-	454,226
Payments in lieu of taxes	1,105,070	-	-	-	1,105,070
Accounts	10,710	-	-	-	10,710
Loans receivable	497,526	-	-	-	497,526
Due from other funds	71,738	-	-	-	71,738
Due from other governments	1,232,236	-	2,376,025	-	3,608,261
Materials and supplies inventory	31,226	-	-	-	31,226
Prepayments	51,345	-	-	-	51,345
Restricted assets:					
Cash and cash equivalents in segregated accounts	57,425	-	-	34,191	91,616
Customer deposits	13,757	-	-	-	13,757
Total assets	<u>\$ 20,267,115</u>	<u>\$ 447,794</u>	<u>\$ 6,127,963</u>	<u>\$ 34,191</u>	<u>\$ 26,877,063</u>
Liabilities:					
Accounts payable	\$ 64,326	\$ -	\$ 18,220	\$ -	\$ 82,546
Accrued wages and benefits payable	54,192	-	-	-	54,192
Compensated absences payable	83,576	-	-	-	83,576
Due to other funds	78,212	-	-	-	78,212
Due to other governments	9,890	-	-	-	9,890
Payable from restricted assets:					
Customer deposits	13,757	-	-	-	13,757
Total liabilities	<u>303,953</u>	<u>-</u>	<u>18,220</u>	<u>-</u>	<u>322,173</u>
Deferred inflows of resources:					
Property taxes levied for the next year	437,080	-	-	-	437,080
Payments in lieu of taxes levied for the next year	1,105,070	-	-	-	1,105,070
Delinquent property tax revenue not available	17,146	-	-	-	17,146
Income tax revenue not available	415,512	-	-	-	415,512
Intergovernmental revenue not available	681,851	-	-	-	681,851
Total deferred inflows of resources	<u>2,656,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,656,659</u>
Total liabilities and deferred inflows of resources	<u>2,960,612</u>	<u>-</u>	<u>18,220</u>	<u>-</u>	<u>2,978,832</u>
Fund balances:					
Nonspendable	637,522	-	-	34,191	671,713
Restricted	15,259,745	447,794	673,373	-	16,380,912
Committed	1,340,290	-	5,436,370	-	6,776,660
Assigned	68,946	-	-	-	68,946
Total fund balances	<u>17,306,503</u>	<u>447,794</u>	<u>6,109,743</u>	<u>34,191</u>	<u>23,898,231</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 20,267,115</u>	<u>\$ 447,794</u>	<u>\$ 6,127,963</u>	<u>\$ 34,191</u>	<u>\$ 26,877,063</u>

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	Street Maintenance and Repair	State Highway Improvement	License Fee	Cemetery
Assets:				
Equity in pooled cash and cash equivalents	\$ 461,581	\$ 219,665	\$ 238,083	\$ 265,769
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property and other local taxes	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Accounts	817	-	-	4,512
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	664,243	53,857	215,707	-
Materials and supplies inventory	-	-	-	-
Prepayments	6	-	-	-
Restricted assets:				
Cash and cash equivalents in segregated accounts	-	-	-	-
Customer deposits	-	-	-	-
Total assets	<u>\$ 1,126,647</u>	<u>\$ 273,522</u>	<u>\$ 453,790</u>	<u>\$ 270,281</u>
Liabilities:				
Accounts payable	\$ 29,083	\$ -	\$ 262	\$ 918
Accrued wages and benefits	21,734	-	-	2,527
Compensated absences payable	35,020	-	-	1,655
Due to other funds	-	-	-	-
Due to other governments	2,403	-	-	248
Payable from restricted assets:				
Customer deposits	-	-	-	-
Total liabilities	<u>88,240</u>	<u>-</u>	<u>262</u>	<u>5,348</u>
Deferred inflows of resources:				
Property taxes levied for the next year	-	-	-	-
Payments in lieu of taxes levied for the next year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	445,789	36,145	147,521	-
Total deferred inflows of resources	<u>445,789</u>	<u>36,145</u>	<u>147,521</u>	<u>-</u>
Fund balances:				
Nonspendable	6	-	-	-
Restricted	592,612	237,377	306,007	264,933
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>592,618</u>	<u>237,377</u>	<u>306,007</u>	<u>264,933</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 1,126,647</u>	<u>\$ 273,522</u>	<u>\$ 453,790</u>	<u>\$ 270,281</u>

Airport Improvement	Airport T-Hangars	Recreation Center Income Tax	Airport TIF	Glenn Road Bridge TIF	Sky Climber/ V&P TIF
\$ 266,591	\$ 165,199	\$ 4,583,228	\$ 109,485	\$ 2,878,284	\$ -
-	-	605,029	-	-	-
-	-	-	-	-	-
-	-	-	27,252	861,434	48,302
3,506	1,875	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,226	-	-	-	-	-
3,832	-	-	-	-	-
-	-	-	-	-	-
5,604	8,153	-	-	-	-
<u>\$ 310,759</u>	<u>\$ 175,227</u>	<u>\$ 5,188,257</u>	<u>\$ 136,737</u>	<u>\$ 3,739,718</u>	<u>\$ 48,302</u>
\$ 386	\$ -	\$ -	\$ -	\$ -	\$ -
2,677	-	-	-	-	-
2,251	-	-	-	-	-
-	-	-	-	-	-
252	-	-	-	-	-
5,604	8,153	-	-	-	-
<u>11,170</u>	<u>8,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	27,252	861,434	48,302
-	-	-	-	-	-
-	-	415,512	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>415,512</u>	<u>27,252</u>	<u>861,434</u>	<u>48,302</u>
35,058	-	-	-	-	-
-	-	4,772,745	109,485	2,878,284	-
264,531	167,074	-	-	-	-
-	-	-	-	-	-
<u>299,589</u>	<u>167,074</u>	<u>4,772,745</u>	<u>109,485</u>	<u>2,878,284</u>	<u>-</u>
<u>\$ 310,759</u>	<u>\$ 175,227</u>	<u>\$ 5,188,257</u>	<u>\$ 136,737</u>	<u>\$ 3,739,718</u>	<u>\$ 48,302</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	Mill Run TIF	Municipal Court	IDIAM	Drug Enforcement
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 2,885,556	\$ 30,321	\$ 57,260
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property and other local taxes	-	-	-	-
Payments in lieu of taxes	168,082	-	-	-
Accounts	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	485
Due from other governments	-	246,033	-	-
Materials and supplies inventory	-	-	-	-
Prepayments	-	8,410	-	-
Restricted assets:				
Cash and cash equivalents in segregated accounts	-	-	-	-
Customer deposits	-	-	-	-
Total assets	<u>\$ 168,082</u>	<u>\$ 3,139,999</u>	<u>\$ 30,321</u>	<u>\$ 57,745</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,029	\$ 210	\$ 10,109
Accrued wages and benefits	-	27,254	-	-
Compensated absences payable	-	44,650	-	-
Due to other funds	-	78,212	-	-
Due to other governments	-	6,987	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Total liabilities	<u>-</u>	<u>159,132</u>	<u>210</u>	<u>10,109</u>
Deferred inflows of resources:				
Property taxes levied for the next year	-	-	-	-
Payments in lieu of taxes levied for the next year	168,082	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>168,082</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	8,410	-	-
Restricted	-	2,972,457	30,111	47,636
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>2,980,867</u>	<u>30,111</u>	<u>47,636</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 168,082</u>	<u>\$ 3,139,999</u>	<u>\$ 30,321</u>	<u>\$ 57,745</u>

Court Alcohol Treatment	OMVI Enforcement and Education	Police Judgment	Park Exaction Fees	Computer Legal Research	Court Special Projects
\$ 546,244	\$ 6,468	\$ 121,012	\$ 184,116	\$ 714,293	\$ 752,409
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,335	223	-	-	18,703	18,729
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	39,097	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 548,579</u>	<u>\$ 6,691</u>	<u>\$ 121,012</u>	<u>\$ 184,116</u>	<u>\$ 772,093</u>	<u>\$ 771,138</u>
\$ 9,992	\$ -	\$ 6,000	\$ -	\$ 3,517	\$ 795
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,992</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>3,517</u>	<u>795</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	39,097	-
538,587	6,691	115,012	-	729,479	770,343
-	-	-	184,116	-	-
-	-	-	-	-	-
<u>538,587</u>	<u>6,691</u>	<u>115,012</u>	<u>184,116</u>	<u>768,576</u>	<u>770,343</u>
<u>\$ 548,579</u>	<u>\$ 6,691</u>	<u>\$ 121,012</u>	<u>\$ 184,116</u>	<u>\$ 772,093</u>	<u>\$ 771,138</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	Probation Services	Police and Fire Pension	Community Promotion	Community Development Block Grant
Assets:				
Equity in pooled cash and cash equivalents	\$ 572,555	\$ -	\$ 69,220	\$ 2,530
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property and other local taxes	-	454,226	-	-
Payments in lieu of taxes	-	-	-	-
Accounts	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	23,627	-	-	-
Due from other governments	-	52,396	-	-
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	-	-
Restricted assets:				
Cash and cash equivalents in segregated accounts	-	-	-	-
Customer deposits	-	-	-	-
Total assets	<u>\$ 596,182</u>	<u>\$ 506,622</u>	<u>\$ 69,220</u>	<u>\$ 2,530</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 274	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>274</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next year	-	437,080	-	-
Payments in lieu of taxes levied for the next year	-	-	-	-
Delinquent property tax revenue not available	-	17,146	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	52,396	-	-
Total deferred inflows of resources	<u>-</u>	<u>506,622</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	596,182	-	-	2,530
Committed	-	-	-	-
Assigned	-	-	68,946	-
Total fund balances	<u>596,182</u>	<u>-</u>	<u>68,946</u>	<u>2,530</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 596,182</u>	<u>\$ 506,622</u>	<u>\$ 69,220</u>	<u>\$ 2,530</u>

Revolving Loan	Fire Donations	Park Donations	Police Donations	Mayor Donations
\$ 270,186	\$ 6,345	\$ 16,410	\$ 7,809	\$ 1,202
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
497,526	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 767,712</u>	<u>\$ 6,345</u>	<u>\$ 16,410</u>	<u>\$ 7,809</u>	<u>\$ 1,202</u>
\$ -	\$ -	\$ -	\$ -	\$ 751
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>751</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
497,526	-	-	-	-
270,186	-	-	-	-
-	6,345	16,410	7,809	451
-	-	-	-	-
<u>767,712</u>	<u>6,345</u>	<u>16,410</u>	<u>7,809</u>	<u>451</u>
<u>\$ 767,712</u>	<u>\$ 6,345</u>	<u>\$ 16,410</u>	<u>\$ 7,809</u>	<u>\$ 1,202</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	Project Trust	Municipal Court Unclaimed Funds	Total Nonmajor Special Revenue Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 693,554	\$ 11,452	\$ 16,136,827
Receivables (net of allowance for uncollectibles):			
Income taxes	-	-	605,029
Property and other local taxes	-	-	454,226
Payments in lieu of taxes	-	-	1,105,070
Accounts	-	-	10,710
Loans receivable	-	-	497,526
Due from other funds	-	7,636	71,738
Due from other governments	-	-	1,232,236
Materials and supplies inventory	-	-	31,226
Prepayments	-	-	51,345
Restricted assets:			
Cash and cash equivalents in segregated accounts	-	57,425	57,425
Customer deposits	-	-	13,757
Total assets	<u>\$ 693,554</u>	<u>\$ 76,513</u>	<u>\$ 20,267,115</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 64,326
Accrued wages and benefits	-	-	54,192
Compensated absences payable	-	-	83,576
Due to other funds	-	-	78,212
Due to other governments	-	-	9,890
Payable from restricted assets:			
Customer deposits	-	-	13,757
Total liabilities	<u>-</u>	<u>-</u>	<u>303,953</u>
Deferred inflows of resources:			
Property taxes levied for the next year	-	-	437,080
Payments in lieu of taxes levied for the next year	-	-	1,105,070
Delinquent property tax revenue not available	-	-	17,146
Income tax revenue not available	-	-	415,512
Intergovernmental revenue not available	-	-	681,851
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,656,659</u>
Fund balances:			
Nonspendable	-	57,425	637,522
Restricted	-	19,088	15,259,745
Committed	693,554	-	1,340,290
Assigned	-	-	68,946
Total fund balances	<u>693,554</u>	<u>76,513</u>	<u>17,306,503</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 693,554</u>	<u>\$ 76,513</u>	<u>\$ 20,267,115</u>

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2018

	General Obligation Bond Retirement	Park Improvement Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 336,521	\$ 111,273	\$ 447,794
Total assets	<u>\$ 336,521</u>	<u>\$ 111,273</u>	<u>\$ 447,794</u>
 Fund balances:			
Restricted	\$ 336,521	\$ 111,273	\$ 447,794
Total fund balances	<u>336,521</u>	<u>111,273</u>	<u>447,794</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 336,521</u>	<u>\$ 111,273</u>	<u>\$ 447,794</u>

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2018

	<u>Point Project</u>	<u>FAA Airport Expansion</u>	<u>FAA Airport Allocation / Improvement</u>	<u>Equipment Replacement</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 565,337	\$ 48,413	\$ 47,948	\$ 158,551
Due from other governments	59,623	-	-	-
Total assets	<u>\$ 624,960</u>	<u>\$ 48,413</u>	<u>\$ 47,948</u>	<u>\$ 158,551</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,937
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,937</u>
Fund balances:				
Restricted	624,960	48,413	-	-
Committed	-	-	47,948	155,614
Total fund balances	<u>624,960</u>	<u>48,413</u>	<u>47,948</u>	<u>155,614</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 624,960</u>	<u>\$ 48,413</u>	<u>\$ 47,948</u>	<u>\$ 158,551</u>

<u>Park Impact Fees</u>	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>Municipal Impact Fees</u>	<u>Glenn Road North Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 1,455,146	\$ 354,038	\$ 397,705	\$ 361,999	\$ 362,801	\$ 3,751,938
-	-	-	-	2,316,402	2,376,025
<u>\$ 1,455,146</u>	<u>\$ 354,038</u>	<u>\$ 397,705</u>	<u>\$ 361,999</u>	<u>\$ 2,679,203</u>	<u>\$ 6,127,963</u>
\$ -	\$ -	\$ -	\$ 15,283	\$ -	\$ 18,220
-	-	-	15,283	-	18,220
-	-	-	-	-	673,373
1,455,146	354,038	397,705	346,716	2,679,203	5,436,370
<u>1,455,146</u>	<u>354,038</u>	<u>397,705</u>	<u>346,716</u>	<u>2,679,203</u>	<u>6,109,743</u>
<u>\$ 1,455,146</u>	<u>\$ 354,038</u>	<u>\$ 397,705</u>	<u>\$ 361,999</u>	<u>\$ 2,679,203</u>	<u>\$ 6,127,963</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Income taxes	\$ 2,244,081	\$ -	\$ -	\$ -	\$ 2,244,081
Property and other local taxes	424,212	-	-	-	424,212
Miscellaneous taxes	85,748	-	-	-	85,748
Payments in lieu of taxes	1,258,115	-	-	-	1,258,115
Intergovernmental	2,063,967	-	843,729	-	2,907,696
Investment income	150,833	20,252	48,235	657	219,977
Fines and forfeitures	2,622,262	-	-	-	2,622,262
Impact fees	-	-	1,130,068	-	1,130,068
Charges for services	1,513,125	-	102,079	-	1,615,204
Donations	47,487	-	-	-	47,487
Reimbursements	23,546	-	-	-	23,546
Miscellaneous	178,585	-	-	-	178,585
Total revenues	<u>10,611,961</u>	<u>20,252</u>	<u>2,124,111</u>	<u>657</u>	<u>12,756,981</u>
Expenditures:					
Current:					
General government	89,419	3,991	364,145	-	457,555
Public safety:					
Police	307,427	-	140,826	-	448,253
Fire	237,790	-	1,303	-	239,093
Municipal court	2,902,273	-	-	-	2,902,273
Parks & facilities	525,387	-	380,706	1,448	907,541
Community development	332,631	-	-	-	332,631
Airport	846,265	-	402,719	-	1,248,984
Public works	3,435,856	-	91,073	-	3,526,929
Debt service:					
Principal retirement	170,000	1,721,545	35,000	-	1,926,545
Interest and fiscal charges	39,281	1,100,876	-	-	1,140,157
Total expenditures	<u>8,886,329</u>	<u>2,826,412</u>	<u>1,415,772</u>	<u>1,448</u>	<u>13,129,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,725,632</u>	<u>(2,806,160)</u>	<u>708,339</u>	<u>(791)</u>	<u>(372,980)</u>
Other financing sources (uses):					
Sale of capital assets	34,540	-	-	-	34,540
Transfers in	2,215,004	2,812,535	650,000	-	5,677,539
Transfers (out)	(2,169,456)	-	(291,915)	-	(2,461,371)
Total other financing sources (uses)	<u>80,088</u>	<u>2,812,535</u>	<u>358,085</u>	<u>-</u>	<u>3,250,708</u>
Net change in fund balances	1,805,720	6,375	1,066,424	(791)	2,877,728
Fund balances at beginning of year	<u>15,500,783</u>	<u>441,419</u>	<u>5,043,319</u>	<u>34,982</u>	<u>21,020,503</u>
Fund balances at end of year	<u>\$ 17,306,503</u>	<u>\$ 447,794</u>	<u>\$ 6,109,743</u>	<u>\$ 34,191</u>	<u>\$ 23,898,231</u>

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CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Street Maintenance and Repair	State Highway Improvement	License Fee	Cemetery
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	-	-	-	-
Miscellaneous taxes	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Intergovernmental	1,340,342	108,676	432,333	-
Investment income	-	3,323	7,328	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	127,950
Donations	-	-	-	225
Reimbursements	7,619	-	-	-
Miscellaneous	3,425	-	-	950
Total revenues	<u>1,351,386</u>	<u>111,999</u>	<u>439,661</u>	<u>129,125</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Municipal court	-	-	-	-
Parks & facilities	-	-	-	243,172
Community development	-	-	-	-
Airport	-	-	-	-
Public works	2,912,647	100,400	422,809	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,912,647</u>	<u>100,400</u>	<u>422,809</u>	<u>243,172</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>(1,561,261)</u>	<u>11,599</u>	<u>16,852</u>	<u>(114,047)</u>
Other financing sources (uses):				
Sale of capital assets	34,540	-	-	-
Transfers in	1,490,000	-	-	95,004
Transfers (out)	-	-	-	-
Total other financing sources/(uses)	<u>1,524,540</u>	<u>-</u>	<u>-</u>	<u>95,004</u>
Net change in fund balances	(36,721)	11,599	16,852	(19,043)
Fund balances at beginning of year	<u>629,339</u>	<u>225,778</u>	<u>289,155</u>	<u>283,976</u>
Fund balances at end of year	<u><u>\$ 592,618</u></u>	<u><u>\$ 237,377</u></u>	<u><u>\$ 306,007</u></u>	<u><u>\$ 264,933</u></u>

Airport Improvement	Airport T-Hangars	Recreation Center Income Tax	Airport TIF	Glenn Road Bridge TIF	Sky Climber/ V&P TIF
\$ -	\$ -	\$ 2,244,081	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	27,069	1,035,245	47,977
-	-	-	-	87,519	-
-	-	84,456	-	51,089	-
-	-	-	-	-	-
740,752	101,437	-	-	-	-
-	-	-	-	-	-
15,927	-	-	-	-	-
1,622	1,390	-	-	-	-
<u>758,301</u>	<u>102,827</u>	<u>2,328,537</u>	<u>27,069</u>	<u>1,173,853</u>	<u>47,977</u>
-	-	-	-	86,849	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	252,315	-	-	-
-	-	-	-	-	47,977
821,765	24,500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	170,000	-
-	-	-	-	39,281	-
<u>821,765</u>	<u>24,500</u>	<u>252,315</u>	<u>-</u>	<u>296,130</u>	<u>47,977</u>
<u>(63,464)</u>	<u>78,327</u>	<u>2,076,222</u>	<u>27,069</u>	<u>877,723</u>	<u>-</u>
-	-	-	-	-	-
30,000	-	-	-	-	-
-	(67,897)	(1,501,559)	-	-	-
<u>30,000</u>	<u>(67,897)</u>	<u>(1,501,559)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(33,464)	10,430	574,663	27,069	877,723	-
333,053	156,644	4,198,082	82,416	2,000,561	-
<u>\$ 299,589</u>	<u>\$ 167,074</u>	<u>\$ 4,772,745</u>	<u>\$ 109,485</u>	<u>\$ 2,878,284</u>	<u>\$ -</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Mill Run TIF	Municipal Court	IDIAM	Drug Enforcement
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	-	-	-	-
Miscellaneous taxes	-	-	-	-
Payments in lieu of taxes	147,824	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Fines and forfeitures	-	1,568,802	27,054	3,291
Charges for services	-	527,201	-	-
Donations	-	-	-	-
Reimbursements	-	-	-	-
Miscellaneous	-	12,735	-	-
Total revenues	<u>147,824</u>	<u>2,108,738</u>	<u>27,054</u>	<u>3,291</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	10,109
Fire	-	-	-	-
Municipal court	-	2,618,786	18,364	4,646
Parks & facilities	-	-	-	-
Community development	147,824	-	-	-
Airport	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>147,824</u>	<u>2,618,786</u>	<u>18,364</u>	<u>14,755</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>(510,048)</u>	<u>8,690</u>	<u>(11,464)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	600,000	-	-
Transfers (out)	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	89,952	8,690	(11,464)
Fund balances at beginning of year	<u>-</u>	<u>2,890,915</u>	<u>21,421</u>	<u>59,100</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,980,867</u>	<u>\$ 30,111</u>	<u>\$ 47,636</u>

Court Alcohol Treatment	OMVI Enforcement and Education	Police Judgment	Park Exaction Fees	Computer Legal Research	Court Special Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	43,729	-	-
-	-	-	-	-	-
61,498	1,512	57,966	-	291,401	293,317
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,498</u>	<u>1,512</u>	<u>57,966</u>	<u>43,729</u>	<u>291,401</u>	<u>293,317</u>
-	-	-	-	-	-
-	-	58,766	-	-	-
-	-	-	-	-	-
54,652	877	-	-	57,891	105,975
-	-	-	27,500	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>54,652</u>	<u>877</u>	<u>58,766</u>	<u>27,500</u>	<u>57,891</u>	<u>105,975</u>
<u>6,846</u>	<u>635</u>	<u>(800)</u>	<u>16,229</u>	<u>233,510</u>	<u>187,342</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(100,000)	(300,000)
-	-	-	-	(100,000)	(300,000)
6,846	635	(800)	16,229	133,510	(112,658)
531,741	6,056	115,812	167,887	635,066	883,001
<u>\$ 538,587</u>	<u>\$ 6,691</u>	<u>\$ 115,012</u>	<u>\$ 184,116</u>	<u>\$ 768,576</u>	<u>\$ 770,343</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Probation Services	Police and Fire Pension	Community Promotion	Community Development Block Grant
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	-	424,212	-	-
Miscellaneous taxes	-	-	85,748	-
Payments in lieu of taxes	-	-	-	-
Intergovernmental	-	51,368	-	-
Investment income	-	-	-	-
Fines and forfeitures	317,421	-	-	-
Charges for services	-	-	-	-
Donations	-	-	25,000	-
Reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>317,421</u>	<u>475,580</u>	<u>110,748</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	274	-
Public safety:				
Police	-	237,790	-	-
Fire	-	237,790	-	-
Municipal court	41,082	-	-	-
Parks & facilities	-	-	-	-
Community development	-	-	103,605	-
Airport	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>41,082</u>	<u>475,580</u>	<u>103,879</u>	<u>-</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>276,339</u>	<u>-</u>	<u>6,869</u>	<u>-</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(200,000)	-	-	-
Total other financing sources/(uses)	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	76,339	-	6,869	-
Fund balances at beginning of year	<u>519,843</u>	<u>-</u>	<u>62,077</u>	<u>2,530</u>
Fund balances at end of year	<u>\$ 596,182</u>	<u>\$ -</u>	<u>\$ 68,946</u>	<u>\$ 2,530</u>

Revolving Loan	CHIP	Fire Donations	Park Donations	Police Donations
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,637	-	-	-	-
-	-	-	-	-
15,785	-	-	-	-
-	-	-	12,000	775
-	-	-	-	-
-	-	-	-	-
<u>20,422</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>775</u>
-	-	-	-	-
-	-	-	-	762
-	-	-	-	-
-	-	-	-	-
-	-	-	2,400	-
32,824	401	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>32,824</u>	<u>401</u>	<u>-</u>	<u>2,400</u>	<u>762</u>
<u>(12,402)</u>	<u>(401)</u>	<u>-</u>	<u>9,600</u>	<u>13</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(12,402)	(401)	-	9,600	13
780,114	401	6,345	6,810	7,796
<u>\$ 767,712</u>	<u>\$ -</u>	<u>\$ 6,345</u>	<u>\$ 16,410</u>	<u>\$ 7,809</u>

(continued)

CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Mayor Donations	Project Trust	Municipal Court Unclaimed Funds	Total Nonmajor Special Revenue Funds
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ 2,244,081
Property and other local taxes	-	-	-	424,212
Miscellaneous taxes	-	-	-	85,748
Payments in lieu of taxes	-	-	-	1,258,115
Intergovernmental	-	-	-	2,063,967
Investment income	-	-	-	150,833
Fines and forfeitures	-	-	-	2,622,262
Charges for services	-	-	-	1,513,125
Donations	1,715	7,772	-	47,487
Reimbursements	-	-	-	23,546
Miscellaneous	-	139,560	18,903	178,585
Total revenues	<u>1,715</u>	<u>147,332</u>	<u>18,903</u>	<u>10,611,961</u>
Expenditures:				
Current:				
General government	2,296	-	-	89,419
Public safety:				
Police	-	-	-	307,427
Fire	-	-	-	237,790
Municipal court	-	-	-	2,902,273
Parks & facilities	-	-	-	525,387
Community development	-	-	-	332,631
Airport	-	-	-	846,265
Public works	-	-	-	3,435,856
Debt service:				
Principal retirement	-	-	-	170,000
Interest and fiscal charges	-	-	-	39,281
Total expenditures	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>8,886,329</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>(581)</u>	<u>147,332</u>	<u>18,903</u>	<u>1,725,632</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	34,540
Transfers in	-	-	-	2,215,004
Transfers (out)	-	-	-	(2,169,456)
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,088</u>
Net change in fund balances	(581)	147,332	18,903	1,805,720
Fund balances at beginning of year	<u>1,032</u>	<u>546,222</u>	<u>57,610</u>	<u>15,500,783</u>
Fund balances at end of year	<u><u>\$ 451</u></u>	<u><u>\$ 693,554</u></u>	<u><u>\$ 76,513</u></u>	<u><u>\$ 17,306,503</u></u>

CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Obligation Bond Retirement	Park Improvement Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Investment income	\$ 11,734	\$ 8,518	\$ 20,252
Total revenues	<u>11,734</u>	<u>8,518</u>	<u>20,252</u>
Expenditures:			
Current:			
General government	3,991	-	3,991
Debt service:			
Principal retirement	1,151,545	570,000	1,721,545
Interest and fiscal charges	365,525	735,351	1,100,876
Total expenditures	<u>1,521,061</u>	<u>1,305,351</u>	<u>2,826,412</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>(1,509,327)</u>	<u>(1,296,833)</u>	<u>(2,806,160)</u>
Other financing sources (uses):			
Transfers in	1,514,206	1,298,329	2,812,535
Total other financing sources/(uses)	<u>1,514,206</u>	<u>1,298,329</u>	<u>2,812,535</u>
Net change in fund balances	4,879	1,496	6,375
Fund balances at beginning of year	331,642	109,777	441,419
Fund balances at end of year	<u><u>\$ 336,521</u></u>	<u><u>\$ 111,273</u></u>	<u><u>\$ 447,794</u></u>

CITY OF DELAWARE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Point Project	FAA Airport Expansion	FAA Airport Allocation / Improvement	Equipment Replacement
Revenues:				
Intergovernmental	\$ 667,018	\$ 109,423	\$ 67,288	\$ -
Investment income	-	-	-	-
Impact fees	-	-	-	-
Charges for services	-	-	-	-
Total revenues	<u>667,018</u>	<u>109,423</u>	<u>67,288</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	139,982
Fire	-	-	-	-
Parks & facilities	-	-	-	57,368
Airport	398,549	-	4,170	-
Public works	-	-	-	88,994
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>398,549</u>	<u>-</u>	<u>4,170</u>	<u>286,344</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>268,469</u>	<u>109,423</u>	<u>63,118</u>	<u>(286,344)</u>
Other financing sources (uses):				
Transfers in	350,000	-	-	300,000
Transfers (out)	-	-	-	-
Total other financing sources/(uses)	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances	618,469	109,423	63,118	13,656
Fund balances at beginning of year	<u>6,491</u>	<u>(61,010)</u>	<u>(15,170)</u>	<u>141,958</u>
Fund balances at end of year	<u>\$ 624,960</u>	<u>\$ 48,413</u>	<u>\$ 47,948</u>	<u>\$ 155,614</u>

Park Impact Fees	Police Impact Fees	Fire Impact Fees	Municipal Impact Fees	Glenn Road North Construction	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843,729
25,777	6,717	6,500	9,241	-	48,235
634,952	96,411	187,048	211,657	-	1,130,068
-	-	-	65,000	37,079	102,079
660,729	103,128	193,548	285,898	37,079	2,124,111
-	-	-	364,145	-	364,145
-	844	-	-	-	140,826
-	-	1,303	-	-	1,303
323,338	-	-	-	-	380,706
-	-	-	-	-	402,719
-	-	-	-	2,079	91,073
-	-	-	-	35,000	35,000
323,338	844	1,303	364,145	37,079	1,415,772
337,391	102,284	192,245	(78,247)	-	708,339
-	-	-	-	-	650,000
-	(60,099)	(100,000)	(131,816)	-	(291,915)
-	(60,099)	(100,000)	(131,816)	-	358,085
337,391	42,185	92,245	(210,063)	-	1,066,424
1,117,755	311,853	305,460	556,779	2,679,203	5,043,319
\$ 1,455,146	\$ 354,038	\$ 397,705	\$ 346,716	\$ 2,679,203	\$ 6,109,743

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CITY OF DELAWARE, OHIO

Combining Statements – Nonmajor Enterprise Funds

Enterprise Funds

Golf Course Fund

To account for funds received and used at the City's Municipal Golf Course.

Parking Lots Fund

To account for funds received from the rental of City-owned parking lots and meters. The receipts are used to purchase and maintain traffic enforcement equipment, parking lots, and meters.

Southeast Highland Bond Retirement Fund

To account for the transfers in, interest earned, and the repayment of the principal and interest toward the 2009 bond which was issued to fund the construction of the SE Highland sewer. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

CITY OF DELAWARE, OHIO
COMBINING BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Golf Course</u>	<u>Parking Lots</u>	<u>Totals</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 39,762	\$ 45,944	\$ 85,706
Materials and supplies inventory	630	-	630
Prepayments	525	-	525
Total current assets	<u>40,917</u>	<u>45,944</u>	<u>86,861</u>
Noncurrent assets:			
Net pension asset	1,586	-	1,586
Capital assets:			
Land and construction in progress	8,500	202,254	210,754
Depreciable capital assets, net	188,613	-	188,613
Total capital assets, net	<u>197,113</u>	<u>202,254</u>	<u>399,367</u>
Total noncurrent assets	<u>198,699</u>	<u>202,254</u>	<u>400,953</u>
Total assets	<u>239,616</u>	<u>248,198</u>	<u>487,814</u>
Deferred outflows of resources:			
Pension	26,993	-	26,993
OPEB	5,858	-	5,858
Total deferred outflows of resources	<u>32,851</u>	<u>-</u>	<u>32,851</u>
Liabilities:			
Current liabilities:			
Accrued wages and benefits payable	1,838	-	1,838
Due to other governments	134	-	134
Compensated absences payable - current	6,097	-	6,097
Total current liabilities	<u>8,069</u>	<u>-</u>	<u>8,069</u>
Long-term liabilities:			
Compensated absences payable - matured	13,021	-	13,021
Net pension liability	103,372	-	103,372
Net OPEB liability	71,562	-	71,562
Total noncurrent liabilities	<u>187,955</u>	<u>-</u>	<u>187,955</u>
Total liabilities	<u>196,024</u>	<u>-</u>	<u>196,024</u>
Deferred inflows of resources:			
Pension	27,504	-	27,504
OPEB	5,331	-	5,331
Total liabilities and deferred inflows of resources	<u>228,859</u>	<u>-</u>	<u>228,859</u>
Net position:			
Net investment in capital assets	197,113	202,254	399,367
Unrestricted	<u>(153,505)</u>	<u>45,944</u>	<u>(107,561)</u>
Total net position	<u>\$ 43,608</u>	<u>\$ 248,198</u>	<u>\$ 291,806</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Golf Course</u>	<u>Parking Lots</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 156,058	\$ 43,768	\$ 199,826
Other	5,000	-	5,000
Total operating revenues	<u>161,058</u>	<u>43,768</u>	<u>204,826</u>
Operating expenses:			
Personal services	160,427	-	160,427
Services and charges	29,939	35,640	65,579
Materials and supplies	20,332	-	20,332
Depreciation	962	-	962
Total operating expenses	<u>211,660</u>	<u>35,640</u>	<u>247,300</u>
Operating income (loss)	(50,602)	8,128	(42,474)
Net position, January 1, restated	<u>94,210</u>	<u>240,070</u>	<u>334,280</u>
Net position, December 31	<u>\$ 43,608</u>	<u>\$ 248,198</u>	<u>\$ 291,806</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Golf Course	Parking Lots	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 156,058	\$ 43,768	\$ 199,826
Cash payments for personal services	(138,900)	-	(138,900)
Cash payments for materials and supplies	(20,679)	-	(20,679)
Cash payments for services and charges	(30,216)	(40,094)	(70,310)
Cash receipts/ payments for other operating	5,000	-	5,000
Net cash provided by (used in) operating activities	<u>(28,737)</u>	<u>3,674</u>	<u>(25,063)</u>
Net increase (decrease) in cash and cash equivalents	(28,737)	3,674	(25,063)
Cash and cash equivalents, January 1	<u>68,499</u>	<u>42,270</u>	<u>110,769</u>
Cash and cash equivalents, December 31	<u><u>\$ 39,762</u></u>	<u><u>\$ 45,944</u></u>	<u><u>\$ 85,706</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (50,602)	\$ 8,128	\$ (42,474)
Adjustments:			
Depreciation	962	-	962
Changes in assets, deferred inflows, liabilities and deferred outflows:			
Increase in materials and supplies inventory	(177)	-	(177)
Decrease in prepayments	371	-	371
Increase in net pension asset	(720)	-	(720)
Decrease in deferred outflows for pension	31,929	-	31,929
Increase in deferred outflows for OPEB	(4,843)	-	(4,843)
Decrease in accounts payable	(818)	(4,454)	(5,272)
Increase in accrued wages and benefits	201	-	201
Increase in compensated absences payable	5,573	-	5,573
Decrease in due to other governments	(297)	-	(297)
Decrease in net pension liability	(42,713)	-	(42,713)
Increase in net OPEB liability	5,779	-	5,779
Increase in deferred inflows - Pension	21,287	-	21,287
Increase in deferred inflows - OPEB	5,331	-	5,331
Net cash provided by (used in) operating activities	<u><u>\$ (28,737)</u></u>	<u><u>\$ 3,674</u></u>	<u><u>\$ (25,063)</u></u>

CITY OF DELAWARE, OHIO

Combining Statements – Internal Service Funds

Internal Service Funds

Garage Rotary Fund

To account for the fuel, maintenance and repair for all City vehicles and machinery. The cost is allocated to the various departments.

Information Technology Rotary Fund

To account for the staff, system support, and purchases of the City's technology and GIS department. The cost is allocated to the various departments supported.

Self-Insurance Fund

To account for premiums charged to various City funds for the payment of employee health care claims.

Worker's Compensation Fund

To account for the potential worker's compensation claims of the City. The City utilizes a retro-payment system where annual premiums are paid, as are retroactive claims. The City charges various departments for these premiums and payments.

CITY OF DELAWARE, OHIO

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Garage Rotary	Information Technology Rotary	Self-Insurance	Workers Compensation	Totals
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 385,951	\$ 864,189	\$ 1,508,194	\$ 2,628,786	\$ 5,387,120
Prepayments	-	-	-	160,865	160,865
Total current assets	<u>385,951</u>	<u>864,189</u>	<u>1,508,194</u>	<u>2,789,651</u>	<u>5,547,985</u>
Noncurrent assets:					
Net pension asset	3,740	4,139	-	-	7,879
Capital assets:					
Depreciable capital assets, net	10,815	4,045	-	-	14,860
Total capital assets, net	<u>10,815</u>	<u>4,045</u>	<u>-</u>	<u>-</u>	<u>14,860</u>
Total noncurrent assets	<u>14,555</u>	<u>8,184</u>	<u>-</u>	<u>-</u>	<u>22,739</u>
Total assets	<u>400,506</u>	<u>872,373</u>	<u>1,508,194</u>	<u>2,789,651</u>	<u>5,570,724</u>
Deferred outflows of resources:					
Pension	68,247	67,215	-	-	135,462
OPEB	16,823	13,984	-	-	30,807
Total deferred outflows of resources	<u>85,070</u>	<u>81,199</u>	<u>-</u>	<u>-</u>	<u>166,269</u>
Liabilities:					
Current liabilities:					
Accounts payable	3,040	78,857	32	-	81,929
Accrued wages and benefits payable	2,822	3,438	-	-	6,260
Compensated absences payable - current	14,800	16,102	-	-	30,902
Due to other governments	445	488	-	-	933
Claims payable - current	-	-	278,397	-	278,397
Total current liabilities	<u>21,107</u>	<u>98,885</u>	<u>278,429</u>	<u>-</u>	<u>398,421</u>
Long-term liabilities:					
Compensated absences payable - matured	26,972	22,014	-	-	48,986
Claims payable	-	-	19,455	929,618	949,073
Net OPEB liability	168,763	186,739	-	-	355,502
Net pension liability	243,779	269,745	-	-	513,524
Total noncurrent liabilities	<u>439,514</u>	<u>478,498</u>	<u>19,455</u>	<u>929,618</u>	<u>1,867,085</u>
Total liabilities	<u>460,621</u>	<u>577,383</u>	<u>297,884</u>	<u>929,618</u>	<u>2,265,506</u>
Deferred inflows of resources:					
Pension	60,339	121,389	-	-	181,728
OPEB	12,572	52,845	-	-	65,417
Total liabilities and deferred inflows of resources	<u>533,532</u>	<u>751,617</u>	<u>297,884</u>	<u>929,618</u>	<u>2,512,651</u>
Net position:					
Net investment in capital assets	10,815	4,045	-	-	14,860
Unrestricted	(58,771)	197,910	1,210,310	1,860,033	3,209,482
Total net position	<u>\$ (47,956)</u>	<u>\$ 201,955</u>	<u>\$ 1,210,310</u>	<u>\$ 1,860,033</u>	<u>\$ 3,224,342</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Garage Rotary	Information Technology Rotary	Self-Insurance	Workers Compensation	Totals
Operating revenues:					
Charges for services	\$ 652,492	\$ 1,076,017	\$ 5,314,125	\$ 356,579	\$ 7,399,213
Reimbursements	-	-	823,391	-	823,391
Other	-	-	-	191,859	191,859
Total operating revenues	<u>652,492</u>	<u>1,076,017</u>	<u>6,137,516</u>	<u>548,438</u>	<u>8,414,463</u>
Operating expenses:					
Personal services	371,674	358,942	-	-	730,616
Services and charges	21,416	518,933	973,806	19,203	1,533,358
Materials and supplies	253,269	65,320	-	-	318,589
Claims	-	-	5,510,132	587,468	6,097,600
Depreciation	2,638	1,019	-	-	3,657
Total operating expenses	<u>648,997</u>	<u>944,214</u>	<u>6,483,938</u>	<u>606,671</u>	<u>8,683,820</u>
Operating income (loss)	<u>3,495</u>	<u>131,803</u>	<u>(346,422)</u>	<u>(58,233)</u>	<u>(269,357)</u>
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	1,332	-	-	-	1,332
Total nonoperating revenues (expenses)	<u>1,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332</u>
Net income (loss)	4,827	131,803	(346,422)	(58,233)	(268,025)
Net position, January 1, restated	<u>(52,783)</u>	<u>70,152</u>	<u>1,556,732</u>	<u>1,918,266</u>	<u>3,492,367</u>
Net position, December 31	<u>\$ (47,956)</u>	<u>\$ 201,955</u>	<u>\$ 1,210,310</u>	<u>\$ 1,860,033</u>	<u>\$ 3,224,342</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Garage Rotary	Information Technology Rotary	Self-Insurance	Workers Compensation	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 652,492	\$ 1,076,017	\$ -	\$ -	\$ 1,728,509
Cash received for premiums	-	-	5,314,125	356,579	5,670,704
Cash payments for personal services	(332,448)	(374,606)	-	-	(707,054)
Cash payments for materials and supplies	(254,638)	(73,774)	-	-	(328,412)
Cash payments for services and charges	(21,416)	(483,335)	(983,822)	(19,203)	(1,507,776)
Cash payments for claims	-	-	(5,564,096)	(253,072)	(5,817,168)
Other cash receipts or payments	-	-	823,391	191,859	1,015,250
Net cash provided by (used in) operating activities	<u>43,990</u>	<u>144,302</u>	<u>(410,402)</u>	<u>276,163</u>	<u>54,053</u>
Cash flows from capital and related financing activities:					
Cash received from sale of capital assets	1,332	-	-	-	1,332
Cash payments for the acquisition of capital assets	-	(4,498)	-	-	(4,498)
Net cash provided by (used in) capital and related financing activities	<u>1,332</u>	<u>(4,498)</u>	<u>-</u>	<u>-</u>	<u>(3,166)</u>
Net increase (decrease) in cash and cash equivalents	45,322	139,804	(410,402)	276,163	50,887
Cash and cash equivalents, January 1	<u>340,629</u>	<u>724,385</u>	<u>1,918,596</u>	<u>2,352,623</u>	<u>5,336,233</u>
Cash and cash equivalents, December 31	<u>\$ 385,951</u>	<u>\$ 864,189</u>	<u>\$ 1,508,194</u>	<u>\$ 2,628,786</u>	<u>\$ 5,387,120</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 3,495	\$ 131,803	\$ (346,422)	\$ (58,233)	\$ (269,357)
Adjustments:					
Depreciation	2,638	1,019	-	-	3,657
Changes in assets, deferred inflows, liabilities and deferred outflows:					
Decrease in prepayments	-	5,587	-	27,376	32,963
(Increase) in net pension asset	(1,756)	(1,096)	-	-	(2,852)
Decrease in deferred outflows for pension	66,560	141,127	-	-	207,687
(Increase) in deferred outflows for OPEB	(14,498)	(10,418)	-	-	(24,916)
Increase (decrease) in accounts payable	(1,449)	21,557	(10,016)	-	10,092
Decrease in accrued wages and benefits	(2,998)	(3,370)	-	-	(6,368)
Decrease in compensated absences payable	(1,146)	(22,361)	-	-	(23,507)
Decrease in due to other governments	(1,110)	(1,249)	-	-	(2,359)
Decrease in net pension liability	(90,850)	(243,529)	-	-	(334,379)
Increase (decrease) in net OPEB liability	18,076	(44,393)	-	-	(26,317)
Increase in deferred inflows of Pension	54,456	116,780	-	-	171,236
Increase in deferred inflows of OPEB	12,572	52,845	-	-	65,417
Increase (decrease) in claims payable	-	-	(53,964)	307,020	253,056
Net cash provided by (used in) operating activities	<u>\$ 43,990</u>	<u>\$ 144,302</u>	<u>\$ (410,402)</u>	<u>\$ 276,163</u>	<u>\$ 54,053</u>

CITY OF DELAWARE, OHIO

Combining Statements –Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Highway Patrol Transfer Fund

To account for money received from fines and forfeitures used to support the Delaware County Law Library.

State Building Permit Fund

To account for the allocation of permit fees collected by the City that are due to the State.

Municipal Court

To account for the collection and distribution of court fines and forfeitures through the Municipal Court.

Berkshire JEDD

To account for income taxes levied and collected within the Berkshire Township/City of Delaware Joint Economic Development District by the City and distributed accordingly.

Performance Bonds

To account for funds on deposit from developers unable to issue a surety performance bonds and for funds on deposit for fire damaged dwellings prior to either razing and disposing of the building or reparations are made.

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance at January 1, 2018	Additions	Reductions	Balance at December 31, 2018
Highway Patrol Transfer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 59,355	\$ 49,656	\$ 9,699
Due from Other Governments	3,371	3,690	3,371	3,690
<i>Total Assets</i>	<u>\$ 3,371</u>	<u>\$ 63,045</u>	<u>\$ 53,027</u>	<u>\$ 13,389</u>
Liabilities				
Due to Other Governments	\$ 3,371	\$ 63,045	\$ 53,027	\$ 13,389
<i>Total Liabilities</i>	<u>\$ 3,371</u>	<u>\$ 63,045</u>	<u>\$ 53,027</u>	<u>\$ 13,389</u>
State Building Permit Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 371	\$ 11,620	\$ 11,525	\$ 466
<i>Total Assets</i>	<u>\$ 371</u>	<u>\$ 11,620</u>	<u>\$ 11,525</u>	<u>\$ 466</u>
Liabilities				
Due to Other Governments	\$ 371	\$ 11,620	\$ 11,525	\$ 466
<i>Total Liabilities</i>	<u>\$ 371</u>	<u>\$ 11,620</u>	<u>\$ 11,525</u>	<u>\$ 466</u>
Municipal Court				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 288,606	\$ 5,923,518	\$ 5,970,551	\$ 241,573
<i>Total Assets</i>	<u>\$ 288,606</u>	<u>\$ 5,923,518</u>	<u>\$ 5,970,551</u>	<u>\$ 241,573</u>
Liabilities				
Undistributed Assets	\$ 288,606	\$ 5,923,518	\$ 5,970,551	\$ 241,573
<i>Total Liabilities</i>	<u>\$ 288,606</u>	<u>\$ 5,923,518</u>	<u>\$ 5,970,551</u>	<u>\$ 241,573</u>
Berkshire JEDD				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 203,704	\$ 339,489	\$ 486,094	\$ 57,099
Due from Other Governments	69,181	94,932	69,181	94,932
<i>Total Assets</i>	<u>\$ 272,885</u>	<u>\$ 434,421</u>	<u>\$ 555,275</u>	<u>\$ 152,031</u>
Liabilities				
Due to Other Governments	\$ 118,330	\$ 33,307	\$ 118,330	\$ 33,307
Undistributed Assets	154,555	401,114	436,945	118,724
<i>Total Liabilities</i>	<u>\$ 272,885</u>	<u>\$ 434,421</u>	<u>\$ 555,275</u>	<u>\$ 152,031</u>
Performance Bonds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 185,077	\$ 486,309	\$ 4,148	\$ 667,238
<i>Total Assets</i>	<u>\$ 185,077</u>	<u>\$ 486,309</u>	<u>\$ 4,148</u>	<u>\$ 667,238</u>
Liabilities				
Undistributed Assets	\$ 185,077	\$ 486,309	\$ 4,148	\$ 667,238
<i>Total Liabilities</i>	<u>\$ 185,077</u>	<u>\$ 486,309</u>	<u>\$ 4,148</u>	<u>\$ 667,238</u>

CITY OF DELAWARE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance at			Balance at
	January 1, 2018	Additions	Reductions	December 31,
				2018
Totals				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 677,758	\$ 6,820,291	\$ 6,521,974	\$ 976,075
Due from Other Governments	<u>72,552</u>	<u>98,622</u>	<u>72,552</u>	<u>98,622</u>
<i>Total Assets</i>	<u>\$ 750,310</u>	<u>\$ 6,918,913</u>	<u>\$ 6,594,526</u>	<u>\$ 1,074,697</u>
Liabilities				
Due to Other Governments	\$ 122,072	\$ 107,972	\$ 182,882	\$ 47,162
Undistributed Assets	<u>628,238</u>	<u>6,810,941</u>	<u>6,411,644</u>	<u>1,027,535</u>
<i>Total Liabilities</i>	<u>\$ 750,310</u>	<u>\$ 6,918,913</u>	<u>\$ 6,594,526</u>	<u>\$ 1,074,697</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 14,387,387	\$ 14,287,387	\$ 14,557,901	\$ 270,514
Property & Other Taxes	1,341,000	1,341,000	1,423,308	82,308
Intergovernmental	834,000	834,000	849,900	15,900
Charges For Service	1,323,000	1,323,000	1,656,439	333,439
Fines & Court Fees	140,000	140,000	154,916	14,916
Licenses & Permits	1,145,000	1,145,000	1,589,564	444,564
Interest	-	-	796,561	796,561
Special Assessment	-	-	12,586	12,586
Reimbursements	135,000	135,000	135,185	185
Other	100,000	100,000	206,582	106,582
Total Revenues	<u>19,405,387</u>	<u>19,305,387</u>	<u>21,382,942</u>	<u>2,077,555</u>
Expenditures:				
Current:				
Public Safety				
Police				
Personal Services	7,726,624	7,726,624	7,403,502	323,122
Materials & Supplies	251,357	274,357	246,268	28,089
Services & Charges	512,674	512,674	498,756	13,918
Refunds	-	-	10	(10)
Capital Outlay	62,670	62,670	60,665	2,005
Prosecutor				
Personal Services	572,366	572,366	572,432	(66)
Materials & Supplies	10,745	10,745	6,882	3,863
Services & Charges	54,370	54,370	45,905	8,465
Capital Outlay	600	600	-	600
General Admin. - Street Lighting				
Services & Charges	<u>280,000</u>	<u>280,000</u>	<u>298,030</u>	<u>(18,030)</u>
Total Public Safety	<u>9,471,406</u>	<u>9,494,406</u>	<u>9,132,450</u>	<u>361,956</u>
General Government				
Council				
Personal Services	103,018	107,268	106,939	329
Materials & Supplies	200	200	139	61
Services & Charges	16,926	16,926	7,789	9,137
Capital Outlay	8,352	8,352	6,753	1,599
City Manager's Office				
Personal Services	411,288	421,288	418,458	2,830
Materials & Supplies	1,400	1,400	1,384	16
Services & Charges	86,915	86,915	82,716	4,199
Capital Outlay	600	600	-	600
Administrative Services				
Personal Services	162,440	167,540	167,321	219
Materials & Supplies	1,500	1,500	994	506
Services & Charges	106,264	106,264	101,331	4,933
Economic Development				
Personal Services	123,460	129,710	125,346	4,364
Materials & Supplies	200	200	50	150
Services & Charges	93,524	93,524	84,001	9,523
Reimbursements	118,785	118,785	110,448	8,337

CITY OF DELAWARE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance				
Personal Services	895,343	911,343	904,403	6,940
Materials & Supplies	18,050	18,050	16,295	1,755
Services & Charges	292,847	301,847	287,997	13,850
Capital Outlay	10,000	10,000	8,745	1,255
General Administration				
Services & Charges	463,321	463,321	415,558	47,763
Refunds	125,349	125,349	115,220	10,129
Capital Outlay	8,500	8,500	6,060	2,440
Risk Management				
Services & Charges	374,128	424,128	334,175	89,953
Planning & Community Development				
Personal Services	715,772	755,322	736,809	18,513
Materials & Supplies	8,947	11,447	9,584	1,863
Services & Charges	106,782	106,782	97,251	9,531
Refunds	68,020	68,020	52,239	15,781
Engineering				
Personal Services	414,667	435,267	429,369	5,898
Materials & Supplies	10,580	10,580	11,855	(1,275)
Services & Charges	870,751	1,020,751	994,194	26,557
Capital Outlay	5,000	5,000	4,646	354
Municipal Building & Grounds Maintenance				
Personal Services	150,076	153,076	152,780	296
Materials & Supplies	27,357	27,857	22,669	5,188
Services & Charges	329,512	329,512	316,897	12,615
Capital Outlay	26,285	26,285	26,278	7
Total General Government	<u>6,156,159</u>	<u>6,472,909</u>	<u>6,156,693</u>	<u>316,216</u>
Total Expenditures	<u>15,627,565</u>	<u>15,967,315</u>	<u>15,289,143</u>	<u>678,172</u>
Excess (Deficiency) Of				
Excess of Revenues Over Expenditures	3,777,822	3,338,072	6,093,799	2,755,727

(continued)

CITY OF DELAWARE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Assets	402,000	402,000	3,942	(398,058)
Advances Out	0	0	(1,154,411)	(1,154,411)
Transfers Out	(4,657,500)	(5,137,500)	(5,264,312)	(126,812)
Total Other Financing Sources (Uses)	<u>(4,255,500)</u>	<u>(4,735,500)</u>	<u>(6,414,781)</u>	<u>(1,679,281)</u>
Net Change in Fund Balance	(477,678)	(1,397,428)	(320,982)	1,076,446
Fund Balance at Beginning of Year:	4,488,399	4,488,399	4,488,399	-
Prior Years Encumbrances	<u>513,142</u>	<u>513,142</u>	<u>513,142</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 4,523,863</u>	<u>\$ 3,604,113</u>	<u>\$ 4,680,559</u>	<u>\$ 1,076,446</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARKS & RECREATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 20,000	\$ 20,000	\$ 21,730	\$ 1,730
Other	10,000	10,000	9,122	(878)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>30,852</u>	<u>852</u>
Expenditures:				
Current:				
Parks & Facilities				
Grounds & Facilities Maintenance				
Personal Services	792,704	801,604	785,504	16,100
Materials & Supplies	108,471	114,471	104,814	9,657
Services & Charges	192,149	210,149	198,680	11,469
Refunds	-	-	188	(188)
Capital Outlay	6,000	6,000	1,275	4,725
Urban Forestry				
Personal Services	79,479	81,729	81,123	606
Materials & Supplies	2,250	2,250	1,447	803
Services & Charges	55,000	55,000	54,580	420
Capital Outlay	5,000	5,000	433	4,567
Recreational Services				
Services & Charges	<u>198,699</u>	<u>198,804</u>	<u>198,802</u>	<u>2</u>
Total Expenditures	<u>1,439,752</u>	<u>1,475,007</u>	<u>1,426,846</u>	<u>48,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,409,752)	(1,445,007)	(1,395,994)	49,013
Other Financing Sources (Uses):				
Sale of Assets	500	500	-	(500)
Transfers In	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,295,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,295,500</u>	<u>1,295,500</u>	<u>1,295,000</u>	<u>(500)</u>
Net Change in Fund Balance	(114,252)	(149,507)	(100,994)	48,513
Fund Balance at Beginning of Year:	278,571	278,571	278,571	-
Prior Years Encumbrances	<u>17,383</u>	<u>17,383</u>	<u>17,383</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 181,702</u>	<u>\$ 146,447</u>	<u>\$ 194,960</u>	<u>\$ 48,513</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

TREE REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 15,000	\$ 41,000	\$ 8,600	\$ (32,400)
Other	-	-	150	150
Total Revenues	<u>15,000</u>	<u>41,000</u>	<u>8,750</u>	<u>(32,250)</u>
Expenditures:				
Current:				
Parks & Recreation				
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>18,943</u>	<u>6,057</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>18,943</u>	<u>6,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	16,000	(10,193)	(26,193)
Other Financing Sources (Uses):				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balance	(60,000)	(34,000)	(60,193)	(26,193)
Fund Balance at Beginning of Year:	<u>216,317</u>	<u>216,317</u>	<u>216,317</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 156,317</u>	<u>\$ 182,317</u>	<u>\$ 156,124</u>	<u>\$ (26,193)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

DEVELOPMENT RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Community Development				
Services & Charges	\$ 50,000	\$ 50,000	\$ 10,000	\$ 40,000
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>10,000</u>	<u>40,000</u>
Excess (Deficiency) of				
Deficiency of Revenues Over Expenditures	(50,000)	(50,000)	(10,000)	40,000
Other Financing Sources (Uses):				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	40,000	40,000
Fund Balance at Beginning of Year:	<u>924,886</u>	<u>924,886</u>	<u>924,886</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 924,886</u>	<u>\$ 924,886</u>	<u>\$ 964,886</u>	<u>\$ 40,000</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

BUDGET RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	\$ -	\$ -	\$ 116,808	\$ 116,808
Total Other Financing Sources (Uses)	-	-	116,808	116,808
 Net Change in Fund Balance	 -	 -	 116,808	 116,808
 Fund Balance at Beginning of Year:	 <u>1,047,056</u>	 <u>1,047,056</u>	 <u>1,047,056</u>	 <u>-</u>
Fund Balance at End of Year:	<u>\$ 1,047,056</u>	<u>\$ 1,047,056</u>	<u>\$ 1,163,864</u>	<u>\$ 116,808</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE/EMS INCOME TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 10,350,000	\$ 10,350,000	\$ 10,524,572	\$ 174,572
Intergovernmental	3,125	3,125	-	(3,125)
Charges for Services	640,000	640,000	855,957	215,957
Reimbursements	1,000	1,000	-	(1,000)
Other	3,500	3,500	7,472	3,972
Total Revenues	<u>10,997,625</u>	<u>10,997,625</u>	<u>11,388,001</u>	<u>390,376</u>
Expenditures:				
Current:				
Public Safety				
Personal Services	8,307,797	8,277,797	7,556,781	721,016
Materials & Supplies	298,837	298,837	289,179	9,658
Services & Charges	786,001	786,001	691,224	94,777
Refunds	310,000	310,000	343,377	(33,377)
Capital Outlay	4,812,125	4,812,125	4,393,875	418,250
Debt Service:				
Capital Lease Principal	163,656	163,656	163,656	-
Interest & Fiscal Charges	2,638	2,638	2,638	-
Total Expenditures	<u>14,681,054</u>	<u>14,651,054</u>	<u>13,440,730</u>	<u>1,210,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,683,429)	(3,653,429)	(2,052,729)	1,600,700
Other Financing Sources (Uses):				
Sale of Assets	-	-	317	317
Transfers Out	(629,883)	(629,883)	(629,883)	-
Total Other Financing Sources (Uses)	<u>(629,883)</u>	<u>(629,883)</u>	<u>(629,566)</u>	<u>317</u>
Net Change in Fund Balance	(4,313,312)	(4,283,312)	(2,682,295)	1,601,017
Fund Balance at Beginning of Year:	7,036,896	7,036,896	7,036,896	-
Prior Years Encumbrances	3,531,937	3,531,937	3,531,937	-
Fund Balance at End of Year:	<u>\$ 6,255,521</u>	<u>\$ 6,285,521</u>	<u>\$ 7,886,538</u>	<u>\$ 1,601,017</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

CAPITAL IMPROVEMENTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,448,000	\$ 1,448,000	\$ 969,722	\$ (478,278)
Special Assessments	129,090	129,090	65,519	(63,571)
Reimbursements	6,000	6,000	-	(6,000)
Total Revenues	<u>1,583,090</u>	<u>1,583,090</u>	<u>1,035,241</u>	<u>(547,849)</u>
Expenditures:				
Current:				
General Government				
Capital Outlay	823,478	2,458,164	1,997,006	461,158
Parks & Facilities				
Capital Outlay	347,430	347,430	254,303	93,127
Public Safety				
Capital Outlay	350,000	350,000	349,858	142
Public Works				
Capital Outlay	<u>2,148,964</u>	<u>2,477,564</u>	<u>1,600,538</u>	<u>877,026</u>
Total Expenditures	<u>3,669,872</u>	<u>5,633,158</u>	<u>4,201,705</u>	<u>1,431,453</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,086,782)	(4,050,068)	(3,166,464)	883,604
Other Financing Sources (Uses):				
Issuance of Notes	-	2,100,000	-	(2,100,000)
Advances In	-	1,240,000	1,236,286	(3,714)
Transfers In	1,837,500	3,037,500	2,237,500	(800,000)
Transfers Out	<u>(971,281)</u>	<u>(971,281)</u>	<u>(971,281)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>866,219</u>	<u>5,406,219</u>	<u>2,502,505</u>	<u>(2,903,714)</u>
Net Change in Fund Balance	(1,220,563)	1,356,151	(663,959)	(2,020,110)
Fund Balance at Beginning of Year:	831,508	831,508	831,508	-
Prior Years Encumbrances	<u>501,828</u>	<u>501,828</u>	<u>501,828</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 112,773</u>	<u>\$ 2,689,487</u>	<u>\$ 669,377</u>	<u>\$ (2,020,110)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GLENN ROAD SOUTH CONSTRUCTION FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ 90,000	\$ 115,000	\$ 140,156	\$ 25,156
Payments in Lieu of Taxes	450,000	655,000	607,335	(47,665)
Total Revenues	<u>540,000</u>	<u>770,000</u>	<u>747,491</u>	<u>(22,509)</u>
Expenditure:				
Current:				
Public Works				
Services & Charges	30,767	30,767	30,596	171
Refunds	-	-	3,000	(3,000)
Capital Outlay	-	200,000	140,000	60,000
Debt Service:				
Principal Retirement	10,565,000	10,565,000	10,565,000	-
Interest & Fiscal Charges	211,300	211,300	211,300	-
Total Expenditures	<u>10,807,067</u>	<u>11,007,067</u>	<u>10,949,896</u>	<u>57,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,267,067)	(10,237,067)	(10,202,405)	34,662
Other Financing Sources (Uses):				
Issuance of Notes	10,000,000	10,000,000	9,815,000	(185,000)
Premium on Note Issuance	-	120,000	118,663	(1,337)
Total Other Financing Sources (Uses)	<u>10,000,000</u>	<u>10,120,000</u>	<u>9,933,663</u>	<u>(186,337)</u>
Net Change in Fund Balance	(267,067)	(117,067)	(268,742)	(151,675)
Fund Balance at Beginning of Year:	2,864,282	2,864,282	2,864,282	-
Prior Years Encumbrances	5,767	5,767	5,767	-
Fund Balance at End of Year:	<u>\$ 2,602,982</u>	<u>\$ 2,752,982</u>	<u>\$ 2,601,307</u>	<u>\$ (151,675)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 5,810,350	\$ 5,810,350	\$ 5,708,277	\$ (102,073)
Capacity Fees	1,200,000	2,400,000	3,081,171	681,171
Interest	85,000	85,000	227,655	142,655
Water Deposits	32,000	32,000	15,758	(16,242)
Other	<u>26,132</u>	<u>26,132</u>	<u>35,940</u>	<u>9,808</u>
Total Revenues	<u>7,153,482</u>	<u>8,353,482</u>	<u>9,068,801</u>	<u>715,319</u>
Expenses:				
Administration				
Personal Services	275,907	395,907	394,258	1,649
Materials & Supplies	900	900	742	158
Services & Charges	974,547	974,547	953,548	20,999
Refunds	17,075	17,075	22,773	(5,698)
Capital Outlay	1,185,600	1,185,600	82,134	1,103,466
Treatment				
Personal Services	840,364	840,364	803,838	36,526
Materials & Supplies	438,429	438,429	413,675	24,754
Services & Charges	721,684	721,684	697,475	24,209
Capital Outlay	388,000	388,000	302,716	85,284
Distribution				
Personal Services	586,572	589,072	583,069	6,003
Materials & Supplies	285,772	285,772	207,318	78,454
Services & Charges	129,515	129,515	120,824	8,691
Refunds	32,000	32,000	4,700	27,300
Capital Outlay	478,567	478,567	202,892	275,675
Capital Projects				
Services & Charges	1,102,775	1,102,775	123,546	979,229
Refunds	-	-	22,600	(22,600)
Debt Service				
Principal Retirement	1,151,469	1,151,469	1,151,467	2
Interest & Fiscal Charges	<u>1,095,367</u>	<u>1,095,367</u>	<u>1,095,365</u>	<u>2</u>
Total Expenses	<u>9,704,543</u>	<u>9,827,043</u>	<u>7,182,940</u>	<u>2,644,103</u>
Excess (Deficiency) Of Revenues Over (Under) Expenses	(2,551,061)	(1,473,561)	1,885,861	3,359,422
Other Financing Sources (Uses):				
Sale of Assets	-	-	3,330	3,330
Total Other Financing Sources (Uses)	-	-	<u>3,330</u>	<u>3,330</u>
Net Change in Fund Equity	(2,551,061)	(1,473,561)	1,889,191	3,362,752
Fund Equity at Beginning of Year:	11,409,705	11,409,705	11,409,705	-
Prior Years Encumbrances	<u>187,218</u>	<u>187,218</u>	<u>187,218</u>	<u>-</u>
Fund Equity at End of Year:	<u>\$ 9,045,862</u>	<u>\$ 10,123,362</u>	<u>\$ 13,486,114</u>	<u>\$ 3,362,752</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 7,212,000	\$ 7,212,000	\$ 7,364,380	\$ 152,380
Capacity Fees	1,250,000	1,250,000	2,961,459	1,711,459
Interest	80,000	80,000	208,496	128,496
Other	15,000	15,000	14,764	(236)
Total Revenues	<u>8,557,000</u>	<u>8,557,000</u>	<u>10,549,099</u>	<u>1,992,099</u>
Expenses:				
Administration				
Personal Services	228,323	228,323	150,338	77,985
Materials & Supplies	900	900	795	105
Services & Charges	1,034,906	1,034,906	1,003,319	31,587
Refunds	11,522	11,522	10,391	1,131
Capital Outlay	225,600	225,600	2,584	223,016
Treatment				
Personal Services	879,634	896,384	890,494	5,890
Materials & Supplies	235,579	235,579	206,497	29,082
Services & Charges	871,641	871,641	784,198	87,443
Capital Outlay	29,100	29,100	27,190	1,910
Collection				
Personal Services	394,222	398,222	387,259	10,963
Materials & Supplies	159,077	159,077	127,868	31,209
Services & Charges	206,608	206,608	143,840	62,768
Capital Outlay	2,434,197	2,434,197	2,307,358	126,839
Capital Projects				
Services & Charges	143,030	143,030	65,000	78,030
Refunds	-	3,500	31,140	(27,640)
Capital Outlay	1,790,907	1,790,907	215,969	1,574,938
Debt Service				
Principal Retirement	1,682,868	1,682,868	1,684,534	(1,666)
Interest & Fiscal Charges	470,390	470,390	462,378	8,012
Total Expenses	<u>10,798,504</u>	<u>10,822,754</u>	<u>8,501,152</u>	<u>2,321,602</u>
Excess (Deficiency) Of Revenues Over (Under) Expenses	(2,241,504)	(2,265,754)	2,047,947	4,313,701
Other Financing Sources (Uses):				
Transfers Out	(991,267)	(991,267)	(991,267)	-
Total Other Financing Sources (Uses)	<u>(991,267)</u>	<u>(991,267)</u>	<u>(991,267)</u>	<u>-</u>
Net Change in Fund Equity	(3,232,771)	(3,257,021)	1,056,680	4,313,701
Fund Equity at Beginning of Year:	9,937,422	9,937,422	9,937,422	-
Prior Years Encumbrances	284,930	284,930	284,930	-
Fund Equity at End of Year:	<u>\$ 6,989,581</u>	<u>\$ 6,965,331</u>	<u>\$ 11,279,032</u>	<u>\$ 4,313,701</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STORM SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 850,000	\$ 850,000	\$ 850,672	\$ 672
Other	3,000	3,000	1,164	(1,836)
Total Revenues	<u>853,000</u>	<u>853,000</u>	<u>851,836</u>	<u>(1,164)</u>
Expenses:				
Operations				
Personal Services	229,017	229,017	221,043	7,974
Materials & Supplies	93,655	93,655	71,137	22,518
Services & Charges	195,567	195,567	105,613	89,954
Refunds	3,000	3,000	159	2,841
Capital Outlay	25,500	25,500	16,024	9,476
Capital Projects				
Capital Outlay	<u>1,026,274</u>	<u>1,026,274</u>	<u>235,535</u>	<u>790,739</u>
Total Expenses	<u>1,573,013</u>	<u>1,573,013</u>	<u>649,511</u>	<u>923,502</u>
Net Change in Fund Equity	(720,013)	(720,013)	202,325	922,338
Fund Equity at Beginning of Year:	1,376,011	1,376,011	1,376,011	-
Prior Years Encumbrances	<u>106,832</u>	<u>106,832</u>	<u>106,832</u>	<u>-</u>
Fund Equity at End of Year:	<u>\$ 762,830</u>	<u>\$ 762,830</u>	<u>\$ 1,685,168</u>	<u>\$ 922,338</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

REFUSE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 3,586,209	\$ 3,586,209	\$ 3,524,290	\$ (61,919)
Interest	10,000	10,000	-	(10,000)
Reimbursements	9,541	9,541	9,541	-
Other	6,250	6,250	7,570	1,320
Total Revenues	<u>3,612,000</u>	<u>3,612,000</u>	<u>3,541,401</u>	<u>(70,599)</u>
Expenses:				
Administration				
Services & Charges	403,572	403,572	416,054	(12,482)
Refunds	1,000	1,000	842	158
Capital Outlay	3,754,692	2,004,692	1,990,778	13,914
Collection				
Personal Services	719,240	719,240	704,585	14,655
Materials & Supplies	166,138	166,138	154,923	11,215
Services & Charges	1,114,551	1,154,551	1,148,683	5,868
Capital Outlay	406,500	406,500	402,421	4,079
Recycling				
Personal Services	445,353	450,853	446,224	4,629
Materials & Supplies	70,445	70,445	80,881	(10,436)
Services & Charges	78,909	78,909	74,128	4,781
Capital Outlay	20,000	20,000	11,767	8,233
Debt Service				
Principal Retirement	19,971	19,971	19,971	-
Interest & Fiscal Charges	92	92	92	-
Total Expenses	<u>7,200,463</u>	<u>5,495,963</u>	<u>5,451,349</u>	<u>44,614</u>
Excess (Deficiency) Of Revenues Over (Under) Expenses	(3,588,463)	(1,883,963)	(1,909,948)	(25,985)
Other Financing Sources (Uses):				
Note issuance	2,000,000	2,000,000	-	(2,000,000)
Sale of Assets	2,500	2,500	21,387	18,887
Total Other Financing Sources (Uses)	<u>2,002,500</u>	<u>2,002,500</u>	<u>21,387</u>	<u>(1,981,113)</u>
Net Change in Fund Equity	(1,585,963)	118,537	(1,888,561)	(2,007,098)
Fund Equity at Beginning of Year:	491,245	491,245	491,245	-
Prior Years Encumbrances	1,900,320	1,900,320	1,900,320	-
Fund Equity at End of Year:	\$ 805,602	\$ 2,510,102	\$ 503,004	\$ (2,007,098)

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STREET MAINTENANCE & REPAIR FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,312,000	\$ 1,312,000	\$ 1,337,234	\$ 25,234
Reimbursements	1,000	1,000	6,802	5,802
Other	1,000	1,000	3,425	2,425
Total Revenues	<u>1,314,000</u>	<u>1,314,000</u>	<u>1,347,461</u>	<u>33,461</u>
Expenditures:				
Current:				
Public Works				
Administration				
Personal Services	647,787	670,037	656,846	13,191
Materials & Supplies	14,617	14,617	12,376	2,241
Services & Charges	199,161	199,161	160,442	38,719
Capital Outlay	5,400	5,400	4,698	702
Street Division				
Personal Services	592,740	592,740	577,022	15,718
Materials & Supplies	540,640	648,140	635,792	12,348
Services & Charges	196,764	196,764	184,505	12,259
Capital Outlay	50,367	50,367	50,367	-
Traffic Division				
Personal Services	346,634	346,634	334,889	11,745
Materials & Supplies	185,046	228,546	224,000	4,546
Services & Charges	147,019	152,019	148,760	3,259
Capital Outlay	11,500	11,500	11,435	65
Total Expenditures	<u>2,937,675</u>	<u>3,115,925</u>	<u>3,001,132</u>	<u>114,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,623,675)	(1,801,925)	(1,653,671)	148,254
Other Financing Sources (Uses):				
Sale of Assets	7,500	7,500	34,540	27,040
Transfers In	1,398,200	1,398,200	1,490,000	91,800
Total Other Financing Sources (Uses)	<u>1,405,700</u>	<u>1,405,700</u>	<u>1,524,540</u>	<u>118,840</u>
Net Change in Fund Balance	(217,975)	(396,225)	(129,131)	267,094
Fund Balance at Beginning of Year:	447,789	447,789	447,789	-
Prior Years Encumbrances	68,390	68,390	68,390	-
Fund Balance at End of Year:	<u>\$ 298,204</u>	<u>\$ 119,954</u>	<u>\$ 387,048</u>	<u>\$ 267,094</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 105,750	\$ 105,750	\$ 108,424	\$ 2,674
Interest	500	500	3,323	2,823
Total Revenues	<u>106,250</u>	<u>106,250</u>	<u>111,747</u>	<u>5,497</u>
Expenditures:				
Current:				
Public Works				
Capital Outlay	<u>103,900</u>	<u>103,900</u>	<u>103,900</u>	<u>-</u>
Total Expenditures	<u>103,900</u>	<u>103,900</u>	<u>103,900</u>	<u>-</u>
Net Change in Fund Balance	2,350	2,350	7,847	5,497
Fund Balance at Beginning of Year:	207,918	207,918	207,918	-
Prior Years Encumbrances	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 214,168</u>	<u>\$ 214,168</u>	<u>\$ 219,665</u>	<u>\$ 5,497</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

LICENSE FEE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 415,000	\$ 415,000	\$ 431,217	\$ 16,217
Interest	2,000	2,000	7,328	5,328
Total Revenues	<u>417,000</u>	<u>417,000</u>	<u>438,545</u>	<u>21,545</u>
Expenditures:				
Current:				
Public Works				
Capital Outlay	<u>550,000</u>	<u>550,000</u>	<u>489,418</u>	<u>60,582</u>
Total Expenditures	<u>550,000</u>	<u>550,000</u>	<u>489,418</u>	<u>60,582</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(133,000)	(133,000)	(50,873)	82,127
Other Financing Sources (Uses):				
Transfers In	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Net Change in Fund Balance	(133,000)	(43,000)	(50,873)	(7,873)
Fund Balance at Beginning of Year:	<u>222,085</u>	<u>222,085</u>	<u>222,085</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 89,085</u>	<u>\$ 179,085</u>	<u>\$ 171,212</u>	<u>\$ (7,873)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 156,000	\$ 156,000	\$ 127,928	\$ (28,072)
Other	-	-	950	950
Donations	-	-	225	225
Total Revenues	<u>156,000</u>	<u>156,000</u>	<u>129,103</u>	<u>(26,897)</u>
Expenditures:				
Current:				
Parks & Facilities				
Personal Services	190,445	190,445	184,017	6,428
Materials & Supplies	12,289	14,289	12,221	2,068
Services & Charges	39,662	39,662	23,595	16,067
Refunds & Repurchases	6,000	6,000	5,100	900
Capital Outlay	<u>124,540</u>	<u>124,540</u>	<u>42,554</u>	<u>81,986</u>
Total Expenditures	<u>372,936</u>	<u>374,936</u>	<u>267,487</u>	<u>107,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(216,936)	(218,936)	(138,384)	80,552
Other Financing Sources (Uses):				
Transfers In	<u>95,000</u>	<u>95,000</u>	<u>95,004</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>95,000</u>	<u>95,000</u>	<u>95,004</u>	<u>4</u>
Net Change in Fund Balance	(121,936)	(123,936)	(43,380)	80,556
Fund Balance at Beginning of Year:	252,647	252,647	252,647	-
Prior Years Encumbrances	<u>44,980</u>	<u>44,980</u>	<u>44,980</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 175,691</u>	<u>\$ 173,691</u>	<u>\$ 254,247</u>	<u>\$ 80,556</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

AIRPORT IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 632,600	\$ 687,600	\$ 752,597	\$ 64,997
Reimbursements	41,500	41,500	30,573	(10,927)
Other	1,520	1,520	1,622	102
Total Revenues	<u>675,620</u>	<u>730,620</u>	<u>784,792</u>	<u>54,172</u>
Expenditures:				
Current:				
Airport				
Personal Services	193,840	193,840	190,086	3,754
Materials & Supplies	348,170	468,170	430,768	37,402
Services & Charges	253,674	278,674	259,219	19,455
Refunds	1,000	1,000	1,014	(14)
Capital Outlay	800	800	856	(56)
Total Expenditures	<u>797,484</u>	<u>942,484</u>	<u>881,943</u>	<u>60,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,864)	(211,864)	(97,151)	114,713
Other Financing Sources (Uses):				
Transfers In	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	(91,864)	(181,864)	(67,151)	114,713
Fund Balance at Beginning of Year:	266,228	266,228	266,228	-
Prior Years Encumbrances	5,745	5,745	5,745	-
Fund Balance at End of Year:	<u>\$ 180,109</u>	<u>\$ 90,109</u>	<u>\$ 204,822</u>	<u>\$ 114,713</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

AIRPORT T-HANGARS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 96,000	\$ 96,000	\$ 100,042	\$ 4,042
Other	400	400	1,390	990
Total Revenues	<u>96,400</u>	<u>96,400</u>	<u>101,432</u>	<u>5,032</u>
Expenditures:				
Current:				
Airport				
Services & Charges	23,250	25,250	24,434	816
Refunds	400	400	346	54
Total Expenditures	<u>23,650</u>	<u>25,650</u>	<u>24,780</u>	<u>870</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,750	70,750	76,652	5,902
Other Financing Sources (Uses):				
Transfers Out	(67,897)	(67,897)	(67,897)	-
Total Other Financing Sources (Uses)	<u>(67,897)</u>	<u>(67,897)</u>	<u>(67,897)</u>	<u>-</u>
Net Change in Fund Balance	4,853	2,853	8,755	5,902
Fund Balance at Beginning of Year:	<u>164,197</u>	<u>164,197</u>	<u>164,197</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 169,050</u>	<u>\$ 167,050</u>	<u>\$ 172,952</u>	<u>\$ 5,902</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

RECREATION CENTER INCOME TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 2,209,150	\$ 2,209,150	\$ 2,256,245	\$ 47,095
Interest	50,000	-	84,456	84,456
Total Revenues	<u>2,259,150</u>	<u>2,209,150</u>	<u>2,340,701</u>	<u>131,551</u>
Expenditures:				
Current:				
Parks & Recreation				
Refunds	65,000	65,000	73,593	(8,593)
Capital Outlay	<u>276,273</u>	<u>652,388</u>	<u>467,562</u>	<u>184,826</u>
Total Expenditures	<u>341,273</u>	<u>717,388</u>	<u>541,155</u>	<u>176,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,917,877	1,491,762	1,799,546	307,784
Other Financing Sources (Uses):				
Transfers Out	<u>(1,509,836)</u>	<u>(1,509,836)</u>	<u>(1,501,559)</u>	<u>8,277</u>
Total Other Financing Sources (Uses)	<u>(1,509,836)</u>	<u>(1,509,836)</u>	<u>(1,501,559)</u>	<u>8,277</u>
Net Change in Fund Balance	408,041	(18,074)	297,987	316,061
Fund Balance at Beginning of Year:	3,726,568	3,726,568	3,726,568	-
Prior Years Encumbrances	<u>276,273</u>	<u>276,273</u>	<u>276,273</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 4,410,882</u>	<u>\$ 3,984,767</u>	<u>\$ 4,300,828</u>	<u>\$ 316,061</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

AIRPORT TIF FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 25,750	\$ 27,250	\$ 27,069	\$ (181)
Total Revenues	<u>25,750</u>	<u>27,250</u>	<u>27,069</u>	<u>(181)</u>
 Net Change in Fund Balance	 25,750	 27,250	 27,069	 (181)
 Fund Balance at Beginning of Year:	 <u>82,416</u>	 <u>82,416</u>	 <u>82,416</u>	 <u>-</u>
 Fund Balance at End of Year:	 <u>\$ 108,166</u>	 <u>\$ 109,666</u>	 <u>\$ 109,485</u>	 <u>\$ (181)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GLENN ROAD BRIDGE TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 725,000	\$ 1,040,000	\$ 1,035,245	\$ (4,755)
Intergovernmental	76,500	91,500	87,519	(3,981)
Interest	14,000	39,000	51,089	12,089
Total Revenues	<u>815,500</u>	<u>1,170,500</u>	<u>1,173,853</u>	<u>3,353</u>
Expenditures:				
Current:				
General Government				
Services & Charges	265,739	265,739	250,739	15,000
Capital Outlay	1,500,000	1,500,000	-	1,500,000
Debt Service:				
Principal Retirement	170,000	170,000	170,000	-
Interest & Fiscal Charges	<u>39,282</u>	<u>39,282</u>	<u>39,281</u>	<u>1</u>
Total Expenditures	<u>1,975,021</u>	<u>1,975,021</u>	<u>460,020</u>	<u>1,515,001</u>
Net Change in Fund Balance	(1,159,521)	(804,521)	713,833	1,518,354
Fund Balance at Beginning of Year:	1,809,822	1,809,822	1,809,822	-
Prior Years Encumbrances	<u>190,739</u>	<u>190,739</u>	<u>190,739</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 841,040</u>	<u>\$ 1,196,040</u>	<u>\$ 2,714,394</u>	<u>\$ 1,518,354</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SKY CLIMBER/V&P TIF FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 70,000	\$ 70,000	\$ 47,977	\$ (22,023)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>47,977</u>	<u>(22,023)</u>
Expenditures:				
Current:				
Community Development				
Reimbursements	<u>70,000</u>	<u>70,000</u>	<u>47,977</u>	<u>22,023</u>
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>47,977</u>	<u>22,023</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

MILL RUN TIF FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 170,000	\$ 170,000	\$ 147,824	\$ (22,176)
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>147,824</u>	<u>(22,176)</u>
Expenditures:				
Current:				
Community Development				
Reimbursements	<u>170,000</u>	<u>170,000</u>	<u>147,824</u>	<u>22,176</u>
Total Expenditures	<u>170,000</u>	<u>170,000</u>	<u>147,824</u>	<u>22,176</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

MUNICIPAL COURT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 1,969,000	\$ 1,969,000	\$ 2,057,845	\$ 88,845
Charges for Service	230,000	230,000	265,017	35,017
Other	10,500	10,500	12,735	2,235
Total Revenues	<u>2,209,500</u>	<u>2,209,500</u>	<u>2,335,597</u>	<u>126,097</u>
Expenditures:				
Current:				
Municipal Court				
Court Administration				
Personal Services	1,403,326	1,345,656	1,344,495	1,161
Materials & Supplies	21,307	21,307	10,031	11,276
Services & Charges	51,387	51,387	36,562	14,825
Veteran's Services				
Personal Services	57,670	24,643	24,643	-
Clerk of Court				
Personal Services	1,232,920	1,232,920	1,165,912	67,008
Materials & Supplies	26,564	26,564	16,523	10,041
Services & Charges	61,400	61,400	40,798	20,602
Total Expenditures	<u>2,854,574</u>	<u>2,763,877</u>	<u>2,638,964</u>	<u>124,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(645,074)	(554,377)	(303,367)	251,010
Other Financing Sources (Uses):				
Transfers In	600,000	600,000	600,000	-
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balance	(45,074)	45,623	296,633	251,010
Fund Balance at Beginning of Year:	2,436,022	2,436,022	2,436,022	-
Prior Years Encumbrances	5,258	5,258	5,258	-
Fund Balance at End of Year:	<u>\$ 2,396,206</u>	<u>\$ 2,486,903</u>	<u>\$ 2,737,913</u>	<u>\$ 251,010</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

IDIAM FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 16,000	\$ 36,000	\$ 27,054	\$ (8,946)
Total Revenues	<u>16,000</u>	<u>36,000</u>	<u>27,054</u>	<u>(8,946)</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	<u>24,944</u>	<u>24,944</u>	<u>24,803</u>	<u>141</u>
Total Expenditures	<u>24,944</u>	<u>24,944</u>	<u>24,803</u>	<u>141</u>
Net Change in Fund Balance	(8,944)	11,056	2,251	(8,805)
Fund Balance at Beginning of Year:	21,489	21,489	21,489	-
Prior Years Encumbrances	<u>944</u>	<u>944</u>	<u>944</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 13,489</u>	<u>\$ 33,489</u>	<u>\$ 24,684</u>	<u>\$ (8,805)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

DRUG ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 5,500	\$ 5,500	\$ 3,106	\$ (2,394)
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>3,106</u>	<u>(2,394)</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	12,000	12,000	3,873	8,127
Capital Outlay	<u>46,000</u>	<u>46,000</u>	<u>14,334</u>	<u>31,666</u>
Total Expenditures	<u>58,000</u>	<u>58,000</u>	<u>18,207</u>	<u>39,793</u>
Net Change in Fund Balance	(52,500)	(52,500)	(15,101)	37,399
Fund Balance at Beginning of Year:	<u>58,800</u>	<u>58,800</u>	<u>58,800</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 6,300</u>	<u>\$ 6,300</u>	<u>\$ 43,699</u>	<u>\$ 37,399</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COURT ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 60,000	\$ 60,000	\$ 61,822	\$ 1,822
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>61,822</u>	<u>1,822</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	<u>106,495</u>	<u>106,495</u>	<u>60,797</u>	<u>45,698</u>
Total Expenditures	<u>106,495</u>	<u>106,495</u>	<u>60,797</u>	<u>45,698</u>
Net Change in Fund Balance	(46,495)	(46,495)	1,025	47,520
Fund Balance at Beginning of Year:	527,614	527,614	527,614	-
Prior Years Encumbrances	<u>6,495</u>	<u>6,495</u>	<u>6,495</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 487,614</u>	<u>\$ 487,614</u>	<u>\$ 535,134</u>	<u>\$ 47,520</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OMVI ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 1,500	\$ 1,500	\$ 1,441	\$ (59)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,441</u>	<u>(59)</u>
Expenditures:				
Current:				
Public Safety				
Capital Outlay	<u>5,562</u>	<u>5,562</u>	<u>4,365</u>	<u>1,197</u>
Total Expenditures	<u>5,562</u>	<u>5,562</u>	<u>4,365</u>	<u>1,197</u>
Net Change in Fund Balance	(4,062)	(4,062)	(2,924)	1,138
Fund Balance at Beginning of Year:	<u>5,904</u>	<u>5,904</u>	<u>5,904</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 1,842</u>	<u>\$ 1,842</u>	<u>\$ 2,980</u>	<u>\$ 1,138</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE JUDGMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 15,500	\$ 70,500	\$ 57,966	\$ (12,534)
Total Revenues	<u>15,500</u>	<u>70,500</u>	<u>57,966</u>	<u>(12,534)</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	25,000	25,000	6,949	18,051
Capital Outlay	<u>110,067</u>	<u>110,067</u>	<u>59,693</u>	<u>50,374</u>
Total Expenditures	<u>135,067</u>	<u>135,067</u>	<u>66,642</u>	<u>68,425</u>
Net Change in Fund Balance	(119,567)	(64,567)	(8,676)	55,891
Fund Balance at Beginning of Year:	101,438	101,438	101,438	-
Prior Years Encumbrances	<u>20,067</u>	<u>20,067</u>	<u>20,067</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 1,938</u>	<u>\$ 56,938</u>	<u>\$ 112,829</u>	<u>\$ 55,891</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARK EXACTION FEES FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 43,729	\$ 43,729
Donations	30,000	30,000	-	(30,000)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>43,729</u>	<u>13,729</u>
Expenditures:				
Current:				
Parks & Recreation				
Capital Outlay	195,500	195,500	27,500	168,000
Total Expenditures	<u>195,500</u>	<u>195,500</u>	<u>27,500</u>	<u>168,000</u>
Net Change in Fund Balance	(165,500)	(165,500)	16,229	181,729
Fund Balance at Beginning of Year:	140,387	140,387	140,387	-
Prior Years Encumbrances	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 2,387</u>	<u>\$ 2,387</u>	<u>\$ 184,116</u>	<u>\$ 181,729</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COMPUTER LEGAL RESEARCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 310,000	\$ 310,000	\$ 289,267	\$ (20,733)
Total Revenues	<u>310,000</u>	<u>310,000</u>	<u>289,267</u>	<u>(20,733)</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	100,252	100,252	91,811	8,441
Capital Outlay	<u>114,000</u>	<u>114,000</u>	<u>64,897</u>	<u>49,103</u>
Total Expenditures	<u>214,252</u>	<u>214,252</u>	<u>156,708</u>	<u>57,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,748	95,748	132,559	36,811
Other Financing Sources (Uses):				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	(4,252)	(4,252)	32,559	36,811
Fund Balance at Beginning of Year:	617,648	617,648	617,648	-
Prior Years Encumbrances	<u>2,758</u>	<u>2,758</u>	<u>2,758</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 616,154</u>	<u>\$ 616,154</u>	<u>\$ 652,965</u>	<u>\$ 36,811</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 310,000	\$ 310,000	\$ 291,741	\$ (18,259)
Total Revenues	<u>310,000</u>	<u>310,000</u>	<u>291,741</u>	<u>(18,259)</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	74,165	74,165	41,109	33,056
Capital Outlay	<u>103,173</u>	<u>103,173</u>	<u>67,772</u>	<u>35,401</u>
Total Expenditures	<u>177,338</u>	<u>177,338</u>	<u>108,881</u>	<u>68,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	132,662	132,662	182,860	50,198
Other Financing Sources (Uses):				
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	(167,338)	(167,338)	(117,140)	50,198
Fund Balance at Beginning of Year:	865,401	865,401	865,401	-
Prior Years Encumbrances	<u>1,615</u>	<u>1,615</u>	<u>1,615</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 699,678</u>	<u>\$ 699,678</u>	<u>\$ 749,876</u>	<u>\$ 50,198</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PROBATION SERVICES FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines & Court Fees	\$ 280,000	\$ 280,000	\$ 317,706	\$ 37,706
Total Revenues	<u>280,000</u>	<u>280,000</u>	<u>317,706</u>	<u>37,706</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	76,930	76,930	42,687	34,243
Capital Outlay	<u>8,700</u>	<u>8,700</u>	<u>2,908</u>	<u>5,792</u>
Total Expenditures	<u>85,630</u>	<u>85,630</u>	<u>45,595</u>	<u>40,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,370	194,370	272,111	77,741
Other Financing Sources (Uses):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balance	(5,630)	(5,630)	72,111	77,741
Fund Balance at Beginning of Year:	496,090	496,090	496,090	-
Prior Years Encumbrances	<u>1,930</u>	<u>1,930</u>	<u>1,930</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 492,390</u>	<u>\$ 492,390</u>	<u>\$ 570,131</u>	<u>\$ 77,741</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE AND FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 400,000	\$ 430,000	\$ 424,212	\$ (5,788)
Intergovernmental	48,600	53,600	51,368	(2,232)
Total Revenues	<u>448,600</u>	<u>483,600</u>	<u>475,580</u>	<u>(8,020)</u>
Expenditures:				
Current:				
Public Safety				
Personal Services	448,600	478,600	475,580	3,020
Total Expenditures	<u>448,600</u>	<u>478,600</u>	<u>475,580</u>	<u>3,020</u>
Net Change in Fund Balance	-	5,000	-	(5,000)
Fund Balance at Beginning of Year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year:	<u><u>\$ -</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,000)</u></u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COMMUNITY PROMOTION FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 82,000	\$ 82,000	\$ 85,748	\$ 3,748
Donations	25,000	25,000	25,000	-
Total Revenues	<u>107,000</u>	<u>107,000</u>	<u>110,748</u>	<u>3,748</u>
Expenditures:				
Current:				
Community Development				
Services & Charges	<u>118,368</u>	<u>118,368</u>	<u>108,129</u>	<u>10,239</u>
Total Expenditures	<u>118,368</u>	<u>118,368</u>	<u>108,129</u>	<u>10,239</u>
Net Change in Fund Balance	(11,368)	(11,368)	2,619	13,987
Fund Balance at Beginning of Year:	56,239	56,239	56,239	-
Prior Years Encumbrances	<u>5,838</u>	<u>5,838</u>	<u>5,838</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 50,709</u>	<u>\$ 50,709</u>	<u>\$ 64,696</u>	<u>\$ 13,987</u>

CITY OF DELAWARE, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balance at Beginning of Year:	\$ 2,530	\$ 2,530	\$ 2,530	\$ -
Fund Balance at End of Year:	\$ 2,530	\$ 2,530	\$ 2,530	\$ -

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

REVOLVING LOAN FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 95,924	\$ 95,924	\$ 103,755	\$ 7,831
Intergovernmental	-	2,500	-	(2,500)
Interest	2,500	2,500	4,637	2,137
Total Revenues	<u>98,424</u>	<u>100,924</u>	<u>108,392</u>	<u>7,468</u>
Expenditures:				
Current:				
Community Development				
Services & Charges	60,935	60,935	50,010	10,925
Capital Outlay	136,108	136,108	84,223	51,885
Total Expenditures	<u>197,043</u>	<u>197,043</u>	<u>134,233</u>	<u>62,810</u>
Net Change in Fund Balance	(98,619)	(96,119)	(25,841)	70,278
Fund Balance at Beginning of Year:	124,619	124,619	124,619	-
Prior Years Encumbrances	73,043	73,043	73,043	-
Fund Balance at End of Year:	<u>\$ 99,043</u>	<u>\$ 101,543</u>	<u>\$ 171,821</u>	<u>\$ 70,278</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY HOUSING IMPROVEMENT PROGRAM (CHIP) FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 2,639	\$ -	\$ (2,639)
Total Revenues	-	2,639	-	(2,639)
Expenditures:				
Current:				
Community Development				
Services & Charges	3,034	3,034	1	3,033
Capital Outlay	-	400	400	-
Total Expenditures	3,034	3,434	401	3,033
Net Change in Fund Balance	(3,034)	(795)	(401)	394
Fund Balance (Deficit) at Beginning of Year:	(2,633)	(2,633)	(2,633)	-
Prior Years Encumbrances	3,034	3,034	3,034	-
Fund Balance (Deficit) at End of Year:	\$ (2,633)	\$ (394)	\$ -	\$ 394

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE DONATIONS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Public Safety				
Materials & Supplies	\$ 6,000	\$ 6,000	\$ 5,462	\$ 538
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>5,462</u>	<u>538</u>
Net Change in Fund Balance	(6,000)	(6,000)	(5,462)	538
Fund Balance at Beginning of Year:	<u>6,345</u>	<u>6,345</u>	<u>6,345</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 345</u>	<u>\$ 345</u>	<u>\$ 883</u>	<u>\$ 538</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARK DONATIONS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Donations	\$ -	\$ 12,000	\$ 12,000	\$ -
Total Revenues	-	12,000	12,000	-
Expenditures:				
Current:				
Parks & Recreation				
Capital Outlay	6,315	18,315	12,000	6,315
Total Expenditures	6,315	18,315	12,000	6,315
Net Change in Fund Balance	(6,315)	(6,315)	-	6,315
Fund Balance at Beginning of Year:	6,810	6,810	6,810	-
Fund Balance at End of Year:	\$ 495	\$ 495	\$ 6,810	\$ 6,315

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE DONATIONS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Donations	\$ 500	\$ 1,300	\$ 775	\$ (525)
Total Revenues	<u>500</u>	<u>1,300</u>	<u>775</u>	<u>(525)</u>
Expenditures:				
Current:				
Public Safety				
Materials & Supplies	2,000	2,000	560	1,440
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>202</u>	<u>4,798</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>762</u>	<u>6,238</u>
Net Change in Fund Balance	(6,500)	(5,700)	13	5,713
Fund Balance at Beginning of Year:	<u>7,796</u>	<u>7,796</u>	<u>7,796</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 1,296</u>	<u>\$ 2,096</u>	<u>\$ 7,809</u>	<u>\$ 5,713</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

MAYOR'S DONATIONS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Donations	\$ 2,400	\$ 2,400	\$ 1,715	\$ (685)
Total Revenues	<u>2,400</u>	<u>2,400</u>	<u>1,715</u>	<u>(685)</u>
Expenditures:				
Current:				
General Government				
Services & Charges	<u>3,425</u>	<u>3,425</u>	<u>3,120</u>	<u>305</u>
Total Expenditures	<u>3,425</u>	<u>3,425</u>	<u>3,120</u>	<u>305</u>
Net Change in Fund Balance	(1,025)	(1,025)	(1,405)	(380)
Fund Balance at Beginning of Year:	1,032	1,032	1,032	-
Prior Years Encumbrances	<u>625</u>	<u>625</u>	<u>625</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 632</u>	<u>\$ 632</u>	<u>\$ 252</u>	<u>\$ (380)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PROJECT TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Donations	\$ 7,500	\$ 7,500	\$ 7,772	\$ 272
Developers' Fees	-	65,000	139,560	74,560
Total Revenues	<u>7,500</u>	<u>72,500</u>	<u>147,332</u>	<u>74,832</u>
Expenditures:				
Current:				
Community Development				
Services & Charges	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Net Change in Fund Balance	(2,500)	62,500	147,332	84,832
Fund Balance at Beginning of Year:	<u>546,222</u>	<u>546,222</u>	<u>546,222</u>	-
Fund Balance at End of Year:	<u>\$ 543,722</u>	<u>\$ 608,722</u>	<u>\$ 693,554</u>	<u>\$ 84,832</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ 5,500	\$ 6,294	\$ 794
Total Revenues	-	5,500	6,294	794
Expenditures:				
General Government				
Services & Charges	100,000	100,000	3,991	96,009
Debt Service:				
Principal Retirement	1,592,261	1,592,261	1,592,259	2
Interest & Fiscal Charges	374,812	374,812	374,811	1
Total Expenditures	2,067,073	2,067,073	1,971,061	96,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,067,073)	(2,061,573)	(1,964,767)	96,806
Other Financing Sources (Uses):				
Issuance of Notes	450,000	450,000	455,440	5,440
Issuance of Bonds	-	5,500	-	(5,500)
Transfers In	1,514,206	1,514,206	1,514,206	-
Total Other Financing Sources (Uses)	1,964,206	1,969,706	1,969,646	(60)
Net Change in Fund Balance	(102,867)	(91,867)	4,879	96,746
Fund Balance at Beginning of Year:	331,642	331,642	331,642	-
Fund Balance at End of Year:	\$ 228,775	\$ 239,775	\$ 336,521	\$ 96,746

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENT BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 4,300	\$ 8,800	\$ 8,518	\$ (282)
Total Revenues	<u>4,300</u>	<u>8,800</u>	<u>8,518</u>	<u>(282)</u>
Expenditures:				
Debt Service:				
Principal Retirement	570,000	570,000	570,000	-
Interest & Fiscal Charges	<u>735,352</u>	<u>735,352</u>	<u>735,351</u>	<u>1</u>
Total Expenditures	<u>1,305,352</u>	<u>1,305,352</u>	<u>1,305,351</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,301,052)	(1,296,552)	(1,296,833)	(281)
Other Financing Sources (Uses):				
Transfers In	<u>1,306,606</u>	<u>1,306,606</u>	<u>1,298,329</u>	<u>(8,277)</u>
Total Other Financing Sources (Uses)	<u>1,306,606</u>	<u>1,306,606</u>	<u>1,298,329</u>	<u>(8,277)</u>
Net Change in Fund Balance	5,554	10,054	1,496	(8,558)
Fund Balance at Beginning of Year:	<u>109,777</u>	<u>109,777</u>	<u>109,777</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 115,331</u>	<u>\$ 119,831</u>	<u>\$ 111,273</u>	<u>\$ (8,558)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POINT PROJECT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,080,000	\$ 3,195,000	\$ 613,886	\$ (2,581,114)
Total Revenues	<u>3,080,000</u>	<u>3,195,000</u>	<u>613,886</u>	<u>(2,581,114)</u>
Expenditures:				
Current:				
Airport	<u>3,343,231</u>	<u>3,343,231</u>	<u>498,549</u>	<u>2,844,682</u>
Total Expenditures	<u>3,343,231</u>	<u>3,343,231</u>	<u>498,549</u>	<u>2,844,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(263,231)	(148,231)	115,337	263,568
Other Financing Sources (Uses):				
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change in Fund Balance	86,769	201,769	465,337	263,568
Fund Balance (Deficit) at Beginning of Year:	(984,898)	(984,898)	(984,898)	-
Prior Years Encumbrances	<u>984,898</u>	<u>984,898</u>	<u>984,898</u>	<u>-</u>
Fund Balance at End of Year:	\$ 86,769	\$ 201,769	\$ 465,337	\$ 263,568

CITY OF DELAWARE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FAA AIRPORT EXPANSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 325,900	\$ 325,900	\$ 109,423	\$ (216,477)
Total Revenues	<u>325,900</u>	<u>325,900</u>	<u>109,423</u>	<u>(216,477)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,900	325,900	109,423	(216,477)
Other Financing Sources (Uses):				
Advances Out	<u>-</u>	<u>-</u>	<u>(61,010)</u>	<u>(61,010)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(61,010)</u>	<u>(61,010)</u>
Net Change in Fund Balance	325,900	325,900	48,413	(277,487)
Fund Balance at Beginning of Year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year:	<u><u>\$ 325,900</u></u>	<u><u>\$ 325,900</u></u>	<u><u>\$ 48,413</u></u>	<u><u>\$ (277,487)</u></u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FAA AIRPORT ALLOCATION/IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 272,549	\$ 337,549	\$ 72,983	\$ (264,566)
Total Revenues	<u>272,549</u>	<u>337,549</u>	<u>72,983</u>	<u>(264,566)</u>
Expenditures:				
Current:				
Airport	<u>86,159</u>	<u>86,159</u>	<u>4,171</u>	<u>81,988</u>
Total Expenditures	<u>86,159</u>	<u>86,159</u>	<u>4,171</u>	<u>81,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	186,390	251,390	68,812	(182,578)
Other Financing Sources (Uses):				
Advances Out	<u>-</u>	<u>-</u>	<u>(20,864)</u>	<u>(20,864)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,864)</u>	<u>(20,864)</u>
Net Change in Fund Balance	186,390	251,390	47,948	(203,442)
Fund Balance (Deficit) at Beginning of Year:	(86,159)	(86,159)	(86,159)	-
Prior Years Encumbrances	<u>86,159</u>	<u>86,159</u>	<u>86,159</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 186,390</u>	<u>\$ 251,390</u>	<u>\$ 47,948</u>	<u>\$ (203,442)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

EQUIPMENT REPLACEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Police	\$ 141,000	\$ 141,000	\$ 139,983	\$ 1,017
Parks & Facilities	65,441	65,441	57,368	8,073
Public Works	90,000	90,000	88,994	1,006
Airport	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Total Expenditures	<u>324,441</u>	<u>324,441</u>	<u>286,345</u>	<u>38,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,441)	(324,441)	(286,345)	38,096
Other Financing Sources (Uses):				
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	(24,441)	(24,441)	13,655	38,096
Fund Balance at Beginning of Year:	137,017	137,017	137,017	-
Prior Years Encumbrances	<u>4,941</u>	<u>4,941</u>	<u>4,941</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 117,517</u>	<u>\$ 117,517</u>	<u>\$ 155,613</u>	<u>\$ 38,096</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARK IMPACT FEES FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ 225,000	\$ 475,000	\$ 634,952	\$ 159,952
Interest	3,500	3,500	25,777	22,277
Total Revenues	<u>228,500</u>	<u>478,500</u>	<u>660,729</u>	<u>182,229</u>
Expenditures:				
Current:				
Parks & Recreation				
Services & Charges	1,583	1,583	1,583	-
Refunds	5,000	5,000	3,678	1,322
Capital Outlay	<u>617,695</u>	<u>642,693</u>	<u>489,078</u>	<u>153,615</u>
Total Expenditures	<u>624,278</u>	<u>649,276</u>	<u>494,339</u>	<u>154,937</u>
Net Change in Fund Balance	(395,778)	(170,776)	166,390	337,166
Fund Balance at Beginning of Year:	1,083,377	1,083,377	1,083,377	-
Prior Years Encumbrances	<u>36,778</u>	<u>36,778</u>	<u>36,778</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 724,377</u>	<u>\$ 949,379</u>	<u>\$ 1,286,545</u>	<u>\$ 337,166</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE IMPACT FEES FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ 60,000	\$ 75,000	\$ 96,411	\$ 21,411
Interest	7,500	7,500	6,717	(783)
Total Revenues	<u>67,500</u>	<u>82,500</u>	<u>103,128</u>	<u>20,628</u>
Expenditures:				
Current:				
Public Safety				
Services & Charges	<u>524</u>	<u>1,010</u>	<u>1,009</u>	<u>1</u>
Total Expenditures	<u>524</u>	<u>1,010</u>	<u>1,009</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,976	81,490	102,119	20,629
Other Financing Sources (Uses):				
Transfers Out	<u>(60,099)</u>	<u>(60,099)</u>	<u>(60,099)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(60,099)</u>	<u>(60,099)</u>	<u>(60,099)</u>	<u>-</u>
Net Change in Fund Balance	6,877	21,391	42,020	20,629
Fund Balance at Beginning of Year:	311,329	311,329	311,329	-
Prior Years Encumbrances	<u>524</u>	<u>524</u>	<u>524</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 318,730</u>	<u>\$ 333,244</u>	<u>\$ 353,873</u>	<u>\$ 20,629</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE IMPACT FEES FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ 87,000	\$ 87,000	\$ 187,048	\$ 100,048
Interest	3,000	3,000	6,500	3,500
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>193,548</u>	<u>103,548</u>
Expenditure:				
Current:				
Public Safety				
Services & Charges	529	529	529	-
Refunds	<u>-</u>	<u>942</u>	<u>943</u>	<u>(1)</u>
Total Expenditures	<u>529</u>	<u>1,471</u>	<u>1,472</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,471	88,529	192,076	103,547
Other Financing Sources (Uses):				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	(10,529)	(11,471)	92,076	103,547
Fund Balance at Beginning of Year:	304,931	304,931	304,931	-
Prior Years Encumbrances	<u>529</u>	<u>529</u>	<u>529</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 294,931</u>	<u>\$ 293,989</u>	<u>\$ 397,536</u>	<u>\$ 103,547</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

MUNICIPAL IMPACT FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ 110,000	\$ 190,000	\$ 211,657	\$ 21,657
Charges for Services	65,000	65,000	65,000	-
Interest	4,000	9,000	9,241	241
Total Revenues	<u>179,000</u>	<u>264,000</u>	<u>285,898</u>	<u>21,898</u>
Expenditure:				
Current:				
General Government				
Services & Charges	529	529	529	-
Refunds	-	-	1,098	(1,098)
Capital Outlay	-	615,000	500,000	115,000
Total Expenditures	<u>529</u>	<u>615,529</u>	<u>501,627</u>	<u>113,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	178,471	(351,529)	(215,729)	135,800
Other Financing Sources (Uses):				
Transfers Out	<u>(131,816)</u>	<u>(131,816)</u>	<u>(131,816)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(131,816)</u>	<u>(131,816)</u>	<u>(131,816)</u>	<u>-</u>
Net Change in Fund Balance	46,655	(483,345)	(347,545)	135,800
Fund Balance at Beginning of Year:	556,250	556,250	556,250	-
Prior Years Encumbrances	<u>529</u>	<u>529</u>	<u>529</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 603,434</u>	<u>\$ 73,434</u>	<u>\$ 209,234</u>	<u>\$ 135,800</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GLENN ROAD NORTH CONSTRUCTION FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 95,000	\$ 95,000	\$ 95,173	\$ 173
Total Revenues	<u>95,000</u>	<u>95,000</u>	<u>95,173</u>	<u>173</u>
Expenditure:				
Current:				
Public Works				
Services & Charges	11,972	11,972	5,000	6,972
Debt Service:				
Principal Retirement	35,000	35,000	35,000	-
Interest & Fiscal Charges	<u>79,895</u>	<u>79,895</u>	<u>79,895</u>	<u>-</u>
Total Expenditures	<u>126,867</u>	<u>126,867</u>	<u>119,895</u>	<u>6,972</u>
Net Change in Fund Balance	(31,867)	(31,867)	(24,722)	7,145
Fund Balance at Beginning of Year:	382,630	382,630	382,630	-
Prior Years Encumbrances	<u>1,972</u>	<u>1,972</u>	<u>1,972</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 352,735</u>	<u>\$ 352,735</u>	<u>\$ 359,880</u>	<u>\$ 7,145</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 350	\$ 350	\$ 657	\$ 307
Total Revenues	<u>350</u>	<u>350</u>	<u>657</u>	<u>307</u>
Expenditure:				
Current:				
Parks & Facilities				
Materials & Supplies	<u>2,000</u>	<u>2,000</u>	<u>1,448</u>	<u>552</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,448</u>	<u>552</u>
Net Change in Fund Balance	(1,650)	(1,650)	(791)	859
Fund Balance at Beginning of Year:	<u>34,982</u>	<u>34,982</u>	<u>34,982</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 33,332</u>	<u>\$ 33,332</u>	<u>\$ 34,191</u>	<u>\$ 859</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GOLF COURSE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 180,000	\$ 180,000	\$ 156,058	\$ (23,942)
Other	3,500	3,500	5,000	1,500
Total Revenues	<u>183,500</u>	<u>183,500</u>	<u>161,058</u>	<u>(22,442)</u>
Expenses:				
Personal Services	152,864	152,864	138,900	13,964
Materials & Supplies	26,350	26,350	21,700	4,650
Services & Charges	34,386	34,386	24,716	9,670
Refunds	400	400	-	400
Capital Outlay	9,000	9,000	6,030	2,970
Total Expenses	<u>223,000</u>	<u>223,000</u>	<u>191,346</u>	<u>31,654</u>
Net Change in Fund Equity	(39,500)	(39,500)	(30,288)	9,212
Fund Equity at Beginning of Year:	68,197	68,197	68,197	-
Prior Years Encumbrances	302	302	302	-
Fund Equity at End of Year:	<u>\$ 28,999</u>	<u>\$ 28,999</u>	<u>\$ 38,211</u>	<u>\$ 9,212</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARKING LOTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 50,250	\$ 50,250	\$ 43,768	\$ (6,482)
Total Revenues	<u>50,250</u>	<u>50,250</u>	<u>43,768</u>	<u>(6,482)</u>
Expenses:				
Services & Charges	<u>61,460</u>	<u>61,460</u>	<u>55,510</u>	<u>5,950</u>
Total Expenses	<u>61,460</u>	<u>61,460</u>	<u>55,510</u>	<u>5,950</u>
Net Change in Fund Equity	(11,210)	(11,210)	(11,742)	(532)
Fund Equity at Beginning of Year:	33,610	33,610	33,610	-
Prior Years Encumbrances	<u>8,660</u>	<u>8,660</u>	<u>8,660</u>	<u>-</u>
Fund Equity at End of Year:	<u>\$ 31,060</u>	<u>\$ 31,060</u>	<u>\$ 30,528</u>	<u>\$ (532)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOUTHEAST HIGHLAND BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 3,300	\$ 6,300	\$ 6,441	\$ 141
Total Revenues	<u>3,300</u>	<u>6,300</u>	<u>6,441</u>	<u>141</u>
Expenditures:				
Debt Service:				
Principal Retirement	420,000	420,000	420,000	-
Interest & Fiscal Charges	<u>577,609</u>	<u>577,609</u>	<u>577,610</u>	<u>(1)</u>
Total Expenditures	<u>997,609</u>	<u>997,609</u>	<u>997,610</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(994,309)	(991,309)	(991,169)	140
Other Financing Sources (Uses):				
Transfers In	997,525	997,525	991,267	(6,258)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>997,525</u>	<u>997,525</u>	<u>991,267</u>	<u>(6,258)</u>
Net Change in Fund Balance	3,216	6,216	98	(6,118)
Fund Balance at Beginning of Year:	<u>83,897</u>	<u>83,897</u>	<u>83,897</u>	<u>-</u>
Fund Balance at End of Year:	<u>\$ 87,113</u>	<u>\$ 90,113</u>	<u>\$ 83,995</u>	<u>\$ (6,118)</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GARAGE ROTARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Services	\$ 652,492	\$ 652,492	\$ 652,492	\$ -
Total Revenues	<u>652,492</u>	<u>652,492</u>	<u>652,492</u>	<u>-</u>
Expenses:				
Personal Services	336,843	336,843	332,448	4,395
Materials & Supplies	311,855	311,855	275,608	36,247
Services & Charges	<u>36,674</u>	<u>36,674</u>	<u>22,391</u>	<u>14,283</u>
Total Expenses	<u>685,372</u>	<u>685,372</u>	<u>630,447</u>	<u>54,925</u>
Excess (Deficiency) Of Revenues Over (Under) Expenses	(32,880)	(32,880)	22,045	54,925
Other Financing Sources (Uses):				
Sale of Assets	-	-	1,332	1,332
Total Other Finances Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,332</u>	<u>1,332</u>
Net Change in Fund Equity	(32,880)	(32,880)	23,377	56,257
Fund Equity At Beginning Of Year:	309,751	309,751	309,751	-
Prior Years Encumbrances	<u>30,878</u>	<u>30,878</u>	<u>30,878</u>	<u>-</u>
Fund Equity At End Of Year:	<u>\$ 307,749</u>	<u>\$ 307,749</u>	<u>\$ 364,006</u>	<u>\$ 56,257</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INFORMATION TECHNOLOGY ROTARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 1,076,017	\$ 1,076,017	\$ 1,076,017	\$ -
Total Revenues	<u>1,076,017</u>	<u>1,076,017</u>	<u>1,076,017</u>	<u>-</u>
Expenses:				
Technology				
Personal Services	470,102	470,102	298,710	171,392
Materials & Supplies	7,330	7,330	2,576	4,754
Services & Charges	16,246	16,246	5,510	10,736
Capital Outlay	26,660	26,660	22,337	4,323
Support				
Materials & Supplies	1,694	1,694	1,351	343
Services & Charges	502,470	502,470	456,105	46,365
Capital Outlay	73,817	73,817	119,184	(45,367)
Geographical Information Systems				
Personal Services	72,716	75,966	75,895	71
Materials & Supplies	700	700	434	266
Services & Charges	63,198	63,198	35,000	28,198
Capital Outlay	<u>13,617</u>	<u>13,617</u>	<u>3,479</u>	<u>10,138</u>
Total Expenses	<u>1,248,550</u>	<u>1,251,800</u>	<u>1,020,581</u>	<u>231,219</u>
Net Change in Fund Equity	(172,533)	(175,783)	55,436	231,219
Fund Equity At Beginning Of Year:	641,165	641,165	641,165	-
Prior Years Encumbrances	<u>83,220</u>	<u>83,220</u>	<u>83,220</u>	<u>-</u>
Fund Equity At End Of Year:	<u>\$ 551,852</u>	<u>\$ 548,602</u>	<u>\$ 779,821</u>	<u>\$ 231,219</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SELF-INSURANCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 5,170,000	\$ 5,170,000	\$ 5,314,125	\$ 144,125
Reimbursements	35,000	735,000	823,391	88,391
Total Revenues	<u>5,205,000</u>	<u>5,905,000</u>	<u>6,137,516</u>	<u>232,516</u>
Expenses:				
Services & Charges	967,874	967,874	954,332	13,542
Claims	4,775,000	5,800,000	5,564,096	235,904
Refunds	30,500	30,500	27,440	3,060
Other	30,000	30,000	2,820	27,180
Total Expenses	<u>5,803,374</u>	<u>6,828,374</u>	<u>6,548,688</u>	<u>252,506</u>
Net Change in Fund Equity	(598,374)	(923,374)	(411,172)	512,202
Fund Equity At Beginning Of Year:	1,909,922	1,909,922	1,909,922	-
Prior Years Encumbrances	8,674	8,674	8,674	-
Fund Equity At End Of Year:	<u>\$ 1,320,222</u>	<u>\$ 995,222</u>	<u>\$ 1,507,424</u>	<u>\$ 512,202</u>

CITY OF DELAWARE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WORKER'S COMPENSATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges For Service	\$ 475,341	\$ 475,341	\$ 356,579	\$ (118,762)
Reimbursements	-	200,000	191,859	(8,141)
Total Revenues	<u>475,341</u>	<u>675,341</u>	<u>548,438</u>	<u>(126,903)</u>
Expenses:				
Claims	525,000	525,000	253,072	271,928
Services & Charges	25,000	25,000	15,669	9,331
Capital Outlay	<u>11,167</u>	<u>11,167</u>	<u>3,534</u>	<u>7,633</u>
Total Expenses	<u>561,167</u>	<u>561,167</u>	<u>272,275</u>	<u>288,892</u>
Net Change in Fund Equity	(85,826)	114,174	276,163	161,989
Fund Equity At Beginning Of Year:	2,351,457	2,351,457	2,351,457	-
Prior Years Encumbrances	<u>1,166</u>	<u>1,166</u>	<u>1,166</u>	<u>-</u>
Fund Equity At End Of Year:	<u>\$ 2,266,797</u>	<u>\$ 2,466,797</u>	<u>\$ 2,628,786</u>	<u>\$ 161,989</u>

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CITY OF DELAWARE, OHIO

STATISTICAL SECTION

This part of the City of Delaware’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 government’s overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	226
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue sources, Property Tax and Income Tax.	236
Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	244
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	252
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	254

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

CITY OF DELAWARE, OHIO

NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 42,217,131	\$ 49,555,182	\$ 44,178,679	\$ 41,488,379
Restricted	12,481,627	27,692,345	20,355,048	24,942,137
Unrestricted	10,388,349	(5,629,421)	6,471,127	3,798,507
Total Governmental Activities Net Position	<u>\$ 65,087,107</u>	<u>\$ 71,618,106</u>	<u>\$ 71,004,854</u>	<u>\$ 70,229,023</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 62,909,728	\$ 64,221,470	\$ 63,614,360	\$ 64,265,588
Unrestricted	13,503,282	12,761,428	14,298,948	17,507,681
Total Business-Type Activities Net Position	<u>\$ 76,413,010</u>	<u>\$ 76,982,898</u>	<u>\$ 77,913,308</u>	<u>\$ 81,773,269</u>
Primary Government				
Net Investment in Capital Assets	\$ 105,126,859	\$ 113,776,652	\$ 107,793,039	\$ 105,753,967
Restricted	12,481,627	27,692,345	20,355,048	24,942,137
Unrestricted	23,891,631	7,132,007	20,770,075	21,306,188
Total Primary Government Net Position	<u>\$ 141,500,117</u>	<u>\$ 148,601,004</u>	<u>\$ 148,918,162</u>	<u>\$ 152,002,292</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Restated <u>2017</u>	<u>2018</u>
\$ 42,076,683	\$ 41,266,191	\$ 43,677,814	\$ 55,169,052	\$ 55,408,985	\$ 63,786,821
32,442,920	39,682,493	41,521,426	37,601,264	33,710,113	30,540,706
7,221,823	4,805,100	(18,275,450)	(15,529,509)	(31,721,272)	(31,431,723)
<u>\$ 81,741,426</u>	<u>\$ 85,753,784</u>	<u>\$ 66,923,790</u>	<u>\$ 77,240,807</u>	<u>\$ 57,397,826</u>	<u>\$ 62,895,804</u>
\$ 76,377,410	\$ 67,220,887	\$ 71,510,580	\$ 77,602,081	\$ 80,274,936	\$ 90,699,719
10,095,849	25,305,428	23,681,873	22,276,704	20,661,074	22,701,510
<u>\$ 86,473,259</u>	<u>\$ 92,526,315</u>	<u>\$ 95,192,453</u>	<u>\$ 99,878,785</u>	<u>\$ 100,936,010</u>	<u>\$ 113,401,229</u>
\$ 118,454,093	\$ 108,487,078	\$ 115,188,394	\$ 132,771,133	\$ 135,683,921	\$ 154,486,540
32,442,920	39,682,493	41,521,426	37,601,264	33,710,113	30,540,706
17,317,672	30,110,528	5,406,423	6,747,195	(11,060,198)	(8,730,213)
<u>\$ 168,214,685</u>	<u>\$ 178,280,099</u>	<u>\$ 162,116,243</u>	<u>\$ 177,119,592</u>	<u>\$ 158,333,836</u>	<u>\$ 176,297,033</u>

CITY OF DELAWARE, OHIO

CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses¹				
Governmental Activities:				
General Government	\$ 4,319,605	\$ 4,709,782	\$ 4,381,295	\$ 4,745,838
Public Safety	11,814,941	12,162,111	12,327,103	12,794,421
Municipal Court	3,167,772	3,116,508	3,005,899	2,785,258
Parks & Facilities	1,686,291	1,810,642	5,761,615	1,849,411
Community Development	78,974	290,966	705,895	673,941
Airport	1,125,084	1,134,052	1,187,418	1,321,930
Public Works	3,890,814	3,876,541	5,971,273	10,348,212
Interest and Charges	551,336	1,389,592	1,369,537	1,636,456
Total Governmental Activities Expenses	<u>26,634,817</u>	<u>28,490,194</u>	<u>34,710,035</u>	<u>36,155,467</u>
Business-Type Activities:				
Water	4,262,902	3,932,733	4,523,921	4,292,105
Sewer	8,200,691	7,458,354	7,449,457	7,363,967
Storm Sewer	699,321	608,410	648,000	930,359
Refuse	2,465,141	3,231,835	3,136,616	2,707,019
Other Business-Type Activities	315,875	256,076	236,782	257,826
Total Business-Type Activities	<u>15,943,930</u>	<u>15,487,408</u>	<u>15,994,776</u>	<u>15,551,276</u>
Total Primary Government Expenses	<u>\$ 42,578,747</u>	<u>\$ 43,977,602</u>	<u>\$ 50,704,811</u>	<u>\$ 51,706,743</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 848,521	\$ 811,028	\$ 938,452	\$ 1,397,945
Public Safety	678,647	714,196	897,278	619,758
Municipal Court	3,111,673	3,114,000	3,143,978	3,108,000
Parks & Facilities	412,909	497,698	474,276	48,391
Community Development	37,733	32,709	30,613	74,930
Airport	591,902	638,253	734,904	808,333
Public Works	100,522	8,321	101,739	84,112
Operating Grants and Contributions	786,367	754,091	402,615	557,212
Capital Grants and Contributions	3,250,089	7,224,661	3,710,470	3,943,885
Total Governmental Activities Program Revenues	<u>9,818,363</u>	<u>13,794,957</u>	<u>10,434,325</u>	<u>10,642,566</u>
Business-Type Activities:				
Charges for Services:				
Water	3,995,280	4,472,717	4,845,877	6,064,510
Sewer	6,416,812	6,816,959	6,994,836	7,877,850
Storm Sewer	774,379	771,881	794,557	698,034
Refuse	2,833,424	2,917,011	3,032,084	3,165,678
Other Activities	229,472	207,711	179,110	225,095
Operating Grants and Contributions	35,000	35,000	35,000	14,000
Capital Grants and Contributions	865,839	639,290	725,476	1,192,376
Total Business-Type Activities Program Revenues	<u>15,150,206</u>	<u>15,860,569</u>	<u>16,606,940</u>	<u>19,237,543</u>
Total Primary Government Program Revenues	<u>\$ 24,968,569</u>	<u>\$ 29,655,526</u>	<u>\$ 27,041,265</u>	<u>\$ 29,880,109</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 5,375,292	\$ 4,860,873	\$ 5,143,079	\$ 5,524,652	\$ 6,707,987	\$ 8,483,826
15,141,815	14,272,584	15,552,432	19,992,138	18,710,133	23,575,556
2,841,353	3,399,596	3,680,931	3,856,097	3,121,476	3,281,870
2,742,270	2,539,343	3,208,146	3,053,700	3,556,789	3,282,622
1,383,226	1,907,039	743,635	1,364,230	1,168,189	675,747
1,773,732	1,453,063	1,115,674	1,268,107	1,619,896	2,148,005
5,210,285	5,959,161	3,976,326	5,035,494	5,820,602	4,602,686
1,332,336	1,237,019	1,273,452	1,177,668	1,055,766	1,073,881
<u>35,800,307</u>	<u>35,628,678</u>	<u>34,693,675</u>	<u>41,272,086</u>	<u>41,760,838</u>	<u>47,124,193</u>
4,333,495	4,775,189	6,005,289	8,292,758	7,552,225	7,881,700
7,176,767	7,103,077	7,268,246	7,212,472	7,447,356	7,466,091
646,183	835,863	874,420	947,710	1,387,609	971,181
2,815,284	2,995,678	3,150,050	3,194,252	3,118,738	3,388,766
223,873	196,828	199,689	254,919	230,641	247,300
<u>15,195,602</u>	<u>15,906,635</u>	<u>17,497,694</u>	<u>19,902,111</u>	<u>19,736,569</u>	<u>19,955,038</u>
<u>\$ 50,995,909</u>	<u>\$ 51,535,313</u>	<u>\$ 52,191,369</u>	<u>\$ 61,174,197</u>	<u>\$ 61,497,407</u>	<u>\$ 67,079,231</u>
\$ 1,200,336	\$ 1,523,408	\$ 1,588,573	\$ 2,531,014	\$ 2,736,739	\$ 2,925,357
639,973	640,043	484,545	743,552	1,219,065	1,336,603
3,147,494	3,229,011	3,425,539	3,692,368	4,221,056	3,512,911
260,166	174,815	202,630	277,356	606,865	879,697
17,475	14,114	10,710	244,798	256,774	15,785
818,506	745,394	691,363	574,989	832,267	861,128
109,594	233,389	65,000	111,105	321,325	106,100
814,885	662,137	650,062	252,589	2,211,209	2,141,283
4,213,649	6,303,648	5,448,944	13,637,840	4,164,802	7,125,610
<u>11,222,078</u>	<u>13,525,959</u>	<u>12,567,366</u>	<u>22,065,611</u>	<u>16,570,102</u>	<u>18,904,474</u>
6,196,486	6,627,825	6,296,882	7,055,925	6,752,023	8,762,047
7,734,100	8,314,613	7,830,367	8,852,192	8,272,758	10,306,336
797,580	809,553	812,464	839,798	835,029	853,769
3,234,523	3,332,815	3,373,629	3,501,944	3,515,497	3,542,295
199,158	188,331	210,367	211,843	213,652	199,826
17,500	-	-	-	-	-
<u>1,162,804</u>	<u>2,286,824</u>	<u>3,711,544</u>	<u>3,777,488</u>	<u>2,934,109</u>	<u>8,223,648</u>
<u>19,342,151</u>	<u>21,559,961</u>	<u>22,235,253</u>	<u>24,239,190</u>	<u>22,523,068</u>	<u>31,887,921</u>
<u>\$ 30,564,229</u>	<u>\$ 35,085,920</u>	<u>\$ 34,802,619</u>	<u>\$ 46,304,801</u>	<u>\$ 39,093,170</u>	<u>\$ 50,792,395</u>

CITY OF DELAWARE, OHIO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (16,816,454)	\$ (14,695,237)	\$ (24,275,710)	\$ (25,512,901)
Business-Type Activities	(793,724)	373,161	612,164	3,686,267
Total Primary Government Net Expense	<u>\$ (17,610,178)</u>	<u>\$ (14,322,076)</u>	<u>\$ (23,663,546)</u>	<u>\$ (21,826,634)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	\$ 1,825,092	\$ 1,752,804	\$ 1,685,641	\$ 1,704,832
Income Taxes ²	14,938,237	15,558,058	18,114,605	19,250,670
Other Taxes	62,339	54,465	51,455	70,301
Gain (Loss) on Sale of Assets	20,837	97,639	12,345	-
Grants and Contributions not Restricted to Specific Programs	1,599,125	2,544,655	2,021,199	1,101,219
Payments in Lieu of Taxes	243,756	581,505	669,138	227,225
Special Assessments	-	-	-	-
Unrestricted Contributions	217,878	300,975	317,683	190,697
Interest Income	240,559	172,788	173,744	198,615
Miscellaneous	124,484	163,347	616,648	728,605
Total Governmental Activities	<u>19,272,307</u>	<u>21,226,236</u>	<u>23,662,458</u>	<u>23,472,164</u>
Special Item				
Transfer of Cemetery net position upon dissolution	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,264,906</u>
Business-Type Activities:				
Interest Income	31,687	14,255	11,818	13,444
Gain on Sale of Assets	14,858	-	-	-
Miscellaneous	221,761	182,472	306,428	160,250
Total Business-Type Activities	<u>268,306</u>	<u>196,727</u>	<u>318,246</u>	<u>173,694</u>
Total Primary Government	<u>\$ 19,540,613</u>	<u>\$ 21,422,963</u>	<u>\$ 23,980,704</u>	<u>\$ 24,910,764</u>
Change in Net Position				
Governmental Activities	\$ 2,455,853	\$ 6,530,999	\$ (613,252)	\$ (775,831)
Business-Type Activities	(525,418)	569,888	930,410	3,859,961
Total Primary Government	<u>\$ 1,930,435</u>	<u>\$ 7,100,887</u>	<u>\$ 317,158</u>	<u>\$ 3,084,130</u>

¹ In 2009, Municipal Court related expenses have been reported separately from Public Safety. Prior years have been restated, accordingly.

² Beginning in 2011, Income tax refunds are not reflected as General Government expenses, but rather as reduction in Income Tax revenues.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ (24,578,229)	\$ (22,102,719)	\$ (22,126,309)	\$ (19,206,475)	\$ (25,190,736)	\$ (28,219,719)
<u>4,146,549</u>	<u>5,653,326</u>	<u>4,737,559</u>	<u>4,337,079</u>	<u>2,786,499</u>	<u>11,932,883</u>
<u>\$ (20,431,680)</u>	<u>\$ (16,449,393)</u>	<u>\$ (17,388,750)</u>	<u>\$ (14,869,396)</u>	<u>\$ (22,404,237)</u>	<u>\$ (16,286,836)</u>

\$ 1,544,312	\$ 1,543,374	\$ 1,667,969	\$ 1,648,383	\$ 1,630,558	\$ 1,819,102
20,393,782	22,011,434	22,674,074	24,762,914	26,941,871	28,042,166
62,197	74,660	81,935	76,461	82,835	85,748
23,892	13,080	-	-	-	-
1,240,061	941,717	905,393	892,453	1,156,562	952,685
581,763	719,788	779,075	1,063,670	745,681	1,459,185
-	83,062	-	129,413	-	-
435,939	267,451	765,495	537,294	-	-
188,031	291,240	145,878	182,410	399,821	817,470
<u>876,322</u>	<u>169,271</u>	<u>561,557</u>	<u>345,269</u>	<u>213,952</u>	<u>541,341</u>
<u>25,346,299</u>	<u>26,115,077</u>	<u>27,581,376</u>	<u>29,638,267</u>	<u>31,171,280</u>	<u>33,717,697</u>

<u>17,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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12,679	16,454	31,295	96,836	228,071	442,592
-	-	-	-	-	-
<u>540,762</u>	<u>383,276</u>	<u>120,468</u>	<u>137,642</u>	<u>108,232</u>	<u>89,744</u>
<u>553,441</u>	<u>399,730</u>	<u>151,763</u>	<u>234,478</u>	<u>336,303</u>	<u>532,336</u>
<u>\$ 25,916,748</u>	<u>\$ 26,514,807</u>	<u>\$ 27,733,139</u>	<u>\$ 29,872,745</u>	<u>\$ 31,507,583</u>	<u>\$ 34,250,033</u>

\$ 785,078	\$ 4,012,358	\$ 5,455,067	\$ 10,431,792	\$ 5,980,544	\$ 5,497,978
<u>4,699,990</u>	<u>6,053,056</u>	<u>4,889,322</u>	<u>4,571,557</u>	<u>3,122,802</u>	<u>12,465,219</u>
<u>\$ 5,485,068</u>	<u>\$ 10,065,414</u>	<u>\$ 10,344,389</u>	<u>\$ 15,003,349</u>	<u>\$ 9,103,346</u>	<u>\$ 17,963,197</u>

CITY OF DELAWARE, OHIO

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ 241,848	\$ 193,516
Committed	-	-	733,570	774,267
Assigned	-	-	171,094	226,167
Unassigned	-	-	4,868,744	5,373,025
Reserved	311,399	283,192	-	-
Unreserved	3,363,482	4,269,038	-	-
Total General Fund	<u>\$ 3,674,881</u>	<u>\$ 4,552,230</u>	<u>\$ 6,015,256</u>	<u>\$ 6,566,975</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 1,467,320	\$ 718,649
Restricted	-	-	11,029,429	12,976,541
Committed	-	-	2,163,710	1,572,458
Assigned	-	-	-	-
Unassigned	-	-	(14,107,013)	(15,144,652)
Reserved	2,260,622	12,632,020	-	-
Unreserved, Reported In:				
Special Revenue Funds	4,367,987	9,161,840	-	-
Debt Service Funds	(40,584)	65,486	-	-
Capital Project Funds	(10,265,440)	(11,336,439)	-	-
Total All Other Governmental Funds	<u>\$ (3,677,415)</u>	<u>\$ 10,522,907</u>	<u>\$ 553,446</u>	<u>\$ 122,996</u>

(1) In 2011, GASB 54 was implemented which created new classifications for fund balance restrictions. There was no restatement of fund balances for years prior to 2011 as the relevant information no longer existed and was unavailable.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 186,096	\$ 159,472	\$ 226,255	\$ 230,035	\$ 153,979	\$ 166,458
784,159	371,870	376,206	402,507	486,338	518,989
132,700	172,773	118,431	1,408,973	164,363	450,662
5,931,742	5,700,232	5,962,298	5,018,573	7,416,633	8,405,954
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,034,697</u>	<u>\$ 6,404,347</u>	<u>\$ 6,683,190</u>	<u>\$ 7,060,088</u>	<u>\$ 8,221,313</u>	<u>\$ 9,542,063</u>
\$ 239,542	\$ 129,229	\$ 236,416	\$ 139,175	\$ 141,694	\$ 672,592
13,948,364	31,871,720	33,047,494	29,358,116	35,975,043	33,321,480
2,576,568	3,468,974	5,565,804	7,696,501	8,065,682	7,414,405
-	-	-	45,497	62,077	68,946
(9,925,636)	(18,111)	-	(82,710)	(76,180)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,838,838</u>	<u>\$ 35,451,812</u>	<u>\$ 38,849,714</u>	<u>\$ 37,156,579</u>	<u>\$ 44,168,316</u>	<u>\$ 41,477,423</u>

CITY OF DELAWARE, OHIO

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Taxes [see Schedule 5]	\$ 16,447,243	\$ 17,360,032	\$ 20,172,350	\$ 20,535,799
Intergovernmental	4,420,892	8,915,679	4,566,345	4,005,737
Payments in Lieu of Taxes	123,249	626,716	658,991	377,639
Special Assessments	-	-	-	-
Interest	240,559	172,788	173,744	198,615
Fees, Licenses, and Permits	649,967	717,855	772,584	839,153
Fines and Forfeitures	2,745,278	2,718,732	2,718,941	2,700,089
Impact Fees	313,320	282,074	317,812	474,539
Charges for Services	2,262,787	2,373,599	2,949,115	2,339,600
Contributions and Donations	-	-	-	-
Miscellaneous Revenues	588,769	653,928	709,914	808,330
Total Revenues	<u>27,792,064</u>	<u>33,821,403</u>	<u>33,039,796</u>	<u>32,279,501</u>
Expenditures				
Public Safety				
Police	6,711,910	6,535,526	6,410,160	6,717,902
Fire	5,021,164	5,207,654	6,701,280	6,530,534
Other	647,593	669,365	628,891	205,862
Municipal Court ³	2,774,856	2,517,600	2,419,095	2,600,349
Parks & Facilities	2,454,881	8,749,976	10,769,217	2,870,507
Community Development	144,508	273,568	707,277	677,968
Airport	687,147	716,795	980,685	806,080
Public Works	2,797,245	6,389,734	3,764,992	4,935,056
General Government	4,145,850	4,436,391	4,555,490	4,395,764
Capital Outlay	3,217,430	917,033	2,365,391	1,011,857
Refunds	-	-	26,409	427,286
Debt Service				
Principal	563,915	1,063,900	895,000	1,075,246
Interest and Charges	<u>759,014</u>	<u>1,538,929</u>	<u>1,334,689</u>	<u>1,382,852</u>
Total Expenditures	<u>29,925,513</u>	<u>39,016,471</u>	<u>41,558,576</u>	<u>33,637,263</u>
Excess of Revenues Over/(Under) Expenditures	(2,133,449)	(5,195,068)	(8,518,780)	(1,357,762)
Other Financing Sources (Uses)				
Issuance of Bonds	-	20,120,000	-	3,395,000
Issuance of Notes	-	-	-	-
Premium on Bond Issuance	-	140,775	-	65,710
Premium on Bond Issuance	-	-	-	-
Proceeds of Capital Lease	-	-	-	1,090,176
Payment to Refunding Agent	-	-	-	(3,383,489)
Discount on Bond Issuance	-	-	-	(24,058)
Sale of Long-term Notes	-	-	-	-
Sale of Assets ¹	37,085	11,964	12,345	28,786
Transfers In	5,804,230	6,121,095	5,155,407	6,804,445
Transfers Out	<u>(5,804,230)</u>	<u>(6,121,095)</u>	<u>(5,155,407)</u>	<u>(6,804,445)</u>
Total Other Financing Sources (Uses)	<u>37,085</u>	<u>20,272,739</u>	<u>12,345</u>	<u>1,172,125</u>
Special Item				
Transfer of Cemetery Fund Balance upon dissolution	-	-	-	306,906
Net Change in Fund Balances	<u>\$ (2,096,364)</u>	<u>\$ 15,077,671</u>	<u>\$ (8,506,435)</u>	<u>\$ 121,269</u>
Debt Service as a Percentage of Noncapital Expenditures [restated]²	5.27%	9.88%	7.07%	8.52%

¹ Due to materiality, Sale of Assets was reported in Miscellaneous Revenues until 2008.

² Restated to use corrected capital outlay amount in calculation.

³ In 2009, Municipal Court related expenditures have been reported separately from Public Safety. Prior years have been restated, accordingly.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 21,988,314	\$ 23,270,782	\$ 24,379,942	\$ 25,921,183	\$ 27,262,335	\$ 29,612,668
4,992,428	4,773,815	3,981,229	8,345,560	4,121,204	4,692,576
471,345	667,480	713,560	656,973	902,657	1,258,115
-	83,062	-	129,413	108,233	79,257
188,031	291,240	145,878	182,410	496,053	1,016,538
829,268	931,856	1,026,156	1,267,821	1,132,517	1,589,564
2,842,024	2,882,641	2,917,509	3,104,553	3,728,548	2,776,641
748,427	599,244	602,123	975,515	500,187	1,175,350
2,594,039	3,072,065	2,453,250	3,731,316	4,338,192	3,919,479
-	79,842	38,606	321,802	75,082	47,487
723,758	1,708,434	505,472	304,669	284,967	552,350
<u>35,377,634</u>	<u>38,360,461</u>	<u>36,763,725</u>	<u>44,941,215</u>	<u>42,949,975</u>	<u>46,720,025</u>
6,920,490	7,108,706	7,137,567	7,950,012	8,055,865	8,465,175
9,672,186	7,753,521	7,847,262	10,201,888	8,207,483	12,403,802
286,614	878,777	848,743	994,875	846,536	2,914,605
2,567,248	2,566,389	2,657,511	2,788,535	2,749,032	991,988
1,696,745	1,831,678	3,633,933	2,937,310	2,246,233	2,556,607
1,373,576	1,898,134	932,962	1,367,041	1,120,485	634,584
1,272,294	1,196,372	1,061,877	5,335,278	1,241,199	1,248,984
4,572,490	5,153,101	5,148,742	4,899,953	4,578,396	4,913,127
5,044,760	4,585,133	4,658,180	5,363,259	5,666,642	7,652,099
276,558	-	-	-	-	-
27,452	67,835	-	-	-	-
1,704,365	1,692,120	16,734,926	14,137,783	13,057,925	12,355,203
<u>1,395,968</u>	<u>1,271,476</u>	<u>1,287,743</u>	<u>1,233,029</u>	<u>1,218,012</u>	<u>1,261,456</u>
<u>36,810,746</u>	<u>36,003,242</u>	<u>51,949,446</u>	<u>57,208,963</u>	<u>48,987,808</u>	<u>55,397,630</u>
(1,433,112)	2,357,219	(15,185,721)	(12,267,748)	(6,037,833)	(8,677,605)
8,260,000	-	6,250,000	-	4,271,735	-
-	-	-	-	10,265,000	7,150,000
280,261	-	295,956	12,482	414,292	-
-	-	-	-	69,412	118,663
-	-	-	-	-	38,799
-	-	-	-	(812,835)	-
-	-	-	-	-	-
-	14,885,000	12,145,000	11,015,000	-	-
59,407	13,080	56,735	38,804	3,191	-
9,292,264	8,332,187	9,573,938	7,048,628	7,304,862	7,915,039
<u>(9,292,264)</u>	<u>(8,332,187)</u>	<u>(9,573,938)</u>	<u>(7,048,628)</u>	<u>(7,304,862)</u>	<u>(7,915,039)</u>
<u>8,599,668</u>	<u>14,898,080</u>	<u>18,747,691</u>	<u>11,066,286</u>	<u>14,210,795</u>	<u>7,307,462</u>
17,008	-	-	-	-	-
<u>\$ 7,183,564</u>	<u>\$ 17,255,299</u>	<u>\$ 3,561,970</u>	<u>\$ (1,201,462)</u>	<u>\$ 8,172,962</u>	<u>\$ (1,370,143)</u>
9.48%	8.66%	39.45%	31.72%	31.13%	27.91%

CITY OF DELAWARE, OHIO

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<i>Year</i>	<i>Property</i>	<i>Income</i>	<i>Other</i>	<i>Total</i>
2009	1,825,092	14,559,812	62,339	16,447,243
2010	1,752,804	15,552,763	54,465	17,360,032
2011	1,685,641	18,435,254	51,455	20,172,350
2012	1,549,615	18,915,883	70,301	20,535,799
2013	1,561,152	20,364,965	62,197	21,988,314
2014	1,561,621	21,634,501	74,660	23,270,782
2015	1,629,272	22,668,735	81,935	24,379,942
2016	1,702,541	24,142,181	76,461	25,921,183
2017	1,630,558	25,548,942	82,835	27,262,335
2018	1,847,520	27,679,400	85,748	29,612,668
2009 to 2018	1.21%	94.25%	36.28%	83.15%

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CITY OF DELAWARE, OHIO

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
[IN THOUSANDS OF DOLLARS]

<i>Collection Year Ended December 31</i>	<i>Real Property</i>				
	<i>Residential</i>	<i>Industrial</i>		<i>Commercial</i>	<i>Public Utility</i>
	<i>Property</i>	<i>Farm Property</i>	<i>Property</i>	<i>Property</i>	
2009	510,990	1,007	43,579	125,106	74
2010	509,294	1,001	45,495	132,514	85
2011	514,519	1,001	47,745	123,858	89
2012	481,689	1,308	45,783	120,973	98
2013	485,050	660	42,758	117,040	90
2014	493,795	661	40,480	118,438	94
2015	502,720	1,441	55,515	122,111	96
2016	520,571	2,121	47,991	131,885	90
2017	602,170	1,873	51,619	139,286	88
2018	618,956	2,460	51,637	137,530	90

Source: Delaware County Auditor's Office

<i>Public Util Pers. Prop.</i>	<i>Tangible</i>	<i>Total Taxable Assessed Value</i>	<i>Total Direct Tax Rate</i>	<i>Estimated Actual Taxable Value</i>	<i>Assessed Value as a Percentage of Actual Value</i>
15,848	749	697,353	2.70	2,015,746	34.60
16,594	367	705,350	2.70	2,040,441	34.57
18,815	-	706,027	2.70	2,017,217	35.00
20,058	-	669,909	2.70	1,914,024	35.00
20,089	-	665,687	2.70	1,901,965	35.00
20,946	-	674,414	2.70	1,926,898	35.00
21,199	-	703,082	2.70	2,008,806	35.00
23,357	-	726,015	2.70	2,074,329	35.00
25,063	-	820,099	2.70	2,343,140	35.00
27,400	-	838,073	2.70	2,394,494	35.00

CITY OF DELAWARE, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

[RATE PER \$1,000 OF ASSESSED VALUE]

<i>Collection Year</i>	<i>City of Delaware</i>			<i>Overlapping Rates¹</i>			<i>Total Direct & Overlapping Rates</i>
	<i>General Fund</i>	<i>Police & Fire Pension</i>	<i>Total Direct</i>	<i>County</i>	<i>School District</i>	<i>Other</i>	
2009	2.10	0.60	2.70	6.30	67.42	3.94	80.36
2010	2.10	0.60	2.70	7.09	66.83	4.93	81.55
2011	2.10	0.60	2.70	7.10	66.91	4.90	81.61
2012	2.10	0.60	2.70	7.10	76.38	4.90	91.08
2013	2.10	0.60	2.70	7.10	76.73	4.90	91.43
2014	2.10	0.60	2.70	7.96	78.20	4.90	93.76
2015	2.10	0.60	2.70	7.96	78.51	4.90	94.07
2016	2.10	0.60	2.70	8.11	77.94	4.90	93.65
2017	2.10	0.60	2.70	8.09	83.55	4.90	99.24
2018	2.10	0.60	2.70	8.90	83.35	4.90	99.85

Source: Delaware County Auditor's Office

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents.

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Delaware.

Not all overlapping rates apply to all Delaware property owners: annexed properties may still pay township taxes in addition to City taxes.

CITY OF DELAWARE, OHIO
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
			<i>Percentage of</i>			<i>Percentage of</i>
	<i>Taxable</i>		<i>Total City</i>	<i>Taxable</i>		<i>Total City</i>
	<i>Assessed Value</i>	<i>Rank</i>	<i>Taxable</i>	<i>Assessed</i>	<i>Rank</i>	<i>Taxable</i>
			<i>Assessed Value</i>	<i>Value</i>		<i>Assessed Value</i>
Ohio [Columbus Southern] Power Co.	\$ 19,051,110	1	2.27 %	\$ 10,518,800	1	1.54 %
Kroger Company	8,574,180	2	1.02	7,106,630	2	1.04
HPI Troy Farms LLC	8,353,450	3	1.00	—	—	—
Carson Farms Investments LLC	5,428,500	4	0.65	—	—	—
Crown Group, Ltd.	4,906,740	5	0.59	—	—	—
Grady Memorial Hospital	4,808,580	6	0.57	—	—	—
Willow Brook Christian	4,599,150	7	0.55	4,299,800	8	0.63
Delaware Preserve LLC	4,221,600	8	0.50	—	—	—
Bowtown Apartments, Inc.	4,056,220	9	0.48	4,529,210	4	0.66
USPG Portfolio Two, LLC	3,951,030	10	0.47	3,990,890	5	0.58
Columbia Gas of Ohio	3,930,820	11	0.47	4,922,320	3	0.72
Terra Alta LLC	3,788,600	12	0.45	3,871,670	6	0.57
All Others	<u>762,403,440</u>		<u>90.97</u>	<u>645,374,221</u>		<u>94.27</u>
Total	<u>838,073,420</u>		<u>100 %</u>	<u>684,613,541</u>		<u>100 %</u>

Source: Delaware County Auditor's Office.

CITY OF DELAWARE, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<i>Tax Year/ Collection Year</i>	<i>Total Tax Levy</i>	<i>Current Tax Collections ¹</i>	<i>Percentage of Current Collections to Current Levy</i>	<i>Delinquent Tax Collections ²</i>	<i>Total Tax Collections</i>	<i>Percentage of Total Collections to Total Tax Levy</i>
2008/2009	1,832,785	1,771,209	96.64	58,723	1,829,932	99.84
2009/2010	1,856,229	1,753,217	94.45	51,149	1,804,366	97.21
2010/2011	1,854,135	1,776,838	95.83	70,062	1,846,900	99.61
2011/2012	1,762,460	1,715,093	97.31	43,714	1,758,807	99.79
2012/2013	1,756,488	1,694,568	96.47	53,757	1,748,325	99.54
2013/2014	1,773,793	1,710,019	96.40	46,458	1,756,477	99.02
2014/2015	1,838,428	1,782,436	96.95	37,766	1,820,202	99.01
2015/2016	1,873,277	1,848,443	98.67	52,235	1,900,678	101.46
2016/2017	1,895,706	1,795,546	94.72	31,361	1,826,907	96.37
2017/2018	2,122,266	1,779,140	83.83	36,527	1,815,667	96.37

¹ State reimbursement of homestead and rollback exemptions are included.

² The County does not identify delinquent collections by tax year.

The presentation will be updated as new information becomes available.

Source: Delaware County Auditor's Office, City of Delaware Finance Department

CITY OF DELAWARE, OHIO

**INCOME TAX REVENUE BY SOURCE
LAST TEN YEARS**

[MODIFIED ACCRUAL BASIS OF ACCOUNTING, IN THOUSANDS OF DOLLARS]

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Income Tax Rate	1.55%	1.55%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
Business Accounts	\$ 1,270	\$ 1,264	\$ 1,338	\$ 1,516	\$ 1,989	\$ 1,940	\$ 1,840	\$ 1,807	\$ 2,025	\$ 1,867
Percentage of Total	8.72%	8.13%	7.26%	8.01%	9.77%	8.97%	8.12%	7.48%	7.93%	7.28%
Residential Accounts	3,213	3,425	3,775	3,933	4,250	4,534	5,219	5,538	4,805	4,995
Percentage of Total	22.07%	22.02%	20.48%	20.79%	20.87%	20.96%	23.02%	22.94%	18.81%	19.48%
Withholding Accounts	10,077	10,864	13,322	13,467	14,126	15,161	15,610	16,797	18,719	18,775
Percentage of Total	69.21%	69.85%	72.26%	71.19%	69.36%	70.08%	68.86%	69.58%	73.27%	73.23%
Total Income Tax Revenues	<u>\$ 14,560</u>	<u>\$ 15,552</u>	<u>\$ 18,435</u>	<u>\$ 18,916</u>	<u>\$ 20,365</u>	<u>\$ 21,635</u>	<u>\$ 22,669</u>	<u>\$ 24,142</u>	<u>\$ 25,549</u>	<u>\$ 25,637</u>

Source: City of Delaware Tax Department

Passage of levy in 2008 increased rate by .15% for recreation improvements.

Passage of levy in 2010 increased rate by .3% for fire/ems improvements.

CITY OF DELAWARE, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
[DOLLARS IN THOUSANDS, EXCEPT PER CAPITA]

<i>Year</i>	<i>Governmental Activities</i>					<i>Business-type Activities</i>			
	<i>General Obligation Bonds</i>	<i>Income Tax Revenue Bonds</i>	<i>Special Assessment Bonds</i>	<i>BANs [Long- Term]</i>	<i>Capital Leases</i>	<i>Sewer Bonds</i>	<i>General Obligation Bonds</i>	<i>Loans Payable</i>	<i>Capital Leases</i>
2009	7,103	-	23	-	21	15,150	8,976	23,245	-
2010	6,583	19,620	-	-	-	15,020	7,982	22,202	-
2011	6,043	19,265	-	-	-	14,855	7,567	23,446	-
2012	5,513	18,865	-	-	980	14,660	6,946	25,928	-
2013	12,648	18,435	-	-	831	14,415	6,471	30,284	327
2014	11,858	18,083	-	14,885	678	14,117	6,009	48,793	253
2015	17,156	17,592	-	12,145	524	13,732	5,508	50,091	176
2016	15,797	17,076	-	11,015	366	13,337	5,008	47,796	99
2017	18,271	16,531	-	10,265	205	12,932	4,616	45,603	20
2018	16,862	15,955	-	7,150	41	12,511	4,131	43,231	-

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See Schedule 16 for personal income and population data.

Sources: City of Delaware Finance Department, Economic Development Department

<i>Total Primary Government</i>	<i>Percentage of Personal Income¹</i>	<i>Per Capita¹</i>
54,518	6.24	1,594
71,407	7.94	2,040
71,176	7.86	2,034
72,892	9.97	2,056
83,411	9.02	2,322
114,676	11.65	3,145
116,924	11.52	3,160
110,495	10.60	2,908
108,444	9.98	2,806
99,881	8.03	2,420

CITY OF DELAWARE, OHIO

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN YEARS
[DOLLARS IN THOUSANDS, EXCEPT PER CAPITA]

<i>Year</i>	<i>General Obligation Bonds</i>	<i>Less: Amounts Available in Debt Service Fund</i>	<i>Total</i>	<i>Percentage of Estimated Actual Taxable Value of</i>	
				<i>Property¹</i>	<i>Per Capita²</i>
2009	16,079	-	16,079	0.80	471
2010	14,565	-	14,565	0.71	416
2011	13,610	-	13,610	0.67	389
2012	12,459	-	12,459	0.65	351
2013	19,119	10	19,109	1.00	532
2014	17,867	56	17,811	0.92	489
2015	22,665	64	22,601	1.13	611
2016	20,805	72	20,733	1.00	546
2017	22,887	332	22,555	0.96	584
2018	20,993	337	20,656	0.86	500

Note: Further details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. The amounts were restated to include both governmental and business-type bonds.

¹ See Schedule 6 for property value data.

² Population data can be found in Schedule 16.

CITY OF DELAWARE, OHIO

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Outstanding General Obligation Debt			
Delaware County	\$ 109,141,023	10.43%	\$ 11,383,409
Delaware City School District	<u>65,823,072</u>	100.00%	<u>65,823,072</u>
Subtotal, Overlapping Debt	<u>\$ 174,964,095</u>		<u>77,206,481</u>
City of Delaware direct debt			<u>43,123,230</u>
Total Direct and Overlapping Debt			<u><u>\$ 120,329,711</u></u>

Sources: Debt outstanding and assessed value data used to estimate applicable percentages provided by the County Auditor.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Delaware. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF DELAWARE, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
[DOLLARS IN THOUSANDS]

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed value	\$ 697,353	\$ 705,350	\$ 706,027	\$ 669,909
Overall Debt Limit - 10.5% of Assessed Valuation	73,222	74,062	74,133	70,340
Total Net Debt Applicable to Limit	<u>7,126</u>	<u>6,583</u>	<u>6,054</u>	<u>5,566</u>
Legal Debt Margin	66,096	67,479	68,079	64,774
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.73%	8.89%	8.17%	7.91%
Unvoted Debt Limit -- 5.5% of Assessed Valuation [General Limitation]	38,354	38,794	38,831	36,845
Total Net Debt Applicable to Limit	<u>7,126</u>	<u>6,583</u>	<u>6,054</u>	<u>5,566</u>
Legal Debt Margin	31,228	32,211	32,777	31,279
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.58%	16.97%	15.59%	15.11%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10.5% of total assessed property value for voted debt, nor 5.5% of the total for unvoted debt. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 665,687	\$ 674,414	\$ 703,082	\$ 702,658	\$ 795,000	\$ 838,073
69,897	70,813	73,824	73,779	83,475	87,998
<u>12,957</u>	<u>11,573</u>	<u>16,612</u>	<u>15,288</u>	<u>17,413</u>	<u>16,066</u>
56,940	59,240	57,212	58,491	66,062	71,932
18.54%	16.34%	22.50%	20.72%	20.86%	18.26%
36,613	37,093	38,670	38,646	43,725	46,094
<u>12,957</u>	<u>11,573</u>	<u>16,612</u>	<u>15,288</u>	<u>17,413</u>	<u>16,066</u>
23,656	25,520	22,058	23,358	26,312	30,028
35.39%	31.20%	42.96%	39.56%	39.82%	34.85%

CITY OF DELAWARE, OHIO

PLEDGED REVENUE COVERAGE
LAST TEN YEARS
[DOLLARS IN THOUSANDS]

<i>Fiscal Year</i>	<i>Water Revenue Bonds & Loans</i>						<i>Sewer Revenue Bonds & Loans</i>					
	<i>Water</i>	<i>Less:</i>	<i>Net</i>	<i>Debt Service</i>			<i>Sewer</i>	<i>Less:</i>	<i>Net</i>	<i>Debt Service</i>		
	<i>Charges</i>	<i>Operating</i>	<i>Available</i>	<i>Principal</i>	<i>Interest</i>	<i>Coverage</i>	<i>Charges</i>	<i>Operating</i>	<i>Available</i>	<i>Principal</i>	<i>Interest</i>	<i>Coverage</i>
	<i>and Other</i> ¹	²	<i>Revenue</i>				<i>and Other</i> ¹	<i>Expenses</i> ²	<i>Revenue</i>			
2009	N/A	N/A	N/A	-	-	-	5,971	3,050	2,921	1,541	1,631	0.92
2010	N/A	N/A	N/A	-	-	-	6,309	3,223	3,086	1,723	1,697	0.90
2011	4,351	3,208	1,143	27	41	16.81	6,426	3,238	3,188	1,663	1,229	1.10
2012	5,158	3,298	1,860	57	80	13.58	6,983	3,478	3,505	1,851	1,518	1.04
2013	5,573	3,235	2,338	85	319	5.79	6,676	3,784	2,892	1,376	1,330	1.07
2014	5,366	3,619	1,747	198	370	3.08	7,112	3,592	3,520	1,787	1,349	1.12
2015	6,277	3,646	2,631	1,061	1,259	1.13	7,309	3,756	3,553	1,924	943	1.24
2016	5,561	5,650	(89)	1,157	1,644	(0.03)	6,926	5,267	1,659	1,978	1,106	0.54
2017	5,792	4,926	866	1,055	1,155	0.39	7,300	4,885	2,415	2,050	1,104	0.77
2018	5,701	4,732	969	70	66	7.13	7,360	4,182	3,178	1,771	1,061	1.12

<i>Fiscal Year</i>	<i>Special Assessment Bonds</i>				<i>Income Tax Bonds</i>			
	<i>Special</i>	<i>Debt Service</i>			<i>Income</i>	<i>Debt Service</i>		
	<i>Assessments</i>	<i>Collections</i>	<i>Principal</i>	<i>Interest</i>	<i>Tax</i>	<i>Collections</i>	<i>Principal</i>	<i>Interest</i>
2009		35	39	4	0.81	-	-	-
2010		21	23	1	0.88	1,226	500	648
2011	N/A	N/A	N/A	N/A	-	1,508	355	392
2012	N/A	N/A	N/A	N/A	-	1,557	400	385
2013	N/A	N/A	N/A	N/A	-	1,615	430	377
2014	N/A	N/A	N/A	N/A	-	1,748	465	791
2015	N/A	N/A	N/A	N/A	-	1,807	485	780
2016	N/A	N/A	N/A	N/A	-	1,910	510	768
2017	N/A	N/A	N/A	N/A	-	2,050	540	721
2018	N/A	N/A	N/A	N/A	-	2,767	570	698

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Charges and Other Revenues do not include Capacity Fees, Contributed Assets, or Interest.

² Operating Expenses do not include Depreciation or Debt Service.

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CITY OF DELAWARE, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

<i>Year</i>	<i>Population</i> ¹	<i>Personal Income</i> <i>[thousands of dollars]</i>	<i>Per Capita</i> <i>Personal Income</i> ¹	<i>School Enrollment</i> ²	<i>Unemployment</i> <i>Rate</i> ³
2009	34,168	872,412	25,533	4,800	7.80
2010	35,000	899,465	25,699	5,185	7.10
2011	35,011	905,560	25,865	5,272	6.42
2012	35,450	926,083	26,124	5,272	5.50
2013	35,925	924,817	25,743	5,525	5.40
2014	36,459	984,101	26,992	5,556	3.30
2015	37,002	1,014,632	27,421	5,453	3.60
2016	38,643	1,059,823	27,426	5,314	3.60
2017	39,600	1,113,908	28,129	5,451	3.40
2018	41,274	1,244,287	30,147	5,700	3.20

Sources: U.S. Census Bureau, Bureau of Economic Analysis, Delaware City Schools

¹ "Population estimates and Projections ", published by the U.S. Department of Commerce, Bureau of the Census, when available. When unavailable, estimates are interpolated based on increases in construction of single and double family homes.

² Delaware City School District

³ Ohio Bureau of Employment Services, Civilian Labor Force Research and Statistics Estimates

CITY OF DELAWARE, OHIO

**PRINCIPAL BUSINESS WITHHOLDINGS TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2018				2009			
	<i>Taxes Paid¹</i>	<i>Rank</i>	<i>Percentage of Total Business¹</i>	<i>Percentage of Total City²</i>	<i>Taxes Paid¹</i>	<i>Rank</i>	<i>Percentage of Total Business¹</i>	<i>Percentage of Total City²</i>
The Kroger Company	\$ 1,063,296	1	5.66 %	3.60 %	\$ 560,613	1	5.16 %	4.36 %
Delaware County Auditor	896,786	2	4.78	3.04	491,771	2	4.53	3.82
Delaware City Board of Education	613,211	3	3.27	2.08	326,191	5	3.00	2.54
OhioHealth Corp [Grady Memorial Hospital]	551,067	4	2.94	1.87	343,715	3	3.16	2.67
Ohio Wesleyan University	509,712	5	2.71	1.73	319,083	7	2.94	2.48
PPG Industries Ohio, Inc.	470,693	6	2.51	1.60	314,752	8	2.90	2.45
State of Ohio	428,333	7	2.28	1.45	322,144	6	2.97	2.50
City of Delaware	404,322	8	2.15	1.37	237,132	9	2.18	1.84
Honda of America Mfg., Inc.	371,408	9	1.98	1.26	226,096	10	2.08	1.76
Grant Riverside Med Care Foundation	358,428	10	1.91	1.21	—	—	—	—
Vertiv Corp [Liebert North America, Inc.]	322,344	11	1.72	1.09	339,051	4	3.12	2.64
Jegs Automotive	320,757	12	1.71	1.09	162,308	11	1.49	1.26
Advance Stores Co. Inc.	271,961	13	1.45	0.92	122,710	14	1.13	0.95
Olentangy Local School District	250,793	14	1.34	0.85	103,564.0	16	0.95	0.80
Associated Hygienic Products	199,991	15	1.07	0.68	155,622.0	12	1.43	1.21
All Others	<u>11,742,289</u>		<u>62.54</u>	<u>39.80</u>	<u>6,839,248</u>		<u>62.95</u>	<u>53.16</u>
Total Business Withholdings	<u>\$18,775,391</u>		<u>100.00 %</u>	<u>63.61 %</u>	<u>\$ 10,864,000</u>		<u>100.00 %</u>	<u>84.44 %</u>

¹As compared to total business withholdings for the year from Schedule 10.

²As compared to total taxes received for the year from Schedule 10.

Source: City of Delaware Tax Department

CITY OF DELAWARE, OHIO

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government	48.5	48.5	47.5	45.5	46.5
Public Safety					
Police					
Officers	50.0	48.0	52.0	52.0	52.0
Civilians	16.7	7.5	8.5	8.5	8.5
Fire					
Firefighters and Officers	45.0	44.0	44.0	56.0	61.0
Civilians	2.7	1.5	1.5	1.5	1.5
Prosecutor	5.0	5.0	5.0	6.0	6.0
Municipal Court	35.0	35.0	35.0	35.0	35.4
Parks & Facilities	20.7	20.7	20.7	8.9	9.5
Community Development	1.0	1.0	1.0	1.0	1.0
Airport	3.0	3.0	2.5	2.5	2.5
Public Works	19.0	19.0	18.0	18.0	18.0
Water	17.0	17.0	17.5	17.8	17.0
Sewer	15.5	15.9	15.9	15.9	16.0
Refuse	13.0	13.0	13.0	13.0	13.0
Storm Sewer	2.0	2.0	2.0	2.0	2.0
Golf Course	3.4	3.4	3.4	3.4	3.1
Garage	4.0	4.0	4.0	4.0	4.0
Information Technology	4.0	4.8	4.8	4.8	5.0
Total	<u>305.5</u>	<u>293.3</u>	<u>296.3</u>	<u>295.8</u>	<u>302.0</u>

Source: City of Delaware's annual budget reports.

Notes: Beginning in 2015, Engineering [part of General Government] has merged with Public Works.

In 2009, Municipal Court related expenses have been reported separately from Public Safety. Prior years have been restated, accordingly.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
50.0	35.5	35.5	32.0	32.4
52.0	52.0	53.0	54.0	54.0
8.5	8.5	9.0	11.0	11.0
56.0	68.0	68.0	69.0	69.5
3.0	1.0	1.0	1.0	1.0
7.0	7.5	7.5	8.0	38.5
37.0	33.0	33.0	36.5	8.0
13.5	14.5	15.0	14.8	11.7
2.0	2.0	2.0	2.0	2.0
2.5	3.3	3.3	3.3	2.5
17.0	27.4	28.0	30.5	29.0
20.0	19.0	19.0	18.0	18.0
13.0	16.0	16.0	16.0	15.0
15.0	14.0	14.5	15.0	15.0
3.5	3.0	3.0	3.3	3.0
3.1	3.1	3.1	3.1	3.1
4.0	4.0	4.0	4.0	4.0
5.0	5.0	5.0	5.0	5.0
<u>312.1</u>	<u>316.8</u>	<u>319.9</u>	<u>326.5</u>	<u>322.7</u>

CITY OF DELAWARE, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety					
Police					
Arrests	3,084	3,321	3,040	2,760	2,731
Traffic Violations	2,637	2,271	1,664	1,934	2,398
Parking Tickets	2,239	2,109	2,764	4,114	3,261
Fire					
Emergency Responses	4,674	4,470	4,761	4,928	4,831
Fires Extinguished	129	104	133	103	104
Inspections	1,019	1,049	1,218	817	1,222
Parks & Facilities [including Oak Grove Cemetery]					
Pool memberships	894	928	824	n/a	n/a
Burials/Interments	n/a	n/a	n/a	98	99
Airport					
Fuel sales 100 LL [low-lead] [in gallons]	41,902	45,996	44,379	45,552	39,998
Fuel sales Jet A [in gallons]	58,594	57,695	57,959	66,611	71,814
Public Works					
Lane miles of roads built/donated	2.0	0.43	0.35	0.89	2.10
Street lights installed/donated	111	13	11	25	34
Water					
Average daily consumption [thousands of gallons]	3,473	3,648	3,774	3,661	3,889
Miles of lines donated	1.1	0.57	0.08	0.92	0.83
Sewer					
Miles of lines donated	1.0	0.84	0.03	0.74	1.22
Refuse					
Average monthly tonnage-collected recyclable material	101	122	107	122	115
Average monthly tonnage-collected solid waste materials	1,194	1,209	1,248	1,198	1,210
Average monthly tonnage-collected yard waste materials	131	120	145	124	134
Golf Course					
Memberships sold	60	57	52	61	60
Rounds sold [Members]	n/a	n/a	n/a	3,423	4,482
Rounds sold [Non-Members]	n/a	n/a	n/a	12,103	10,659

Source: City of Delaware Staff/Department Heads

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
2,613	3,117	2,749	2,819	2,547
2,001	1,923	1,948	2,012	1,658
2,966	4,450	3,401	2,287	2,768
5,173	5,380	5,890	5,924	6,252
102	126	108	109	111
1,461	1,365	1,345	1,402	656
n/a	n/a	n/a	n/a	n/a
89	92	82	80	83
34,930	28,712	39,195	42,678	44,590
65,852	72,568	54,222	86,659	97,211
1.67	1.76	2.74	4.53	4.79
63	68	96	96	196
3,774	3,134	3,287	3,330	3,250
1.89	1.72	2.27	2.44	5.10
2.27	2.29	2.39	2.90	6.19
116	120	126	129	118
1,225	1,268	1,310	1,213	1,206
139	153	150	165	154
77	54	58	57	58
5,149	5,394	4,663	5,233	3,931
9,329	9,891	9,148	11,027	9,243

CITY OF DELAWARE, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety					
Police					
Stations	1	1	1	1	1
Cruisers	13	13	13	13	13
SRO Cars	2	2	2	2	2
Fire					
Stations	2	2	2	2	3
Fire Trucks	8	8	8	8	8
Ambulances	4	4	4	4	4
Parks & Facilities [including Oak Grove Cemetery]					
Parks	22	22	23	24	24
Acreage	352	352	366	368	368
Cemeteries	0	0	0	1	1
Public Works					
Lane Miles of Streets	301	303	303	305	306
Street Lights	1,616	1,629	1,629	1,678	1,754
Dump Trucks/ Snow Plows	14	14	14	14	14
Water					
Miles of Water Distribution	169	170	174	175	178
Sewer					
Miles of Sanitary Sewerline	153	154	156	157	159
Refuse					
Solid Waste Removal Trucks	8	8	8	8	8
Recycling Trucks	6	6	6	6	6

Source: City of Delaware Staff/Department Heads

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1	1	1	1	1+ sub stat.
13	13	13	14	14
2	2	2	2	2
3	3	3	3	3
8	8	8	8	8
4	4	4	4	4
24	24	24	24	24
368	368	368	368	368
1	1	1	1	1
308	311	312	317	322
1,817	1,817	1,913	2,009	2,205
14	14	14	20	16
180	182	185	187	192
161	163	166	169	175
9	9	9	9	9
5	5	5	5	5

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