



# City of Worthington, Ohio COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ended December 31, 2018







88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Members of Council  
City of Worthington  
6550 North High Street  
Worthington, Ohio 43085

We have reviewed the *Independent Auditor's Report* of the City of Worthington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Worthington is responsible for compliance with these laws and regulations

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

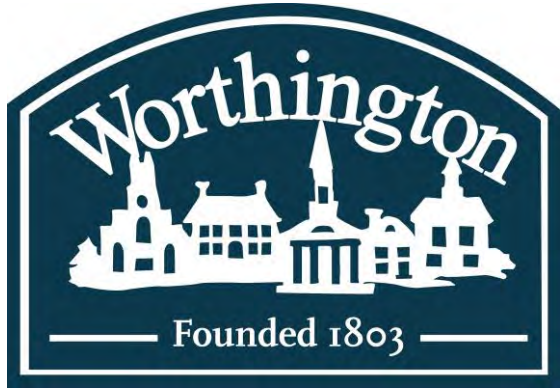
July 25, 2019

**This page intentionally left blank.**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

Issued by:  
Department of Finance  
Scott F. Bartter  
Director



**TABLE OF CONTENTS**

---

**I** **INTRODUCTORY SECTION**

**A** Letter of Transmittal .....v  
**B** List of Principal Officials .....x  
**C** City Organizational Chart .....xi

**II** **FINANCIAL SECTION**

**A** Independent Auditor’s Report.....1  
**B** Management’s Discussion and Analysis.....5  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position .....16  
        Statement of Activities .....18  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....20  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
            Governmental Activities .....21  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....23  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities .....24  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis):  
                General Fund .....25  
        *Fiduciary Funds:*  
            Statement of Net Position .....26  
Notes to the Basic Financial Statements.....27

**D Required Supplemental Information:**

Schedule of City’s Proportionate Share of the Net Pension Liability .....	81
Schedule of City Pension Contributions .....	82
Schedule of City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability.....	85
Schedule of City Other Postemployment Benefit (OPEB) Contributions .....	86
Notes to the Required Supplemental Information .....	88

**E Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	95
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	100
Combining Balance Sheet – Nonmajor Debt Service Funds .....	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	105
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	107

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i> .....	108
---------------------------	-----

*Capital Projects Funds:*

Capital Improvement Fund.....	113
-------------------------------	-----



# CITY OF WORTHINGTON

---

## Nonmajor Governmental Funds:

### *Special Revenue Funds:*

Property Assessed Clean Energy Fund.....	114
Street, Construction, Maintenance and Repair Fund.....	115
State Highway Fund .....	116
Water Fund.....	117
Sanitary Sewer Fund .....	118
Police Pension Fund .....	119
Law Enforcement Fund .....	120
Municipal Motor Vehicle License Tax Fund .....	121
Enforcement and Education Fund .....	122
Community Technology Fund.....	123
Court Clerk Computer Fund.....	124
Economic Development Fund .....	125
FEMA Fund.....	126
Law Enforcement Continuing Education Fund .....	127
Parks and Recreation Fund.....	128
Special Parks Fund .....	129
Bicentennial Trust Fund .....	130

### *Debt Service Funds:*

General Obligation Bond Retirement Fund.....	131
Special Assessment Bond Retirement Fund.....	132

### *Capital Projects Funds:*

Trunk Sewer Fund .....	133
Tax Increment Financing Fund .....	134

## Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities .....	136
--	-----

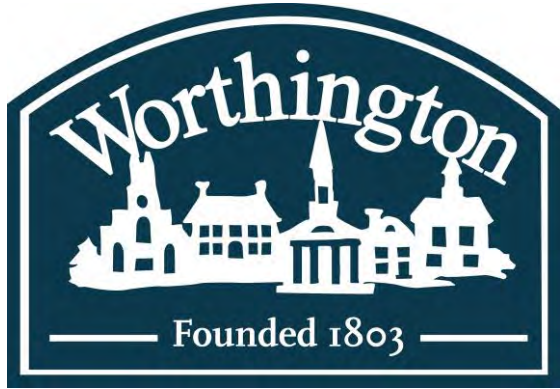
**III** STATISTICAL SECTION

Net Position by Component - Last Ten Years ..... S 2  
Changes in Net Position - Last Ten Years..... S 4  
Fund Balances, Governmental Funds - Last Ten Years ..... S 8  
Changes in Fund Balances, Governmental Funds - Last Ten Years ..... S 10  
Income Tax Revenues by Source, Governmental Funds - Last Ten Years ..... S 14  
Income Tax Statistics - Current Year and Nine Years Ago ..... S 16  
Principal Property Taxpayers - Current Year and Nine Years Ago ..... S 17  
Ratios of Outstanding Debt By Type - Last Ten Years..... S 18  
Ratios of General Bonded Debt Outstanding - Last Ten Years ..... S 20  
Computation of Direct and Overlapping Debt Attributable to  
Governmental Activities - Current Year ..... S 23  
Debt Limitations - Last Ten Years ..... S 24  
Demographic and Economic Statistics - Last Ten Years ..... S 26  
Principal Employers - Current Year and Nine Years Ago ..... S 28  
Full Time Equivalent Employees by Function - Last Five Years ..... S 29  
Operating Indicators by Function - Last Four Years ..... S 30  
Capital Asset Statistics by Function – Current Year ..... S 31



**City of Worthington, Ohio**

# **INTRODUCTORY SECTION**





May 30, 2019

To: Members of City Council and Citizens of the City of Worthington

The Comprehensive Annual Financial Report (CAFR) of the City of Worthington, Ohio (City), for fiscal year ended December 31, 2018, is submitted herewith. The report has a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted government auditing standards by Julian & Grube, Inc. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and complements this letter of transmittal and should be read in conjunction with it.

The City's Finance Department is responsible for management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding the safeguarding of assets from loss, theft or misuse, and reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

As management, we believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City's financial activity have been included.

# ***CITY OF WORTHINGTON***

---

## ***Letter of Transmittal***

***For the Year Ended December 31, 2018***

---

### **Profile of the City**

The City of Worthington, with a population of approximately 15,000, is located in the northern quadrant of Franklin County, on the I-270 outer belt, adjacent to Columbus, Ohio, the Capital of the State of Ohio. The City encompasses 5.5 square miles and has a daytime population of approximately 35,000. The City was founded in 1803, the year of Ohio statehood, by the Scioto Land Company which was formed in 1802 in Granby, Connecticut. The Village was named by James Kilbourne, community leader, in honor of Thomas Worthington, who had actively advocated Ohio statehood and who later served as State Senator and Governor.

The Village of Worthington was incorporated in 1835, became a city in 1956, and in 1957 adopted a city charter approving a council/city manager form of government. The City is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution, various sections of the Ohio Revised Code, and the City's charter. The City Manager is the chief executive and administrative officer of the City and is charged with the responsibility for the administration of all municipal affairs as empowered by the charter.

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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt, or the levying of its taxes.

*Discretely Presented Component Unit* – A 10-member board governs the Worthington Community Improvement Corporation (CIC). For financial reporting purposes, the CIC is reported separately from the City's operations because its purpose is to assist the City as a whole in the revitalization and enhancement of the property within the City, and its governing body is not the same as that of the primary government.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system. The City Council is required to hold public hearings on the proposed budget and to adopt the budget no later than December 31, the close of the City's fiscal year. The appropriated budget is prepared by fund, department or function, and category (i.e. personnel services and other than personnel services). The City Council may pass supplemental appropriations at any time by ordinance.

# ***CITY OF WORTHINGTON***

---

## ***Letter of Transmittal***

***For the Year Ended December 31, 2018***

---

### **Economic Condition and Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

In recent years there has been significant economic development in and around the City of Worthington and throughout Central Ohio, particularly in the areas of distribution, insurance, professional services, and retail.

While predominately a residential community, the City possess a healthy mix of industrial and commercial enterprises. The City of Worthington benefits from the strong Central Ohio economy. Unemployment in Franklin County is traditionally well below state and national levels. In February, 2019 Franklin County unemployment was 3.7% compared to 4.1% in the U.S. and 4.7% for the State of Ohio.

Most of the geographic area of the City is fully developed, with approximately 64% being residential and 19% being commercial or industrial. While there are limited sites for new development, there are numerous sites for redevelopment and sites where positive economic initiatives are underway. A few examples include:

- Downtown Worthington - Downtown has a high occupancy rate, which is a positive reflection on the efforts and activities of the City, merchants and various community partners. The 2019 budget continues funding to the Old Worthington Partnership, which the City first funded in 2016, to help ensure support for this vital and iconic part of the Worthington community. The Partnership runs special events (including the Farmer's Market), marketing efforts and programs aimed at ensuring a successful downtown. We continue to see investment in older downtown residential and commercial buildings, such as the full renovation of office buildings at 25 W. New England Avenue and 579 High Street. The renovation and occupation of the Kilbourne Memorial Library Building owned by the City on the Village Green has been a success having been converted to a mix of retail, co-working, and maker space. This dynamic mix of uses has contributed to new vibrancy north of State Route 161, outside of the traditional central business district. This includes the area near North and High Streets where the conversion of a former car repair shop to a bank, renovation of retail facades, and completion of a two-story office/retail building is attracting new retail, office and entertainment tenants.
- West Wilson Bridge Road Corridor - Along Wilson Bridge Road, 57,000 square feet of redeveloped office space at 350 W. Wilson Bridge Road has attracted new medical tenants and is now fully occupied. The Worthington Gateway project, the site of the former Holiday Inn, has received all necessary approvals and is ready to begin construction. Once complete, the project will include a new boutique hotel, Class A office space, restaurants, and retail space. The Worthington Gateway project follows the successful completion of the Ohio Department of Transportation's four year \$148 million dollar "North Side Mega-Fix" project that reconstructed the major interchanges of I-270 and US-23 and OH-315 on the northern border of Worthington.

# ***CITY OF WORTHINGTON***

---

## ***Letter of Transmittal***

***For the Year Ended December 31, 2018***

---

- East Wilson Bridge Road Corridor - Reinvestment is beginning along East Wilson Bridge Road with the expansion of MedVet Medical & Cancer Center for Pets, the reconstruction of a McDonald's, the relocation of the Chamber of Commerce offices and construction of new apartments. Right-of-way acquisition has begun for the Northeast Gateway Intersection project, a \$17 million-dollar improvement of the intersection of Huntley Road, Worthington-Galena, and East Wilson Bridge Road. This project utilizes Federal, State and local dollars and will significantly improve traffic conditions surrounding the City's industrial corridor. Additionally, work is underway to replace a waterline and repave East Wilson Bridge Road, which combined with future improvements at the Northeast Gateway Intersection and McCord Park, will spark further revitalization of this important area.
- Reemergent Corridor Assistance Program (ReCAP) – The ReCAP grant and loan program has achieved success in improving aesthetics and attracting investment in the eastern industrial portions of the City. The Community Improvement Corporation (CIC) recommended and City Council approved using some of these funds to offer energy efficiency analyses for commercial buildings, with a goal of encouraging property owners to use the Property Assessed Clean Energy (PACE) program to invest in energy efficiency retrofits. This has the dual goal of lowering Worthington's carbon footprint and enhancing older office buildings. The CIC also recommended that the ReCAP program be extended to other areas of the City, with a focus on allowing office buildings outside the industrial corridor to be eligible for façade renovation grants.
- Linworth Crossing – The City saw the opening of several new businesses at Linworth Crossing Plaza, a new 40,000 square foot retail development at the City's western gateway.

In inventorying the City's economic development programs, initiatives, and assets, it quickly becomes apparent that Worthington has a long and successful history of planned development, a track-record of proactive economic development initiatives, and a well-regarded economic development office and professional staff.

### **Long-term Financial Planning**

A significant portion of the City's role in reinvesting in Worthington is to protect those investments already made as the community grew and took shape over the course of many decades – our underground and surface infrastructure and public facilities such as the Community Center, Griswold Senior Center, and parks. The City remains committed to improving its aging infrastructure through its annually updated five-year Capital Improvement Program (CIP).

In 2018, Worthington City Council adopted a revised General Fund Carryover Policy to assist the City in maintaining long-term financial stability. The revised policy increases the minimum General Fund balance to 35% of prior year expenditures and incorporates a financial action plan in the event the City falls below the policy floor. Additionally, in 2018 the City Council adopted a new debt policy to establish parameters and provide guidance governing the issuance, management, evaluation, and reporting of all debt obligations of the City.



# ***CITY OF WORTHINGTON***

---

## ***Letter of Transmittal***

***For the Year Ended December 31, 2018***

---

In 2019, the City will establish a twenty-seventh pay reserve, distinct and separate from the fund balance, to have funds available to pay every eleven years when a "twenty-seventh" payday occurs. The City will put aside funds each year to pay for this periodic occurrence.

City Council has prioritized a citizen-led comprehensive visioning process to consider the community's vision for the future. The results of this visioning process will direct future goals of the City and further set community priorities and development plans.

### **Acknowledgements**

The preparation of this report was made possible by the diligence of the staff of the entire Finance Department. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion.

In closing, we would like to thank City Council for their support in maintaining the highest standards of professionalism in the management of the City of Worthington's finances.

Respectfully submitted,

*Scott F. Bartter*

---

Scott F. Bartter, Finance Director

*Matthew H. Greeson*

---

Matthew H. Greeson, City Manager

# **CITY OF WORTHINGTON**

---

## ***List of Principal Officials For the Year Ended December 31, 2018***

---



For the Year Ended December 31, 2018

### **City Council**

President	Bonnie D. Michael
President Pro Tempore	W. Scott Myers
Member of Council	Rachael Dorothy
Member of Council	Douglas Foust
Member of Council	Beth Kowalczyk
Member of Council	David Robinson
Member of Council	Doug Smith

### **Appointed Officials**

City Manager	Matthew H. Greeson
Mayor	Scott Holmes
Vice-Mayor	James J. Lorimer

### **Executive Staff**

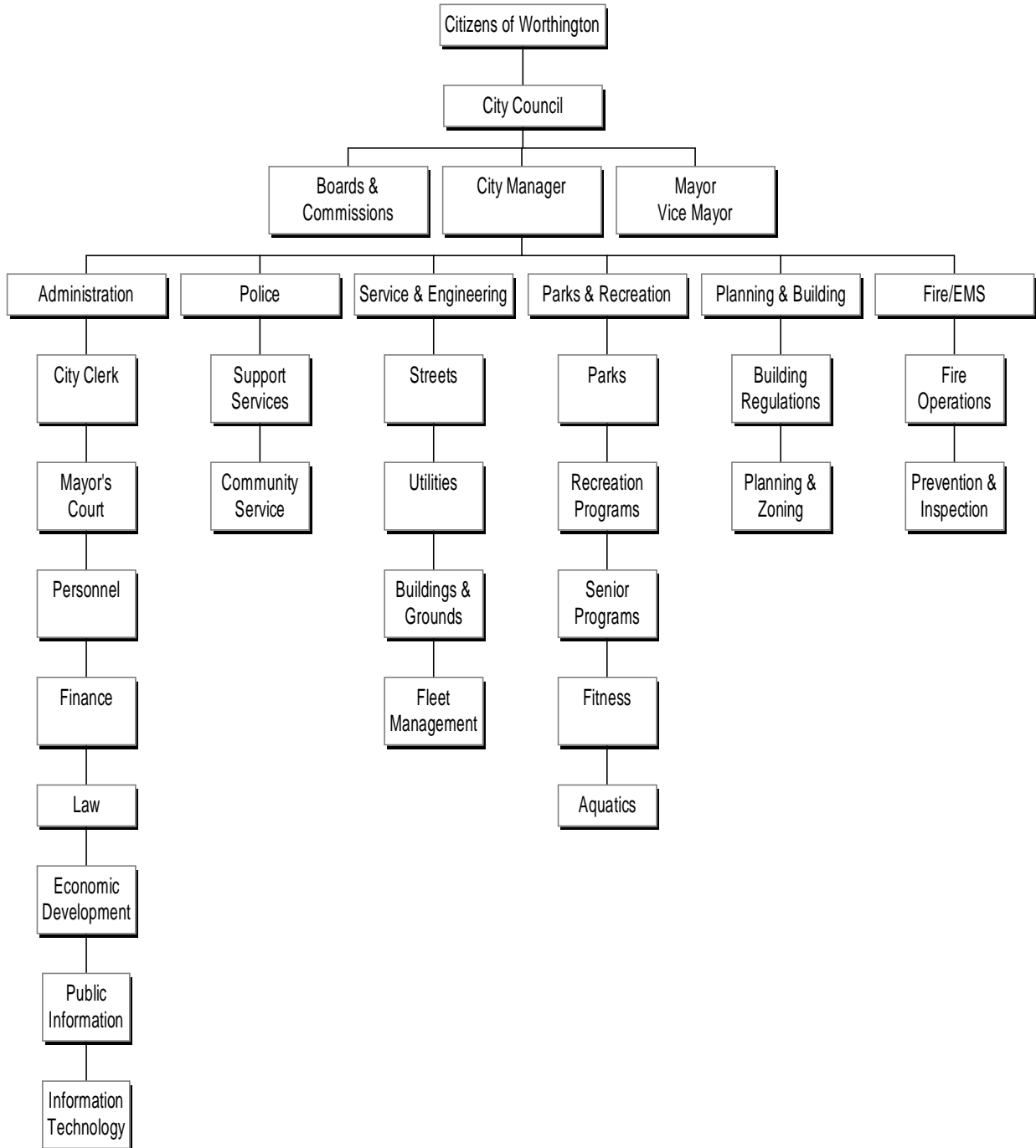
Assistant City Manager	Robyn Stewart
City Clerk	D. Kay Thress
Clerk of Courts	Barb Nofziger
Director of Finance	Scott Bartter
Director of Information Technology	Gene Oliver
Director of Law	Tom Lindsey
Director of Parks & Recreation	Darren Hurley
Director of Personnel	Lori Trego
Director of Planning & Building	Lee Brown
Director of Service & Engineering	Dan Whited
Fire Division Chief	John Bailot
Police Division Chief	Jerry Strait

# CITY OF WORTHINGTON

---

## City Organizational Chart For the Year Ended December 31, 2018

---

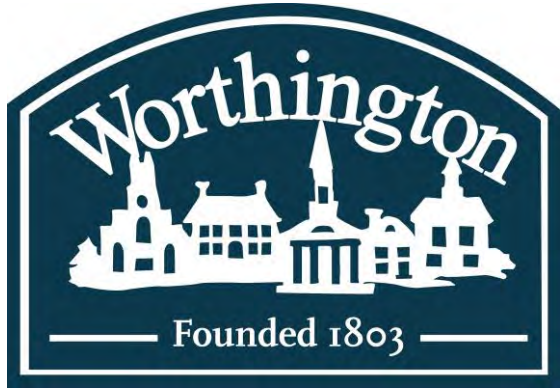






**City of Worthington, Ohio**

# **FINANCIAL SECTION**





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

City of Worthington  
Franklin County  
6550 North High Street  
Worthington, Ohio 43085

To the Members of City Council and Mayor:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Worthington, Franklin County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Worthington'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 of Worthington'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 of Worthington'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Worthington, Franklin County, Ohio, as of December 31, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General fund 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 of Worthington 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 and other post-employment benefit liabilities 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 of Worthington'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.

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 May 30, 2019, on our consideration of the City of Worthington'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 of Worthington's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 30, 2019



# **CITY OF WORTHINGTON**

---

## ***Management's Discussion and Analysis For the Year Ended December 31, 2018***

***Unaudited***

---

The discussion and analysis of the City of Worthington's 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 notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

#### **Key financial highlights for 2018 are as follows:**

- ❑ Net position decreased \$346,806, which represents a 2% decrease from 2017.
- ❑ General revenues accounted for \$32.2 million in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5.6 million or 15% of total revenues of \$37.8 million.
- ❑ The City had \$38.1 million in expenses related to governmental activities; only \$5.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$32.2 million were also available to provide for these programs.
- ❑ Among major funds, the general fund had \$27.6 million in revenues and \$26.2 million in expenditures. The general fund's fund balance increased \$728,875 to \$16,856,465.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-Wide Financial Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City reflect the following category of activities:

- ***Governmental Activities*** – All of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, basic utility services, transportation, general government, interest and fiscal charges, and other expenditures.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

***Governmental Funds*** – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities.

# CITY OF WORTHINGTON

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position as of December 31, 2018 and 2017:

	Governmental Activities	
	2018	Restated 2017
Current and Other Assets	\$41,434,122	\$36,201,088
Capital Assets, Net	45,451,150	43,216,268
Total Assets	86,885,272	79,417,356
Deferred Outflows of Resources	8,460,240	8,114,682
Net Pension Liability	27,907,064	30,956,410
Net OPEB Liability	23,969,523	19,801,337
Other Long-term Liabilities	8,495,811	9,287,950
Other Liabilities	7,209,327	2,680,900
Total Liabilities	67,581,725	62,726,597
Deferred Inflows of Resources	7,220,244	3,915,092
Net Position		
Net Investment in Capital Assets	35,598,171	35,853,600
Restricted	4,129,772	3,882,091
Unrestricted (Deficit)	(19,184,400)	(18,845,342)
Total Net Position	\$20,543,543	\$20,890,349

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 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.

# ***CITY OF WORTHINGTON***

---

## ***Management's Discussion and Analysis For the Year Ended December 31, 2018***

***Unaudited***

---

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.

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 \$40,588,379 to \$20,890,349.

# CITY OF WORTHINGTON

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

**Changes in Net Position** – The following table shows the changes in net position for the fiscal years 2018 and 2017:

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for Services and Sales	\$4,080,568	\$3,978,484
Operating Grants and Contributions	900,969	934,301
Capital Grants and Contributions	612,321	0
Total Program Revenues	5,593,858	4,912,785
General revenues:		
Property Taxes	3,441,389	2,800,084
Municipal Income Taxes	26,986,800	27,009,943
Other Local Taxes	97,172	185,435
Intergovernmental, Unrestricted	724,696	722,404
Investment Earnings	365,681	119,705
Miscellaneous	548,212	581,837
Total General Revenues	32,163,950	31,419,408
Total Revenues	37,757,808	36,332,193
Program Expenses		
Security of Persons and Property	16,168,159	14,453,396
Public Health and Welfare Services	63,000	73,770
Leisure Time Activities	6,814,845	6,474,760
Community Environment	1,281,355	1,028,043
Basic Utility Services	1,343,620	1,379,682
Transportation	2,505,597	2,709,083
General Government	9,716,823	8,187,827
Interest and Fiscal Charges	211,215	199,009
Total Expenses	38,104,614	34,505,570
Change in Net Position	(346,806)	1,826,623
Beginning Net Position - Restated	20,890,349	N/A
Ending Net Position - Restated	\$20,543,543	\$20,890,349

### Governmental Activities

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 \$103,307 for Governmental Activities 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 OPEB expense of \$2,041,486 for Governmental Activities.

# CITY OF WORTHINGTON

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

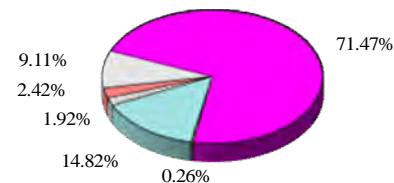
Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities
Total 2018 program expenses under GASB 75	\$38,104,614
OPEB expense under GASB 75	(2,041,486)
2018 contractually required contribution	34,239
Adjusted 2018 program expenses	36,097,367
Total 2017 program expenses under GASB 45	34,505,570
Change in program expenses not related to OPEB	\$1,591,797

The City also receives an income tax and a hotel/motel tax. The income tax is based on 2.5% of all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate. The hotel/motel tax is based on 6.00% of all lodging revenues.

Property taxes and income taxes made up 9.11% and 71.47% respectively of revenues for governmental activities in fiscal year 2018, while other local taxes made up 0.26%. The City's reliance upon tax revenues is demonstrated by the following graph indicating 80.84% of total revenues from general tax revenues:

Revenue Sources	2018	Percent of Total
Property Taxes	\$3,441,389	9.11%
Income Taxes	26,986,800	71.47%
Other Local Taxes	97,172	0.26%
Program Revenues	5,593,858	14.82%
Intergovernmental, Unrestricted	724,696	1.92%
General Other	913,893	2.42%
Total Revenue	\$37,757,808	100.00%



### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$27,591,886, which is a decrease from last year's balance of \$28,687,609. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2018 and 2017:

	Fund Balance December 31, 2018	Fund Balance December 31, 2017	Increase (Decrease)
General	\$16,856,465	\$16,127,590	\$728,875
Capital Improvement	6,696,231	8,768,156	(2,071,925)
Other Governmental	4,039,190	3,791,863	247,327
Total	\$27,591,886	\$28,687,609	(\$1,095,723)



# CITY OF WORTHINGTON

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

**General Fund** – The City's General Fund balance change is due to various reasons. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2018 Revenues	2017 Revenues	Increase (Decrease)
Property Taxes	\$2,611,658	\$2,330,045	\$281,613
Municipal Income Taxes	20,297,497	21,848,758	(1,551,261)
Other Local Taxes	97,172	185,435	(88,263)
Intergovernmental Revenues	695,415	677,044	18,371
Charges for Services	2,621,320	2,425,854	195,466
Licenses, Permits and Fees	507,901	466,285	41,616
Investment Earnings	355,090	113,291	241,799
Special Assessments	32,977	18,781	14,196
Fines and Forfeitures	150,875	158,770	(7,895)
All Other Revenue	224,796	323,295	(98,499)
Total	<u>\$27,594,701</u>	<u>\$28,547,558</u>	<u>(\$952,857)</u>

General Fund revenues decreased approximately 3% when compared with the prior year. The largest contributing factor to this decrease was a decrease in income taxes. A large bonus paid by an employer in 2017 resulted in an increase in income taxes in the prior year, and a subsequent decrease in the current year. Also contributing to the decrease were income tax collections which fell outside of the 60 day availability period for governmental fund revenues.

	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Security of Persons and Property	\$11,981,689	\$11,991,929	(\$10,240)
Public Health and Welfare Services	63,000	73,770	(10,770)
Leisure Time Activities	4,493,943	4,643,018	(149,075)
Community Environment	1,027,970	869,822	158,148
Basic Utility Services	881,550	1,080,283	(198,733)
General Government	7,715,558	6,811,539	904,019
Total	<u>\$26,163,710</u>	<u>\$25,470,361</u>	<u>\$693,349</u>

General Fund expenditures increased \$693,349, or 3% from the prior year. This can mostly be attributed to a \$600,000 contribution made to the Worthington Community Improvement Corporation.

**Capital Improvement Fund** – The City's Capital Improvement Fund balance decreased \$2,071,925, or 24%. This decrease can be attributed to outlays for the Northeast corridor project, street maintenance, and energy conservation building improvements.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2018 the City amended its General Fund budget several times.

# CITY OF WORTHINGTON

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

For the General Fund, final budget basis revenue of \$27.9 million was not significantly different from original budget estimates. Actual budget basis revenues were not significantly different from final estimates. Final budgeted expenditures were not materially different from original estimates. Actual budget basis expenditures were 6% less than final budget estimates. The General Fund had an adequate fund balance to cover expenditures.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal year 2018 the City had \$45,451,150 net of accumulated depreciation invested in land, construction in progress, land improvements, buildings, infrastructure, equipment and furniture, and vehicles. The following table shows fiscal year 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	\$8,218,027	\$8,224,837	(\$6,810)
Construction In Progress	6,156,765	2,039,463	4,117,302
Land Improvements	2,096,392	2,101,164	(4,772)
Buildings	22,915,845	22,915,845	0
Infrastructure	43,378,556	43,188,364	190,192
Equipment and Furniture	6,619,798	6,563,228	56,570
Vehicles	6,445,240	6,520,561	(75,321)
Less: Accumulated Depreciation	(50,379,473)	(48,337,194)	(2,042,279)
Totals	\$45,451,150	\$43,216,268	\$2,234,882

Additions to construction in progress included routine street maintenance, community center improvements, and energy conservation building improvements. Changes in vehicles include the addition of a front wheel loader, dump truck, bucket truck, and the disposal of a fire pumper truck.

As of December 31, 2018, the City had contractual commitments of \$5,138,858 related to street improvements, equipment replacements and building improvements. Additional information on the City's capital assets can be found in Note 8.

# CITY OF WORTHINGTON

---

## Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

---

### Debt

At December 31, 2018, the City had \$5,825,000 in bonds outstanding, \$980,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2018 and 2017:

	2018	Restated 2017
Governmental Activities:		
General Obligation Bonds	\$5,825,000	\$6,785,000
OPWC Loans	601,398	629,635
Capital Leases Payable	242,792	164,723
Net Pension Liability	27,907,064	30,956,410
Net OPEB Liability	23,969,523	19,801,337
Compensated Absences	1,826,621	1,708,592
Total Governmental Activities	<u>\$60,372,398</u>	<u>\$60,045,697</u>

Additional information on the City's long-term debt can be found in Note 13.

### ECONOMIC FACTORS

The City of Worthington is building upon its efforts to implement a robust, multi-faceted, and professional economic development program. The City has witnessed the re-emergence of the downtown retailers' association, The Old Worthington Partnership, and deployed tax increment financing exemptions (TIF) to support physical infrastructure improvements. The City also had a successful fifth year of its façade improvement program for exterior enhancements to older commercial buildings in Worthington.

Worthington is an inner-ring, infill community. Understanding that Worthington's economic sustainability hinges not on further growth via new land masses and annexation, but on continual investment and at times, re-use and redevelopment, in existing commercial property inventory, the City has been working aggressively to encourage new investors and identify public funding mechanisms to encourage new commercial growth.

Efforts continue to advance, as Worthington is experiencing a number of development activities:

- Worthington awarded one project under its fifth-year façade improvement program (known as "ReCAP") for the 1960s-era industrial area on the City's eastern boundary.
- The redevelopment of a 57,000 sq.ft. office building in the City's commercial office corridor has proven successful as the space is now fully occupied. The City deployed tax increment financing exemptions to assist with the needed infrastructure improvements at the site, and also approved legislation to join a Special Improvement District that would support Property Assessed Clean Energy financing.
- The City continues to work with Lawyers Development Corporation on the redevelopment of 200,000 sq.ft. of office space along the High Street corridor. This was the former location of Anthem Blue Cross Blue Shield.
- The City saw the opening of several businesses at Linworth Crossing Plaza, a new 40,000 sq.ft. retail development at the City's western gateway.

# ***CITY OF WORTHINGTON***

---

## ***Management's Discussion and Analysis For the Year Ended December 31, 2018***

***Unaudited***

---

- The City approved tax increment financing to support the development of the Kemper House, a memory care and dementia facility at the eastern gateway of the City.
- The Worthington Community Improvement Corporation acquired two residential properties on the south side of East Wilson Bridge in anticipation of rezoning the properties to an income tax generating use.
- The Worthington Gateway project, the site of the former Holiday Inn, has received all necessary approvals and is ready to begin construction. Once complete, the project will include a new boutique hotel, Class A office space, restaurants, and retail space.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Scott F. Bartter, Director of Finance for the City of Worthington.



# CITY OF WORTHINGTON

## Statement of Net Position December 31, 2018

	<b>Governmental Activities</b>	<b>Component Unit Community Improvement Corporation</b>
<b>Assets:</b>		
Pooled Cash and Investments	\$ 30,236,010	\$ 0
Cash and Cash Equivalents	0	414,923
Cash and Cash Equivalents in Segregated Accounts	14,959	0
Receivables:		
Taxes	8,820,402	0
Accounts	354,489	0
Intergovernmental	1,535,412	0
Interest	63,072	0
Special Assessments	100	0
Loans	13,099	0
Prepaid Items	156,340	0
Restricted Assets:		
Cash and Cash Equivalents with Fiscal Agent	240,239	0
Real Estate Held for Development	0	212,536
Capital Assets:		
Capital Assets Not Being Depreciated	14,374,792	0
Capital Assets Being Depreciated, Net	31,076,358	0
<b>Total Assets</b>	<b>86,885,272</b>	<b>627,459</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Debt Refunding	162,518	0
Pension	5,398,360	0
OPEB	2,899,362	0
<b>Total Deferred Outflows of Resources</b>	<b>8,460,240</b>	<b>0</b>
<b>Liabilities:</b>		
Accounts Payable	475,797	0
Accrued Wages and Benefits	624,046	0
Intergovernmental Payable	660,505	0
Contracts Payable	935,895	0
Property Taxes Payable	0	4,296
Retainage Payable	9,029	0
Accrued Interest Payable	44,055	0
General Obligation Notes Payable	4,460,000	0
Noncurrent Liabilities:		
Due Within One Year	1,532,426	0
Due in More Than One Year:		
Net Pension Liability	27,907,064	0
Net OPEB Liability	23,969,523	0
Other Amounts Due in More Than One Year	6,963,385	0
<b>Total Liabilities</b>	<b>67,581,725</b>	<b>4,296</b>
<b>Deferred Inflows of Resources:</b>		
Property Tax Levy for Next Fiscal Year	3,481,759	0
Pension	3,103,369	0
OPEB	635,116	0
<b>Total Deferred Inflows of Resources</b>	<b>7,220,244</b>	<b>0</b>

# ***CITY OF WORTHINGTON***

---

---

	<b>Governmental Activities</b>	<b>Component Unit Community Improvement Corporation</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	35,598,171	0
Restricted For:		
Capital Projects	1,499,075	0
Debt Service	1,316,451	0
Street Improvements	537,562	0
Law Enforcement	529,814	0
Mayor's Court Improvements	231,911	0
Building Inspection	14,959	0
Unrestricted (Deficit)	(19,184,400)	623,163
<b>Total Net Position</b>	<b>\$ 20,543,543</b>	<b>\$ 623,163</b>

See accompanying notes to the basic financial statements

# CITY OF WORTHINGTON

## Statement of Activities For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 16,168,159	\$ 1,348,441	\$ 0	\$ 0
Public Health and Welfare Services	63,000	0	0	0
Leisure Time Activities	6,814,845	2,336,946	333	0
Community Environment	1,281,355	274,635	0	0
Basic Utility Services	1,343,620	80,161	0	0
Transportation	2,505,597	56	900,636	612,321
General Government	9,716,823	40,329	0	0
Interest and Fiscal Charges	211,215	0	0	0
<b>Total Primary Government</b>	<b>\$ 38,104,614</b>	<b>\$ 4,080,568</b>	<b>\$ 900,969</b>	<b>\$ 612,321</b>
<b>Component Unit:</b>				
Community Improvement Corporation	\$ 5,692	\$ 0	\$ 600,000	\$ 0

### General Revenues

Property Taxes Levied for:

General Purposes

Bond Retirement

Police Pension

Capital Projects

Municipal Income Taxes

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements



**CITY OF WORTHINGTON**

---

Net (Expense) Revenue and Changes in Net Position	Component Unit
<u>Governmental Activities</u>	<u>Community Improvement Corporation</u>
\$ (14,819,718)	
(63,000)	
(4,477,566)	
(1,006,720)	
(1,263,459)	
(992,584)	
(9,676,494)	
(211,215)	
<u>\$ (32,510,756)</u>	

\$ 594,308

2,653,327	0
98,570	0
173,988	0
515,504	0
26,986,800	0
97,172	0
724,696	0
365,681	149
548,212	0
<u>32,163,950</u>	<u>149</u>
(346,806)	594,457
<u>20,890,349</u>	<u>28,706</u>
<u>\$ 20,543,543</u>	<u>\$ 623,163</u>

# CITY OF WORTHINGTON

## Balance Sheet Governmental Funds December 31, 2018

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 15,142,266	\$ 10,850,531	\$ 4,243,213	\$ 30,236,010
Cash and Cash Equivalents in Segregated Accounts	0	0	14,959	14,959
Receivables:				
Taxes	6,879,485	1,044,798	896,119	8,820,402
Accounts	343,958	0	10,531	354,489
Intergovernmental	499,250	612,321	423,841	1,535,412
Interest	63,072	0	0	63,072
Special Assessments	0	100	0	100
Loans	13,099	0	0	13,099
Interfund Loans Receivable	0	153,738	0	153,738
Prepaid Items	96,443	59,897	0	156,340
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	240,239	0	240,239
<b>Total Assets</b>	<b>\$ 23,037,573</b>	<b>\$ 12,961,624</b>	<b>\$ 5,588,663</b>	<b>\$ 41,587,860</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 426,079	\$ 0	\$ 49,718	\$ 475,797
Accrued Wages and Benefits Payable	600,020	0	24,026	624,046
Intergovernmental Payable	498,456	26,351	135,698	660,505
Contracts Payable	0	933,927	1,968	935,895
Retainage Payable	0	9,029	0	9,029
Interfund Loans Payable	0	0	153,738	153,738
Accrued Interest Payable	0	34,458	0	34,458
General Obligation Notes Payable	0	4,460,000	0	4,460,000
<b>Total Liabilities</b>	<b>1,524,555</b>	<b>5,463,765</b>	<b>365,148</b>	<b>7,353,468</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	2,060,217	801,628	298,902	3,160,747
Property Tax Levy for Next Fiscal Year	2,596,336	0	885,423	3,481,759
<b>Total Deferred Inflows of Resources</b>	<b>4,656,553</b>	<b>801,628</b>	<b>1,184,325</b>	<b>6,642,506</b>
<b>Fund Balances:</b>				
Nonspendable	96,443	59,897	0	156,340
Restricted	0	2,056,649	3,481,299	5,537,948
Committed	569,887	4,579,685	557,891	5,707,463
Assigned	2,521,541	0	0	2,521,541
Unassigned	13,668,594	0	0	13,668,594
<b>Total Fund Balances</b>	<b>16,856,465</b>	<b>6,696,231</b>	<b>4,039,190</b>	<b>27,591,886</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 23,037,573</b>	<b>\$ 12,961,624</b>	<b>\$ 5,588,663</b>	<b>\$ 41,587,860</b>

See accompanying notes to the basic financial statements

# CITY OF WORTHINGTON

---

## ***Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2018***

---

**Total Governmental Fund Balances** \$ 27,591,886

***Amounts reported for governmental activities in the  
statement of net position are different because***

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 45,451,150

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 3,160,747

The net pension/OPEB liability is not due and payable in the current period;  
therefore, the liability and related deferred inflows/outflows are not  
reported in governmental funds:

Deferred Outflows - Pension	5,398,360	
Deferred Inflows - Pension	(3,103,369)	
Net Pension Liability	(27,907,064)	
Deferred Outflows - OPEB	2,899,362	
Deferred Inflows - OPEB	(635,116)	
Net OPEB Liability	<u>(23,969,523)</u>	(47,317,350)

Long-term liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not  
reported in the funds.

Capital Leases Payable	(242,792)	
General Obligation Bonds Payable	(5,825,000)	
Unamortized Deferred Loss on Refunding	162,518	
OPWC Loans Payable	(601,398)	
Compensated Absences Payable	(1,826,621)	
Accrued Interest Payable	<u>(9,597)</u>	<u>(8,342,890)</u>

***Net Position of Governmental Activities*** \$ 20,543,543

See accompanying notes to the basic financial statements



# CITY OF WORTHINGTON

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2018

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 2,611,658	\$ 0	\$ 812,585	\$ 3,424,243
Municipal Income Taxes	20,297,497	5,071,215	0	25,368,712
Other Local Taxes	97,172	0	0	97,172
Intergovernmental Revenues	695,415	836,136	867,786	2,399,337
Charges for Services	2,621,320	0	1,032,279	3,653,599
Licenses, Permits and Fees	507,901	0	0	507,901
Investment Earnings	355,090	0	1,030	356,120
Special Assessments	32,977	38,092	0	71,069
Fines and Forfeitures	150,875	0	13,613	164,488
All Other Revenue	224,796	23,470	19,807	268,073
<b>Total Revenues</b>	<b>27,594,701</b>	<b>5,968,913</b>	<b>2,747,100</b>	<b>36,310,714</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	11,981,689	0	642,895	12,624,584
Public Health and Welfare Services	63,000	0	0	63,000
Leisure Time Activities	4,493,943	0	964,360	5,458,303
Community Environment	1,027,970	0	0	1,027,970
Basic Utility Services	881,550	0	268,128	1,149,678
Transportation	0	0	955,364	955,364
General Government	7,715,558	370,218	238,884	8,324,660
Capital Outlay	0	6,734,263	0	6,734,263
Debt Service:				
Principal Retirement	0	78,639	960,000	1,038,639
Interest and Fiscal Charges	0	43,843	160,497	204,340
<b>Total Expenditures</b>	<b>26,163,710</b>	<b>7,226,963</b>	<b>4,190,128</b>	<b>37,580,801</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,430,991	(1,258,050)	(1,443,028)	(1,270,087)
<b>Other Financing Sources (Uses):</b>				
Premium on Debt Issuance	0	0	45,893	45,893
Capital Lease Issuance	0	128,471	0	128,471
Transfers In	15,884	150,000	1,810,346	1,976,230
Transfers Out	(718,000)	(1,092,346)	(165,884)	(1,976,230)
<b>Total Other Financing Sources (Uses)</b>	<b>(702,116)</b>	<b>(813,875)</b>	<b>1,690,355</b>	<b>174,364</b>
Net Change in Fund Balances	728,875	(2,071,925)	247,327	(1,095,723)
<b>Fund Balances at Beginning of Year</b>	<b>16,127,590</b>	<b>8,768,156</b>	<b>3,791,863</b>	<b>28,687,609</b>
<b>Fund Balances End of Year</b>	<b>\$ 16,856,465</b>	<b>\$ 6,696,231</b>	<b>\$ 4,039,190</b>	<b>\$ 27,591,886</b>

See accompanying notes to the basic financial statements

# CITY OF WORTHINGTON

## 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

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (1,095,723)
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
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 outlay exceeded depreciation in the current period.		
Capital Outlay	5,172,110	
Depreciation Expense	<u>(2,863,933)</u>	2,308,177
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(73,295)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		1,447,094
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,463,411	
OPEB	<u>34,239</u>	2,497,650
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(4,112,244)	
OPEB	<u>(2,041,486)</u>	(6,153,730)
The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on net position.		
Capital Lease Issuance		(128,471)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bond Principal Payment	960,000	
Deferred Loss on Bond Refunding	(54,172)	
OPWC Loan Principal Payment	28,237	
Capital Lease Principal Payment	<u>50,402</u>	984,467
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		1,404
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences		<u>(134,379)</u>
<b>Change in Net Position of Governmental Activities</b>		<u>\$ (346,806)</u>

See accompanying notes to the basic financial statements

# CITY OF WORTHINGTON

## 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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 2,350,642	\$ 2,603,151	\$ 2,611,658	\$ 8,507
Municipal Income Taxes	20,845,322	20,635,497	20,854,635	219,138
Other Local Taxes	215,000	140,000	104,315	(35,685)
Intergovernmental Revenue	670,423	704,928	713,827	8,899
Charges for Services	2,585,747	2,681,594	2,597,401	(84,193)
Licenses, Permits and Fees	495,500	495,500	499,237	3,737
Investment Earnings	150,000	210,000	402,431	192,431
Special Assessments	25,000	0	0	0
Fines and Forfeitures	200,000	200,000	150,200	(49,800)
All Other Revenues	240,000	240,000	542,463	302,463
Total Revenues	<u>27,777,634</u>	<u>27,910,670</u>	<u>28,476,167</u>	<u>565,497</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	13,152,390	13,252,390	12,426,837	825,553
Public Health and Welfare Services	77,896	77,896	77,896	0
Leisure Time Activities	4,934,843	4,859,843	4,676,586	183,257
Community Environment	822,116	822,116	736,648	85,468
Basic Utility Services	1,000,500	1,000,500	1,000,500	0
General Government	8,952,745	8,964,745	8,407,483	557,262
Total Expenditures	<u>28,940,490</u>	<u>28,977,490</u>	<u>27,325,950</u>	<u>1,651,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,162,856)	(1,066,820)	1,150,217	2,217,037
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(951,800)</u>	<u>(1,029,800)</u>	<u>(1,028,000)</u>	<u>1,800</u>
Total Other Financing Sources (Uses):	<u>(951,800)</u>	<u>(1,029,800)</u>	<u>(1,028,000)</u>	<u>1,800</u>
Net Change in Fund Balance	(2,114,656)	(2,096,620)	122,217	2,218,837
Fund Balance at Beginning of Year	11,845,220	11,845,220	11,845,220	0
Prior Year Encumbrances	1,647,974	1,647,974	1,647,974	0
Fund Balance at End of Year	<u>\$ 11,378,538</u>	<u>\$ 11,396,574</u>	<u>\$ 13,615,411</u>	<u>\$ 2,218,837</u>

See accompanying notes to the basic financial statements

# ***CITY OF WORTHINGTON***

---

## ***Statement of Net Position Fiduciary Funds December 31, 2018***

---

	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 13,117
Cash and Cash Equivalents in Segregated Accounts	<u>83,573</u>
<b>Total Assets</b>	<u>96,690</u>
<b>Liabilities:</b>	
Intergovernmental Payable	18,577
Due to Others	76,598
Undistributed Monies	<u>1,515</u>
<b>Total Liabilities</b>	<u>\$ 96,690</u>

See accompanying notes to the basic financial statements



# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Worthington (“the City”) is a charter municipal corporation operating under the laws of the State of Ohio. A charter was first adopted in November, 1956, before the Village of Worthington became a City. The City was incorporated on November 8, 1960.

The municipal government provided by the charter is known as a Council-Manager form of government. Legislative power is vested in a seven-member council, each elected to four-year terms. The Council appoints the Mayor and the City Manager. The City Manager is the chief executive officer and the head of the administrative agencies of the City. The City Manager appoints all department heads and employees, except as otherwise provided in the charter.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments that are not legally separate from the City. The City provides various services including police protection, fire protection, parks and recreation (including the community center), planning, zoning, street maintenance and repair, community development, and public health and welfare. These activities comprise the primary governmental unit of the City and are directly responsible to Council and the City Manager. Therefore, they are included in the reporting entity.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement 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*” in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization’s governing body and either the City’s ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the City. Based on the foregoing, the City has one component unit, the Worthington Community Improvement Corporation.

*Discretely Presented Component Unit* - The component unit column in the government-wide financial statements includes the financial data of the City’s component unit. The City of Worthington Community Improvement Corporation (the “CIC”) was formed pursuant to passage of City of Worthington Ordinance 13-2006, passed April 3, 2006 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose of advancing, encouraging and promoting the industrial, economic, commercial and civic development of the City of Worthington and its environment.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **A. Reporting Entity (Continued)**

The CIC is designated by the City as its agency for the industrial, commercial, distribution and research development in the City, in order to promote health, safety, morals and general welfare of the residents of the City of Worthington. The CIC is a legally separate entity and is reported as a component unit of the City due to the nature and significance of the CIC's relationship with the City. Complete financial statements can be obtained from the City's finance department. See Note 20 for additional note disclosures regarding the CIC.

The City of Worthington Mayor's Court has been included in the City's financial statements as an agency fund. The Mayor is an appointed City official who has a fiduciary responsibility for the collection and distribution of court fees and fines.

This space intentionally left blank.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **A. Reporting Entity** (Continued)

The City is a member of the Central Ohio Health Care Consortium, (the “Pool”) a risk sharing self-insurance pool which provides health insurance to the City. The Pool, which commenced business on January 1, 1992, has ten members consisting of various cities, villages, and townships. The members have entered into an irrevocable agreement to remain a member of the Pool for a minimum of three years. The Consortium established a new Pool, effective January 1, 1995, to continue its self-insurance program. The new Pool retained the major attributes of the original Pool. The Consortium transferred an amount from the original Pool Trust account to the new Pool Trust account in 1995, which was equal to a total of each member’s average monthly contribution. The Consortium elected to distribute excess contributions from the original Pool to its participating members. The Pool is governed by a Board of Directors consisting of one director appointed by each member. The Board elects a chairman, a vice chairman and a secretary. The Board is responsible for its own financial matters, and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City committed to a ninth three-year term that began on January 1, 2016. The City has no ongoing financial responsibility other than the three-year minimum membership. See Note 12.

#### **B. Basis of Presentation - Fund Accounting**

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories of governmental and fiduciary.

#### ***Governmental Fund Types***

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of “financial flow” (sources, uses and balances of financial resources). The following are the City's major governmental funds:

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **B. Basis of Presentation - Fund Accounting** (Continued)

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

Capital Improvement Fund - This fund is used to account for financial resources to be used for the acquisition of capital assets and the construction of major capital facilities.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, and (c) financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

#### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for the mayor's court activity, contractor deposits, sewer system capacity fees, and building permit surcharges.

#### **C. Basis of Presentation – Financial Statements**

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

Interfund receivables and payables between governmental activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities. Interfund services provided and used are not eliminated through the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. The governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **C. Basis of Presentation – Financial Statements (Continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

#### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “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 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

The accrual basis of accounting is followed by the government-wide financial statements and fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of the City are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **D. Basis of Accounting** (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenues considered susceptible to accrual at year end include income taxes, interest on investments and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenues, including licenses, permits, certain charges for services, fines and forfeitures, and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until actually received.

Special assessment installments and related accrued interest, which are measurable but not available at December 31, 2018 are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2018, but which are not intended to finance 2018 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

#### **E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The City did not adopt a budget for the Subdivision Trust Special Revenue Fund. This fund was classified as a special revenue fund for GAAP reporting. The legal level of budgetary control is at the object level (personal services and other expenditures) within each department. Budgetary modifications may only be made by resolution of the City Council.

##### **1. Tax Budget**

Prior to July 20 of each year, the City must submit to the County Budget Commission a Council-adopted operating budget of the City for the year commencing the following January 1. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **E. Budgetary Process (Continued)**

##### **2. Estimated Resources**

Prior to October 1, the City accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the estimated fund balance and the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended certificate issued during 2018.

##### **3. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. Appropriations may not exceed current estimated resources, as certified in the Official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted during the year only by an ordinance of Council. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" represent the final appropriation amounts, including all amendments and modifications.

##### **4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.

##### **5. Lapsing of Appropriations**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and need not be reappropriated.

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

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

#### E. Budgetary Process (Continued)

##### 6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Also under the budgetary basis, encumbrances are recognized as expenditures and note proceeds are recognized as an other financing source. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$728,875
Increase (Decrease):	
Accrued Revenues at December 31, 2018 received during 2019	(3,052,629)
Accrued Revenues at December 31, 2017 received during 2018	3,644,716
Accrued Expenditures at December 31, 2018 paid during 2019	1,524,555
Accrued Expenditures at December 31, 2017 paid during 2018	(1,605,733)
2017 Prepays for 2018	34,398
2018 Prepays for 2019	(96,443)
Outstanding Encumbrances	(1,053,254)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>(2,268)</u>
Budget Basis	<u>\$122,217</u>



# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in federal securities, demand deposits, repurchase agreements, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less, except for cash in segregated accounts. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

Cash in segregated accounts represents bonds and inspection fees collected for public improvements being made by owners or developers in the City.

Investment earnings of \$183,013 earned by other funds were credited to the General Fund as required by State Statute.

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. See Note 4, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR 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 and is recognized as an external investment pool by the City. The City 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. All accounts of the participant will be combined for these purposes.

#### **H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 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 an expenditure is reported in the year in which services are consumed.

# **CITY OF WORTHINGTON**

---

## **Notes to the Basic Financial Statements For the Year Ended December 31, 2018**

---

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

#### **I. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500.

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost. The capital asset values were initially determined at December 31, 1990, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed.

For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated capital assets are capitalized at acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

##### **2. Depreciation**

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	30
Buildings	20 - 50
Infrastructure	15 - 40
Equipment and Furniture	5 - 20
Vehicles	3 - 15

#### **J. Accrued Liabilities and Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Notes/ Bonds	General Obligation Bond Retirement Fund
Capital Leases Payable	Capital Improvement Fund
OPWC Loans	Capital Improvement Fund
Compensated Absences	General Fund, Street Maintenance and Repair Fund, State Highway Improvement Fund, Water Fund, Sanitary Sewer Fund, Parks and Recreation Fund

# **CITY OF WORTHINGTON**

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **J. Accrued Liabilities and Long-Term Obligations (Continued)**

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, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension/OPEB liabilities 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.

#### **K. Compensated Absences**

The City accrues a liability for compensated absences in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16, "*Accounting for Compensated Absences*." Vacation benefits and compensatory time 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 employees for the benefits through time off or some other means. Sick leave benefits are accrued using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

City employees earn vacation leave at varying rates depending upon the length of service. City employees can earn compensatory time for any work in excess of their normal hours of work per day in lieu of overtime pay. Employees earn compensatory time at the rate of one and one-half times for overtime hours worked.

City employees earn sick leave at the rate of ten hours per month. Sick leave may be accumulated and carried forward from year to year without limit. An employee who is to be separated from City service through retirement, layoff, or resignation in good standing after completion of fifteen years continuous service with the City and has accumulated more than 232 hours of sick leave, is eligible to be paid for thirty percent of the total accrued hours up to a maximum of 640 hours paid.

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable available financial resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

# **CITY OF WORTHINGTON**

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **L. Net Position**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### **M. Pension/OPEB**

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to 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 systems. 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 systems report investments at fair value.

#### **N. Intergovernmental Revenues**

In governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

#### **O. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

#### **P. Interfund Assets/Liabilities**

Receivables and payables arising between funds for goods provided or services rendered are classified as "Due From/To Other Funds" on the balance sheet. The City had no "Due From/To Other Funds" at December 31, 2018. Short-term interfund loans are classified as "Interfund Receivables/Payables," while long-term interfund loans are classified as "Interfund Loan Receivables/Payables."

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **Q. Restricted Assets**

Cash with fiscal agent is classified as restricted assets on the balance sheet because these funds are being held for specified purposes.

#### **R. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* –Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

# **CITY OF WORTHINGTON**

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

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

#### **S. Estimates**

The preparation of financial statements in conformity with GAAP 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.

#### **T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts.

The deferred charge on debt refunding is reported on the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. See Notes 9 and 10.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” Statement No. 85, “Omnibus 2017,” and Statement No. 86, “Certain Debt Extinguishment Issues.”

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The implementation of GASB Statement No. 85 had no 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 had no effect on the financial statements of the City.

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities
Net position December 31, 2017	\$40,588,379
Adjustments:	
Net OPEB Liability	(19,801,337)
Deferred Outflow - Payments Subsequent to the Measurement Date	103,307
Restated Net Position December 31, 2017	<u>\$20,890,349</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.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$96,443	\$59,897	\$0	\$156,340
Total Nonspendable	96,443	59,897	0	156,340
Restricted:				
Street Maintenance and Repair	0	0	331,089	331,089
Law Enforcement	0	0	512,144	512,144
Court Improvements	0	0	231,911	231,911
Building Code Inspection	0	0	14,959	14,959
Debt Retirement	0	0	1,316,036	1,316,036
Capital Improvements	0	2,056,649	1,075,160	3,131,809
Total Restricted	0	2,056,649	3,481,299	5,537,948
Committed:				
Economic Development	569,887	0	0	569,887
Parks and Recreation	0	0	421,116	421,116
Water Public Works	0	0	23,133	23,133
Sewer Public Works	0	0	28,046	28,046
Technology Improvements	0	0	13,029	13,029
Bicentennial Celebration	0	0	72,567	72,567
Capital Improvements	0	4,579,685	0	4,579,685
Total Committed	569,887	4,579,685	557,891	5,707,463
Assigned:				
Materials and Supplies	627,103	0	0	627,103
Budget Resource	1,894,438	0	0	1,894,438
Total Assigned	2,521,541	0	0	2,521,541
Unassigned (Deficits):	13,668,594	0	0	13,668,594
Total Fund Balances	\$16,856,465	\$6,696,231	\$4,039,190	\$27,591,886

In 2018, City Council adopted a revised General Fund Carryover Policy to assist the City in maintaining long-term financial stability. The revised policy increases the minimum General Fund balance to 35% of prior year expenditures and incorporates a financial action plan in the event the City falls below the policy floor.



# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The City has a formal adopted investment policy, with the main objective being the preservation of capital and the protection of investment principal.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

#### A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City 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 participation in the Ohio Pooled Collateral System (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.

At December 31, 2018, the carrying amount of the City's deposits was \$5,284,743 and the bank balance was \$5,566,004. Of the bank balance, \$5,264,505 was covered by federal depository insurance and \$301,499 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

The City had \$240,239 related to permissive tax monies held and secured by Franklin County, which is reported as cash with fiscal agent.

#### B. Investments

The City's investments at December 31, 2018 were as follows:

	Measurement Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio <sup>3</sup>	\$4,048,185	AAAm <sup>1</sup>	NA	16.15%	\$4,048,185	\$0	\$0
Repurchase Agreement	8,362,137	*	Level 2	33.36%	8,362,137	0	0
Government Money Market	116,620	AA+ <sup>1</sup>	Level 1	0.47%	116,620	0	0
FHLMC	637,892	AA+ <sup>1</sup>	Level 2	2.55%	0	637,892	0
FNMA	2,581,696	AA+ <sup>1</sup>	Level 2	10.30%	2,581,696	0	0
FHLB	1,483,230	AA+ <sup>1</sup>	Level 2	5.92%	0	1,483,230	0
Negotiable CD's	7,833,156	AAA <sup>2</sup>	Level 2	31.25%	1,231,896	5,871,045	730,215
Total Investments	<u>\$25,062,916</u>			<u>100.00%</u>	<u>\$16,340,534</u>	<u>\$7,992,167</u>	<u>\$730,215</u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> All are fully FDIC insured and therefore have an implied AAA credit rating

<sup>3</sup> Reported at amortized cost

\* United States Treasury and United States Agency securities underlie the repurchase agreements and are therefore not subject to credit risk disclosures.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

#### **B. Investments** (Continued)

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. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

*Investment Credit Risk* – The City has no credit risk policy beyond the requirements of State Statute.

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City does not have a policy regarding interest rate risk.

*Concentration of Credit Risk* – The City limits the amount the City may invest in one issuer to 30% of the City's investable funds. The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

*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 investment or collateral securities that are in the possession of an outside party. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. The City has no policy on custodial credit risk and is governed by the Ohio Revised Code as described under Deposits.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 5 - TAXES**

#### **A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2018 were levied after October 1, 2017 on assessed values as of January 1, 2017, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2017. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing Cities in the County, including the City of Worthington. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2018, was \$5.00 per \$1,000 of assessed value. Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .50% (5.00 mills) of assessed value.

The assessed values of real and public utility tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Property Tax	\$636,979,470
Public Utility Tangible Personal	<u>13,386,110</u>
Total Assessed Valuation	<u><u>\$650,365,580</u></u>

Property taxes receivable represent real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2018 operations. The receivable is therefore offset by a credit to deferred inflows of resources.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 5 – TAXES (Continued)

#### A. Property Taxes (Continued)

##### Tax Abatement Disclosures

Pursuant to Ohio Revised Code Section 5709 the City of Worthington has established three (3) Community Reinvestment Areas (CRAs). As established with City of Worthington Resolution 15-2007, the minimum qualifying criteria for tax exemption under a CRA is as follows.

<u>Land Use</u>	<u>Min. Investment in New Construction</u>	<u>Min Number of New Employees</u>	<u>Max Term</u>
Residential	No exemption permitted		
Industrial	\$1,000,000	25 Employees or \$1,000,000 of employee compensation	10 years
Commercial	\$1,000,000	25 Employees or \$1,000,000 of employee compensation	10 years

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Below is information relevant to the disclosure of this program for the year ending December 31, 2018.

	<u>Total Amount of Taxes Abated For the year 2018</u>
<i>Community Reinvestment Area (CRA)</i>	
Retail/Financial	<u>\$71,161</u>
	<u>\$71,161</u>

#### B. Income Tax

The City levies and collects an income tax of 2.5 percent on all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

The City entered into an agreement with the Regional Income Tax Agency (R.I.T.A.) for the administration and collection of all City income tax effective July 1, 2002. Collections are distributed twice per month to the City less a 3.0% collection fee. An annual reconciliation is performed each year to determine each community's proportionate share of the collection expense and an adjustment is made at the time of the fixed 3.0% collection fee.

**CITY OF WORTHINGTON**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

---

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2018 consisted of taxes, intergovernmental receivables arising from shared revenues, special assessments, loans, interest, and utility and emergency medical service accounts.

**NOTE 7 – TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES**

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Following is a summary of transfers in and out for all funds for 2018:

Fund	Transfers In	Transfers Out
General Fund	\$15,884	\$718,000
Capital Improvement Fund	150,000	1,092,346
Nonmajor Governmental Funds	1,810,346	165,884
Total All Funds	<u>\$1,976,230</u>	<u>\$1,976,230</u>

Transfers out of the Capital Improvement Fund were for debt service payments. Transfers out of nonmajor governmental funds were for the City’s match for street construction projects, and FEMA reimbursements. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated in the government-wide financial statements.

Individual interfund loan receivable and payable balances at December 31, 2018 were as follows:

	Interfund Loans Receivable	Interfund Loans Payable
Capital Improvement Fund	\$153,738	\$0
Nonmajor Governmental Funds	0	153,738
Totals	<u>\$153,738</u>	<u>\$153,738</u>

Interfund loan balances represent special assessment collections receipted in the Special Assessment Bond Retirement Fund which are due to the Capital Improvement Fund. Interfund loan receivable and payable balances are eliminated in the governmental activities column on the statement of net position.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 8 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2018:

<i>Historical Cost:</i>				
Class	December 31, 2017	Additions	Deletions	December 31, 2018
<i>Capital assets not being depreciated:</i>				
Land	\$8,224,837	\$0	(\$6,810)	\$8,218,027
Construction in Progress	2,039,463	4,944,867	(827,565)	6,156,765
	10,264,300	4,944,867	(834,375)	14,374,792
<i>Capital assets being depreciated:</i>				
Land Improvements	2,101,164	0	(4,772)	2,096,392
Buildings	22,915,845	0	0	22,915,845
Infrastructure	43,188,364	190,192	0	43,378,556
Equipment and Furniture	6,563,228	294,710	(238,140)	6,619,798
Vehicles	6,520,561	569,906	(645,227)	6,445,240
Total Cost	\$91,553,462	\$5,999,675	(\$1,722,514)	\$95,830,623
<i>Accumulated Depreciation:</i>				
Class	December 31, 2017	Additions	Deletions	December 31, 2018
Land Improvements	(\$1,977,971)	(\$27,266)	\$119	(\$2,005,118)
Buildings	(12,567,267)	(550,592)	0	(13,117,859)
Infrastructure	(26,611,940)	(1,391,680)	0	(28,003,620)
Equipment and Furniture	(4,027,997)	(416,426)	185,190	(4,259,233)
Vehicles	(3,152,019)	(477,969)	636,345	(2,993,643)
Total Depreciation	(\$48,337,194)	(\$2,863,933) *	\$821,654	(\$50,379,473)
<i>Net Value:</i>	\$43,216,268			\$45,451,150

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$566,407
Leisure Time Activities	524,930
Community Environment	4,446
Transportation	1,398,492
General Government	369,658
Total Depreciation Expense	\$2,863,933

# **CITY OF WORTHINGTON**

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 9 – DEFINED BENEFIT PENSION PLANS**

#### ***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability 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 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 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.

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 the liability 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.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

#### ***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 plan; therefore, the following disclosure focuses on the traditional pension plan.



# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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.

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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

This Space Intentionally Left Blank

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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 percent 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 percent.

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

	<u>State and Local</u>
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2018 Actual Contribution Rates</b>	
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 was \$998,459 for 2018. Of this amount, \$168,105 is reported as an intergovernmental payable.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

#### ***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://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 OPF may retire and receive a lifetime monthly pension. OPF 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 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 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent 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 WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 9 – 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>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %
<b>2018 Actual Contribution Rates</b>		
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:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,464,952 for 2018. Of this amount, \$308,160 is reported as an intergovernmental payable.

### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF'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 was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$8,084,188	\$19,822,876	\$27,907,064
Proportion of the Net Pension Liability-2018	0.051531%	0.322982%	
Proportion of the Net Pension Liability-2017	<u>0.049793%</u>	<u>0.310223%</u>	
Percentage Change	<u>0.001738%</u>	<u>0.012759%</u>	
Pension Expense	\$1,729,469	\$2,382,775	\$4,112,244

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$966,114	\$863,788	\$1,829,902
Differences between expected and actual experience	8,256	300,826	309,082
Change in proportionate share	181,968	613,997	795,965
City contributions subsequent to the measurement date	998,459	1,464,952	2,463,411
Total Deferred Outflows of Resources	<u>\$2,154,797</u>	<u>\$3,243,563</u>	<u>\$5,398,360</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$1,735,567	\$685,719	\$2,421,286
Differences between expected and actual experience	159,315	35,859	195,174
Change in proportionate share	68,680	418,229	486,909
Total Deferred Inflows of Resources	<u>\$1,963,562</u>	<u>\$1,139,807</u>	<u>\$3,103,369</u>

\$2,463,411 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 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	OP&F	Total
Year Ending December 31:			
2019	\$753,380	\$513,963	\$1,267,343
2020	(83,185)	333,679	250,494
2021	(764,252)	(376,563)	(1,140,815)
2022	(713,167)	(241,978)	(955,145)
2023	0	328,452	328,452
2024	0	81,251	81,251
Total	<u>(\$807,224)</u>	<u>\$638,804</u>	<u>(\$168,420)</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.

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.

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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 in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

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.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the 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 was 7.5 percent. 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 statutorily required rates. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

**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 calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) 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	\$14,355,458	\$8,084,188	\$2,855,838

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

#### Actuarial Assumptions – OPF

OPF'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 OPF'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:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent for increases based on the lesser of the increase in CPI and 3%.

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%. 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
<b>Healthy Mortality</b>			
	67 or less	77%	68%
	68-77	105%	87%
	78 and up	115%	120%
<b>Disabled Mortality</b>			
	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.



# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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. A forecasted rate of inflation serves as the baseline for the return expectation. 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 OPF's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	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 *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

\* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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 pension liability was calculated using the discount rate of 8.00 percent. 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 percent. 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.

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

**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 percent, 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 percent), or one percentage point higher (9.00 percent) 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	\$27,479,705	\$19,822,876	\$13,578,032

### NOTE 10 - DEFINED BENEFIT OPEB PLANS

#### *Net OPEB Liability*

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. 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 obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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.

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.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

## ***CITY OF WORTHINGTON***

---

### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### ***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.

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.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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 \$0 for 2018.

#### ***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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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.

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

The City's contractually required contribution to OP&F was \$34,239 for 2018. Of this amount, \$7,156 is reported as an intergovernmental payable.

### *OPEB Liabilities, OPEB Expense, and Deferred Outflows of 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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,669,804	\$18,299,719	\$23,969,523
Proportion of the Net OPEB Liability-2018	0.052212%	0.322982%	
Proportion of the Net OPEB Liability-2017	<u>0.050253%</u>	<u>0.310223%</u>	
Percentage Change	<u>0.001959%</u>	<u>0.012759%</u>	
OPEB Expense	\$533,713	\$1,507,773	\$2,041,486

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$412,823	\$1,785,663	\$2,198,486
Differences between expected and actual experience	4,416	0	4,416
Change in proportionate share	133,841	528,380	662,221
City contributions subsequent to the measurement date	0	34,239	34,239
Total Deferred Outflows of Resources	<u>\$551,080</u>	<u>\$2,348,282</u>	<u>\$2,899,362</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on OPEB plan investments	\$422,363	\$120,457	\$542,820
Differences between expected and actual experience	0	92,296	92,296
Total Deferred Inflows of Resources	<u>\$422,363</u>	<u>\$212,753</u>	<u>\$635,116</u>

\$34,239 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	\$157,882	\$294,702	\$452,584
2020	157,882	294,702	452,584
2021	(81,457)	294,702	213,245
2022	(105,590)	294,702	189,112
2023	0	324,817	324,817
2024	0	324,817	324,817
2025	0	272,848	272,848
Total	<u>\$128,717</u>	<u>\$2,101,290</u>	<u>\$2,230,007</u>

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 10 - DEFINED BENEFIT OPEB 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 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.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 10 - DEFINED BENEFIT OPEB 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 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.

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.



**CITY OF WORTHINGTON**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

**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	\$7,532,582	\$5,669,804	\$4,162,839

**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 Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,424,796	\$5,669,804	\$5,922,895

**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.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

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

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

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

# CITY OF WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 1.2 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.

**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	\$22,874,870	\$18,299,719	\$14,779,342

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 10 - 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** 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 Rates	1% Increase
City's proportionate share of the net OPEB liability	\$14,215,551	\$18,299,719	\$23,803,796

### 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 WORTHINGTON

---

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

---

### NOTE 11 - COMPENSATED ABSENCES

City employees earn sick leave at the rate of ten hours per month. Sick leave may be accumulated and carried forward from year to year without limit. An employee who is to be separated from City service through retirement, layoff, or resignation in good standing after completion of fifteen years continuous service with the City and has accumulated more than 232 hours of sick leave, is eligible to be paid for thirty percent of the total accrued hours up to a maximum of 640 hours paid.

City employees earn vacation leave at varying rates depending upon the length of service. City employees can earn compensatory time for any work in excess of their normal hours of work per day in lieu of overtime pay. Employees earn compensatory time at the rate of one and one-half times for overtime hours worked.

At December 31, 2018, the total liability for accumulated unpaid compensated absences reported as long-term obligations of the City was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	23,383	\$831,496
Vacation / Compensatory Time	27,984	995,125
Total	<u>51,367</u>	<u>\$1,826,621</u>

### NOTE 12 - RISK MANAGEMENT

#### A. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2018, the City contracted with various insurance agencies for various insurance, which includes the following types of insurance, amount of coverage and the amount of deductible:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General Liability	\$2,000,000	\$5,000
Automobile	1,000,000	500/1,000
Property	65,311,393	5,000
Boiler and Machinery	2,500,000	5,000
Crime	250,000	2,500
Public Officials	1,000,000	10,000
Law Enforcement	1,000,000	10,000
Cyber	1,000,000	10,000
Umbrella	5,000,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 12 - RISK MANAGEMENT (Continued)**

#### **B. Health Care Benefits**

The City participates in the Central Ohio Health Care Consortium (COHCC), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The COHCC consists of eleven political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage. The COHCC is governed by a Board of Directors consisting of one director appointed by each member municipality. The Board elects a chairman, vice-chairman, secretary and treasurer. The Board is responsible for its own financial matters and the COHCC maintains its own books of account. Budgeting and financing of the COHCC are subject to the approval of the Board. The City pays monthly contributions to the COHCC, which are used to purchase excess loss insurance for the COHCC to pay current claims and related claim settlement expenses and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The funds are maintained in a bank trust account established for the sole purpose and benefit of the COHCC's operations. Financial information for the COHCC can be obtained from Carie Kraner, Treasurer, COHCC, 141 East Broadway PO Box 514, Granville, Ohio 43023.

The COHCC has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the COHCC for medical claims paid to an individual in excess of \$225,000, with an unlimited individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the COHCC for aggregate claims paid in excess of \$15,118,385, to a maximum of \$1,000,000 annually. In the event that the losses of the consortium in any year exceeds amounts paid to the COHCC, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made. No such loss has occurred in the past five years.

The City currently has no specified percentage share of the COHCC. The only time at which a percentage share would be calculated occurs if the COHCC votes to terminate ongoing operations. After a vote to terminate the COHCC, the Board would wind-up the COHCC's business as quickly as practicable, but in any event would complete this process no later than twelve months after the termination date. During such period, the COHCC would continue to pay all claims and expenses until the COHCC's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve month period, any remaining surplus funds held by the COHCC would be paid to the members of the COHCC who are members as of the termination date. The Board would determine the manner in which such surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the COHCC for the prior three calendar years of the COHCC bore to all members' contributions to the COHCC for that same period. The City's payment for health insurance coverage to COHCC in 2018 was \$2,812,844. Dental, vision and life insurance benefits are also provided. The family and single rates are not gender and age sensitive, and are the same for each class of employees.

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 13 - LONG-TERM OBLIGATIONS

Detail of the changes in the long term liabilities of the City for the year ended December 31, 2018, were as follows:

	Restated Balance December 31, 2017	Issued	(Retired)	Balance December 31, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
2015 1.62% Various Purpose Refunding	\$3,040,000	\$0	(\$740,000)	\$2,300,000	\$750,000
2017 2.21% Various Purpose	3,745,000	0	(220,000)	3,525,000	230,000
Total General Obligation Bonds	6,785,000	0	(960,000)	5,825,000	980,000
OPWC Loans:					
0.00% Old Worthington ADA Ramps	78,100	0	(7,810)	70,290	7,810
0.00% Kenyonbrook Sanitary Sewer	551,535	0	(20,427)	531,108	20,427
Total OPWC Loans	629,635	0	(28,237)	601,398	28,237
Capital Leases Payable	164,723	128,471	(50,402)	242,792	64,466
Net Pension Liability:					
Ohio Public Employees Retirement System	11,307,168	0	(3,222,980)	8,084,188	0
Ohio Police and Fire Pension Fund	19,649,242	173,634	0	19,822,876	0
Total Net Pension Liability	30,956,410	173,634	(3,222,980)	27,907,064	0
Net OPEB Liability:					
Ohio Public Employees Retirement System	5,075,727	594,077	0	5,669,804	0
Ohio Police and Fire Pension Fund	14,725,610	3,574,109	0	18,299,719	0
Total Net OPEB Liability	19,801,337	4,168,186	0	23,969,523	0
Compensated Absences	1,708,592	624,445	(506,416)	1,826,621	459,723
Total General Long-Term Debt and Other Long-Term Obligations	\$60,045,697	\$5,094,736	(\$4,768,035)	\$60,372,398	\$1,532,426



# **CITY OF WORTHINGTON**

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

In 2008 the City received a \$156,201 Ohio Public Works Commission loan for installation of Americans with Disabilities Act ramps in Old Worthington. The loan carries a 0% interest rate and matures in 2028.

In 2015 the City received a \$612,816 Ohio Public Works Commission loan for sanitary sewer improvements. The loan carries a 0% interest rate and matures in 2045.

On January 18, 2017, the City issued \$3,960,000 of general obligation bonds to retire notes previously issued in the amount of \$1,560,000 for the acquisition of a fire truck, constructing and installing a waterline for the Davis Estates subdivision and for the community center window replacement project. In addition to retiring notes previously issued, the bond proceeds are for various roadway and sewer projects. The bonds have an interest rate of 2.21% and mature in 2032.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and the refinancing of bond anticipation notes. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. All general obligation bond issues will be paid through the General Obligation Debt Retirement Fund.

#### **A. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2018, follows:

Years	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2019	\$980,000	\$115,162	\$28,237	\$0
2020	1,005,000	97,930	28,237	0
2021	1,020,000	80,262	28,237	0
2022	250,000	62,322	28,237	0
2023	260,000	56,798	28,237	0
2024-2028	1,380,000	195,918	133,375	0
2029-2033	930,000	41,550	102,136	0
2034-2038	0	0	102,135	0
2039-2043	0	0	102,135	0
2044-2045	0	0	20,432	0
Totals	<u>\$5,825,000</u>	<u>\$649,942</u>	<u>\$601,398</u>	<u>\$0</u>

# **CITY OF WORTHINGTON**

---

## **Notes to the Basic Financial Statements For the Year Ended December 31, 2018**

---

### **NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

#### **B. Defeasance of General Obligation Debt**

In November of 2005 the City issued \$7,185,000 of Various Purpose Refunding General Obligation Bonds to defease a portion of the \$9,450,000 of General Obligation Bonds for Various Purposes dated 2001. The net proceeds of the 2005 Various Purposes General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$2,280,000 at December 31, 2018, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

### **NOTE 14 - CAPITAL LEASES**

The City leases a street sweeper and wheel loader under capital lease. The original cost of the assets of \$338,788 and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Position.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2018:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2019	\$73,979
2020	73,979
2021	73,979
2022	28,385
2023	14,193
Minimum Lease Payments	<u>264,515</u>
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(21,723)</u>
Present value of minimum lease payments	<u>\$242,792</u>

# CITY OF WORTHINGTON

## Notes to the Basic Financial Statements For the Year Ended December 31, 2018

### NOTE 15 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	December 31, 2017	Issued	(Retired)	December 31, 2018
Capital Project Funds Notes Payable:				
3.00% Various Purpose	\$0	\$4,460,000	\$0	\$4,460,000
Total Notes Payable	<u>\$0</u>	<u>\$4,460,000</u>	<u>\$0</u>	<u>\$4,460,000</u>

### NOTE 16 - CONSTRUCTION COMMITMENTS

The City had the following outstanding commitments at December 31, 2018:

Project	Amount
NE Gateway Wilson Bridge/Huntley/WG Intersection Study	\$3,042,549
Energy Conservation Measures	574,486
Fire Station Roof Replacement	220,353
2018 Street Improvement Program	195,587
Community Center South End Roof Replacement	194,638
Rt. 161 Traffic Study - SR 315 to Sawmill	150,000
Kenyonbrook Sanitary Sewer	144,831
Municipal Building Roof Repairs	104,542
North District Sewer Study	62,610
SR 315 Pavement Maintenance	62,140
Old Worthington Street Light	48,000
Fuel Dispensing System	43,905
Community Wayfinding Signage Project	37,288
City Hall Chimney Repairs	35,471
East Wilson Bridge Rd. Shared Use Survey Work	30,000
Michaela Subdivision SS Extension	30,000
Community Center HVAC	26,000
Bike and Ped Master Plan	24,947
2018 Traffic Signal Replacement	23,306
Granby Street Drainage Improvements	20,000
E. Wilson Bridge Rd. Waterline	18,620
Municipal Building Window & Door Replacements	15,000
Southeast Sewer Shed Basins 6&8 SSES	14,840
Kilbourne Building Sewer Line Repairs	5,781
Northbrook Relief Sewer Phase II	4,981
Upper Rush Run Stream Restoration	4,956
Olentangy Parklands Restroom	4,027
	<u>\$ 5,138,858</u>

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 17 - CONTINGENT LIABILITIES**

#### **A. Litigation**

The City is of the opinion that the ultimate disposition of all claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

#### **B. State and Federal Grants**

For the period January 1, 2018, to December 31, 2018, the City received state and federal grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

### **NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS**

*Mid-Ohio Regional Planning Commission* - The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 84 representatives appointed by member governments who make up the commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south-central Ohio and a regional planning agency whose membership includes 44 political subdivisions in and around Franklin, Delaware, Fairfield, Licking, Madison, Morrow, Pickaway, Ross and Union counties. MORPC's area of interest also includes Fayette, Marion, and Knox counties resulting in a strong 12-county region. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

### **NOTE 19 – JOINT VENTURE**

*Central Ohio Interoperable Radio System Council of Governments* - The City joined the City of Dublin and Delaware County to create the Central Ohio Interoperable Radio System Council of Governments (COG), which is a joint venture. The COG was created in order to allow the members to collaborate to create an improved dispatching system with enhanced technology, redundancy, spectrum efficiency, and interoperability that will better serve the residents of each member's political subdivision. The City does not have an equity interest in the COG.

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2018***

---

### **NOTE 20 – COMPONENT UNIT**

The component unit column in the government-wide financial statements includes the financial data of the City's component unit, the Worthington Community Improvement Corporation (CIC).

#### **A. Basis of Accounting**

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

#### **B. Basis of Presentation**

The CIC's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The CIC distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally resulted from providing services in connection with the CIC's principal ongoing operation. The principal operating revenues of the CIC are contributions from the City. Operating expenses for the CIC include professional fees and service contract fees. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

#### **C. Federal Income Tax**

The City of Worthington Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

#### **D. Deposits**

As of December 31, 2018, the carrying amount of the CIC's deposits was in the amount of \$414,923. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure", as of December 31, 2018, \$250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation, and \$164,923 was not insured or collateralized, contrary to Ohio Law. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

#### **E. Real Estate Held for Development**

At December 31, 2018 the CIC reported \$212,536 of real estate held for development, which is the property at 145 East Wilson Bridge Road. Additional property purchases in the East Wilson Bridge Road corridor are expected, with the intent to develop this property into commercial space.

#### **F. Contributions from the City**

The CIC received \$600,000 in contributions from the City of Worthington during the year 2018.

***REQUIRED SUPPLEMENTAL INFORMATION***

---

# CITY OF WORTHINGTON

## Schedule of City's Proportionate Share of the Net Pension Liability Last Five Years

### Ohio Public Employees Retirement System

Year	2014	2015	2016	2017	2018
City's proportion of the net pension liability (asset)	0.052367%	0.052367%	0.051182%	0.049793%	0.051531%
City's proportionate share of the net pension liability (asset)	\$6,173,387	\$6,316,045	\$8,865,381	\$11,307,168	\$8,084,188
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258	\$6,484,525	\$6,835,277
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	93.13%	98.08%	138.67%	174.37%	118.27%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

### Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017	2018
City's proportion of the net pension liability (asset)	0.320344%	0.320344%	0.321738%	0.310223%	0.322982%
City's proportionate share of the net pension liability (asset)	\$15,601,738	\$16,595,134	\$20,697,616	\$19,649,242	\$19,822,876
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034	\$6,620,503	\$6,990,813
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	218.39%	262.79%	320.39%	296.79%	283.56%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%	70.91%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available. The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

# ***CITY OF WORTHINGTON***

---

## ***Schedule of City Pension Contributions Last Six Years***

---

### **Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$861,736	\$772,754	\$767,191	\$778,143
Contributions in relation to the contractually required contribution	<u>861,736</u>	<u>772,754</u>	<u>767,191</u>	<u>778,143</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258	\$6,484,525
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

### **Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,222,690	\$1,352,864	\$1,383,353	\$1,420,678
Contributions in relation to the contractually required contribution	<u>1,222,690</u>	<u>1,352,864</u>	<u>1,383,353</u>	<u>1,420,678</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034	\$6,620,503
Contributions as a percentage of covered payroll	17.12%	21.42%	21.41%	21.46%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.



**CITY OF WORTHINGTON**

---

---

<u>2017</u>	<u>2018</u>
\$888,586	\$998,459
<u>888,586</u>	<u>998,459</u>
<u>\$0</u>	<u>\$0</u>
\$6,835,277	\$7,131,850
13.00%	14.00%

<u>2017</u>	<u>2018</u>
\$1,497,060	\$1,464,952
<u>1,497,060</u>	<u>1,464,952</u>
<u>\$0</u>	<u>\$0</u>
\$6,990,813	\$6,847,709
21.41%	21.39%



# **CITY OF WORTHINGTON**

---

## ***Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability Last Two Years***

---

### **Ohio Public Employees Retirement System**

Year	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.050253%	0.052212%
City's proportionate share of the net OPEB liability (asset)	\$5,075,727	\$5,669,804
City's covered payroll	\$6,484,525	\$6,835,277
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	78.27%	82.95%
Plan fiduciary net position as a percentage of the total OPEB liability	54.04%	54.14%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

### **Ohio Police and Fire Pension Fund**

Year	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.310223%	0.322982%
City's proportionate share of the net OPEB liability (asset)	\$14,725,610	\$18,299,719
City's covered payroll	\$6,620,503	\$6,990,813
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	222.42%	261.77%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

# ***CITY OF WORTHINGTON***

---

## ***Schedule of City Other Postemployment Benefit (OPEB) Contributions Last Six Years***

---

### **Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$66,287	\$128,792	\$127,865	\$129,691
Contributions in relation to the contractually required contribution	<u>66,287</u>	<u>128,792</u>	<u>127,865</u>	<u>129,691</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258	\$6,484,525
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

### **Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$242,888	\$31,575	\$32,300	\$33,103
Contributions in relation to the contractually required contribution	<u>242,888</u>	<u>31,575</u>	<u>32,300</u>	<u>33,103</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034	\$6,620,503
Contributions as a percentage of covered payroll	3.40%	0.50%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

**CITY OF WORTHINGTON**

---

---

<u>2017</u>	<u>2018</u>
\$68,353	\$0
<u>68,353</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>
\$6,835,277	\$7,131,850
1.00%	0.00%

<u>2017</u>	<u>2018</u>
\$34,954	\$34,239
<u>34,954</u>	<u>34,239</u>
<u>\$0</u>	<u>\$0</u>
\$6,990,813	\$6,847,709
0.50%	0.50%

# ***CITY OF WORTHINGTON***

---

## ***Notes to the Required Supplemental Information For the Year Ended December 31, 2018***

---

### **NET PENSION LIABILITY**

#### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2018.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

#### **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2018.

*Changes in assumptions:*

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

## ***CITY OF WORTHINGTON***

---

### ***Notes to the Required Supplemental Information For the Year Ended December 31, 2018***

---

#### **NET OPEB LIABILITY**

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* For 2018, there were no changes in benefit terms.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%.

##### **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* For 2018, there were no changes in benefit terms.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.75% to 3.25%.

***C*OMBINING AND *I*NDIVIDUAL *F*UND  
*S*TATEMENTS AND *S*CHEDULES**

---

***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY  
FUNDS.**



***Nonmajor Governmental Funds***

---

---

***Special Revenue Funds***

---

---

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

**Property Assessed Clean Energy Fund**

To account for special assessments that are levied by the City and remitted to the Franklin County Finance Authority, as part of the Property Assessed Clean Energy Program. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

**Street Construction, Maintenance and Repair Fund**

To account for revenues distributed by the State from the motor vehicle registration and gasoline tax. Expenditures may only be used for City street construction, maintenance and repair.

**State Highway Fund**

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

**Water Fund**

To account for the operation of the water distribution system. This fund receives proceeds from the City water surcharge and water permit fees as paid to and distributed by the City of Columbus.

**Sanitary Sewer Fund**

To account for the operation of the sanitary sewer distribution system. This fund receives proceeds from the City sewer surcharge and sewer permit fees as paid to and distributed by the City of Columbus.

**Police Pension Fund**

To account for property taxes levied to fund police retirement plan contributions.

**Law Enforcement Fund**

To account for revenues received by the Police Department for contraband per state statute.

**Municipal Motor Vehicle License Tax Fund**

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

**Enforcement and Education Fund**

To account for revenues received from mandatory fines for drug offenses.

**Community Technology Fund**

To account for the proceeds of the franchise agreement with Ameritech New Media designated for technology needs of the Library, Schools, and City in accordance with Codified Ordinance section 947.10.

# ***CITY OF WORTHINGTON***

---

## ***Special Revenue Funds (Continued)***

---

### **Court Clerk Computer Fund**

To account for the assessment fee charged to each issued citation to be used only for the purchase and maintenance of computerizing the Mayor's Court operations.

### **Economic Development Fund**

To account for the activities associated with offering certain economic incentives provided to businesses who meet specific criteria. This fund receives non-tax revenue transfers from the General Fund. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

### **FEMA Fund**

To account for grants received from the Federal Emergency Management Agency for disaster relief. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Law Enforcement Continuing Education Fund**

To account for monies to be used for continuing professional training programs for law enforcement officers.

### **Parks and Recreation Fund**

To account for the receipt and disbursement of all fees and costs raised and expended in connection with the leisure time program activities conducted by the Department of Parks and Recreation on a contractual basis.

### **Special Parks Fund**

To account for the Public Area Fee Payments related to the development of residential, industrial, and commercial property. Fees are received as a result of new or redevelopment projects in lieu of dedicated public property for park lands. The City matches the public use fee payments as required by State statute. These fees are to be used for the capital costs associated with the City's parks, playgrounds, and recreation areas.

### **Bicentennial Trust Fund**

To account for the pledges, contributions, donations, and City advances designated for the City 2003 Bicentennial Celebration.

### **Subdivision Trust Fund**

To account for bonds and inspection fees collected for public improvements being made by owners or developers in the City. (This fund is not part of the City's appropriated budget therefore no budgetary schedule is presented.)

## ***CITY OF WORTHINGTON***

---

### ***Debt Service Funds***

---

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

#### **General Obligation Bond Retirement Fund**

To account for property taxes and transfers to be used for payments of principal and interest on the City's general obligation bonds.

#### **Special Assessment Bond Retirement Fund**

To account for the accumulation of special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of principal and interest on the City's special assessment bonds.

### ***Capital Projects Funds***

---

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

#### **Trunk Sewer Fund**

To account for the City's portion of the sewer system capacity charge collected for the maintenance of the main trunk sanitary sewer lines.

#### **Tax Increment Financing Fund**

To account for payments received in lieu of property taxes to be used for public improvements.

# CITY OF WORTHINGTON

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 1,698,279	\$ 1,469,774	\$ 1,075,160	\$ 4,243,213
Cash and Cash Equivalents in Segregated Accounts	14,959	0	0	14,959
Receivables:				
Taxes	178,799	101,320	616,000	896,119
Accounts	10,531	0	0	10,531
Intergovernmental	417,698	6,143	0	423,841
<b>Total Assets</b>	<b>\$ 2,320,266</b>	<b>\$ 1,577,237</b>	<b>\$ 1,691,160</b>	<b>\$ 5,588,663</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 49,718	\$ 0	\$ 0	\$ 49,718
Accrued Wages and Benefits Payable	24,026	0	0	24,026
Intergovernmental Payable	135,698	0	0	135,698
Contracts Payable	1,968	0	0	1,968
Interfund Loans Payable	0	153,738	0	153,738
<b>Total Liabilities</b>	<b>211,410</b>	<b>153,738</b>	<b>0</b>	<b>365,148</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	288,890	10,012	0	298,902
Property Tax Levy for Next Fiscal Year	171,972	97,451	616,000	885,423
<b>Total Deferred Inflows of Resources</b>	<b>460,862</b>	<b>107,463</b>	<b>616,000</b>	<b>1,184,325</b>
<b>Fund Balances:</b>				
Restricted	1,090,103	1,316,036	1,075,160	3,481,299
Committed	557,891	0	0	557,891
<b>Total Fund Balances</b>	<b>1,647,994</b>	<b>1,316,036</b>	<b>1,075,160</b>	<b>4,039,190</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,320,266</b>	<b>\$ 1,577,237</b>	<b>\$ 1,691,160</b>	<b>\$ 5,588,663</b>

# CITY OF WORTHINGTON

## 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	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 172,962	\$ 97,988	\$ 541,635	\$ 812,585
Intergovernmental Revenues	855,500	12,286	0	867,786
Charges for Services	1,032,279	0	0	1,032,279
Investment Earnings	1,030	0	0	1,030
Fines and Forfeitures	13,613	0	0	13,613
All Other Revenues	16,793	421	2,593	19,807
<b>Total Revenue</b>	<b>2,092,177</b>	<b>110,695</b>	<b>544,228</b>	<b>2,747,100</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	642,895	0	0	642,895
Leisure Time Activities	964,360	0	0	964,360
Basic Utility Services	268,128	0	0	268,128
Transportation	955,364	0	0	955,364
General Government	81,402	0	157,482	238,884
Debt Service:				
Principal Retirement	0	960,000	0	960,000
Interest & Fiscal Charges	0	160,497	0	160,497
<b>Total Expenditures</b>	<b>2,912,149</b>	<b>1,120,497</b>	<b>157,482</b>	<b>4,190,128</b>
Excess (Deficiency) of Revenues				
Over Expenditures	(819,972)	(1,009,802)	386,746	(1,443,028)
<b>Other Financing Sources (Uses):</b>				
Premium on Debt Issuance	0	45,893	0	45,893
Transfers In	718,333	1,092,013	0	1,810,346
Transfers Out	(165,884)	0	0	(165,884)
<b>Total Other Financing Sources (Uses)</b>	<b>552,449</b>	<b>1,137,906</b>	<b>0</b>	<b>1,690,355</b>
Net Change in Fund Balances	(267,523)	128,104	386,746	247,327
<b>Fund Balances at Beginning of Year</b>	<b>1,915,517</b>	<b>1,187,932</b>	<b>688,414</b>	<b>3,791,863</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,647,994</b>	<b>\$ 1,316,036</b>	<b>\$ 1,075,160</b>	<b>\$ 4,039,190</b>

**CITY OF WORTHINGTON**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2018**

	Street Construction Maintenance and Repair	State Highway	Water	Sanitary Sewer
<b>Assets:</b>				
Pooled Cash and Investments	\$ 56,646	\$ 49,791	\$ 20,778	\$ 31,540
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	4,993	4,596
Intergovernmental	319,956	25,941	0	0
<b>Total Assets</b>	<b>\$ 376,602</b>	<b>\$ 75,732</b>	<b>\$ 25,771</b>	<b>\$ 36,136</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 16,340	\$ 151	\$ 423	\$ 5,875
Accrued Wages and Benefits Payable	18,384	2,820	1,411	1,411
Intergovernmental Payable	10,426	1,609	804	804
Contracts Payable	1,968	0	0	0
<b>Total Liabilities</b>	<b>47,118</b>	<b>4,580</b>	<b>2,638</b>	<b>8,090</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	213,304	17,294	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>213,304</b>	<b>17,294</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Restricted	116,180	53,858	0	0
Committed	0	0	23,133	28,046
<b>Total Fund Balances</b>	<b>116,180</b>	<b>53,858</b>	<b>23,133</b>	<b>28,046</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 376,602</b>	<b>\$ 75,732</b>	<b>\$ 25,771</b>	<b>\$ 36,136</b>

**CITY OF WORTHINGTON**

<u>Police Pension</u>	<u>Law Enforcement</u>	<u>Municipal Motor Vehicle License Tax</u>	<u>Enforcement and Education</u>	<u>Community Technology</u>	<u>Court Clerk Computer</u>
\$ 499,196	\$ 64,437	\$ 140,740	\$ 50,181	\$ 13,029	\$ 232,904
0	0	0	0	0	0
178,799	0	0	0	0	0
0	0	0	0	0	942
10,843	0	60,933	25	0	0
<u>\$ 688,838</u>	<u>\$ 64,437</u>	<u>\$ 201,673</u>	<u>\$ 50,206</u>	<u>\$ 13,029</u>	<u>\$ 233,846</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,935
0	0	0	0	0	0
122,055	0	0	0	0	0
0	0	0	0	0	0
<u>122,055</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,935</u>
17,670	0	40,622	0	0	0
171,972	0	0	0	0	0
<u>189,642</u>	<u>0</u>	<u>40,622</u>	<u>0</u>	<u>0</u>	<u>0</u>
377,141	64,437	161,051	50,206	0	231,911
0	0	0	0	13,029	0
<u>377,141</u>	<u>64,437</u>	<u>161,051</u>	<u>50,206</u>	<u>13,029</u>	<u>231,911</u>
<u>\$ 688,838</u>	<u>\$ 64,437</u>	<u>\$ 201,673</u>	<u>\$ 50,206</u>	<u>\$ 13,029</u>	<u>\$ 233,846</u>

(Continued)

**CITY OF WORTHINGTON**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2018**

	Law Enforcement Continuing Education	Parks and Recreation	Special Parks	Bicentennial Trust
<b>Assets:</b>				
Pooled Cash and Investments	\$ 20,360	\$ 406,088	\$ 40,022	\$ 72,567
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>\$ 20,360</b>	<b>\$ 406,088</b>	<b>\$ 40,022</b>	<b>\$ 72,567</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 24,994	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>24,994</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Restricted	20,360	0	0	0
Committed	0	406,088	15,028	72,567
<b>Total Fund Balances</b>	<b>20,360</b>	<b>406,088</b>	<b>15,028</b>	<b>72,567</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 20,360</b>	<b>\$ 406,088</b>	<b>\$ 40,022</b>	<b>\$ 72,567</b>



**CITY OF WORTHINGTON**

---

<u>Subdivision Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 1,698,279
14,959	14,959
0	178,799
0	10,531
0	417,698
<u>\$ 14,959</u>	<u>\$ 2,320,266</u>
\$ 0	\$ 49,718
0	24,026
0	135,698
0	1,968
<u>0</u>	<u>211,410</u>
0	288,890
0	171,972
<u>0</u>	<u>460,862</u>
14,959	1,090,103
0	557,891
<u>14,959</u>	<u>1,647,994</u>
<u>\$ 14,959</u>	<u>\$ 2,320,266</u>

**CITY OF WORTHINGTON**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

	Street Construction Maintenance and Repair	State Highway	Water	Sanitary Sewer
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	658,935	53,427	0	0
Charges for Services	0	0	41,812	38,349
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	56	0	0	0
<b>Total Revenues</b>	<u>658,991</u>	<u>53,427</u>	<u>41,812</u>	<u>38,349</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Basic Utility Services	0	0	188,106	80,022
Transportation	847,020	108,344	0	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<u>847,020</u>	<u>108,344</u>	<u>188,106</u>	<u>80,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,029)	(54,917)	(146,294)	(41,673)
<b>Other Financing Sources (Uses):</b>				
Transfers In	225,000	90,000	78,000	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>225,000</u>	<u>90,000</u>	<u>78,000</u>	<u>0</u>
Net Change in Fund Balances	36,971	35,083	(68,294)	(41,673)
<b>Fund Balances at Beginning of Year</b>	<u>79,209</u>	<u>18,775</u>	<u>91,427</u>	<u>69,719</u>
<b>Fund Balances End of Year</b>	<u>\$ 116,180</u>	<u>\$ 53,858</u>	<u>\$ 23,133</u>	<u>\$ 28,046</u>

**CITY OF WORTHINGTON**

Police Pension	Law Enforcement	Municipal Motor Vehicle License Tax	Enforcement and Education	Community Technology	Court Clerk Computer	FEMA
\$ 172,962	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
21,686	0	121,119	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	1,385	0	12,228	0
743	10,319	0	0	0	0	0
195,391	10,319	121,119	1,385	0	12,228	0
625,123	17,772	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	66,971	14,431	0
625,123	17,772	0	0	66,971	14,431	0
(429,732)	(7,453)	121,119	1,385	(66,971)	(2,203)	0
325,000	0	0	0	0	0	0
0	0	(150,000)	0	0	0	(15,884)
325,000	0	(150,000)	0	0	0	(15,884)
(104,732)	(7,453)	(28,881)	1,385	(66,971)	(2,203)	(15,884)
481,873	71,890	189,932	48,821	80,000	234,114	15,884
\$ 377,141	\$ 64,437	\$ 161,051	\$ 50,206	\$ 13,029	\$ 231,911	\$ 0

(Continued)

# CITY OF WORTHINGTON

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2018

	Law Enforcement Continuing Education	Parks and Recreation	Special Parks	Bicentennial Trust
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	333	0
Charges for Services	0	946,087	6,031	0
Investment Earnings	0	0	0	1,030
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	2	5,671	0
<b>Total Revenues</b>	<b>0</b>	<b>946,089</b>	<b>12,035</b>	<b>1,030</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	939,366	24,994	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>939,366</b>	<b>24,994</b>	<b>0</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	6,723	(12,959)	1,030
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	333	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>333</b>	<b>0</b>
Net Change in Fund Balances	0	6,723	(12,626)	1,030
<b>Fund Balances at Beginning of Year</b>	<b>20,360</b>	<b>399,365</b>	<b>27,654</b>	<b>71,537</b>
<b>Fund Balances End of Year</b>	<b>\$ 20,360</b>	<b>\$ 406,088</b>	<b>\$ 15,028</b>	<b>\$ 72,567</b>

**CITY OF WORTHINGTON**

---

---

<u>Subdivision Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 172,962
0	855,500
0	1,032,279
0	1,030
0	13,613
<u>2</u>	<u>16,793</u>
<u>2</u>	<u>2,092,177</u>
0	642,895
0	964,360
0	268,128
0	955,364
<u>0</u>	<u>81,402</u>
<u>0</u>	<u>2,912,149</u>
2	(819,972)
0	718,333
<u>0</u>	<u>(165,884)</u>
<u>0</u>	<u>552,449</u>
2	(267,523)
<u>14,957</u>	<u>1,915,517</u>
<u>\$ 14,959</u>	<u>\$ 1,647,994</u>

# CITY OF WORTHINGTON

---

## *Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2018*

---

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 1,191,326	\$ 278,448	\$ 1,469,774
Receivables:			
Taxes	101,320	0	101,320
Intergovernmental	6,143	0	6,143
<b>Total Assets</b>	<u>\$ 1,298,789</u>	<u>\$ 278,448</u>	<u>\$ 1,577,237</u>
<b>Liabilities:</b>			
Interfund Loans Payable	\$ 0	\$ 153,738	\$ 153,738
<b>Total Liabilities</b>	<u>0</u>	<u>153,738</u>	<u>153,738</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	10,012	0	10,012
Property Tax Levy for Next Fiscal Year	97,451	0	97,451
<b>Total Deferred Inflows of Resources</b>	<u>107,463</u>	<u>0</u>	<u>107,463</u>
<b>Fund Balances:</b>			
Restricted	1,191,326	124,710	1,316,036
<b>Total Fund Balances</b>	<u>1,191,326</u>	<u>124,710</u>	<u>1,316,036</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,298,789</u>	<u>\$ 278,448</u>	<u>\$ 1,577,237</u>

# CITY OF WORTHINGTON

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2018

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Property Taxes	\$ 97,988	\$ 0	\$ 97,988
Intergovernmental Revenues	12,286	0	12,286
All Other Revenue	421	0	421
<b>Total Revenues</b>	<b>110,695</b>	<b>0</b>	<b>110,695</b>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	960,000	0	960,000
Interest and Fiscal Charges	160,497	0	160,497
<b>Total Expenditures</b>	<b>1,120,497</b>	<b>0</b>	<b>1,120,497</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,009,802)	0	(1,009,802)
<b>Other Financing Sources (Uses):</b>			
Premium on Debt Issuance	45,893	0	45,893
Transfers In	1,092,013	0	1,092,013
<b>Total Other Financing Sources (Uses)</b>	<b>1,137,906</b>	<b>0</b>	<b>1,137,906</b>
Net Change in Fund Balances	128,104	0	128,104
<b>Fund Balances at Beginning of Year</b>	<b>1,063,222</b>	<b>124,710</b>	<b>1,187,932</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,191,326</b>	<b>\$ 124,710</b>	<b>\$ 1,316,036</b>

# CITY OF WORTHINGTON

---

## *Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2018*

---

	Trunk Sewer	Tax Increment Financing	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 375,149	\$ 700,011	\$ 1,075,160
Receivables:			
Taxes	0	616,000	616,000
<b>Total Assets</b>	<u>\$ 375,149</u>	<u>\$ 1,316,011</u>	<u>\$ 1,691,160</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	0	616,000	616,000
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>616,000</u>	<u>616,000</u>
<b>Fund Balances:</b>			
Restricted	375,149	700,011	1,075,160
<b>Total Fund Balances</b>	<u>375,149</u>	<u>700,011</u>	<u>1,075,160</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 375,149</u>	<u>\$ 1,316,011</u>	<u>\$ 1,691,160</u>



# **CITY OF WORTHINGTON**

---

## ***Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2018***

---

	<u>Trunk Sewer</u>	<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Property Taxes	\$ 0	\$ 541,635	\$ 541,635
All Other Revenue	0	2,593	2,593
<b>Total Revenues</b>	<u>0</u>	<u>544,228</u>	<u>544,228</u>
<b>Expenditures:</b>			
Current:			
General Government	0	157,482	157,482
<b>Total Expenditures</b>	<u>0</u>	<u>157,482</u>	<u>157,482</u>
Net Change in Fund Balances	0	386,746	386,746
<b>Fund Balances at Beginning of Year</b>	<u>375,149</u>	<u>313,265</u>	<u>688,414</u>
<b>Fund Balances End of Year</b>	<u>\$ 375,149</u>	<u>\$ 700,011</u>	<u>\$ 1,075,160</u>

# CITY OF WORTHINGTON

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 2,350,642	\$ 2,603,151	\$ 2,611,658	\$ 8,507
Municipal Income Taxes	20,845,322	20,635,497	20,854,635	219,138
Other Local Taxes	215,000	140,000	104,315	(35,685)
Intergovernmental Revenues	670,423	704,928	713,827	8,899
Charges for Services	2,585,747	2,681,594	2,597,401	(84,193)
Licenses, Permits and Fees	495,500	495,500	499,237	3,737
Investment Earnings	150,000	210,000	402,431	192,431
Special Assessments	25,000	0	0	0
Fines and Forfeitures	200,000	200,000	150,200	(49,800)
All Other Revenues	240,000	240,000	542,463	302,463
<b>Total Revenues</b>	<b>27,777,634</b>	<b>27,910,670</b>	<b>28,476,167</b>	<b>565,497</b>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police - Administration:				
Personal Services	179,300	179,300	170,121	9,179
Nonpersonnel	33,694	33,694	29,195	4,499
<b>Total Police - Administration</b>	<b>212,994</b>	<b>212,994</b>	<b>199,316</b>	<b>13,678</b>
Police - Community Service:				
Personal Services	3,377,761	3,477,761	3,273,409	204,352
Nonpersonnel	25,403	25,403	23,178	2,225
<b>Total Police - Community Service</b>	<b>3,403,164</b>	<b>3,503,164</b>	<b>3,296,587</b>	<b>206,577</b>
Police - Support Service:				
Personal Services	2,267,951	2,267,951	2,179,405	88,546
Nonpersonnel	306,294	306,294	302,918	3,376
<b>Total Police - Support Service</b>	<b>2,574,245</b>	<b>2,574,245</b>	<b>2,482,323</b>	<b>91,922</b>
Fire - Administration:				
Personal Services	242,878	242,878	236,811	6,067
Nonpersonnel	191,961	191,961	168,845	23,116
<b>Total Fire - Administration</b>	<b>434,839</b>	<b>434,839</b>	<b>405,656</b>	<b>29,183</b>
Fire - Operations:				
Personal Services	5,814,085	5,814,085	5,431,478	382,607
Nonpersonnel	425,560	434,560	392,211	42,349
<b>Total Fire - Operations</b>	<b>6,239,645</b>	<b>6,248,645</b>	<b>5,823,689</b>	<b>424,956</b>

(Continued)

# CITY OF WORTHINGTON

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire - Training and Prevention:				
Personal Services	184,151	184,151	133,045	51,106
Nonpersonnel	103,352	94,352	86,221	8,131
Total Fire - Training and Prevention	287,503	278,503	219,266	59,237
Total Security of Persons and Property	13,152,390	13,252,390	12,426,837	825,553
Public Health and Welfare Services:				
Board of Health:				
Nonpersonnel	77,896	77,896	77,896	0
Total Public Health and Welfare Services	77,896	77,896	77,896	0
Leisure Time Activities:				
Parks and Recreation - Administration:				
Personal Services	210,995	212,795	210,072	2,723
Nonpersonnel	16,890	16,890	11,191	5,699
Total Parks and Recreation - Administration	227,885	229,685	221,263	8,422
Parks Maintenance:				
Personal Services	868,404	857,854	848,580	9,274
Nonpersonnel	314,530	325,580	310,356	15,224
Total Parks Maintenance	1,182,934	1,183,434	1,158,936	24,498
Community Center Programs:				
Personal Services	1,920,043	1,919,535	1,900,101	19,434
Nonpersonnel	897,139	821,639	759,180	62,459
Total Community Center Programs	2,817,182	2,741,174	2,659,281	81,893
Recreation Programs:				
Personal Services	20,954	19,662	17,913	1,749
Nonpersonnel	56,709	56,709	50,623	6,086
Total Recreation Programs	77,663	76,371	68,536	7,835
Senior Citizen Programs:				
Personal Services	507,398	507,398	468,995	38,403
Nonpersonnel	121,781	121,781	99,575	22,206
Total Senior Citizen Programs	629,179	629,179	568,570	60,609
Total Leisure Time Activities	4,934,843	4,859,843	4,676,586	183,257
Community Environment:				
Planning and Building:				
Personal Services	683,119	677,919	596,298	81,621
Nonpersonnel	138,997	144,197	140,350	3,847
Total Community Environment	822,116	822,116	736,648	85,468

(Continued)

# CITY OF WORTHINGTON

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Basic Utility Services:				
Refuse:				
Nonpersonnel	1,000,500	1,000,500	1,000,500	0
Total Basic Utility Services	1,000,500	1,000,500	1,000,500	0
General Government:				
Personnel:				
Personal Services	363,038	363,038	341,156	21,882
Nonpersonnel	42,505	42,505	39,718	2,787
Total Personnel	405,543	405,543	380,874	24,669
Finance and Taxation:				
Personal Services	479,034	479,034	467,786	11,248
Nonpersonnel	1,184,126	1,184,126	1,139,017	45,109
Total Finance and Taxation	1,663,160	1,663,160	1,606,803	56,357
Legislative and Clerk:				
Personal Services	85,531	85,531	76,783	8,748
Nonpersonnel	79,955	101,955	100,343	1,612
Total Legislative and Clerk	165,486	187,486	177,126	10,360
Law:				
Personal Services	284,662	284,662	274,621	10,041
Nonpersonnel	232,275	232,275	215,302	16,973
Total Law	516,937	516,937	489,923	27,014
Mayor and Mayors Court:				
Personal Services	139,054	139,054	125,323	13,731
Nonpersonnel	26,164	26,164	17,458	8,706
Total Mayor and Mayors Court	165,218	165,218	142,781	22,437
Economic Development:				
Personal Services	143,117	143,117	132,294	10,823
Nonpersonnel	666,250	666,250	666,188	62
Total Economic Development	809,367	809,367	798,482	10,885
Management Information Systems:				
Personal Services	489,881	489,881	447,133	42,748
Nonpersonnel	187,005	187,005	160,826	26,179
Total Management Information Systems	676,886	676,886	607,959	68,927

(Continued)

# CITY OF WORTHINGTON

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service/Engineering - Administration:				
Personal Services	826,642	796,642	750,735	45,907
Nonpersonnel	197,675	212,675	189,275	23,400
Total Service/Engineering - Administration	1,024,317	1,009,317	940,010	69,307
Service/Engineering - Buildings and Structures:				
Personal Services	279,254	279,254	258,778	20,476
Nonpersonnel	194,926	194,926	193,623	1,303
Total Service/Engineering - Buildings and Structures	474,180	474,180	452,401	21,779
Service/Engineering - Grounds Maintenance:				
Personal Services	522,197	537,447	526,482	10,965
Nonpersonnel	418,745	418,495	394,976	23,519
Total Service/Engineering - Grounds Maintenance	940,942	955,942	921,458	34,484
Service/Engineering - Sanitation:				
Nonpersonnel	26,200	26,200	24,923	1,277
Total Service/Engineering - Sanitation	26,200	26,200	24,923	1,277
Service/Engineering - Fleet Maintenance:				
Personal Services	141,328	141,328	139,280	2,048
Nonpersonnel	369,598	369,598	333,281	36,317
Total Service/Engineering - Fleet Maintenance	510,926	510,926	472,561	38,365
Cultural Arts Center:				
Nonpersonnel	253,055	253,055	249,428	3,627
Total Cultural Arts Center	253,055	253,055	249,428	3,627
Administration:				
Personal Services	760,646	750,646	676,679	73,967
Nonpersonnel	122,237	122,237	98,096	24,141
Total Administration	882,883	872,883	774,775	98,108
General Miscellaneous:				
Nonpersonnel	437,645	437,645	367,979	69,666
Total General Miscellaneous	437,645	437,645	367,979	69,666
Total General Government	8,952,745	8,964,745	8,407,483	557,262
Total Expenditures	28,940,490	28,977,490	27,325,950	1,651,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,162,856)	(1,066,820)	1,150,217	2,217,037

(Continued)

## **CITY OF WORTHINGTON**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2018***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(951,800)	(1,029,800)	(1,028,000)	1,800
Total Other Financing Sources (Uses)	<u>(951,800)</u>	<u>(1,029,800)</u>	<u>(1,028,000)</u>	<u>1,800</u>
Net Change in Fund Balance	(2,114,656)	(2,096,620)	122,217	2,218,837
Fund Balance at Beginning of Year	11,845,220	11,845,220	11,845,220	0
Prior Year Encumbrances	<u>1,647,974</u>	<u>1,647,974</u>	<u>1,647,974</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,378,538</u>	<u>\$ 11,396,574</u>	<u>\$ 13,615,411</u>	<u>\$ 2,218,837</u>

# CITY OF WORTHINGTON

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund – Capital Improvement Fund  
For the Year Ended December 31, 2018**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Municipal Income Taxes	\$ 5,158,874	\$ 5,210,500	\$ 51,626
Intergovernmental Revenues	440,000	407,491	(32,509)
Special Assessments	55,000	65,318	10,318
All Other Revenues	35,000	173,470	138,470
Total Revenues	<u>5,688,874</u>	<u>5,856,779</u>	<u>167,905</u>
<b>Expenditures:</b>			
General Government:			
Nonpersonnel	467,198	394,120	73,078
Capital Outlay:			
Nonpersonnel	14,135,264	13,663,518	471,746
Debt Service:			
Principal Retirement	114,300	103,831	10,469
Total Expenditures	<u>14,716,762</u>	<u>14,161,469</u>	<u>555,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,027,888)	(8,304,690)	723,198
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	4,460,000	4,460,000	0
Transfers Out	(1,097,013)	(1,092,346)	4,667
Total Other Financing Sources (Uses)	<u>3,362,987</u>	<u>3,367,654</u>	<u>4,667</u>
Net Change in Fund Balance	(5,664,901)	(4,937,036)	727,865
Fund Balance at Beginning of Year	5,565,864	5,565,864	0
Prior Year Encumbrances	3,040,424	3,040,424	0
Fund Balance at End of Year	<u>\$ 2,941,387</u>	<u>\$ 3,669,252</u>	<u>\$ 727,865</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Special Assessments	\$ 33,000	\$ 32,977	\$ (23)
Total Revenues	<u>33,000</u>	<u>32,977</u>	<u>(23)</u>
<b>Expenditures:</b>			
General Government:			
Nonpersonnel	<u>33,000</u>	<u>32,977</u>	<u>23</u>
Total Expenditures	<u>33,000</u>	<u>32,977</u>	<u>23</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



# CITY OF WORTHINGTON

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

### STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 740,000	\$ 659,535	\$ (80,465)
All Other Revenues	0	56	56
Total Revenues	<u>740,000</u>	<u>659,591</u>	<u>(80,409)</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	706,482	700,203	6,279
Nonpersonnel	<u>198,147</u>	<u>187,776</u>	<u>10,371</u>
Total Expenditures	<u>904,629</u>	<u>887,979</u>	<u>16,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,629)	(228,388)	(63,759)
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>175,000</u>	<u>225,000</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>225,000</u>	<u>50,000</u>
Net Change in Fund Balance	10,371	(3,388)	(13,759)
Fund Balance at Beginning of Year	776	776	0
Prior Year Encumbrances	<u>2,797</u>	<u>2,797</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,944</u>	<u>\$ 185</u>	<u>\$ (13,759)</u>

# CITY OF WORTHINGTON

---

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 56,500	\$ 53,476	\$ (3,024)
Total Revenues	<u>56,500</u>	<u>53,476</u>	<u>(3,024)</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	110,647	107,992	2,655
Nonpersonnel	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Total Expenditures	<u>145,647</u>	<u>107,992</u>	<u>37,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,147)	(54,516)	34,631
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Net Change in Fund Balance	853	35,484	34,631
Fund Balance at Beginning of Year	<u>14,155</u>	<u>14,155</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,008</u>	<u>\$ 49,639</u>	<u>\$ 34,631</u>

# CITY OF WORTHINGTON

---

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

---

	WATER FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Charges for Services	\$ 70,500	\$ 45,674	\$ (24,826)
Total Revenues	<u>70,500</u>	<u>45,674</u>	<u>(24,826)</u>
<b>Expenditures:</b>			
Basic Utility Services:			
Personal Services	54,523	54,367	156
Nonpersonnel	<u>151,234</u>	<u>149,996</u>	<u>1,238</u>
Total Expenditures	<u>205,757</u>	<u>204,363</u>	<u>1,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,257)	(158,689)	(23,432)
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>50,000</u>	<u>78,000</u>	<u>28,000</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>78,000</u>	<u>28,000</u>
Net Change in Fund Balance	(85,257)	(80,689)	4,568
Fund Balance at Beginning of Year	77,083	77,083	0
Prior Year Encumbrances	<u>10,734</u>	<u>10,734</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,560</u>	<u>\$ 7,128</u>	<u>\$ 4,568</u>

# CITY OF WORTHINGTON

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SANITARY SEWER FUND</b>			
<b>Revenues:</b>			
Charges for Services	\$ 70,500	\$ 41,591	\$ (28,909)
Total Revenues	70,500	41,591	(28,909)
<b>Expenditures:</b>			
Basic Utility Services:			
Personal Services	59,172	58,625	547
Nonpersonnel	24,765	24,059	706
Total Expenditures	83,937	82,684	1,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,437)	(41,093)	(27,656)
<b>Other Financing Sources (Uses):</b>			
Transfers In	10,500	0	(10,500)
Total Other Financing Sources (Uses)	10,500	0	(10,500)
Net Change in Fund Balance	(2,937)	(41,093)	(38,156)
Fund Balance at Beginning of Year	62,855	62,855	0
Prior Year Encumbrances	3,414	3,414	0
Fund Balance at End of Year	\$ 63,332	\$ 25,176	\$ (38,156)

# CITY OF WORTHINGTON

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 173,423	\$ 172,962	\$ (461)
Intergovernmental Revenues	21,705	21,686	(19)
All Other Revenues	0	743	743
Total Revenues	<u>195,128</u>	<u>195,391</u>	<u>263</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	<u>625,000</u>	<u>618,179</u>	<u>6,821</u>
Total Expenditures	<u>625,000</u>	<u>618,179</u>	<u>6,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(429,872)	(422,788)	7,084
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>500,000</u>	<u>325,000</u>	<u>(175,000)</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>325,000</u>	<u>(175,000)</u>
Net Change in Fund Balance	70,128	(97,788)	(167,916)
Fund Balance at Beginning of Year	<u>596,984</u>	<u>596,984</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 667,112</u>	<u>\$ 499,196</u>	<u>\$ (167,916)</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 2,500	\$ 10,319	\$ 7,819
Total Revenues	<u>2,500</u>	<u>10,319</u>	<u>7,819</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	18,500	17,772	728
Nonpersonnel	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>28,500</u>	<u>17,772</u>	<u>10,728</u>
Net Change in Fund Balance	(26,000)	(7,453)	18,547
Fund Balance at Beginning of Year	<u>71,890</u>	<u>71,890</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 45,890</u>	<u>\$ 64,437</u>	<u>\$ 18,547</u>

# CITY OF WORTHINGTON

---

*Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018*

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 115,000	\$ 123,026	\$ 8,026
Total Revenues	<u>115,000</u>	<u>123,026</u>	<u>8,026</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,000	123,026	8,026
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
Net Change in Fund Balance	(35,000)	(26,974)	8,026
Fund Balance at Beginning of Year	<u>167,714</u>	<u>167,714</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 132,714</u>	<u>\$ 140,740</u>	<u>\$ 8,026</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

**ENFORCEMENT AND EDUCATION FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 2,500	\$ 1,363	\$ (1,137)
Total Revenues	<u>2,500</u>	<u>1,363</u>	<u>(1,137)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Nonpersonnel	<u>3,500</u>	<u>0</u>	<u>3,500</u>
Total Expenditures	<u>3,500</u>	<u>0</u>	<u>3,500</u>
Net Change in Fund Balance	(1,000)	1,363	2,363
Fund Balance at Beginning of Year	<u>48,818</u>	<u>48,818</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 47,818</u>	<u>\$ 50,181</u>	<u>\$ 2,363</u>



**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>
<b>Expenditures:</b>			
Community Environment:			
Nonpersonnel	<u>          80,000</u>	<u>          80,000</u>	<u>                  0</u>
Total Expenditures	<u>          80,000</u>	<u>          80,000</u>	<u>                  0</u>
Net Change in Fund Balance	<u>         (80,000)</u>	<u>         (80,000)</u>	<u>                  0</u>
Fund Balance at Beginning of Year	<u>          80,000</u>	<u>          80,000</u>	<u>                  0</u>
Fund Balance at End of Year	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 20,000	\$ 12,174	\$ (7,826)
Total Revenues	<u>20,000</u>	<u>12,174</u>	<u>(7,826)</u>
<b>Expenditures:</b>			
General Government:			
Nonpersonnel	<u>97,274</u>	<u>18,958</u>	<u>78,316</u>
Total Expenditures	<u>97,274</u>	<u>18,958</u>	<u>78,316</u>
Net Change in Fund Balance	(77,274)	(6,784)	70,490
Fund Balance at Beginning of Year	231,318	231,318	0
Prior Year Encumbrances	<u>3,574</u>	<u>3,574</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 157,618</u>	<u>\$ 228,108</u>	<u>\$ 70,490</u>

# CITY OF WORTHINGTON

---

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 20,000	\$ 20,102	\$ 102
Total Revenues	<u>20,000</u>	<u>20,102</u>	<u>102</u>
<b>Expenditures:</b>			
Community Environment:			
Nonpersonnel	<u>525,686</u>	<u>437,051</u>	<u>88,635</u>
Total Expenditures	<u>525,686</u>	<u>437,051</u>	<u>88,635</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(505,686)	(416,949)	88,737
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>330,000</u>	<u>310,000</u>	<u>(20,000)</u>
Total Other Financing Sources (Uses)	<u>330,000</u>	<u>310,000</u>	<u>(20,000)</u>
Net Change in Fund Balance	(175,686)	(106,949)	68,737
Fund Balance at Beginning of Year	<u>561,015</u>	<u>561,015</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 385,329</u>	<u>\$ 454,066</u>	<u>\$ 68,737</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	FEMA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(15,884)</u>	<u>(15,884)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(15,884)</u>	<u>(15,884)</u>	<u>0</u>
Net Change in Fund Balance	(15,884)	(15,884)	0
Fund Balance at Beginning of Year	<u>15,884</u>	<u>15,884</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 12,880	\$ 12,880	\$ 0
Total Revenues	<u>12,880</u>	<u>12,880</u>	<u>0</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	7,480	800	6,680
Total Expenditures	<u>7,480</u>	<u>800</u>	<u>6,680</u>
Net Change in Fund Balance	5,400	12,080	6,680
Fund Balance at Beginning of Year	<u>7,480</u>	<u>7,480</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,880</u>	<u>\$ 19,560</u>	<u>\$ 6,680</u>

# CITY OF WORTHINGTON

---

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 980,000	\$ 946,087	\$ (33,913)
All Other Revenues	0	2	2
Total Revenues	<u>980,000</u>	<u>946,089</u>	<u>(33,911)</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Personal Services	561,826	559,337	2,489
Nonpersonnel	<u>530,238</u>	<u>430,900</u>	<u>99,338</u>
Total Expenditures	<u>1,092,064</u>	<u>990,237</u>	<u>101,827</u>
Net Change in Fund Balance	(112,064)	(44,148)	67,916
Fund Balance at Beginning of Year	412,416	412,416	0
Prior Year Encumbrances	<u>15,500</u>	<u>15,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 315,852</u>	<u>\$ 383,768</u>	<u>\$ 67,916</u>

# CITY OF WORTHINGTON

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Special Revenue Funds For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL PARKS FUND</b>			
<b>Revenues:</b>			
Charges for Services	\$ 5,000	\$ 6,031	\$ 1,031
All Other Revenues	0	5,671	5,671
Total Revenues	5,000	11,702	6,702
<b>Expenditures:</b>			
Leisure Time Activities:			
Nonpersonnel	25,000	25,000	0
Total Expenditures	25,000	25,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	(13,298)	6,702
<b>Other Financing Sources (Uses):</b>			
Transfers In	5,000	666	(4,334)
Total Other Financing Sources (Uses)	5,000	666	(4,334)
Net Change in Fund Balance	(15,000)	(12,632)	2,368
Fund Balance at Beginning of Year	27,654	27,654	0
Fund Balance at End of Year	\$ 12,654	\$ 15,022	\$ 2,368

**CITY OF WORTHINGTON**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018***

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Investment Earnings	\$ 250	\$ 1,030	\$ 780
Total Revenues	<u>250</u>	<u>1,030</u>	<u>780</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	250	1,030	780
Fund Balance at Beginning of Year	<u>71,537</u>	<u>71,537</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 71,787</u>	<u>\$ 72,567</u>	<u>\$ 780</u>



# CITY OF WORTHINGTON

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Debt Service Funds For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL OBLIGATION BOND RETIREMENT FUND</b>			
<b>Revenues:</b>			
Property Taxes	\$ 97,706	\$ 97,988	\$ 282
Intergovernmental Revenues	12,299	12,286	(13)
All Other Revenues	0	421	421
Total Revenues	<u>110,005</u>	<u>110,695</u>	<u>690</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	960,000	960,000	0
Interest and Fiscal Charges	<u>155,186</u>	<u>154,272</u>	<u>914</u>
Total Expenditures	<u>1,115,186</u>	<u>1,114,272</u>	<u>914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,005,181)	(1,003,577)	1,604
<b>Other Financing Sources (Uses):</b>			
Premium on Debt Issuance	0	39,668	39,668
Transfers In	<u>1,092,013</u>	<u>1,092,013</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,092,013</u>	<u>1,131,681</u>	<u>39,668</u>
Net Change in Fund Balance	86,832	128,104	41,272
Fund Balance at Beginning of Year	1,063,049	1,063,049	0
Prior Year Encumbrances	<u>173</u>	<u>173</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,150,054</u>	<u>\$ 1,191,326</u>	<u>\$ 41,272</u>

**CITY OF WORTHINGTON**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2018***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>278,448</u>	<u>278,448</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 278,448</u>	<u>\$ 278,448</u>	<u>\$ 0</u>

**CITY OF WORTHINGTON**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2018**

---

	<b>TRUNK SEWER FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>375,149</u>	<u>375,149</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 375,149</u>	<u>\$ 375,149</u>	<u>\$ 0</u>

# CITY OF WORTHINGTON

---

## *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Capital Projects Funds For the Year Ended December 31, 2018*

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>TAX INCREMENT FINANCING FUND</b>			
<b>Revenues:</b>			
Property Taxes	\$ 617,000	\$ 541,635	\$ (75,365)
All Other Revenues	0	2,593	2,593
Total Revenues	<u>617,000</u>	<u>544,228</u>	<u>(72,772)</u>
<b>Expenditures:</b>			
General Government:			
Nonpersonnel	<u>401,286</u>	<u>157,482</u>	<u>243,804</u>
Total Expenditures	<u>401,286</u>	<u>157,482</u>	<u>243,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,714	386,746	171,032
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(128,000)</u>	<u>0</u>	<u>128,000</u>
Total Other Financing Sources (Uses)	<u>(128,000)</u>	<u>0</u>	<u>128,000</u>
Net Change in Fund Balance	87,714	386,746	299,032
Fund Balance at Beginning of Year	312,979	312,979	0
Prior Year Encumbrances	<u>286</u>	<u>286</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 400,979</u>	<u>\$ 700,011</u>	<u>\$ 299,032</u>

## ***CITY OF WORTHINGTON***

---

---

### ***Fiduciary Funds***

---

---

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

#### ***Agency Funds***

---

##### **Performance Trust Fund**

To account for bond payments made by contractors working within the City to ensure their project is completed within City requirements. The bond is released back to the contractor upon the successful completion and inspection of the project.

##### **Mayor's Court Fund**

To account for funds that flow through the City's Mayor's Court.

##### **Accrued Acreage Benefit Fund**

To account for sewer system capacity charges collected and remitted to the City of Columbus.

##### **Ohio Board of Building Standards (OBBS) Fund**

To account for the three percent surcharge levied on building permits issued in the City of Worthington by the State of Ohio and the one percent surcharge levied on residential permits. These funds are distributed to the State of Ohio on a monthly basis.

# CITY OF WORTHINGTON

## Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended December 31, 2018

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
<b>Performance Trust</b>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$62,422	\$6,300	(\$4,900)	\$63,822
Total Assets	<u>\$62,422</u>	<u>\$6,300</u>	<u>(\$4,900)</u>	<u>\$63,822</u>
Liabilities:				
Due to Others	\$62,422	\$6,300	(\$4,900)	\$63,822
Total Liabilities	<u>\$62,422</u>	<u>\$6,300</u>	<u>(\$4,900)</u>	<u>\$63,822</u>
<b>Mayor's Court</b>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$18,089	\$229,624	(\$227,962)	\$19,751
Total Assets	<u>\$18,089</u>	<u>\$229,624</u>	<u>(\$227,962)</u>	<u>\$19,751</u>
Liabilities:				
Intergovernmental Payable	\$5,384	\$70,063	(\$69,987)	\$5,460
Due to Others	11,988	158,046	(157,258)	12,776
Undistributed Monies	717	1,515	(717)	1,515
Total Liabilities	<u>\$18,089</u>	<u>\$229,624</u>	<u>(\$227,962)</u>	<u>\$19,751</u>
<b>Accrued Acreage Benefit</b>				
Assets:				
Cash and Cash Equivalents	\$82,141	\$51,751	(\$122,784)	\$11,108
Total Assets	<u>\$82,141</u>	<u>\$51,751</u>	<u>(\$122,784)</u>	<u>\$11,108</u>
Liabilities:				
Intergovernmental Payable	\$82,141	\$51,751	(\$122,784)	\$11,108
Total Liabilities	<u>\$82,141</u>	<u>\$51,751</u>	<u>(\$122,784)</u>	<u>\$11,108</u>
<b>O.B.B.S</b>				
Assets:				
Cash and Cash Equivalents	\$2,074	\$4,273	(\$4,338)	\$2,009
Total Assets	<u>\$2,074</u>	<u>\$4,273</u>	<u>(\$4,338)</u>	<u>\$2,009</u>
Liabilities:				
Intergovernmental Payable	\$2,074	\$4,273	(\$4,338)	\$2,009
Total Liabilities	<u>\$2,074</u>	<u>\$4,273</u>	<u>(\$4,338)</u>	<u>\$2,009</u>

# **CITY OF WORTHINGTON**

---

---

---

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
<b><i>Totals - All Agency Funds</i></b>				
Assets:				
Cash and Cash Equivalents	\$84,215	\$56,024	(\$127,122)	\$13,117
Cash and Cash Equivalents in Segregated Accounts	80,511	235,924	(232,862)	83,573
Total Assets	<u>\$164,726</u>	<u>\$291,948</u>	<u>(\$359,984)</u>	<u>\$96,690</u>
Liabilities:				
Intergovernmental Payable	\$89,599	\$126,087	(\$197,109)	\$18,577
Due to Others	74,410	164,346	(162,158)	76,598
Undistributed Monies	717	1,515	(717)	1,515
Total Liabilities	<u>\$164,726</u>	<u>\$291,948</u>	<u>(\$359,984)</u>	<u>\$96,690</u>

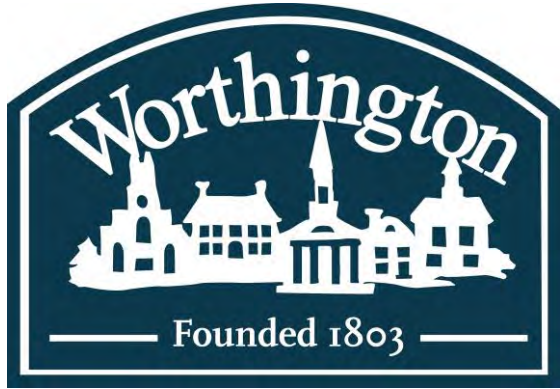






**City of Worthington, Ohio**

# **STATISTICAL SECTION**



## *STATISTICAL TABLES*

---

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

### *Contents*

---

<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the income tax.	
<b>Debt Capacity</b>	S 18 – S 25
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 26 – S 28
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 29 – S 31
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

# CITY OF WORTHINGTON

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$31,455,124	\$31,500,788	\$32,299,018	\$31,344,906
Restricted	11,827,952	10,883,613	8,770,218	2,677,256
Unrestricted	<u>2,543,302</u>	<u>3,038,227</u>	<u>6,741,412</u>	<u>14,856,730</u>
Total Primary Government Net Position	<u>\$45,826,378</u>	<u>\$45,422,628</u>	<u>\$47,810,648</u>	<u>\$48,878,892</u>

Source: City Finance Director's Office

\* As Restated

**CITY OF WORTHINGTON**

---

---

<u>2013</u>	<u>* 2014</u>	<u>2015</u>	<u>* 2016</u>	<u>* 2017</u>	<u>2018</u>
\$33,117,458	\$34,341,581	\$36,040,343	\$35,066,291	\$35,853,600	\$35,598,171
2,916,767	2,580,781	2,737,671	3,738,858	3,882,091	4,129,772
<u>16,946,414</u>	<u>(154,676)</u>	<u>905,477</u>	<u>(43,393)</u>	<u>(18,845,342)</u>	<u>(19,184,400)</u>
<u>\$52,980,639</u>	<u>\$36,767,686</u>	<u>\$39,683,491</u>	<u>\$38,761,756</u>	<u>\$20,890,349</u>	<u>\$20,543,543</u>

# CITY OF WORTHINGTON

*Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)*

	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>			
Governmental Activities:			
Security of Persons and Property	\$10,337,653	\$10,401,489	\$10,653,113
Public Health and Welfare Services	57,774	50,284	61,674
Leisure Time Activities	4,371,271	4,454,778	4,199,348
Community Environment	665,881	728,211	899,821
Basic Utility Services	1,845,335	1,842,757	1,901,240
Transportation	2,220,776	2,230,577	2,272,249
General Government	6,574,793	6,765,651	7,410,885
Interest and Fiscal Charges	374,098	353,497	357,753
<i>Total Primary Government Expenses</i>	<u>\$26,447,581</u>	<u>\$26,827,244</u>	<u>\$27,756,083</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,164,002	\$1,624,548	\$1,278,691
Leisure Time Activities	1,980,294	2,257,126	2,130,067
Community Environment	87,946	106,850	301,684
Basic Utility Services	98,748	99,682	90,766
Transportation	29,949	0	0
General Government	0	0	0
Operating Grants and Contributions	793,480	800,724	1,350,663
Capital Grants and Contributions	0	0	0
<i>Total Primary Government Program Revenues</i>	<u>4,154,419</u>	<u>4,888,930</u>	<u>5,151,871</u>

**CITY OF WORTHINGTON**

2012	2013	2014	2015	2016	2017	2018
\$11,091,440	\$10,782,636	\$11,222,523	\$12,601,769	\$13,827,841	\$14,453,396	\$16,168,159
96,968	43,301	54,180	54,045	42,559	73,770	63,000
4,430,482	4,194,404	4,513,699	5,681,219	6,019,675	6,474,760	6,814,845
1,013,734	526,119	765,040	844,283	1,098,121	1,028,043	1,281,355
1,878,232	1,867,611	2,107,884	1,109,835	1,079,883	1,379,682	1,343,620
2,535,910	1,871,571	2,141,898	2,075,204	2,457,842	2,709,083	2,505,597
8,437,221	8,346,511	8,510,482	7,068,167	7,620,278	8,187,827	9,716,823
325,729	302,813	277,281	227,741	147,987	199,009	211,215
<u>\$29,809,716</u>	<u>\$27,934,966</u>	<u>\$29,592,987</u>	<u>\$29,662,263</u>	<u>\$32,294,186</u>	<u>\$34,505,570</u>	<u>\$38,104,614</u>
\$1,348,530	\$1,420,899	\$1,439,086	\$1,327,412	\$1,354,344	\$1,358,886	\$1,348,441
1,998,211	2,124,088	2,137,502	2,172,924	2,211,620	2,283,207	2,336,946
182,840	254,565	251,870	222,788	243,883	245,942	274,635
96,218	96,930	89,176	89,176	90,730	90,196	80,161
0	180	0	5,085	0	251	56
0	0	2,500	0	2	2	40,329
889,805	940,889	938,914	1,261,922	1,202,627	934,301	900,969
0	306,729	447,271	0	0	0	612,321
<u>4,515,604</u>	<u>5,144,280</u>	<u>5,306,319</u>	<u>5,079,307</u>	<u>5,103,206</u>	<u>4,912,785</u>	<u>5,593,858</u>

(continued)

**CITY OF WORTHINGTON**

*Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)*

	2009	2010	2011
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(22,293,162)	(21,938,314)	(22,604,212)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(22,293,162)</u>	<u>(21,938,314)</u>	<u>(22,604,212)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes	\$2,957,421	\$2,698,587	\$2,527,234
Municipal Income Taxes	15,316,245	16,640,885	20,286,588
Other Local Taxes	0	167,732	170,836
Intergovernmental Revenue, Unrestricted	1,280,328	1,496,600	1,365,348
Investment Earnings	208,426	95,344	101,432
Miscellaneous	516,615	435,416	540,794
<i>Total Primary Government</i>	<u>\$20,279,035</u>	<u>\$21,534,564</u>	<u>\$24,992,232</u>
<b>Change in Net Position</b>			
Governmental Activities	(\$2,014,127)	(\$403,750)	\$2,388,020
<i>Total Primary Government Change in Net Position</i>	<u>(\$2,014,127)</u>	<u>(\$403,750)</u>	<u>\$2,388,020</u>

Source: City Finance Director's Office



**CITY OF WORTHINGTON**

2012	2013	2014	2015	2016	2017	2018
<u>(25,294,112)</u>	<u>(22,790,686)</u>	<u>(24,286,668)</u>	<u>(24,582,956)</u>	<u>(27,190,980)</u>	<u>(29,592,785)</u>	<u>(32,510,756)</u>
<u><u>(25,294,112)</u></u>	<u><u>(22,790,686)</u></u>	<u><u>(24,286,668)</u></u>	<u><u>(24,582,956)</u></u>	<u><u>(27,190,980)</u></u>	<u><u>(29,592,785)</u></u>	<u><u>(32,510,756)</u></u>
\$2,493,851	\$2,536,180	\$2,396,954	\$2,503,244	\$2,758,956	\$2,800,084	\$3,441,389
20,991,494	22,144,863	23,636,768	23,428,075	25,006,898	27,009,943	26,986,800
185,760	205,573	203,099	233,061	217,345	185,435	97,172
2,164,722	1,267,009	929,797	788,376	771,640	722,404	724,696
32,198	40,171	34,359	203,962	170,700	119,705	365,681
494,331	698,637	522,245	342,043	382,161	581,837	548,212
<u>\$26,362,356</u>	<u>\$26,892,433</u>	<u>\$27,723,222</u>	<u>\$27,498,761</u>	<u>\$29,307,700</u>	<u>\$31,419,408</u>	<u>\$32,163,950</u>
<u>\$1,068,244</u>	<u>\$4,101,747</u>	<u>\$3,436,554</u>	<u>\$2,915,805</u>	<u>\$2,116,720</u>	<u>\$1,826,623</u>	<u>(\$346,806)</u>
<u><u>\$1,068,244</u></u>	<u><u>\$4,101,747</u></u>	<u><u>\$3,436,554</u></u>	<u><u>\$2,915,805</u></u>	<u><u>\$2,116,720</u></u>	<u><u>\$1,826,623</u></u>	<u><u>(\$346,806)</u></u>

## CITY OF WORTHINGTON

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2009	2010	2011	2012
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$39,131	\$34,185
Restricted	0	0	0	0
Committed	0	0	402,659	579,337
Assigned	0	0	21,489	126,830
Unassigned	0	0	4,687,056	6,729,986
Reserved	140,051	146,353	0	0
Unreserved	2,499,840	3,077,845	0	0
<b>Total General Fund</b>	<b>2,639,891</b>	<b>3,224,198</b>	<b>5,150,335</b>	<b>7,470,338</b>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	257,069	54,252
Restricted	0	0	2,130,399	2,152,566
Committed	0	0	7,273,728	7,499,539
Assigned	0	0	0	0
Unassigned	0	0	(70,908)	(37,005)
Reserved	1,939,362	3,316,273	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,558,991	1,319,636	0	0
Capital Projects Funds	8,085,740	5,807,565	0	0
<b>Total All Other Governmental Funds</b>	<b>11,584,093</b>	<b>10,443,474</b>	<b>9,590,288</b>	<b>9,669,352</b>
<b>Total Governmental Funds</b>	<b>\$14,223,984</b>	<b>\$13,667,672</b>	<b>\$14,740,623</b>	<b>\$17,139,690</b>

Source: City Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

**CITY OF WORTHINGTON**

2013	2014	2015	2016	2017	2018
\$31,479	\$35,051	\$32,704	\$34,855	\$34,398	\$96,443
0	0	0	0	0	0
682,314	607,031	504,457	540,221	587,181	569,887
825,172	396,974	826,160	947,624	1,463,862	2,521,541
8,891,886	11,124,927	11,614,096	12,425,887	14,042,149	13,668,594
0	0	0	0	0	0
0	0	0	0	0	0
<u>10,430,851</u>	<u>12,163,983</u>	<u>12,977,417</u>	<u>13,948,587</u>	<u>16,127,590</u>	<u>16,856,465</u>
56,291	56,556	58,609	57,314	64,131	59,897
2,303,163	2,420,720	2,584,213	3,023,840	3,052,161	5,537,948
6,443,142	6,753,563	7,153,824	7,970,436	9,443,727	5,137,576
0	0	0	0	0	0
(28,441)	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>8,774,155</u>	<u>9,230,839</u>	<u>9,796,646</u>	<u>11,051,590</u>	<u>12,560,019</u>	<u>10,735,421</u>
<u>\$19,205,006</u>	<u>\$21,394,822</u>	<u>\$22,774,063</u>	<u>\$25,000,177</u>	<u>\$28,687,609</u>	<u>\$27,591,886</u>

# CITY OF WORTHINGTON

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2009	2010	2011	2012
<b>Revenues:</b>				
Property Taxes	\$2,807,404	\$2,692,486	\$2,530,891	\$2,497,508
Municipal Income Taxes	15,544,692	16,980,164	19,804,006	21,223,685
Other Local Taxes	152,286	167,732	170,836	185,760
Intergovernmental Revenues	2,126,847	2,399,106	2,389,804	3,203,346
Charges for Services	3,013,891	3,610,279	3,399,462	3,298,062
Licenses, Permits and Fees	289,931	329,337	403,710	437,632
Investment Earnings	208,426	95,344	101,432	32,198
Special Assessments	67,857	41,088	54,144	58,307
Fines and Forfeitures	204,601	198,471	186,895	198,393
All Other Revenue	428,967	256,738	265,390	224,075
<b>Total Revenue</b>	<b>24,844,902</b>	<b>26,770,745</b>	<b>29,306,570</b>	<b>31,358,966</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	9,904,887	9,865,999	10,173,618	10,398,620
Public Health and Welfare Services	57,774	50,284	61,674	96,968
Leisure Time Activities	3,662,920	3,822,363	3,729,736	3,626,091
Community Environment	644,699	709,596	872,301	867,755
Basic Utility Services	1,844,774	1,842,398	1,901,230	1,878,005
Transportation	996,155	790,077	825,006	827,063
General Government	6,507,591	7,436,414	7,109,628	8,291,453
Capital Outlay	1,950,694	1,962,286	4,309,381	2,362,059
Debt Service:				
Principal Retirement	512,810	532,810	557,810	2,177,810
Interest and Fiscal Charges	335,365	314,830	293,235	294,075
<b>Total Expenditures</b>	<b>26,417,669</b>	<b>27,327,057</b>	<b>29,833,619</b>	<b>30,819,899</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,572,767)	(556,312)	(527,049)	539,067

**CITY OF WORTHINGTON**

2013	2014	2015	2016	2017	2018
\$2,547,500	\$2,408,615	\$2,533,210	\$2,712,413	\$2,787,849	\$3,424,243
21,968,120	23,531,714	23,573,223	25,181,744	27,310,948	25,368,712
205,573	203,099	233,061	217,345	185,435	97,172
2,440,227	2,225,148	1,638,930	1,914,292	1,578,200	2,399,337
3,340,517	3,370,997	3,305,918	3,376,707	3,526,529	3,653,599
472,788	503,885	453,276	519,593	466,285	507,901
40,171	34,359	203,962	170,700	113,804	356,120
16,715	33,698	17,946	22,569	55,749	71,069
297,008	273,465	192,953	168,407	172,714	164,488
485,056	276,133	137,832	109,590	359,220	268,073
<u>31,813,675</u>	<u>32,861,113</u>	<u>32,290,311</u>	<u>34,393,360</u>	<u>36,556,733</u>	<u>36,310,714</u>
10,367,348	10,576,062	11,862,349	11,870,390	12,632,285	12,624,584
43,301	54,180	54,045	42,559	73,770	63,000
3,732,335	3,908,091	5,194,138	5,303,025	5,263,937	5,458,303
504,927	626,798	818,167	1,046,297	870,069	1,027,970
1,868,434	2,009,604	1,109,619	1,076,461	1,297,233	1,149,678
779,038	881,852	905,003	1,046,176	1,101,114	955,364
8,296,165	7,909,130	6,929,128	7,465,688	7,429,858	8,324,660
3,269,024	4,331,815	3,435,649	3,368,398	5,609,059	6,734,263
2,482,810	2,506,715	6,949,119	2,418,237	2,602,950	1,038,639
264,977	239,866	278,853	90,015	159,343	204,340
<u>31,608,359</u>	<u>33,044,113</u>	<u>37,536,070</u>	<u>33,727,246</u>	<u>37,039,618</u>	<u>37,580,801</u>
205,316	(183,000)	(5,245,759)	666,114	(482,885)	(1,270,087)

(continued)

**CITY OF WORTHINGTON**

*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>
<b>Other Financing Sources (Uses):</b>				
Capital Lease Issuance	0	0	0	0
Bond Issuance	0	0	0	0
Premium on Debt Issuance	0	0	0	0
Sale of Notes	0	0	1,600,000	1,860,000
Insurance Proceeds	0	0	0	0
Refunding Bonds Issued	0	0	0	0
OPWC Loan Issuance	0	0	0	0
Transfers In	1,165,000	1,305,000	1,403,526	1,546,083
Transfers Out	<u>(1,165,000)</u>	<u>(1,305,000)</u>	<u>(1,403,526)</u>	<u>(1,546,083)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>1,600,000</u>	<u>1,860,000</u>
<b>Net Change in Fund Balance</b>	<u><u>(\$1,572,767)</u></u>	<u><u>(\$556,312)</u></u>	<u><u>\$1,072,951</u></u>	<u><u>\$2,399,067</u></u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.39%	3.33%	3.27%	8.26%

Source: City Finance Director's Office

**CITY OF WORTHINGTON**

2013	2014	2015	2016	2017	2018
0	0	0	0	210,317	128,471
0	0	0	0	3,960,000	0
0	0	0	0	0	45,893
1,860,000	1,760,000	1,660,000	1,560,000	0	0
0	0	375,000	0	0	0
0	0	4,590,000	0	0	0
0	612,816	0	0	0	0
1,685,832	1,777,919	1,945,201	2,177,193	1,820,246	1,976,230
(1,685,832)	(1,777,919)	(1,945,201)	(2,177,193)	(1,820,246)	(1,976,230)
<u>1,860,000</u>	<u>2,372,816</u>	<u>6,625,000</u>	<u>1,560,000</u>	<u>4,170,317</u>	<u>174,364</u>
<u>\$2,065,316</u>	<u>\$2,189,816</u>	<u>\$1,379,241</u>	<u>\$2,226,114</u>	<u>\$3,687,432</u>	<u>(\$1,095,723)</u>

9.70%	9.22%	21.14%	8.27%	8.67%	3.84%
-------	-------	--------	-------	-------	-------

**CITY OF WORTHINGTON**

*Income Tax Revenues by Source, Governmental Funds  
Last Ten Years*

<b>Tax year</b>	*			
	2009	2010	2011	2012
Income Tax Rate	2.00%	2.50%	2.50%	2.50%
Total Personal Income (1)	\$465,033,631	\$473,496,392	\$492,841,167	\$503,662,514
Total Tax Collected	\$15,723,601	\$16,190,367	\$19,601,335	\$21,056,614
Income Tax Receipts				
Withholding	11,918,490	12,272,298	15,372,165	15,746,965
Percentage	75.8%	75.8%	78.4%	74.7%
Corporate	1,918,279	2,007,606	1,990,968	2,811,085
Percentage	12.2%	12.4%	10.2%	13.4%
Individuals	1,886,832	1,910,463	2,238,202	2,498,564
Percentage	12.0%	11.8%	11.4%	11.9%

Source: City Finance Department

(1) Regional Income Tax Agency. 2018 personal income is based on income tax returns filed through June 2019.

\* Rate increased to 2.5%, 7/1/2010



**CITY OF WORTHINGTON**

---

---

2013	2014	2015	2016	2017	2018
2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
\$517,108,395	\$524,948,983	\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177
\$22,531,915	\$23,359,334	\$23,741,881	\$24,883,975	\$26,258,201	\$26,065,130
16,843,232	17,434,204	17,925,917	19,358,989	20,444,183	20,508,647
74.8%	74.7%	75.5%	77.8%	77.9%	78.7%
3,109,576	3,345,462	2,960,948	2,623,030	3,056,963	2,662,644
13.8%	14.3%	12.5%	10.5%	11.6%	10.2%
2,579,107	2,579,668	2,855,016	2,901,956	2,757,055	2,893,839
11.4%	11.0%	12.0%	11.7%	10.5%	11.1%

**CITY OF WORTHINGTON**

*Income Tax Statistics  
Current Year and Nine Years Ago*

Calendar Year 2018

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	996	20.82%	\$5,675,147	1.37%
20,000 - 49,999	714	14.92%	19,178,721	4.63%
50,000 - 74,999	605	12.64%	26,342,897	6.35%
75,000 - 99,999	505	10.55%	33,796,577	8.15%
Over 100,000	1,965	41.07%	329,613,835	79.50%
Total	4,785	100.00%	\$414,607,177	100.00%

Calendar Year 2009

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,440	25.29%	\$10,717,749	2.30%
20,000 - 49,999	1,134	19.92%	39,185,687	8.41%
50,000 - 74,999	782	13.74%	48,880,579	10.49%
75,000 - 99,999	686	12.05%	59,934,467	12.87%
Over 100,000	1,651	29.00%	307,141,120	65.93%
Total	5,693	100.00%	\$465,859,602	100.00%

Source: City Finance Director's Office

**CITY OF WORTHINGTON**

*Principal Property Taxpayers  
Current Year and Nine Years Ago*

2009			2018		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
<b>Public Utilities</b>			<b>Public Utilities</b>		
1 Columbus Southern Power Company	\$5,742,350	1.01%	1 Ohio Power Company	\$12,550,670	2.05%
<b>Real Estate</b>			<b>Real Estate</b>		
1 Eastrich No 167 Corp	8,434,400	1.48%	1 IS-Can Ohio LLP	5,241,260	0.86%
2 General Electric Credit	6,302,490	1.10%	2 Worthington Industries	2,936,510	0.48%
3 Corporate Hill LLC	6,006,040	1.05%	3 IS-Can (Cascades) Ohio	2,935,470	0.48%
4 Community Insurance Co.	4,042,570	0.71%	4 Financing VI Healthcare Property	2,793,000	0.46%
5 Principal Mutual Life	3,325,010	0.58%	5 He Hari Inc	2,318,750	0.38%
6 Schottenstein Stores Corp.	2,747,530	0.48%	6 Worthington 17 LLC	2,144,560	0.35%
7 RC II Partners LLC	2,205,010	0.39%	7 Worthington Square Venture	2,103,160	0.34%
8 GE Superabrasives US Inc	2,100,010	0.37%	8 Northpointe Distribution Center	2,102,950	0.34%
9 Worthington Warehouse LLC	2,021,280	0.35%	9 400-406 East Wilson Bridge Inc	2,001,270	0.33%
# First Industrial	2,006,200	0.35%	10 Huntley-Frusta Columbus	1,984,840	0.32%
All Others	<u>520,080,030</u>	<u>92.13%</u>	All Others	<u>611,150,530</u>	<u>93.60%</u>
Total Assessed Valuation	<u>\$565,012,920</u>	<u>100.00%</u>	Total Assessed Valuation	<u>\$650,262,970</u>	<u>100.00%</u>

Source: Office of the Auditor, Franklin County, Ohio

# CITY OF WORTHINGTON

## Ratios of Outstanding Debt By Type Last Ten Years

	2009	2010	2011	2012
<b>Governmental Activities</b>				
General Obligation Bonds	\$7,990,000	\$7,465,000	\$6,915,000	\$6,345,000
General Obligation Notes Payable	0	0	1,600,000	1,860,000
Ohio Public Works Commission Loans	144,486	136,676	128,866	121,056
Capital Leases	0	0	0	0
Total Primary Government	<u>\$8,134,486</u>	<u>\$7,601,676</u>	<u>\$8,643,866</u>	<u>\$8,326,056</u>
<b>Population</b> <sup>(1)</sup>				
City of Worthington	13,480	13,575	13,587	13,591
Outstanding Debt Per Capita	\$603.45	\$560	\$636	\$613
<b>Income</b> <sup>(2)</sup>				
Personal Income	\$465,033,631	\$473,496,392	\$492,841,167	\$503,662,514
Percentage of Personal Income	1.75%	1.61%	1.75%	1.65%

### Sources:

- (1) MORPC Population Estimates
- (2) Regional Income Tax Agency

**CITY OF WORTHINGTON**

2013	2014	2015	2016	2017	2018
\$5,730,000	\$5,095,000	\$4,510,000	\$3,780,000	\$6,785,000	\$5,825,000
1,860,000	1,760,000	1,660,000	1,560,000	0	4,460,000
113,246	714,347	700,228	671,991	629,635	601,398
0	0	0	0	164,723	242,792
<u>\$7,703,246</u>	<u>\$7,569,347</u>	<u>\$6,870,228</u>	<u>\$6,011,991</u>	<u>\$7,579,358</u>	<u>\$11,129,190</u>

13,599	13,606	13,629	13,596	13,650	14,285
\$566	\$556	\$504	\$442	\$555	\$779

\$517,108,395	\$524,948,983	\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177
1.49%	1.44%	1.27%	1.11%	1.43%	2.68%

**CITY OF WORTHINGTON**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2009	2010	2011	2012
<b>Population</b> <sup>(1)</sup>	13,480	13,575	13,587	13,591
<b>Personal Income</b> <sup>(2)</sup>	\$465,033,631	\$473,496,392	\$492,841,167	\$503,662,514
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$7,990,000	\$7,465,000	\$6,915,000	\$6,345,000
<b>Resources Available to Pay Principal</b>	\$716,817	\$732,377	\$838,728	\$877,280
<b>Net General Bonded Debt</b>	\$7,273,183	\$6,732,623	\$6,076,272	\$5,467,720
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.56%	1.42%	1.23%	1.09%
<b>Net Bonded Debt per Capita</b>	\$539.55	\$495.96	\$447.21	\$402.30

**Source:**

- (1) MORPC Population Estimates
- (2) Regional Income Tax Agency
- (3) Includes all general obligation bonded debt supported by property taxes.

**CITY OF WORTHINGTON**

---

---

2013	2014	2015	2016	2017	2018
13,599	13,606	13,629	13,596	13,650	14,285
\$517,108,395	\$524,948,983	\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177
\$5,730,000	\$5,095,000	\$4,510,000	\$3,780,000	\$6,785,000	\$5,825,000
\$1,049,298	\$1,122,887	\$1,213,529	\$1,348,040	\$1,063,222	\$1,191,326
\$4,680,702	\$3,972,113	\$3,296,471	\$2,431,960	\$5,721,778	\$4,633,674
0.91%	0.76%	0.61%	0.45%	1.08%	1.12%
\$344.19	\$291.94	\$241.87	\$178.87	\$419.18	\$324.37





**CITY OF WORTHINGTON**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2018*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Worthington</u>	<u>Amount Applicable to the City of Worthington</u>
<b>Direct:</b>			
City of Worthington	\$11,129,190	100.00%	\$11,129,190
<b>Overlapping:</b>			
Franklin County	195,735,000	2.16%	4,227,876
Worthington City Schools	61,589,000	31.77%	19,566,825
Solid Waste Authority of Central Ohio	48,140,000	2.06%	991,684
		Subtotal	24,786,385
		Total	<u>\$35,915,575</u>

**Source:** Ohio Municipal Advisory Council

**Note:** Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

**CITY OF WORTHINGTON**

*Debt Limitations  
Last Ten Years*

	2009	2010	2011	2012
<b>Total Debt</b>				
Net Assessed Valuation	\$567,176,800	\$567,869,150	\$553,320,080	\$554,681,810
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	59,553,564	59,626,261	58,098,608	58,241,590
City Debt Outstanding (2)	7,990,000	7,465,000	8,515,000	8,205,000
Less: Applicable Debt Service Fund Amounts	(716,817)	(732,377)	(838,728)	(877,280)
Net Indebtedness Subject to Limitation	<u>7,273,183</u>	<u>6,732,623</u>	<u>7,676,272</u>	<u>7,327,720</u>
Overall Legal Debt Margin	<u>\$52,280,381</u>	<u>\$52,893,638</u>	<u>\$50,422,336</u>	<u>\$50,913,870</u>
Debt Margin as a Percentage of Debt Limit	87.79%	88.71%	86.79%	87.42%
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$567,176,800	\$567,869,150	\$553,320,080	\$554,681,810
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	31,194,724	31,232,803	30,432,604	30,507,500
City Debt Outstanding (2)	7,990,000	7,465,000	8,515,000	8,205,000
Less: Applicable Debt Service Fund Amounts	(716,817)	(732,377)	(838,728)	(877,280)
Net Indebtedness Subject to Limitation	<u>7,273,183</u>	<u>6,732,623</u>	<u>7,676,272</u>	<u>7,327,720</u>
Overall Legal Debt Margin	<u>\$23,921,541</u>	<u>\$24,500,180</u>	<u>\$22,756,332</u>	<u>\$23,179,780</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

**Source:** City Finance Director's Office

**CITY OF WORTHINGTON**

2013	2014	2015	2016	2017	2018
\$551,623,370	\$577,576,190	\$582,555,670	\$584,612,080	\$650,365,580	\$650,262,970
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
57,920,454	60,645,500	61,168,345	61,384,268	68,288,386	68,277,612
7,590,000	6,855,000	6,170,000	5,340,000	6,785,000	10,285,000
(1,049,298)	(1,122,887)	(1,213,529)	(1,348,040)	(1,063,222)	(1,191,326)
<u>6,540,702</u>	<u>5,732,113</u>	<u>4,956,471</u>	<u>3,991,960</u>	<u>5,721,778</u>	<u>9,093,674</u>
<u>\$51,379,752</u>	<u>\$54,913,387</u>	<u>\$56,211,874</u>	<u>\$57,392,308</u>	<u>\$62,566,608</u>	<u>\$59,183,938</u>
88.71%	90.55%	91.90%	93.50%	91.62%	86.68%

\$551,623,370	\$577,576,190	\$582,555,670	\$584,612,080	\$650,365,580	\$650,262,970
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
30,339,285	31,766,690	32,040,562	32,153,664	35,770,107	35,764,463
7,590,000	6,855,000	6,170,000	5,340,000	6,785,000	10,285,000
(1,049,298)	(1,122,887)	(1,213,529)	(1,348,040)	(1,063,222)	(1,191,326)
<u>6,540,702</u>	<u>5,732,113</u>	<u>4,956,471</u>	<u>3,991,960</u>	<u>5,721,778</u>	<u>9,093,674</u>
<u>\$23,798,583</u>	<u>\$26,034,577</u>	<u>\$27,084,091</u>	<u>\$28,161,704</u>	<u>\$30,048,329</u>	<u>\$26,670,789</u>

# CITY OF WORTHINGTON

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2009	2010	2011	2012
<b>Population</b> (1)				
City of Worthington	13,480	13,575	13,587	13,591
<b>Income</b>				
Total Personal Income (2)	\$465,033,631	\$473,496,392	\$492,841,167	\$503,662,514
Per Capita Personal Income (2)	34,498	34,880	36,273	37,059
Median Household Income (3)	NA	NA	NA	NA
<b>Unemployment Rate</b> (4)				
Federal	10.0%	9.4%	8.5%	7.5%
State	10.9%	9.6%	8.1%	7.0%
Franklin County	8.9%	7.6%	6.3%	6.1%

### Sources:

- (1) MORPC Population Estimates
- (2) Regional Income Tax Agency. 2018 personal income is based on income tax returns filed through June 2019.
- (3) Data USA
- (4) Ohio Department of Job and Family Services Ohio Labor Market Information

**CITY OF WORTHINGTON**

---

---

2013	2014	2015	2016	2017	2018
13,599	13,606	13,629	13,596	13,650	14,285
\$517,108,395	\$524,948,983	\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177
38,025	38,582	39,667	39,786	38,865	29,024
NA	87,842	90,445	91,075	NA	NA
6.7%	5.6%	5.3%	4.9%	3.9%	3.9%
7.2%	4.8%	4.9%	5.0%	4.5%	4.6%
6.2%	3.6%	4.1%	6.1%	3.6%	3.5%

## CITY OF WORTHINGTON

### Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2018		
		Number of Employees	Rank	Percentage of Total Employment
Worthington City Schools	Education	1,058	1	5%
Medvet Incorporated	Animal Care	450	2	2%
Homereach Homecare	Health Care	422	3	2%
Diamond Innovations Incorporated	Manufacturing	380	4	2%
Ohio Automobile Club	Automotive	332	5	2%
Worthington Industries Incorporated	Manufacturing	220	6	1%
Worthington Cylinder Corporation	Manufacturing	215	7	1%
Worthington Steel Company	Manufacturing	202	8	1%
DLZ Corporation	Professional Services	139	9	1%
Anthem Incorporated	Health Care	N/A	10	N/A
Total		3,418		
Total Employment within the City		19,951		

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Wellpoint Companies Incorporated	Healthcare	N/A	1	N/A
Worthington City Schools	Education	1,338	2	11%
Diamond Innovations Incorporated	Manufacturing	448	3	4%
Integrus Energy Services Incorporated	Energy	27	4	0%
Worthington Industries Incorporated	Manufacturing	116	5	1%
DLZ Corporation	Professional Services	130	6	1%
Ohio Automobile Club	Automotive	N/A	7	N/A
IKON Office Solutions Incorporated	Office Supply	185	8	2%
IDEXX Reference Laboratories	Science/Research	61	9	1%
American Health Holding Incorporated	Healthcare	178	10	1%
Total		2,483		
Total Employment within the City		12,004		

**Source:** City Finance Director's Office

## **CITY OF WORTHINGTON**

### *Full Time Equivalent Employees by Function Last Five Years*

	2014	2015	2016	2017	2018
<b>Governmental Activities</b>					
General Government					
Finance	4.00	4.00	4.00	4.00	4.00
Legal/Court	3.50	3.50	3.50	3.50	3.50
Administration	10.00	10.00	10.25	10.25	11.25
Public Safety					
Police	46.50	47.00	47.00	47.00	47.00
Fire	41.00	41.00	41.00	41.00	41.00
Public Works					
Public Service & Engineering	24.00	24.00	24.00	24.00	24.00
Parks and Recreation					
Parks and Recreation	55.75	57.75	57.75	57.75	58.75
Community Environment					
Planning & Building	5.00	5.50	5.50	5.50	5.50
Total Employees	<u>189.75</u>	<u>192.75</u>	<u>193.00</u>	<u>193.00</u>	<u>195.00</u>

**Method:** 1.00 for each full-time, Part-time positions are calculated using a base of 2080 hours.

Information is not available in this format for years prior to 2014

**Source:** City Finance Director's Office

# CITY OF WORTHINGTON

## Operating Indicators by Function Last Four Years

	2015	2016	2017	2018
<b>Governmental Activities</b>				
General Government				
Court				
Number of Mayor's Court Cases	2,462	2,018	2,291	2,169
Licenses and Permits				
Number of Building Permits	1,542	1,277	1,161	1,210
Number of Building Inspections	3,396	3,733	3,747	3,453
Information Technology				
Number of Website Visitors	302,867	340,191	328,421	331,868
Public Safety				
Police				
Number of Moving Citations Issued	1,977	2,005	2,145	2,029
Number of Non-moving Citations Issued	273	226	343	383
Number of Felony Arrests	28	54	60	33
Number of Misdemeanor Arrests	234	216	253	285
Number of Juvenile Arrests	36	43	20	22
Number of DUI/OVI Arrests	107	100	114	155
Number of Auto Accident Reports	448	458	469	463
Fire				
Number of Fire Calls	N/A	1,200	1,202	1,145
Number of EMS Runs	N/A	3,083	3,149	3,199
Number of Inspections	N/A	946	398	349
Public Works				
Street				
Centerline Miles of Streets Resurfaced	1	2	3.50	3.60
Number of Public Trees Trimmed	600	620	1,300	530
Curbside Leaf Pickup (# of households)	5,200	5,200	5,200	5,200
Curbside Leaf Pickup (#of Leaf Loads)	460	458	480	496
Sidewalk Repair Locations (# properties)	51	51	106	82
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events (Community Center)	1,651	1,728	1,769	1,462
Number of Classes / Events (Griswold Center)	453	404	374	368
Number of Community Center Memberships	N/A	7,661	8,908	5,838
Number of Community Center Day Passes Sold	19,884	32,204	34,561	38,621
Number of Griswold Memberships	1,030	799	789	625

Information is not available in this format for years prior to 2015

**Source:** City Finance Director's Office



**CITY OF WORTHINGTON**

*Capital Asset Statistics by Function  
Current Year*

---

---

	<u>2018</u>
<b>Governmental Activities</b>	
General Government	
Public Land and Buildings	
ROW Land (acres)	650
Buildings	3
Public Safety	
Police	
Stations	1
Vehicles	15
Fire	
Stations	1
Vehicles	14
Public Works	
Street	
Streets (lane miles)	130
Street Lights	170
Vehicles	25
Parks and Recreation	
Parks and Recreation	
Land (acres)	221
Buildings	8
Parks	20
Tennis Courts	8
Baseball/Softball Diamonds	10
Soccer Fields	5
Vehicles	8

Information is not available in this format for years prior to 2018

**Source:** City Finance Director's Office



**CITY OF WORTHINGTON  
FRANKLIN COUNTY, OHIO**

***SUPPLEMENTAL REPORT***

*DECEMBER 31, 2018*

**CITY OF WORTHINGTON  
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1 - 2
Summary Schedule of Prior Audit Findings .....	3



## Julian & Grube, Inc.

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

City of Worthington  
Franklin County  
6550 North High Street  
Worthington, Ohio 43085

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Worthington, Franklin County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Worthington's basic financial statements and have issued our report thereon dated May 30, 2019. wherein we noted as discussed in Note 2, the City of Worthington adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City of Worthington's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Worthington's internal control. Accordingly, we have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Worthington's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the City of Worthington's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the City of Worthington's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Worthington's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
May 30, 2019

**CITY OF WORTHINGTON  
FRANKLIN COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2018**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	2016	<u>Significant Deficiency - Financial Statement Presentation</u> - Accurate financial reporting is required in order to provide management and city council with objective and timely information to enable well-informed decisions. The City had a prior period adjustment that was made to properly state capital assets and net position at December 31, 2016.	Corrective Action Taken and Finding is Fully Corrected	N/A

**This page intentionally left blank.**



OHIO AUDITOR OF STATE  
**KEITH FABER**



**CITY OF WORTHINGTON**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 6, 2019**