



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF WORTHINGTON, OHIO

FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020



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Columbus, Ohio 43215
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(800) 282-0370

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

We have reviewed the *Independent Auditors' Report* of the City of Worthington, Franklin County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2020 through December 31, 2020. 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 08, 2021

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City of Worthington, Ohio
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership	16.607		\$ <u>1,904</u>
Total U.S. Department of Justice			<u>1,904</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID 95516	<u>219,213</u>
Total U.S. Department of Transportation			<u>219,213</u>
<u>U.S. Department of Treasury</u>			
<i>Passed through State of Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus Relief Fund	21.019	n/a	<u>1,399,865</u>
Total U.S. Department of Treasury			<u>1,399,865</u>
Total Federal Award Expenditures			\$ <u>1,620,982</u>

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Worthington (the City) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

To the City Manager and Members of City Council
City of Worthington, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, Ohio (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 23, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the City Manager and Members of City Council
City of Worthington, Ohio:

Report on Compliance for the Major Federal Program

We have audited the City of Worthington, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 23, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our

opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 23, 2021

City of Worthington, Ohio
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

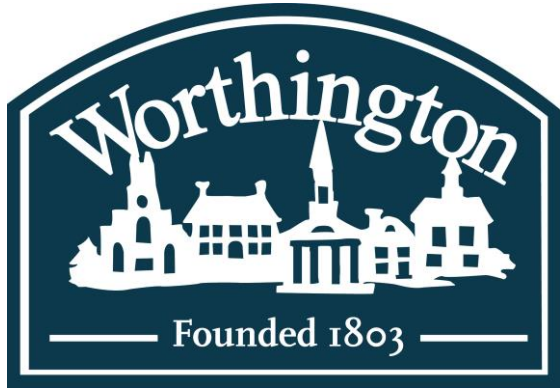
Internal Control over major program:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	none
Identification of major programs:	
<i>CFDA 21.019 – Coronavirus Relief Fund (COVID-19)</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no



City of Worthington, Ohio Comprehensive Annual Financial Report

For the Fiscal Year ended December 31, 2020





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

Issued by:
Department of Finance
Scott F. Bartter
Director

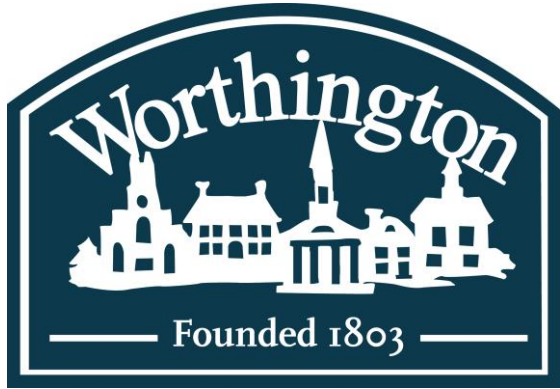


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CITY OF WORTHINGTON

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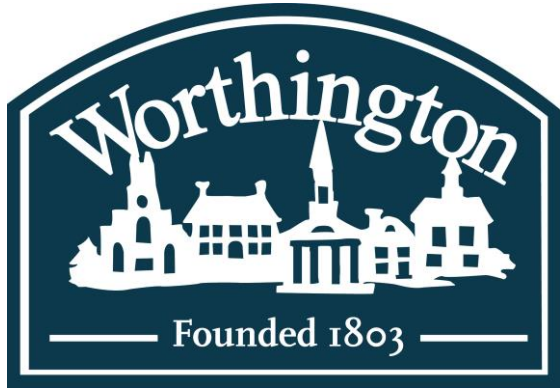
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Introductory Section

Introductory Section





June 23, 2021

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

The Comprehensive Annual Financial Report of the City of Worthington, Ohio (City), for fiscal year ended December 31, 2020, 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 Clark Schaefer Hackett. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' 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 controls 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, 2020

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, 2020

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 possesses 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.

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 2021 budget continues funding to the Worthington Partnership, which the City first funded in 2016, to help ensure support for this vital and iconic part of the Worthington community. In 2020, the City helped support local businesses through the COVID-19 pandemic with a new ReBoot grant program. Additionally, in 2019 the Worthington Partnership assumed the duties of the Convention and Visitors Bureau (CVB) and will receive a distribution of hotel/motel tax revenue to support enhanced community marketing efforts. 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 two two-story office/retail building is attracting new retail, office and entertainment tenants.
- 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. Construction has begun on 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. Additional public investment involving a new waterline and road resurfacing in this

CITY OF WORTHINGTON

Letter of Transmittal

For the Year Ended December 31, 2020

corridor was recently completed. In 2021, the City anticipates moving forward with planned improvements to McCord Park. This 25 acre park in the East Wilson Bridge Rd. Corridor is adjacent to the Worthington Community Center and serves to host numerous community events. Additionally, the Community Improvement Corporation (CIC) has acquired four residential parcels for the purpose of long-term redevelopment to office space.

- Façade Improvement Program (FACE) – The FACE 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.
- Two redevelopment projects are focused on the area near Proprietors Road and SR-161. The Kemper House, a memory care facility, recently opened on Proprietor’s Road representing the final piece of the redevelopment of the former Worthington Foods site. Across the street, Boundless, a not for profit serving the developmentally disabled has acquired the former Harding Hospital site and is finalizing master plans. They anticipate investing in a portion of the site to expand their mission and house the Boundless administrative offices.
- The Shops at Worthington Place were purchased by new owners who have proposed a significant redevelopment, called High North, with a Planned Unit Development (PUD) that includes approximately 200,000 square feet of office, restaurant, and retail in two Phases. To accomplish this catalytic project, parking structures will be needed, and a portion of the current shops would be demolished. The City is exploring a Tax Increment Financing (TIF) arrangement to support the structured parking in Phase I of this project.

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).

CITY OF WORTHINGTON

Letter of Transmittal For the Year Ended December 31, 2020

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.

In 2019, the City established 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.

In 2020, the City received funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). To comply with Federal regulations on receipt of these dollars the City established a new Coronavirus Relief Fund to receive these funds into.

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.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Worthington, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

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.

CITY OF WORTHINGTON

***Letter of Transmittal
For the Year Ended December 31, 2020***

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, 2020



For the Year Ended December 31, 2020

City Council

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

Appointed Officials

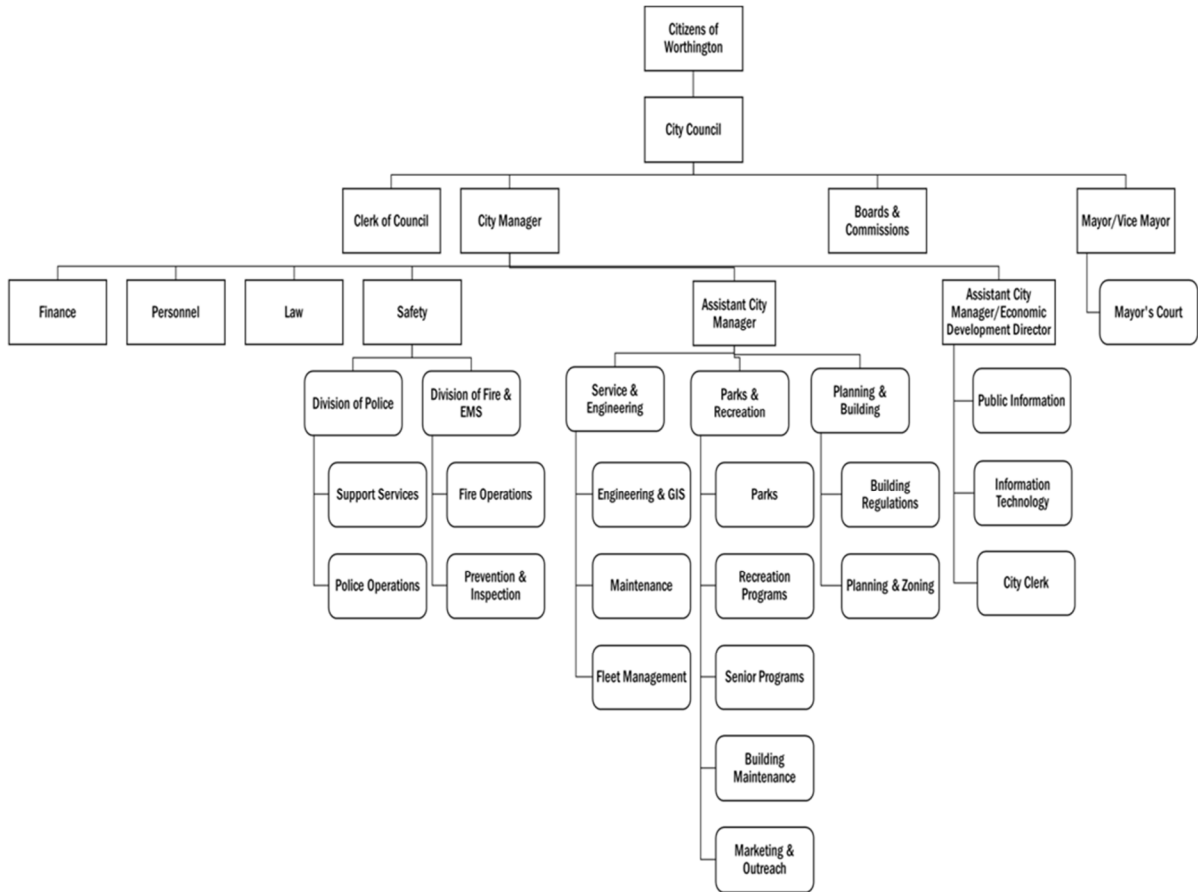
City Manager	Matthew H. Greeson
Mayor	Scott Holmes
Vice-Mayor	James J. Lorimer

Executive Staff

Assistant City Manager	Robyn Stewart
Assistant City Manager & Economic Development Director	David McCorkle
City Clerk	D. Kay Thress
Clerk of Courts	Barb Nofziger
Director of Finance	Scott F. Bartter
Director of Information Technology	Gene Oliver
Director of Communications	Anne Brown
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	Mark Zambito
Police Division Chief	Robert Ware

CITY OF WORTHINGTON

City Organizational Chart For the Year Ended December 31, 2020





Government Finance Officers Association

Certificate of
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Reporting

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**City of Worthington
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

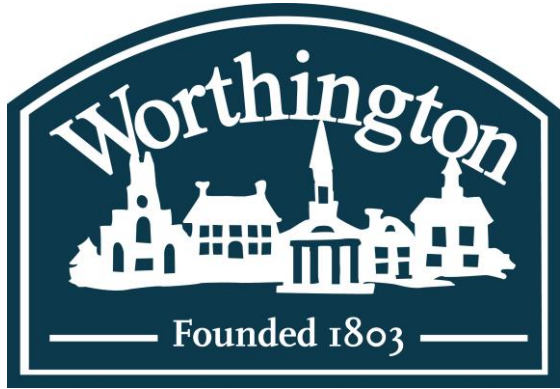
Christopher P. Morrill

Executive Director/CEO



Financial Section

Financial Section



INDEPENDENT AUDITORS' REPORT

To the City Manager and City Council
City of Worthington, Ohio:

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, Ohio (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, Ohio, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and OPEB liabilities and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021 on our consideration of the City of Worthington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 23, 2021



CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

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, 2020. 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 2020 are as follows:

- ❑ Net position increased \$1,854,857, which represents a 5% increase from 2019.
- ❑ General revenues accounted for \$34,578,954 in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,909,506 or 15% of total revenues of \$40,488,460.
- ❑ The City had \$38,633,603 in expenses related to governmental activities; only \$5,909,506 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$34,578,954 were also available to provide for these programs.
- ❑ Among major funds, the general fund had \$30,269,165 in revenues and \$26,967,195 in expenditures. The general fund's fund balance increased \$2,470,970 to \$20,859,961.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary 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 Net Position and Statement of Changes in Fiduciary Net Position.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

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, 2020 and 2019:

	Governmental Activities	
	2020	2019
Current and Other Assets	\$44,920,493	\$41,398,174
Capital Assets, Net	53,592,024	52,761,809
Total Assets	98,512,517	94,159,983
Deferred Outflows of Resources	8,013,014	13,979,126
Net Pension Liability	30,336,501	39,263,396
Net OPEB Liability	10,246,302	9,700,869
Other Long-term Liabilities	6,728,916	7,771,016
Other Liabilities	8,586,704	8,443,068
Total Liabilities	55,898,423	65,178,349
Deferred Inflows of Resources	12,332,026	6,520,535
Net Position		
Net Investment in Capital Assets	43,582,235	40,987,801
Restricted	6,240,586	4,466,757
Unrestricted (Deficit)	(11,527,739)	(9,014,333)
Total Net Position	\$38,295,082	\$36,440,225

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." The net OPEB liability (NOL) is reported by the City pursuant to 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, 2020

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.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2020 and 2019:

	Governmental Activities	
	2020	2019
Revenues		
Program revenues:		
Charges for Services and Sales	\$2,676,075	\$4,120,469
Operating Grants and Contributions	2,461,136	1,199,369
Capital Grants and Contributions	772,295	2,889,715
Total Program Revenues	5,909,506	8,209,553
General revenues:		
Property Taxes	3,639,209	3,487,243
Municipal Income Taxes	26,770,166	26,745,221
Other Local Taxes	73,905	15,587
Intergovernmental, Unrestricted	785,472	872,887
Investment Earnings	459,424	767,218
Miscellaneous	2,850,778	543,201
Total General Revenues	34,578,954	32,431,357
Total Revenues	40,488,460	40,640,910
Program Expenses		
Security of Persons and Property	17,242,042	2,035,677
Public Health and Welfare Services	70,000	66,153
Leisure Time Activities	5,741,663	7,152,692
Community Environment	1,416,432	1,250,129
Basic Utility Services	1,449,751	1,220,625
Transportation	2,518,695	2,468,187
General Government	9,944,001	10,307,088
Interest and Fiscal Charges	251,019	307,499
Total Expenses	38,633,603	24,808,050
Change in Net Position	1,854,857	15,832,860
Beginning Net Position	36,440,225	20,607,365
Ending Net Position	\$38,295,082	\$36,440,225

Governmental Activities

Governmental activities net position increased \$1,854,857, or 5% in 2020. A decrease in charges for services revenue and leisure time activities expense was a direct result of limited recreation activities, due to the pandemic. Coronavirus relief funding received as part of the CARES Act resulted in an increase in operating grants. Capital grants and contributions received in the prior year for the Northeast Gateway Project resulted in a subsequent decrease in capital grants in the current year. An increase in miscellaneous revenue can be attributed to refunds received from the Ohio Bureau of Worker's Compensation.

Changes in the prior year in the Ohio Police and Fire OPEB liability resulted in a substantial decrease in security of persons and property expense, and a subsequent increase in 2020.

CITY OF WORTHINGTON

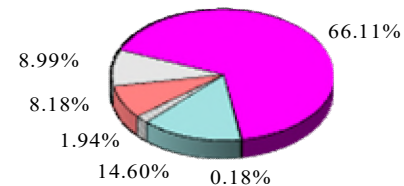
Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

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 8.99% and 66.11% respectively, of revenues for governmental activities in fiscal year 2020, while other local taxes made up 0.18%. The City's reliance upon tax revenues is demonstrated by the following graph indicating 75.28% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
Property Taxes	\$3,639,209	8.99%
Income Taxes	26,770,166	66.11%
Other Local Taxes	73,905	0.18%
Program Revenues	5,909,506	14.60%
Intergovernmental, Unrestricted	785,472	1.94%
General Other	3,310,202	8.18%
Total Revenue	\$40,488,460	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$28,924,215, which is an increase from last year's balance of \$26,402,124. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$20,859,961	\$18,388,991	\$2,470,970
Capital Improvement	3,491,489	3,996,574	(505,085)
Other Governmental	4,572,765	4,016,559	556,206
Total	\$28,924,215	\$26,402,124	\$2,522,091

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:

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

	2020 Revenues	2019 Revenues	Increase (Decrease)
Property Taxes	\$2,661,783	\$2,610,318	\$51,465
Municipal Income Taxes	21,406,025	21,371,719	34,306
Other Local Taxes	2,170	4,732	(2,562)
Intergovernmental Revenues	731,738	806,387	(74,649)
Charges for Services	2,052,629	3,564,690	(1,512,061)
Licenses, Permits and Fees	446,072	504,161	(58,089)
Investment Earnings	465,517	757,524	(292,007)
Special Assessments	32,977	32,977	0
Fines and Forfeitures	52,312	123,368	(71,056)
All Other Revenue	2,417,942	151,834	2,266,108
Total	<u>\$30,269,165</u>	<u>\$29,927,710</u>	<u>\$341,455</u>

General Fund revenues increased approximately 1% when compared with the prior year. A decrease in charges for services was a direct result of limited recreation activities, due to the pandemic. This was offset by refunds received from the Ohio Bureau of Worker's Compensation.

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Security of Persons and Property	\$12,516,588	\$12,638,727	(\$122,139)
Public Health and Welfare Services	70,000	66,153	3,847
Leisure Time Activities	4,445,635	5,123,159	(677,524)
Community Environment	1,237,042	1,078,509	158,533
Basic Utility Services	1,109,117	1,035,931	73,186
General Government	7,588,813	8,006,765	(417,952)
Total	<u>\$26,967,195</u>	<u>\$27,949,244</u>	<u>(\$982,049)</u>

General Fund expenditures decreased \$982,049, or 4% from the prior year. A decrease in leisure time activities was a direct result of limited recreation activities, due to the pandemic. An increase in community environment can be attributed in part to the purchase of a new software system for managing permitting and fees. An increase in general government in the prior year due to retirement payouts resulted in a subsequent decrease in the current year.

Capital Improvement Fund – The City's Capital Improvement Fund balance decreased \$505,085, or 13%. This decrease can be attributed to outlays for the Northeast Gateway project, street maintenance, and various equipment purchases.

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 2020 the City amended its General Fund budget several times.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

Overall, general fund original revenue estimates, final revenue estimates, and actual budget basis revenues were not significantly different. Charges for services revenue was substantially less than estimates due to a decrease in recreation activities, caused by the pandemic. This was offset by refunds received from the Ohio Bureau of Worker's Compensation. Final budgeted expenditures were not materially different from original estimates. Actual budget basis expenditures were 15% less than final budget estimates. A variance in security of persons and property was the result of a portion of police and fire expenditures being moved to the Coronavirus Relief Fund, while a variance in leisure time activities was due to limited recreation activities, caused by the pandemic. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020 the City had \$53,592,024 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 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$9,216,299	\$9,216,299	\$0
Construction In Progress	12,336,737	9,902,258	2,434,479
Land Improvements	2,192,508	2,192,508	0
Buildings	22,849,544	22,849,544	0
Infrastructure	47,594,366	47,168,670	425,696
Machinery and Equipment	6,776,677	6,413,611	363,066
Vehicles	6,732,295	6,909,356	(177,061)
Less: Accumulated Depreciation	(54,106,402)	(51,890,437)	(2,215,965)
Totals	\$53,592,024	\$52,761,809	\$830,215

Additions to construction in progress included routine street maintenance, and the Northeast Gateway Project. Equipment additions included electric charging stations, mowers, a leaf vacuum, and a brush chipper. Changes in vehicles included the addition of police cruisers and the disposal of an ambulance.

As of December 31, 2020, the City had contractual commitments of \$5,087,415 related to street improvements, equipment replacements, and building improvements. Additional information on the City's capital assets can be found in Note 7.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

Debt and Other Long-Term Obligations

The following table summarizes the City's debt and other long-term obligations outstanding as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bonds	\$3,840,000	\$4,845,000
OPWC Loans	544,924	573,161
Capital Leases Payable	291,838	527,775
Compensated Absences	<u>2,052,154</u>	<u>1,825,080</u>
Total Governmental Activities	<u>\$6,728,916</u>	<u>\$7,771,016</u>

Additional information on the City's debt and other long-term obligations can be found in Note 12.

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 Worthington Partnership, and deployed a mix of property tax incentives and income tax incentives, to support physical infrastructure improvements and payroll growth, respectively.

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 investments and identify public funding mechanisms to encourage commercial redevelopment opportunities.

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

- Continued focus has been placed on ensuring the economic vitality of the Wilson Bridge Road Corridor. There have been several initiatives in this important area including:
 - The Worthington Community Improvement Corporation's acquisition of four residential parcels for the purpose of long-term redevelopment to revenue-generating office space.
 - The Shops at Worthington Place were purchased by new owners who have proposed a significant mixed-use redevelopment, called High North, which is proposed to include 200,000 square feet of office, restaurant, and retail space.
 - A Planned Use Development (PUD) has been approved for a mixed-use project at the former Holiday Inn site, called the Worthington Gateway.
 - Construction has begun on the Northeast Gateway, a \$17 million traffic improvement project that will improve traffic congestion and provide a distinctive gateway into the Huntley Road industrial corridor and the eastern portion of the Wilson Bridge Road corridor.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

- 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. A new 75%, 10-year property tax abatement has been approved to help the owners fill the space. The building's first tenant is expected to begin occupying space in Summer 2021.
- The City continued to see the opening of several businesses at Linworth Crossing Plaza, a new 40,000 sq.ft. retail development at the City's western gateway.
- City Council approved the redevelopment of Stafford Village to permit construction of a new senior development that includes 85 new units.

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. Barter, Director of Finance for the City of Worthington.



CITY OF WORTHINGTON

Statement of Net Position December 31, 2020

	Governmental Activities	Component Unit Community Improvement Corporation
Assets:		
Pooled Cash and Investments	\$ 32,791,819	\$ 0
Cash and Cash Equivalents	0	159,470
Cash and Cash Equivalents in Segregated Accounts	83,079	0
Receivables:		
Taxes	9,921,882	0
Accounts	332,783	0
Intergovernmental	1,154,129	0
Interest	35,410	0
Special Assessments	16,954	0
Loans	36,380	0
Prepaid Items	170,355	0
Property Purchase Option	0	18,600
Restricted Assets:		
Cash and Cash Equivalents with Fiscal Agent	377,702	0
Real Estate Held for Development	0	428,372
Capital Assets:		
Capital Assets Not Being Depreciated	21,553,036	0
Capital Assets Being Depreciated, Net	32,038,988	0
Total Assets	98,512,517	606,442
Deferred Outflows of Resources:		
Deferred Charge on Debt Refunding	54,174	0
Pension	4,636,028	0
OPEB	3,322,812	0
Total Deferred Outflows of Resources	8,013,014	0
Liabilities:		
Accounts Payable	758,808	0
Accrued Wages and Benefits	703,184	0
Intergovernmental Payable	573,822	0
Contracts Payable	628,673	0
Property Taxes Payable	0	11,833
Retainage Payable	86,170	0
Accrued Interest Payable	21,047	0
General Obligation Notes Payable	5,815,000	0
Noncurrent Liabilities:		
Due Within One Year	1,787,234	0
Due in More Than One Year:		
Net Pension Liability	30,336,501	0
Net OPEB Liability	10,246,302	0
Other Amounts Due in More Than One Year	4,941,682	0
Total Liabilities	55,898,423	11,833

CITY OF WORTHINGTON

	Governmental Activities	Component Unit Community Improvement Corporation
Deferred Inflows of Resources:		
Property Tax Levy for Next Fiscal Year	4,036,906	0
Pension	5,503,260	0
OPEB	2,791,860	0
Total Deferred Inflows of Resources	12,332,026	0
Net Position:		
Net Investment in Capital Assets	43,582,235	0
Restricted For:		
Capital Projects	3,305,901	0
Debt Service	1,333,643	0
Street Improvements	792,703	0
Law Enforcement	450,754	0
Mayor's Court Improvements	207,144	0
Building Inspection	14,961	0
Performance Deposits	66,322	0
Convention and Visitor's Bureau	52,851	0
Coronavirus Relief	16,307	0
Unrestricted (Deficit)	(11,527,739)	594,609
Total Net Position	\$ 38,295,082	\$ 594,609

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Statement of Activities For the Year Ended December 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 17,242,042	\$ 1,289,186	\$ 1,419,172	\$ 0
Public Health and Welfare Services	70,000	0	0	0
Leisure Time Activities	5,741,663	947,495	0	0
Community Environment	1,416,432	242,354	0	0
Basic Utility Services	1,449,751	82,826	0	0
Transportation	2,518,695	70,807	1,041,964	772,295
General Government	9,944,001	43,407	0	0
Interest and Fiscal Charges	251,019	0	0	0
Total Primary Government	\$ 38,633,603	\$ 2,676,075	\$ 2,461,136	\$ 772,295
Component Unit:				
Community Improvement Corporation	\$ 15,513	\$ 0	\$ 0	\$ 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

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
Governmental Activities	Community Improvement Corporation
\$ (14,533,684)	
(70,000)	
(4,794,168)	
(1,174,078)	
(1,366,925)	
(633,629)	
(9,900,594)	
(251,019)	
<u>\$ (32,724,097)</u>	
	<u>\$ (15,513)</u>
2,665,500	0
100,026	0
176,532	0
697,151	0
26,770,166	0
73,905	0
785,472	0
459,424	339
2,850,778	0
<u>34,578,954</u>	<u>339</u>
1,854,857	(15,174)
36,440,225	609,783
<u>\$ 38,295,082</u>	<u>\$ 594,609</u>

CITY OF WORTHINGTON

Balance Sheet Governmental Funds December 31, 2020

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 19,226,198	\$ 8,940,880	\$ 4,624,741	\$ 32,791,819
Cash and Cash Equivalents in Segregated Accounts	1,670	0	81,409	83,079
Receivables:				
Taxes	7,734,994	1,162,761	1,024,127	9,921,882
Accounts	320,831	0	11,952	332,783
Intergovernmental	414,443	186,243	553,443	1,154,129
Interest	35,410	0	0	35,410
Special Assessments	0	16,954	0	16,954
Loans	36,380	0	0	36,380
Interfund Loans Receivable	0	153,738	0	153,738
Prepaid Items	103,272	67,083	0	170,355
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	377,702	0	377,702
Total Assets	\$ 27,873,198	\$ 10,905,361	\$ 6,295,672	\$ 45,074,231
Liabilities:				
Accounts Payable	\$ 717,700	\$ 0	\$ 41,108	\$ 758,808
Accrued Wages and Benefits Payable	673,592	0	29,592	703,184
Intergovernmental Payable	435,120	39,574	99,128	573,822
Contracts Payable	0	628,673	0	628,673
Retainage Payable	0	86,170	0	86,170
Interfund Loans Payable	0	0	153,738	153,738
Accrued Interest Payable	0	14,358	0	14,358
General Obligation Notes Payable	0	5,815,000	0	5,815,000
Compensated Absences Payable	15,048	0	0	15,048
Total Liabilities	1,841,460	6,583,775	323,566	8,748,801
Deferred Inflows of Resources:				
Unavailable Amounts	2,152,210	830,097	382,002	3,364,309
Property Tax Levy for Next Fiscal Year	3,019,567	0	1,017,339	4,036,906
Total Deferred Inflows of Resources	5,171,777	830,097	1,399,341	7,401,215
Fund Balances:				
Nonspendable	103,272	67,083	0	170,355
Restricted	0	1,142,642	4,282,312	5,424,954
Committed	706,580	2,281,764	290,453	3,278,797
Assigned	3,538,550	0	0	3,538,550
Unassigned	16,511,559	0	0	16,511,559
Total Fund Balances	20,859,961	3,491,489	4,572,765	28,924,215
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,873,198	\$ 10,905,361	\$ 6,295,672	\$ 45,074,231

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, 2020

Total Governmental Fund Balances		\$ 28,924,215
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		53,592,024
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		3,364,309
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	4,636,028	
Deferred Inflows - Pension	(5,503,260)	
Net Pension Liability	(30,336,501)	
Deferred Outflows - OPEB	3,322,812	
Deferred Inflows - OPEB	(2,791,860)	
Net OPEB Liability	<u>(10,246,302)</u>	(40,919,083)
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	(291,838)	
General Obligation Bonds Payable	(3,840,000)	
Unamortized Deferred Loss on Refunding	54,174	
OPWC Loans Payable	(544,924)	
Compensated Absences Payable	(2,037,106)	
Accrued Interest Payable	<u>(6,689)</u>	<u>(6,666,383)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 38,295,082</u>

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, 2020

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 2,661,783	\$ 0	\$ 973,323	\$ 3,635,106
Municipal Income Taxes	21,406,025	5,351,506	0	26,757,531
Other Local Taxes	2,170	0	4,211	6,381
Intergovernmental Revenues	731,738	705,623	2,527,858	3,965,219
Charges for Services	2,052,629	0	88,641	2,141,270
Licenses, Permits and Fees	446,072	0	0	446,072
Investment Earnings	465,517	0	838	466,355
Special Assessments	32,977	27,436	0	60,413
Fines and Forfeitures	52,312	0	4,969	57,281
All Other Revenue	2,417,942	208,087	84,387	2,710,416
Total Revenues	30,269,165	6,292,652	3,684,227	40,246,044
Expenditures:				
Current:				
Security of Persons and Property	12,516,588	0	2,073,369	14,589,957
Public Health and Welfare Services	70,000	0	0	70,000
Leisure Time Activities	4,445,635	0	1,280	4,446,915
Community Environment	1,237,042	0	0	1,237,042
Basic Utility Services	1,109,117	0	260,595	1,369,712
Transportation	0	0	922,649	922,649
General Government	7,588,813	413,263	462,137	8,464,213
Capital Outlay	0	5,155,972	0	5,155,972
Debt Service:				
Principal Retirement	0	264,174	1,005,000	1,269,174
Interest and Fiscal Charges	0	76,472	121,847	198,319
Total Expenditures	26,967,195	5,909,881	4,846,877	37,723,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,301,970	382,771	(1,162,650)	2,522,091
Other Financing Sources (Uses):				
Transfers In	0	392,144	2,111,000	2,503,144
Transfers Out	(831,000)	(1,280,000)	(392,144)	(2,503,144)
Total Other Financing Sources (Uses)	(831,000)	(887,856)	1,718,856	0
Net Change in Fund Balances	2,470,970	(505,085)	556,206	2,522,091
Fund Balances at Beginning of Year	18,388,991	3,996,574	4,016,559	26,402,124
Fund Balances End of Year	\$ 20,859,961	\$ 3,491,489	\$ 4,572,765	\$ 28,924,215

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 2,522,091

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	3,744,698	
Depreciation Expense	(2,857,938)	886,760

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. (56,545)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 242,416

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

Pension	2,402,947	
OPEB	35,517	2,438,464

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	(4,104,298)	
OPEB	(1,078,479)	(5,182,777)

CITY OF WORTHINGTON

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	1,005,000	
Deferred Loss on Bond Refunding	(54,172)	
OPWC Loan Principal Payment	28,237	
Capital Lease Principal Payment	<u>235,937</u>	1,215,002

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,472

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>(212,026)</u>
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Change in Net Position of Governmental Activities \$ 1,854,857

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,557,822	\$ 2,622,361	\$ 2,661,783	\$ 39,422
Municipal Income Taxes	21,120,000	21,120,000	21,198,942	78,942
Other Local Taxes	26,000	26,000	2,348	(23,652)
Intergovernmental Revenue	717,792	701,373	762,198	60,825
Charges for Services	3,794,765	3,794,765	2,105,744	(1,689,021)
Licenses, Permits and Fees	496,500	496,500	447,416	(49,084)
Investment Earnings	350,000	350,000	473,025	123,025
Fines and Forfeitures	170,000	170,000	58,058	(111,942)
All Other Revenues	290,532	290,532	2,417,170	2,126,638
Total Revenues	29,523,411	29,571,531	30,126,684	555,153
Expenditures:				
Current:				
Security of Persons and Property	16,238,068	16,278,068	13,804,285	2,473,783
Public Health and Welfare Services	86,585	86,585	86,538	47
Leisure Time Activities	6,282,445	6,637,445	4,949,071	1,688,374
Community Environment	893,834	890,859	827,589	63,270
Basic Utility Services	1,134,604	1,134,604	1,133,564	1,040
General Government	9,016,501	9,401,976	8,588,306	813,670
Total Expenditures	33,652,037	34,429,537	29,389,353	5,040,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,128,626)	(4,858,006)	737,331	5,595,337
Other Financing Sources (Uses):				
Transfers Out	(400,000)	(695,000)	(695,000)	0
Total Other Financing Sources (Uses):	(400,000)	(695,000)	(695,000)	0
Net Change in Fund Balance	(4,528,626)	(5,553,006)	42,331	5,595,337
Fund Balance at Beginning of Year	14,898,104	14,898,104	14,898,104	0
Prior Year Encumbrances	1,552,068	1,552,068	1,552,068	0
Fund Balance at End of Year	\$ 11,921,546	\$ 10,897,166	\$ 16,492,503	\$ 5,595,337

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Statement of Net Position Fiduciary Funds December 31, 2020

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 55,623
Cash and Cash Equivalents in Segregated Accounts	1,447
Total Assets	<u>57,070</u>
Liabilities:	
Intergovernmental Payable	56,442
Undistributed Monies	628
Total Liabilities	<u>57,070</u>
Net Position:	
Total Net Position	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Statement of Changes in Net Position Fiduciary Funds For the Year Ended December 31, 2020

	<u>Custodial</u>
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 25,718
Fee Collections for other Governments	38,142
Total Additions	<u>63,860</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	25,718
Distribution of Fees to other Governments	38,142
Total Deductions	<u>63,860</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, 2020

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, and the fact that the CIC is financially closely related to the City. Historically, CIC revenues consist almost entirely of contributions from the City, which are used to further economic development efforts of the City. Complete financial statements can be obtained from the City's finance department. See Note 19 for additional note disclosures regarding the CIC.

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

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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. With the passage of Ordinance 45-2018, the City committed to a tenth three-year term that began on January 1, 2019. The City has no ongoing financial responsibility other than the three-year minimum membership. See Note 11.

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, 2020

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 custodial 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 custodial funds, which account for the mayor's court activity, 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, 2020

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, 2020

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, 2020 are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2020, but which are not intended to finance 2020 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

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 custodial funds, are legally required to be budgeted and appropriated. The City did not adopt a budget for the Subdivision Trust and Performance Trust Special Revenue Funds. These funds were classified as special revenue funds 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, 2020

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 2020.

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, 2020

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 accounting principles generally accepted in the United States of America (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. In addition, 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:

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	\$2,470,970
Increase (Decrease):	
Accrued Revenues at December 31, 2020 received during 2021	(3,494,043)
Accrued Revenues at December 31, 2019 received during 2020	3,368,372
Accrued Expenditures at December 31, 2020 paid during 2021	1,841,460
Accrued Expenditures at December 31, 2019 paid during 2020	(2,205,560)
2019 Prepays for 2020	84,753
2020 Prepays for 2021	(103,272)
Outstanding Encumbrances	(1,933,403)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>13,054</u>
Budget Basis	<u>\$42,331</u>

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 3, "Cash, Cash Equivalents and Investments."

Cash and cash equivalents in segregated accounts represents bonds and inspection fees collected for public improvements being made by owners, developers, and contractors working in the City, and funds generated by mayor's court activity.

Investment earnings of \$202,829 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 3, "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 2020, 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 \$100 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, 2020

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 \$5,000.

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, 2020

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, 2020

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, 2020. 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, 2020

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, 2020

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 8 and 9.

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 8 and 9.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 2 – 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	\$103,272	\$67,083	\$0	\$170,355
Total Nonspendable	103,272	67,083	0	170,355
Restricted:				
Street Maintenance and Repair	0	0	507,611	507,611
Law Enforcement	0	0	434,304	434,304
Court Improvements	0	0	207,144	207,144
Convention and Visitor's Bureau	0	0	52,851	52,851
Performance Deposits	0	0	66,322	66,322
Building Code Inspection	0	0	14,961	14,961
Coronavirus Relief	0	0	16,307	16,307
Debt Retirement	0	0	1,331,010	1,331,010
Capital Improvements	0	1,142,642	1,651,802	2,794,444
Total Restricted	0	1,142,642	4,282,312	5,424,954
Committed:				
Economic Development	406,580	0	0	406,580
Payroll Reserve	300,000	0	0	300,000
Parks and Recreation	0	0	56,498	56,498
Water Public Works	0	0	97,292	97,292
Sewer Public Works	0	0	61,603	61,603
Bicentennial Celebration	0	0	75,060	75,060
Capital Improvements	0	2,281,764	0	2,281,764
Total Committed	706,580	2,281,764	290,453	3,278,797
Assigned:				
Materials and Supplies	479,097	0	0	479,097
Budget Resource	3,059,453	0	0	3,059,453
Total Assigned	3,538,550	0	0	3,538,550
Unassigned (Deficits):	16,511,559	0	0	16,511,559
Total Fund Balances	\$20,859,961	\$3,491,489	\$4,572,765	\$28,924,215

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. This policy remained unchanged through 2020.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 3 – 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;
- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
- 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;
- The State Treasury Asset Reserve of Ohio (STAR Ohio), and
- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 3 – 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, 2020, the carrying amount of the City's deposits, including segregated accounts, was \$11,428,298 and the bank balance was \$11,550,161. Of the bank balance, \$8,876,080 was covered by federal depository insurance and \$2,674,081 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

The City had \$377,702 related to permissive tax monies held and secured by Franklin County, which is reported as cash and cash equivalents with fiscal agent.

B. Investments

The City's investments at December 31, 2020 were as follows:

	Measurement	Credit	Fair Value	Concentration	Investment Maturities (in Years)		
	Value	Rating	Hierarchy	of Credit Risk	less than 1	1-3	3-5
STAR Ohio ⁴	\$4,180,482	AAAm ¹	NA	19.44%	\$4,180,482	\$0	\$0
Repurchase Agreement	6,142,300	*	Level 2	28.56%	6,142,300	0	0
Government Money Market	2,549,694	AA+ ¹	Level 1	11.86%	2,549,694	0	0
Municipal Bonds	3,814,240	Aa2 ³	Level 2	17.74%	3,814,240	0	0
Negotiable CD's	4,816,954	AAA ²	Level 2	22.40%	1,500,181	3,057,845	258,928
Total Investments	<u>\$21,503,670</u>			<u>100.00%</u>	<u>\$18,186,897</u>	<u>\$3,057,845</u>	<u>\$258,928</u>

¹ Standard & Poor's

² All are fully FDIC insured and therefore have an implied AAA credit rating

³ Moody's

⁴ 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, 2020

NOTE 3 – 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, 2020

NOTE 4 - 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 2020 were levied after October 1, 2019 on assessed values as of January 1, 2019, 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, 2020, 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 2020 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Property Tax	\$642,553,900
Public Utility Tangible Personal	<u>15,139,080</u>
Total Assessed Valuation	<u>\$657,692,980</u>

Property taxes receivable represent real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020. 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 2020 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, 2020

NOTE 4 – 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, 2020.

	<u>Total Amount of Taxes Abated For the year 2020</u>
<i>Community Reinvestment Area (CRA)</i>	
Retail/Financial	<u>\$60,110</u>
	<u>\$60,110</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, 2020

NOTE 5 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, intergovernmental receivables arising from shared revenues, special assessments, loans, interest, and utility and emergency medical service accounts.

NOTE 6 – 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 2020:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$0	\$831,000
Capital Improvement Fund	392,144	1,280,000
Nonmajor Governmental Funds	<u>2,111,000</u>	<u>392,144</u>
Total All Funds	<u>\$2,503,144</u>	<u>\$2,503,144</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 for reclasses related to debt retirement. 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, 2020 were as follows:

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
Capital Improvement Fund	\$153,738	\$0
Nonmajor Governmental Funds	<u>0</u>	<u>153,738</u>
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, 2020

NOTE 7 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2020:

<i>Historical Cost:</i>				
Class	December 31, 2019	Additions	Deletions	December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land	\$9,216,299	\$0	\$0	\$9,216,299
Construction in Progress	9,902,258	3,278,646	(844,167)	12,336,737
	19,118,557	3,278,646	(844,167)	21,553,036
<i>Capital assets being depreciated:</i>				
Land Improvements	2,192,508	0	0	2,192,508
Buildings	22,849,544	0	0	22,849,544
Infrastructure	47,168,670	425,696	0	47,594,366
Machinery and Equipment	6,413,611	689,591	(326,525)	6,776,677
Vehicles	6,909,356	194,932	(371,993)	6,732,295
Total Cost	\$104,652,246	\$4,588,865	(\$1,542,685)	\$107,698,426
<i>Accumulated Depreciation:</i>				
Class	December 31, 2019	Additions	Deletions	December 31, 2020
Land Improvements	(\$1,954,387)	(\$27,135)	\$0	(\$1,981,522)
Buildings	(13,601,222)	(534,267)	0	(14,135,489)
Infrastructure	(29,363,952)	(1,408,314)	0	(30,772,266)
Machinery and Equipment	(3,674,325)	(373,653)	297,295	(3,750,683)
Vehicles	(3,296,551)	(514,569)	344,678	(3,466,442)
Total Depreciation	(\$51,890,437)	(\$2,857,938) *	\$641,973	(\$54,106,402)
<i>Net Value:</i>	\$52,761,809			\$53,592,024

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$581,454
Leisure Time Activities	489,524
Community Environment	5,729
Transportation	1,414,259
General Government	366,972
Total Depreciation Expense	\$2,857,938

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – 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, 2020

NOTE 8 – 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 comprehensive annual financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

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

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$884,393 for 2020. Of this amount, \$115,049 is reported as an intergovernmental payable.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – 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 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 3.00% 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 3.00% of their base pension or disability benefit.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – 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>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,518,554 for 2020. Of this amount, \$198,056 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, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,308,590	\$20,027,911	\$30,336,501
Proportion of the Net Pension Liability-2020	0.052154%	0.297303%	
Proportion of the Net Pension Liability-2019	0.052514%	0.304814%	
Percentage Change	<u>(0.000360%)</u>	<u>(0.007511%)</u>	
Pension Expense	\$1,740,942	\$2,363,356	\$4,104,298

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$550,598	\$491,635	\$1,042,233
Differences between expected and actual experience	0	758,120	758,120
Change in proportionate share	53,081	379,647	432,728
City contributions subsequent to the measurement date	884,393	1,518,554	2,402,947
Total Deferred Outflows of Resources	<u>\$1,488,072</u>	<u>\$3,147,956</u>	<u>\$4,636,028</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,056,332	\$967,508	\$3,023,840
Differences between expected and actual experience	130,337	1,032,921	1,163,258
Change in proportionate share	0	1,316,162	1,316,162
Total Deferred Inflows of Resources	<u>\$2,186,669</u>	<u>\$3,316,591</u>	<u>\$5,503,260</u>

\$2,402,947 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, 2021. 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:			
2021	(\$187,527)	(\$453,367)	(\$640,894)
2022	(664,115)	(329,491)	(993,606)
2023	85,154	202,893	288,047
2024	(816,502)	(981,002)	(1,797,504)
2025	0	(126,222)	(126,222)
Total	<u>(\$1,582,990)</u>	<u>(\$1,687,189)</u>	<u>(\$3,270,179)</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, 2020

NOTE 8 – 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, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2019
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)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
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	7.2 percent
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 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 2019, 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 17.2% for 2019.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – 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 2019 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	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$17,002,204	\$10,308,590	\$4,291,231

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, 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 Buck 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

For the January 1, 2019 valuation, 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 Buck Modified 2016 Improvement Scale.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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, 2019 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 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
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.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 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.

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	\$27,757,989	\$20,027,911	\$13,562,468

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - 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.

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - 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 20 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' comprehensive annual financial report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, 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, 2020

NOTE 9 - 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 0 percent during calendar year 2020. 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 2020 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 2020.

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 health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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, 2020

NOTE 9 - 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 2020, 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 \$35,517 for 2020. Of this amount, \$4,641 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, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$7,309,625	\$2,936,677	\$10,246,302
Proportion of the Net OPEB Liability-2020	0.052920%	0.297303%	
Proportion of the Net OPEB Liability-2019	<u>0.053116%</u>	<u>0.304814%</u>	
Percentage Change	<u>(0.000196%)</u>	<u>(0.007511%)</u>	
OPEB Expense	\$888,748	\$189,731	\$1,078,479

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$1,157,037	\$1,716,894	\$2,873,931
Differences between expected and actual experience	197	0	197
Change in proportionate share	39,284	373,883	413,167
City contributions subsequent to the measurement date	0	35,517	35,517
Total Deferred Outflows of Resources	<u>\$1,196,518</u>	<u>\$2,126,294</u>	<u>\$3,322,812</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$372,204	\$135,136	\$507,340
Changes in assumptions	0	625,850	625,850
Differences between expected and actual experience	668,499	315,810	984,309
Change in proportionate share	0	674,361	674,361
Total Deferred Inflows of Resources	<u>\$1,040,703</u>	<u>\$1,751,157</u>	<u>\$2,791,860</u>

\$35,517 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 2021. 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:			
2021	\$225,773	\$57,041	\$282,814
2022	88,791	57,041	145,832
2023	295	84,761	85,056
2024	(159,044)	41,058	(117,986)
2025	0	44,937	44,937
2026	0	30,168	30,168
2027	0	24,614	24,614
Total	<u>\$155,815</u>	<u>\$339,620</u>	<u>\$495,435</u>

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - 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, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, 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 was 19.7 percent for 2019.

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 2019 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	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 6.00 percent and a municipal bond rate of 2.75 percent.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$9,565,819	\$7,309,625	\$5,503,151

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 2020 is 10.50 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 3.50 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	\$7,093,926	\$7,309,625	\$7,522,578

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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, 2019, are summarized below:

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 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 of 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 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 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, 2020

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The 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 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$3,641,291	\$2,936,677	\$2,351,194

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 10 - 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, 2020, 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	22,866	\$881,487
Vacation / Compensatory Time	<u>30,367</u>	<u>1,170,667</u>
Total	<u><u>53,233</u></u>	<u><u>\$2,052,154</u></u>

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 11 - 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 2020, 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	67,403,928	5,000
Boiler and Machinery	67,403,928	5,000
Crime	250,000	2,500
Public Officials	1,000,000	10,000
Law Enforcement	1,000,000	10,000
Abuse/Molestation	1,000,000	0
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.

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.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 11 - RISK MANAGEMENT (Continued)

B. Health Care Benefits (Continued)

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 2020 was \$2,929,655. 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

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Detail of the changes in the long-term debt and other long-term liabilities of the City for the year ended December 31, 2020, was as follows:

	Balance			Balance	Amount
	December 31,	Issued	(Retired)	December 31,	Due Within
	2019			2020	One Year
Governmental Activities Debt:					
General Obligation Bonds:					
2015 1.62% Various Purpose Refunding	\$1,550,000	\$0	(\$770,000)	\$780,000	\$780,000
2017 2.21% Various Purpose	3,295,000	0	(235,000)	3,060,000	240,000
Total General Obligation Bonds	4,845,000	0	(1,005,000)	3,840,000	1,020,000
OPWC Loans:*					
0.00% Old Worthington ADA Ramps	62,480	0	(7,810)	54,670	7,810
0.00% Kenyonbrook Sanitary Sewer	510,681	0	(20,427)	490,254	20,427
Total OPWC Loans	573,161	0	(28,237)	544,924	28,237
Governmental Activities Other Long-Term Liabilities:					
Capital Leases Payable	527,775	0	(235,937)	291,838	248,443
Compensated Absences	1,825,080	576,708	(349,634)	2,052,154	490,554
Total Governmental Activities Long-Term Debt and Other Long-Term Liabilities	\$7,771,016	\$576,708	(\$1,618,808)	\$6,728,916	\$1,787,234

*The Ohio Public Works Commission Loans are direct borrowings.

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 carry an interest rate of 2.21% and mature in 2032. These bonds are direct placement debt.

In November 2015 the City issued \$4,590,000 of General Obligation Bonds to refund previously issued various purpose bonds. The bonds carry an interest rate of 1.62% and mature in 2021. These bonds are direct placement debt.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (Continued)

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, 2020, follows:

<u>Years</u>	<u>General Obligation Bonds</u>		<u>OPWC Loans*</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	260,000	51,052	28,237	0
2025	270,000	45,306	28,237	0
2026-2030	1,460,000	134,038	117,755	0
2031-2035	320,000	7,072	102,136	0
2036-2040	0	0	102,135	0
2041-2045	0	0	81,713	0
Totals	<u>\$3,840,000</u>	<u>\$436,850</u>	<u>\$544,924</u>	<u>\$0</u>

*The Ohio Public Works Commission Loans are direct borrowings.

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 \$800,000 at December 31, 2020, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 13 - CAPITAL LEASES

The City leases a street sweeper, wheel loader, and radios under capital lease. The original cost of the assets of \$851,842 and the related liability reported as Governmental Activities capital leases are reported on the Government-wide Statement of Net Position.

The lease purchase agreement is a direct borrowing that has terms negotiated directly between the City and the creditor. The creditor, without notice to anyone, may declare the entire debt due after ten (10) calendar days continuous default in the payment of any installment of principal or interest or in the performance or observance of any covenant or condition contained in the agreement. Upon such declaration the entire debt shall be immediately due and payable, or return all equipment under the lease.

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, 2020:

Year Ending December 31,	Governmental Activities
2021	\$260,760
2022	28,385
2023	14,193
Minimum Lease Payments	<u>303,338</u>
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(11,500)</u>
Present value of minimum lease payments	<u><u>\$291,838</u></u>

NOTE 14 - 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, 2019	Issued	(Retired)	December 31, 2020
Capital Project Funds Notes Payable:				
2.25% Various Purpose	\$4,290,000	\$0	(\$4,290,000)	\$0
0.875% Various Purpose	0	5,815,000	0	5,815,000
Total Notes Payable	<u>\$4,290,000</u>	<u>\$5,815,000</u>	<u>(\$4,290,000)</u>	<u>\$5,815,000</u>

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 15 - SIGNIFICANT COMMITMENTS

The City had the following contractual commitments at December 31, 2020:

Project	Amount
2019 Bike and Pedestrian Improvement	\$83,000
2019 Street Improvement Program	111,983
2020 Sewer Lining & Repair	571,000
2020 Street Improvement Program	142,602
Central District Sanitary Sewer Design and Repair	43,969
City Hall Chimney Repairs	6,750
Community Center South End Door Replacement	24,160
E. Wilson Bridge Rd Resurfacing	77,239
Energy Conservation Measures	12,110
Fire Station Bathroom Replacement	100,000
Fire Station Roof Replacement	4,900
Fuel Dispensing System	43,905
Kenyonbrook Sanitary Sewer	116,749
McCord Park Master Plan	200,706
Michaela Subdivision SS Extension	30,000
Municipal Building Window and Door Replacements	15,000
NE Gateway Wilson Bridge/Huntley/WG Intersection Construction	2,511,941
North District Sewer Study	2,664
Northbrook Relief Sewer Phase II	53,981
Perry Park Backflow Preventer	66,233
Perry Park Building Electrical Upgrade	17,650
Police Building Roof	452,426
Rush Run Stream-Huntley Bowl	3,994
Rush Run S. Street/McCoy Slope Repair and Rehabilitation	31,000
Selby Park Playground Upgrade	275,000
Service/Engineering Building Roof	38,453
Worthingway Storm Relief	50,000
	<u>\$5,087,415</u>

At December 31, 2020 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$2,087,164
Capital Improvement Fund	6,824,698
Other Governmental Funds	415,663
Total Governmental Funds	<u>\$9,327,525</u>

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 16 - 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, 2020, to December 31, 2020, 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 17 – 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.

Northwest Regional Emergency Communications Center (NRECC) – With the passage of Resolution 31-2019, City Council authorized the City Manager to enter into a three-year agreement with the City of Dublin for the Northwest Regional Emergency Communications Center to provide public safety dispatching communication services. The agreement would commence on January 1, 2020. The Northwest Regional Emergency Communications Center, operated by the City of Dublin, currently serves the communities of Dublin, Hilliard and Upper Arlington, and is governed by an executive committee and two operational committees which allow for each of the jurisdictions served by the Center to have input on how the Center operates and interacts with the community, police, firefighters and paramedics.

NOTE 18 – 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, 2020

NOTE 19 – 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, 2020, the carrying amount of the CIC's deposits was in the amount of \$159,470. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure", as of December 31, 2020 the entire bank balance was covered by the Federal Deposit Insurance Corporation. 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, 2020 the CIC reported \$428,372 of real estate held for development. 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 no contributions from the City of Worthington during the year 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WORTHINGTON

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

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.052367%	0.052367%	0.051182%
City's proportionate share of the net pension liability (asset)	\$6,173,387	\$6,316,045	\$8,865,381
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	93.13%	98.08%	138.67%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.320344%	0.320344%	0.321738%
City's proportionate share of the net pension liability (asset)	\$15,601,738	\$16,595,134	\$20,697,616
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	218.39%	262.79%	320.39%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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.

See notes to the required supplementary information

CITY OF WORTHINGTON

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.049793%	0.051531%	0.052514%	0.052154%
\$11,307,168	\$8,084,188	\$14,382,520	\$10,308,590
\$6,484,525	\$6,835,277	\$7,131,850	\$7,281,807
174.37%	118.27%	201.67%	141.57%
77.25%	84.66%	74.70%	82.17%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.310223%	0.322982%	0.304814%	0.297303%
\$19,649,242	\$19,822,876	\$24,880,876	\$20,027,911
\$6,620,503	\$6,990,813	\$6,847,709	\$7,002,528
296.79%	283.56%	363.35%	286.01%
68.36%	70.91%	63.07%	69.89%

CITY OF WORTHINGTON

Schedule of City Pension Contributions Last Eight Years

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$861,736	\$772,754	\$767,191
Contributions in relation to the contractually required contribution	<u>861,736</u>	<u>772,754</u>	<u>767,191</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258
Contributions as a percentage of covered payroll	13.00%	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>
Contractually required contribution	\$1,222,690	\$1,352,864	\$1,383,353
Contributions in relation to the contractually required contribution	<u>1,222,690</u>	<u>1,352,864</u>	<u>1,383,353</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034
Contributions as a percentage of covered payroll	17.12%	21.42%	21.41%

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.

See notes to the required supplementary information

CITY OF WORTHINGTON

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$778,143	\$888,586	\$998,459	\$1,019,453	\$884,393
<u>778,143</u>	<u>888,586</u>	<u>998,459</u>	<u>1,019,453</u>	<u>884,393</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,484,525	\$6,835,277	\$7,131,850	\$7,281,807	\$6,317,093
12.00%	13.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$1,420,678	\$1,497,060	\$1,464,952	\$1,503,453	\$1,518,554
<u>1,420,678</u>	<u>1,497,060</u>	<u>1,464,952</u>	<u>1,503,453</u>	<u>1,518,554</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,620,503	\$6,990,813	\$6,847,709	\$7,002,528	\$7,103,344
21.46%	21.41%	21.39%	21.47%	21.38%



CITY OF WORTHINGTON

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

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability (asset)	0.050253%	0.052212%	0.053116%	0.052920%
City's proportionate share of the net OPEB liability (asset)	\$5,075,727	\$5,669,804	\$6,925,071	\$7,309,625
City's covered payroll	\$6,484,525	\$6,835,277	\$7,131,850	\$7,281,807
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	78.27%	82.95%	97.10%	100.38%
Plan fiduciary net position as a percentage of the total OPEB liability	54.04%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability (asset)	0.310223%	0.322982%	0.304814%	0.297303%
City's proportionate share of the net OPEB liability (asset)	\$14,725,610	\$18,299,719	\$2,775,798	\$2,936,677
City's covered payroll	\$6,620,503	\$6,990,813	\$6,847,709	\$7,002,528
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	222.42%	261.77%	40.54%	41.94%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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.

See notes to the required supplementary information

CITY OF WORTHINGTON

Schedule of City Other Postemployment Benefit (OPEB) Contributions Last Eight Years

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$66,287	\$128,792	\$127,865
Contributions in relation to the contractually required contribution	<u>66,287</u>	<u>128,792</u>	<u>127,865</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,628,738	\$6,439,617	\$6,393,258
Contributions as a percentage of covered payroll	1.00%	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>
Contractually required contribution	\$242,888	\$31,575	\$32,300
Contributions in relation to the contractually required contribution	<u>242,888</u>	<u>31,575</u>	<u>32,300</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$7,143,963	\$6,315,026	\$6,460,034
Contributions as a percentage of covered payroll	3.40%	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.

See notes to the required supplementary information

CITY OF WORTHINGTON

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$129,691	\$68,353	\$0	\$0	\$0
<u>129,691</u>	<u>68,353</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,484,525	\$6,835,277	\$7,131,850	\$7,281,807	\$6,317,093
2.00%	1.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$33,103	\$34,954	\$34,239	\$35,013	\$35,517
<u>33,103</u>	<u>34,954</u>	<u>34,239</u>	<u>35,013</u>	<u>35,517</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,620,503	\$6,990,813	\$6,847,709	\$7,002,528	\$7,103,344
0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF WORTHINGTON

Notes to the Required Supplementary Information For the Year Ended December 31, 2020

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

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 the 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%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

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

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

CITY OF WORTHINGTON

Notes to the Required Supplementary Information For the Year Ended December 31, 2020

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

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%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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CITY OF WORTHINGTON

Notes to the Required Supplementary Information For the Year Ended December 31, 2020

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

***COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES***

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

CITY OF WORTHINGTON

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.)

Payroll Reserve Fund

To account for resources accumulated for payment of salaries during any fiscal year when the number of pay periods exceeds the usual number. (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.

CITY OF WORTHINGTON

Special Revenue Funds (Continued)

Enforcement and Education Fund

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

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.)

Convention and Visitors Bureau Fund

To account for hotel taxes to be used to promote tourism in the City.

Law Enforcement Continuing Education Fund

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

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

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.)

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. (This fund is not part of the City's appropriated budget therefore no budgetary schedule is presented.)

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Cash Equivalents	\$ 1,488,191	\$ 1,484,748	\$ 1,651,802	\$ 4,624,741
Cash and Cash Equivalents in Segregated Accounts	81,409	0	0	81,409
Receivables:				
Taxes	204,378	115,749	704,000	1,024,127
Accounts	11,952	0	0	11,952
Intergovernmental	546,535	6,908	0	553,443
Total Assets	\$ 2,332,465	\$ 1,607,405	\$ 2,355,802	\$ 6,295,672
Liabilities:				
Accounts Payable	\$ 41,108	\$ 0	\$ 0	\$ 41,108
Accrued Wages and Benefits Payable	29,592	0	0	29,592
Intergovernmental Payable	99,128	0	0	99,128
Interfund Loans Payable	0	153,738	0	153,738
Total Liabilities	169,828	153,738	0	323,566
Deferred Inflows of Resources:				
Unavailable Amounts	372,680	9,322	0	382,002
Property Tax Levy for Next Fiscal Year	200,004	113,335	704,000	1,017,339
Total Deferred Inflows of Resources	572,684	122,657	704,000	1,399,341
Fund Balances:				
Restricted	1,299,500	1,331,010	1,651,802	4,282,312
Committed	290,453	0	0	290,453
Total Fund Balances	1,589,953	1,331,010	1,651,802	4,572,765
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,332,465	\$ 1,607,405	\$ 2,355,802	\$ 6,295,672



CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 176,286	\$ 99,886	\$ 697,151	\$ 973,323
Other Local Taxes	4,211	0	0	4,211
Intergovernmental Revenues	2,515,716	12,142	0	2,527,858
Charges for Services	88,641	0	0	88,641
Investment Earnings	838	0	0	838
Fines and Forfeitures	4,969	0	0	4,969
All Other Revenues	83,262	141	984	84,387
Total Revenue	2,873,923	112,169	698,135	3,684,227
Expenditures:				
Current:				
Security of Persons and Property	2,073,369	0	0	2,073,369
Leisure Time Activities	1,280	0	0	1,280
Basic Utility Services	260,595	0	0	260,595
Transportation	922,649	0	0	922,649
General Government	98,528	0	363,609	462,137
Debt Service:				
Principal Retirement	0	1,005,000	0	1,005,000
Interest & Fiscal Charges	0	121,847	0	121,847
Total Expenditures	3,356,421	1,126,847	363,609	4,846,877
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(482,498)	(1,014,678)	334,526	(1,162,650)
Other Financing Sources (Uses):				
Transfers In	831,000	1,280,000	0	2,111,000
Transfers Out	(150,000)	(242,144)	0	(392,144)
Total Other Financing Sources (Uses)	681,000	1,037,856	0	1,718,856
Net Change in Fund Balances	198,502	23,178	334,526	556,206
Fund Balances at Beginning of Year	1,391,451	1,307,832	1,317,276	4,016,559
Fund Balances End of Year	\$ 1,589,953	\$ 1,331,010	\$ 1,651,802	\$ 4,572,765

CITY OF WORTHINGTON

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Street Construction Maintenance and Repair	State Highway	Water	Sanitary Sewer
Assets:				
Pooled Cash and Investments	\$ 255,883	\$ 60,790	\$ 94,400	\$ 70,091
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	6,309	5,643
Intergovernmental	439,815	35,661	0	0
Total Assets	\$ 695,698	\$ 96,451	\$ 100,709	\$ 75,734
Liabilities:				
Accounts Payable	\$ 26,666	\$ 1,832	\$ 916	\$ 11,630
Accrued Wages and Benefits Payable	23,028	3,016	1,774	1,774
Intergovernmental Payable	9,394	1,242	727	727
Total Liabilities	59,088	6,090	3,417	14,131
Deferred Inflows of Resources:				
Unavailable Amounts	293,210	23,774	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	293,210	23,774	0	0
Fund Balances:				
Restricted	343,400	66,587	0	0
Committed	0	0	97,292	61,603
Total Fund Balances	343,400	66,587	97,292	61,603
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 695,698	\$ 96,451	\$ 100,709	\$ 75,734

CITY OF WORTHINGTON

<u>Police Pension</u>	<u>Law Enforcement</u>	<u>Municipal Motor Vehicle License Tax</u>	<u>Enforcement and Education</u>	<u>Court Clerk Computer</u>	<u>Convention and Visitor's Bureau</u>
\$ 378,548	\$ 72,413	\$ 78,001	\$ 52,351	\$ 207,082	\$ 52,737
0	0	0	0	126	0
204,264	0	0	0	0	114
0	0	0	0	0	0
12,190	0	58,869	0	0	0
<u>\$ 595,002</u>	<u>\$ 72,413</u>	<u>\$ 136,870</u>	<u>\$ 52,351</u>	<u>\$ 207,208</u>	<u>\$ 52,851</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 64	\$ 0
0	0	0	0	0	0
87,038	0	0	0	0	0
<u>87,038</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64</u>	<u>0</u>
16,450	0	39,246	0	0	0
200,004	0	0	0	0	0
<u>216,454</u>	<u>0</u>	<u>39,246</u>	<u>0</u>	<u>0</u>	<u>0</u>
291,510	72,413	97,624	52,351	207,144	52,851
0	0	0	0	0	0
<u>291,510</u>	<u>72,413</u>	<u>97,624</u>	<u>52,351</u>	<u>207,144</u>	<u>52,851</u>
<u>\$ 595,002</u>	<u>\$ 72,413</u>	<u>\$ 136,870</u>	<u>\$ 52,351</u>	<u>\$ 207,208</u>	<u>\$ 52,851</u>

(Continued)

CITY OF WORTHINGTON

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Law Enforcement Continuing Education	Coronavirus Relief	Special Parks	Bicentennial Trust
Assets:				
Pooled Cash and Investments	\$ 18,030	\$ 16,307	\$ 56,498	\$ 75,060
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
Total Assets	\$ 18,030	\$ 16,307	\$ 56,498	\$ 75,060
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Restricted	18,030	16,307	0	0
Committed	0	0	56,498	75,060
Total Fund Balances	18,030	16,307	56,498	75,060
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,030	\$ 16,307	\$ 56,498	\$ 75,060

CITY OF WORTHINGTON

Subdivision Trust	Performance Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 1,488,191
14,961	66,322	81,409
0	0	204,378
0	0	11,952
0	0	546,535
<u>\$ 14,961</u>	<u>\$ 66,322</u>	<u>\$ 2,332,465</u>
\$ 0	\$ 0	\$ 41,108
0	0	29,592
0	0	99,128
<u>0</u>	<u>0</u>	<u>169,828</u>
0	0	372,680
0	0	200,004
<u>0</u>	<u>0</u>	<u>572,684</u>
14,961	66,322	1,299,500
0	0	290,453
<u>14,961</u>	<u>66,322</u>	<u>1,589,953</u>
<u>\$ 14,961</u>	<u>\$ 66,322</u>	<u>\$ 2,332,465</u>

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2020

	Street Construction Maintenance and Repair	State Highway	Water	Sanitary Sewer
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Taxes	0	0	0	0
Intergovernmental Revenues	888,020	72,002	0	0
Charges for Services	0	0	43,552	39,274
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	55,882	6,615	4,155	4,155
Total Revenues	943,902	78,617	47,707	43,429
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Basic Utility Services	0	0	178,479	82,116
Transportation	830,144	92,505	0	0
General Government	0	0	0	0
Total Expenditures	830,144	92,505	178,479	82,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,758	(13,888)	(130,772)	(38,687)
Other Financing Sources (Uses):				
Transfers In	0	40,000	140,000	40,000
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	40,000	140,000	40,000
Net Change in Fund Balances	113,758	26,112	9,228	1,313
Fund Balances at Beginning of Year	229,642	40,475	88,064	60,290
Fund Balances End of Year	\$ 343,400	\$ 66,587	\$ 97,292	\$ 61,603

CITY OF WORTHINGTON

Police Pension	Law Enforcement	Municipal Motor Vehicle License Tax	Enforcement and Education	Court Clerk Computer	Convention and Visitor's Bureau
\$ 176,286	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	4,211
21,428	0	115,094	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	985	3,984	0
249	3,592	0	0	0	0
<u>197,963</u>	<u>3,592</u>	<u>115,094</u>	<u>985</u>	<u>3,984</u>	<u>4,211</u>
673,504	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	29,928	65,800
<u>673,504</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,928</u>	<u>65,800</u>
(475,541)	3,592	115,094	985	(25,944)	(61,589)
611,000	0	0	0	0	0
0	0	(150,000)	0	0	0
<u>611,000</u>	<u>0</u>	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
135,459	3,592	(34,906)	985	(25,944)	(61,589)
156,051	68,821	132,530	51,366	233,088	114,440
<u>\$ 291,510</u>	<u>\$ 72,413</u>	<u>\$ 97,624</u>	<u>\$ 52,351</u>	<u>\$ 207,144</u>	<u>\$ 52,851</u>

(Continued)

CITY OF WORTHINGTON

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Law Enforcement Continuing Education	Coronavirus Relief	Special Parks	Bicentennial Trust
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Taxes	0	0	0	0
Intergovernmental Revenues	3,000	1,416,172	0	0
Charges for Services	0	0	5,815	0
Investment Earnings	0	0	0	838
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	5,714	0
Total Revenues	3,000	1,416,172	11,529	838
Expenditures:				
Current:				
Security of Persons and Property	0	1,399,865	0	0
Leisure Time Activities	0	0	1,280	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Total Expenditures	0	1,399,865	1,280	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	16,307	10,249	838
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	3,000	16,307	10,249	838
Fund Balances at Beginning of Year	15,030	0	46,249	74,222
Fund Balances End of Year	\$ 18,030	\$ 16,307	\$ 56,498	\$ 75,060

CITY OF WORTHINGTON

Subdivision Trust	Performance Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 176,286
0	0	4,211
0	0	2,515,716
0	0	88,641
0	0	838
0	0	4,969
0	2,900	83,262
<u>0</u>	<u>2,900</u>	<u>2,873,923</u>
0	0	2,073,369
0	0	1,280
0	0	260,595
0	0	922,649
0	2,800	98,528
<u>0</u>	<u>2,800</u>	<u>3,356,421</u>
0	100	(482,498)
0	0	831,000
0	0	(150,000)
<u>0</u>	<u>0</u>	<u>681,000</u>
0	100	198,502
<u>14,961</u>	<u>66,222</u>	<u>1,391,451</u>
<u>\$ 14,961</u>	<u>\$ 66,322</u>	<u>\$ 1,589,953</u>

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2020

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 1,206,300	\$ 278,448	\$ 1,484,748
Receivables:			
Taxes	115,749	0	115,749
Intergovernmental	6,908	0	6,908
Total Assets	<u>\$ 1,328,957</u>	<u>\$ 278,448</u>	<u>\$ 1,607,405</u>
Liabilities:			
Interfund Loans Payable	\$ 0	\$ 153,738	\$ 153,738
Total Liabilities	<u>0</u>	<u>153,738</u>	<u>153,738</u>
Deferred Inflows of Resources:			
Unavailable Amounts	9,322	0	9,322
Property Tax Levy for Next Fiscal Year	113,335	0	113,335
Total Deferred Inflows of Resources	<u>122,657</u>	<u>0</u>	<u>122,657</u>
Fund Balances:			
Restricted	1,206,300	124,710	1,331,010
Total Fund Balances	<u>1,206,300</u>	<u>124,710</u>	<u>1,331,010</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,328,957</u>	<u>\$ 278,448</u>	<u>\$ 1,607,405</u>

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2020

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Property Taxes	\$ 99,886	\$ 0	\$ 99,886
Intergovernmental Revenues	12,142	0	12,142
All Other Revenue	141	0	141
Total Revenues	112,169	0	112,169
Expenditures:			
Debt Service:			
Principal Retirement	1,005,000	0	1,005,000
Interest and Fiscal Charges	121,847	0	121,847
Total Expenditures	1,126,847	0	1,126,847
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,014,678)	0	(1,014,678)
Other Financing Sources (Uses):			
Transfers In	1,280,000	0	1,280,000
Transfers Out	(242,144)	0	(242,144)
Total Other Financing Sources (Uses)	1,037,856	0	1,037,856
Net Change in Fund Balances	23,178	0	23,178
Fund Balances at Beginning of Year	1,183,122	124,710	1,307,832
Fund Balances End of Year	\$ 1,206,300	\$ 124,710	\$ 1,331,010

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2020

	<u>Trunk Sewer</u>	<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Pooled Cash and Investments	\$ 375,149	\$ 1,276,653	\$ 1,651,802
Receivables:			
Taxes	0	704,000	704,000
Total Assets	<u>\$ 375,149</u>	<u>\$ 1,980,653</u>	<u>\$ 2,355,802</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	704,000	704,000
Total Deferred Inflows of Resources	<u>0</u>	<u>704,000</u>	<u>704,000</u>
Fund Balances:			
Restricted	375,149	1,276,653	1,651,802
Total Fund Balances	<u>375,149</u>	<u>1,276,653</u>	<u>1,651,802</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 375,149</u>	<u>\$ 1,980,653</u>	<u>\$ 2,355,802</u>

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2020

	Trunk Sewer	Tax Increment Financing	Total Nonmajor Capital Project Funds
Revenues:			
Property Taxes	\$ 0	\$ 697,151	\$ 697,151
All Other Revenue	0	984	984
Total Revenues	<u>0</u>	<u>698,135</u>	<u>698,135</u>
Expenditures:			
Current:			
General Government	0	363,609	363,609
Total Expenditures	<u>0</u>	<u>363,609</u>	<u>363,609</u>
Net Change in Fund Balances	0	334,526	334,526
Fund Balances at Beginning of Year	375,149	942,127	1,317,276
Fund Balances End of Year	<u>\$ 375,149</u>	<u>\$ 1,276,653</u>	<u>\$ 1,651,802</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,557,822	\$ 2,622,361	\$ 2,661,783	\$ 39,422
Municipal Income Taxes	21,120,000	21,120,000	21,198,942	78,942
Other Local Taxes	26,000	26,000	2,348	(23,652)
Intergovernmental Revenues	717,792	701,373	762,198	60,825
Charges for Services	3,794,765	3,794,765	2,105,744	(1,689,021)
Licenses, Permits and Fees	496,500	496,500	447,416	(49,084)
Investment Earnings	350,000	350,000	473,025	123,025
Fines and Forfeitures	170,000	170,000	58,058	(111,942)
All Other Revenues	290,532	290,532	2,417,170	2,126,638
Total Revenues	29,523,411	29,571,531	30,126,684	555,153
Expenditures:				
Security of Persons and Property:				
Police - Administration:				
Personal Services	391,901	391,901	345,608	46,293
Nonpersonnel	406,159	406,159	385,988	20,171
Total Police - Administration	798,060	798,060	731,596	66,464
Police - Community Service:				
Personal Services	5,095,311	5,095,311	4,564,725	530,586
Nonpersonnel	45,343	45,343	44,191	1,152
Total Police - Community Service	5,140,654	5,140,654	4,608,916	531,738
Police - Support Service:				
Personal Services	1,644,608	1,644,608	1,414,706	229,902
Nonpersonnel	19,283	19,283	4,124	15,159
Total Police - Support Service	1,663,891	1,663,891	1,418,830	245,061
Fire - Administration:				
Personal Services	232,649	232,649	217,116	15,533
Nonpersonnel	230,266	230,266	201,746	28,520
Total Fire - Administration	462,915	462,915	418,862	44,053
Fire - Operations:				
Personal Services	6,272,708	6,252,708	4,848,184	1,404,524
Nonpersonnel	422,614	482,614	415,072	67,542
Total Fire - Operations	6,695,322	6,735,322	5,263,256	1,472,066
Fire - Training and Prevention:				
Personal Services	212,310	212,310	141,183	71,127
Nonpersonnel	55,416	55,416	12,142	43,274
Total Fire - Training and Prevention	267,726	267,726	153,325	114,401

(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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 Dispatch:				
Nonpersonnel	1,209,500	1,209,500	1,209,500	0
Total 911 Dispatch	1,209,500	1,209,500	1,209,500	0
Total Security of Persons and Property	16,238,068	16,278,068	13,804,285	2,473,783
Public Health and Welfare Services:				
Board of Health:				
Nonpersonnel	86,585	86,585	86,538	47
Total Public Health and Welfare Services	86,585	86,585	86,538	47
Leisure Time Activities:				
Parks and Recreation - Administration:				
Personal Services	241,588	241,588	206,179	35,409
Nonpersonnel	78,190	78,190	42,523	35,667
Total Parks and Recreation - Administration	319,778	319,778	248,702	71,076
Parks Maintenance:				
Personal Services	969,386	969,386	890,401	78,985
Nonpersonnel	292,112	292,112	262,326	29,786
Total Parks Maintenance	1,261,498	1,261,498	1,152,727	108,771
Community Center Programs:				
Personal Services	2,085,057	2,085,057	1,461,543	623,514
Nonpersonnel	1,043,942	1,198,942	917,383	281,559
Total Community Center Programs	3,128,999	3,283,999	2,378,926	905,073
Recreation Programs:				
Personal Services	640,427	640,427	223,601	416,826
Nonpersonnel	321,747	521,747	413,407	108,340
Total Recreation Programs	962,174	1,162,174	637,008	525,166
Senior Citizen Programs:				
Personal Services	508,959	508,959	454,842	54,117
Nonpersonnel	101,037	101,037	76,866	24,171
Total Senior Citizen Programs	609,996	609,996	531,708	78,288
Total Leisure Time Activities	6,282,445	6,637,445	4,949,071	1,688,374
Community Environment:				
Planning and Building:				
Personal Services	685,819	672,844	638,398	34,446
Nonpersonnel	208,015	218,015	189,191	28,824
Total Community Environment	893,834	890,859	827,589	63,270

(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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Basic Utility Services:				
Refuse:				
Nonpersonnel	1,134,604	1,134,604	1,133,564	1,040
Total Basic Utility Services	<u>1,134,604</u>	<u>1,134,604</u>	<u>1,133,564</u>	<u>1,040</u>
General Government:				
Personnel:				
Personal Services	508,464	508,464	333,241	175,223
Nonpersonnel	47,369	47,369	46,495	874
Total Personnel	<u>555,833</u>	<u>555,833</u>	<u>379,736</u>	<u>176,097</u>
Finance and Taxation:				
Personal Services	539,919	539,919	516,514	23,405
Nonpersonnel	1,297,979	1,297,979	1,282,093	15,886
Total Finance and Taxation	<u>1,837,898</u>	<u>1,837,898</u>	<u>1,798,607</u>	<u>39,291</u>
Legislative and Clerk:				
Personal Services	83,936	83,936	82,422	1,514
Nonpersonnel	108,248	108,248	93,097	15,151
Total Legislative and Clerk	<u>192,184</u>	<u>192,184</u>	<u>175,519</u>	<u>16,665</u>
Law:				
Personal Services	311,099	311,099	285,449	25,650
Nonpersonnel	227,712	277,712	272,884	4,828
Total Law	<u>538,811</u>	<u>588,811</u>	<u>558,333</u>	<u>30,478</u>
Mayor and Mayors Court:				
Personal Services	148,334	148,334	137,755	10,579
Nonpersonnel	27,636	27,636	19,090	8,546
Total Mayor and Mayors Court	<u>175,970</u>	<u>175,970</u>	<u>156,845</u>	<u>19,125</u>
Economic Development:				
Personal Services	156,142	159,117	150,896	8,221
Nonpersonnel	46,676	69,176	53,897	15,279
Total Economic Development	<u>202,818</u>	<u>228,293</u>	<u>204,793</u>	<u>23,500</u>
Management Information Systems:				
Personal Services	544,322	544,322	519,558	24,764
Nonpersonnel	186,409	186,409	182,423	3,986
Total Management Information Systems	<u>730,731</u>	<u>730,731</u>	<u>701,981</u>	<u>28,750</u>

(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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service/Engineering - Administration:				
Personal Services	972,426	972,426	935,692	36,734
Nonpersonnel	338,218	338,218	313,887	24,331
Total Service/Engineering - Administration	1,310,644	1,310,644	1,249,579	61,065
Service/Engineering - Buildings and Structures:				
Personal Services	303,299	303,299	281,577	21,722
Nonpersonnel	208,212	208,212	201,937	6,275
Total Service/Engineering - Buildings and Structures	511,511	511,511	483,514	27,997
Service/Engineering - Grounds Maintenance:				
Personal Services	539,488	539,488	414,823	124,665
Nonpersonnel	377,562	377,562	261,776	115,786
Total Service/Engineering - Grounds Maintenance	917,050	917,050	676,599	240,451
Service/Engineering - Sanitation:				
Nonpersonnel	26,200	26,200	23,765	2,435
Total Service/Engineering - Sanitation	26,200	26,200	23,765	2,435
Service/Engineering - Fleet Maintenance:				
Personal Services	131,422	131,422	127,324	4,098
Nonpersonnel	191,813	191,813	177,193	14,620
Total Service/Engineering - Fleet Maintenance	323,235	323,235	304,517	18,718
Cultural Arts Center:				
Nonpersonnel	261,143	261,143	257,153	3,990
Total Cultural Arts Center	261,143	261,143	257,153	3,990
Administration:				
Personal Services	767,621	767,621	748,450	19,171
Nonpersonnel	258,866	258,866	225,139	33,727
Total Administration	1,026,487	1,026,487	973,589	52,898
General Miscellaneous:				
Nonpersonnel	405,986	715,986	643,776	72,210
Total General Miscellaneous	405,986	715,986	643,776	72,210
Total General Government	9,016,501	9,401,976	8,588,306	813,670
Total Expenditures	33,652,037	34,429,537	29,389,353	5,040,184
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,128,626)	(4,858,006)	737,331	5,595,337

(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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(400,000)	(695,000)	(695,000)	0
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>(695,000)</u>	<u>(695,000)</u>	<u>0</u>
Net Change in Fund Balance	(4,528,626)	(5,553,006)	42,331	5,595,337
Fund Balance at Beginning of Year	14,898,104	14,898,104	14,898,104	0
Prior Year Encumbrances	1,552,068	1,552,068	1,552,068	0
Fund Balance at End of Year	<u>\$ 11,921,546</u>	<u>\$ 10,897,166</u>	<u>\$ 16,492,503</u>	<u>\$ 5,595,337</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$ 5,280,000	\$ 5,299,736	\$ 19,736
Intergovernmental Revenues	0	783,961	783,961
Special Assessments	40,000	29,809	(10,191)
All Other Revenues	150,000	358,087	208,087
Total Revenues	5,470,000	6,471,593	1,001,593
Expenditures:			
General Government:			
Nonpersonnel	501,524	436,508	65,016
Capital Outlay:			
Nonpersonnel	14,403,192	12,930,438	1,472,754
Debt Service:			
Principal Retirement	251,257	251,014	243
Total Expenditures	15,155,973	13,617,960	1,538,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,685,973)	(7,146,367)	2,539,606
Other Financing Sources (Uses):			
General Obligation Bonds Issued	5,183,864	1,700,000	(3,483,864)
Transfers Out	(1,285,000)	(1,280,000)	5,000
Total Other Financing Sources (Uses)	3,898,864	420,000	(3,478,864)
Net Change in Fund Balance	(5,787,109)	(6,726,367)	(939,258)
Fund Balance at Beginning of Year	3,823,510	3,823,510	0
Prior Year Encumbrances	5,019,041	5,019,041	0
Fund Balance at End of Year	\$ 3,055,442	\$ 2,116,184	\$ (939,258)

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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 33,000	\$ 32,977	\$ (23)
Total Revenues	<u>33,000</u>	<u>32,977</u>	<u>(23)</u>
Expenditures:			
General Government:			
Nonpersonnel	33,000	32,977	23
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	0	0	0
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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers In	0	50,000	50,000
Total Other Financing Sources (Uses)	0	50,000	50,000
Net Change in Fund Balance	0	50,000	50,000
Fund Balance at Beginning of Year	250,000	250,000	0
Fund Balance at End of Year	\$ 250,000	\$ 300,000	\$ 50,000

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, 2020

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 990,000	\$ 901,706	\$ (88,294)
All Other Revenues	0	55,882	55,882
Total Revenues	990,000	957,588	(32,412)
Expenditures:			
Transportation:			
Personal Services	747,844	666,592	81,252
Nonpersonnel	226,409	218,559	7,850
Total Expenditures	974,253	885,151	89,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,747	72,437	56,690
Other Financing Sources (Uses):			
Transfers In	250,000	0	(250,000)
Total Other Financing Sources (Uses)	250,000	0	(250,000)
Net Change in Fund Balance	265,747	72,437	(193,310)
Fund Balance at Beginning of Year	92,751	92,751	0
Prior Year Encumbrances	40,397	40,397	0
Fund Balance at End of Year	\$ 398,895	\$ 205,585	\$ (193,310)

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, 2020

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 80,000	\$ 73,112	\$ (6,888)
All Other Revenues	0	6,615	6,615
Total Revenues	80,000	79,727	(273)
Expenditures:			
Transportation:			
Personal Services	105,028	95,351	9,677
Nonpersonnel	35,000	0	35,000
Total Expenditures	140,028	95,351	44,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,028)	(15,624)	44,404
Other Financing Sources (Uses):			
Transfers In	100,000	40,000	(60,000)
Total Other Financing Sources (Uses)	100,000	40,000	(60,000)
Net Change in Fund Balance	39,972	24,376	(15,596)
Fund Balance at Beginning of Year	31,337	31,337	0
Prior Year Encumbrances	2,918	2,918	0
Fund Balance at End of Year	\$ 74,227	\$ 58,631	\$ (15,596)

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, 2020**

WATER FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 45,500	\$ 42,726	\$ (2,774)
Total Revenues	<u>45,500</u>	<u>42,726</u>	<u>(2,774)</u>
Expenditures:			
Basic Utility Services:			
Personal Services	60,116	58,326	1,790
Nonpersonnel	<u>134,064</u>	<u>128,617</u>	<u>5,447</u>
Total Expenditures	<u>194,180</u>	<u>186,943</u>	<u>7,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(148,680)	(144,217)	4,463
Other Financing Sources (Uses):			
Transfers In	<u>80,000</u>	<u>144,155</u>	<u>64,155</u>
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>144,155</u>	<u>64,155</u>
Net Change in Fund Balance	(68,680)	(62)	68,618
Fund Balance at Beginning of Year	84,496	84,496	0
Prior Year Encumbrances	<u>3,243</u>	<u>3,243</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,059</u>	<u>\$ 87,677</u>	<u>\$ 68,618</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SANITARY SEWER FUND			
Revenues:			
Charges for Services	\$ 45,500	\$ 38,355	\$ (7,145)
Total Revenues	45,500	38,355	(7,145)
Expenditures:			
Basic Utility Services:			
Personal Services	63,735	61,696	2,039
Nonpersonnel	38,305	37,761	544
Total Expenditures	102,040	99,457	2,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,540)	(61,102)	(4,562)
Other Financing Sources (Uses):			
Transfers In	40,000	44,155	4,155
Total Other Financing Sources (Uses)	40,000	44,155	4,155
Net Change in Fund Balance	(16,540)	(16,947)	(407)
Fund Balance at Beginning of Year	57,183	57,183	0
Prior Year Encumbrances	17,603	17,603	0
Fund Balance at End of Year	\$ 58,246	\$ 57,839	\$ (407)

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, 2020

	POLICE PENSION FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Property Taxes	\$ 173,696	\$ 176,286	\$ 2,590
Intergovernmental Revenues	21,469	21,428	(41)
All Other Revenues	0	249	249
Total Revenues	195,165	197,963	2,798
Expenditures:			
Security of Persons and Property:			
Personal Services	713,000	709,423	3,577
Total Expenditures	713,000	709,423	3,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	(517,835)	(511,460)	6,375
Other Financing Sources (Uses):			
Transfers In	600,000	611,000	11,000
Total Other Financing Sources (Uses)	600,000	611,000	11,000
Net Change in Fund Balance	82,165	99,540	17,375
Fund Balance at Beginning of Year	279,008	279,008	0
Fund Balance at End of Year	\$ 361,173	\$ 378,548	\$ 17,375

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, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 2,500	\$ 3,592	\$ 1,092
Total Revenues	<u>2,500</u>	<u>3,592</u>	<u>1,092</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	2,500	0	2,500
Nonpersonnel	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>12,500</u>	<u>0</u>	<u>12,500</u>
Net Change in Fund Balance	(10,000)	3,592	13,592
Fund Balance at Beginning of Year	<u>68,821</u>	<u>68,821</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,821</u>	<u>\$ 72,413</u>	<u>\$ 13,592</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND			
Revenues:			
Intergovernmental Revenues	\$ 120,000	\$ 116,874	\$ (3,126)
Total Revenues	<u>120,000</u>	<u>116,874</u>	<u>(3,126)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	116,874	(3,126)
Other Financing Sources (Uses):			
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	(30,000)	(33,126)	(3,126)
Fund Balance at Beginning of Year	<u>111,127</u>	<u>111,127</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81,127</u>	<u>\$ 78,001</u>	<u>\$ (3,126)</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 2,500	\$ 985	\$ (1,515)
Total Revenues	<u>2,500</u>	<u>985</u>	<u>(1,515)</u>
Expenditures:			
Security of Persons and Property:			
Nonpersonnel	3,500	0	3,500
Total Expenditures	<u>3,500</u>	<u>0</u>	<u>3,500</u>
Net Change in Fund Balance	(1,000)	985	1,985
Fund Balance at Beginning of Year	51,366	51,366	0
Fund Balance at End of Year	<u>\$ 50,366</u>	<u>\$ 52,351</u>	<u>\$ 1,985</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 20,000	\$ 4,446	\$ (15,554)
Total Revenues	<u>20,000</u>	<u>4,446</u>	<u>(15,554)</u>
Expenditures:			
General Government:			
Nonpersonnel	105,613	47,369	58,244
Total Expenditures	<u>105,613</u>	<u>47,369</u>	<u>58,244</u>
Net Change in Fund Balance	(85,613)	(42,923)	42,690
Fund Balance at Beginning of Year	231,548	231,548	0
Prior Year Encumbrances	1,013	1,013	0
Fund Balance at End of Year	<u>\$ 146,948</u>	<u>\$ 189,638</u>	<u>\$ 42,690</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ECONOMIC DEVELOPMENT FUND			
Revenues:			
All Other Revenues	\$ 20,000	\$ 8,833	\$ (11,167)
Total Revenues	<u>20,000</u>	<u>8,833</u>	<u>(11,167)</u>
Expenditures:			
Community Environment:			
Nonpersonnel	920,327	650,653	269,674
Total Expenditures	<u>920,327</u>	<u>650,653</u>	<u>269,674</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900,327)	(641,820)	258,507
Other Financing Sources (Uses):			
Transfers In	600,000	425,000	(175,000)
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>425,000</u>	<u>(175,000)</u>
Net Change in Fund Balance	(300,327)	(216,820)	83,507
Fund Balance at Beginning of Year	283,927	283,927	0
Prior Year Encumbrances	157,327	157,327	0
Fund Balance at End of Year	<u>\$ 140,927</u>	<u>\$ 224,434</u>	<u>\$ 83,507</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, 2020*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$ 15,000	\$ 4,558	\$ (10,442)
Total Revenues	<u>15,000</u>	<u>4,558</u>	<u>(10,442)</u>
Expenditures:			
General Government:			
Nonpersonnel	65,800	65,800	0
Total Expenditures	<u>65,800</u>	<u>65,800</u>	<u>0</u>
Net Change in Fund Balance	(50,800)	(61,242)	(10,442)
Fund Balance at Beginning of Year	<u>113,979</u>	<u>113,979</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 63,179</u>	<u>\$ 52,737</u>	<u>\$ (10,442)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 10,000	\$ 3,000	\$ (7,000)
Total Revenues	<u>10,000</u>	<u>3,000</u>	<u>(7,000)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	20,000	0	20,000
Total Expenditures	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Net Change in Fund Balance	(10,000)	3,000	13,000
Fund Balance at Beginning of Year	<u>15,030</u>	<u>15,030</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,030</u>	<u>\$ 18,030</u>	<u>\$ 13,000</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, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,418,000	\$ 1,416,172	\$ (1,828)
Total Revenues	<u>1,418,000</u>	<u>1,416,172</u>	<u>(1,828)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	1,339,771	1,339,771	0
Nonpersonnel	<u>76,401</u>	<u>76,401</u>	<u>0</u>
Total Expenditures	<u>1,416,172</u>	<u>1,416,172</u>	<u>0</u>
Net Change in Fund Balance	1,828	0	(1,828)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,828</u>	<u>\$ 0</u>	<u>\$ (1,828)</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL PARKS FUND			
Revenues:			
Charges for Services	\$ 5,000	\$ 5,815	\$ 815
All Other Revenues	0	5,714	5,714
Total Revenues	5,000	11,529	6,529
Expenditures:			
Leisure Time Activities:			
Nonpersonnel	10,000	10,000	0
Total Expenditures	10,000	10,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	1,529	6,529
Other Financing Sources (Uses):			
Transfers In	5,000	0	(5,000)
Total Other Financing Sources (Uses)	5,000	0	(5,000)
Net Change in Fund Balance	0	1,529	1,529
Fund Balance at Beginning of Year	46,249	46,249	0
Fund Balance at End of Year	\$ 46,249	\$ 47,778	\$ 1,529

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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 250	\$ 838	\$ 588
Total Revenues	<u>250</u>	<u>838</u>	<u>588</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	250	838	588
Fund Balance at Beginning of Year	<u>74,222</u>	<u>74,222</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 74,472</u>	<u>\$ 75,060</u>	<u>\$ 588</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, 2020**

GENERAL OBLIGATION BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Property Taxes	\$ 98,427	\$ 99,886	\$ 1,459
Intergovernmental Revenues	12,166	12,142	(24)
All Other Revenues	0	141	141
Total Revenues	<u>110,593</u>	<u>112,169</u>	<u>1,576</u>
Expenditures:			
Debt Service:			
Principal Retirement	5,295,000	5,290,341	4,659
Interest and Fiscal Charges	265,000	223,031	41,969
Total Expenditures	<u>5,560,000</u>	<u>5,513,372</u>	<u>46,628</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,449,407)	(5,401,203)	48,204
Other Financing Sources (Uses):			
Note Issuance	4,145,000	4,144,381	(619)
Transfers In	1,493,538	1,280,000	(213,538)
Total Other Financing Sources (Uses)	<u>5,638,538</u>	<u>5,424,381</u>	<u>(214,157)</u>
Net Change in Fund Balance	189,131	23,178	(165,953)
Fund Balance at Beginning of Year	<u>1,183,122</u>	<u>1,183,122</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,372,253</u>	<u>\$ 1,206,300</u>	<u>\$ (165,953)</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
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><u>\$ 278,448</u></u>	<u><u>\$ 278,448</u></u>	<u><u>\$ 0</u></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, 2020***

	TRUNK SEWER FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
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><u>\$ 375,149</u></u>	<u><u>\$ 375,149</u></u>	<u><u>\$ 0</u></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, 2020**

TAX INCREMENT FINANCING FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 706,000	\$ 697,151	\$ (8,849)
All Other Revenues	0	984	984
Total Revenues	<u>706,000</u>	<u>698,135</u>	<u>(7,865)</u>
Expenditures:			
General Government:			
Nonpersonnel	897,900	675,369	222,531
Total Expenditures	<u>897,900</u>	<u>675,369</u>	<u>222,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(191,900)	22,766	214,666
Other Financing Sources (Uses):			
Transfers Out	(68,000)	0	68,000
Total Other Financing Sources (Uses)	<u>(68,000)</u>	<u>0</u>	<u>68,000</u>
Net Change in Fund Balance	(259,900)	22,766	282,666
Fund Balance at Beginning of Year	793,127	793,127	0
Prior Year Encumbrances	159,000	159,000	0
Fund Balance at End of Year	<u>\$ 692,227</u>	<u>\$ 974,893</u>	<u>\$ 282,666</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.

Custodial Funds

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 Net Position Custodial Funds December 31, 2020

	<u>Mayor's Court</u>	<u>Accrued Acreage Benefit</u>	<u>OBBS</u>	<u>Total Custodial Funds</u>
Assets:				
Pooled Cash and Investments	\$ 0	\$ 53,730	\$ 1,893	\$ 55,623
Cash and Cash Equivalents in Segregated Accounts	1,447	0	0	1,447
Total Assets	<u>1,447</u>	<u>53,730</u>	<u>1,893</u>	<u>57,070</u>
Liabilities:				
Intergovernmental Payable	819	53,730	1,893	56,442
Undistributed Monies	628	0	0	628
Total Liabilities	<u>1,447</u>	<u>53,730</u>	<u>1,893</u>	<u>57,070</u>
Net Position:				
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF WORTHINGTON

Combining Statement of Changes in Net Position Custodial Funds For the Year Ended December 31, 2020

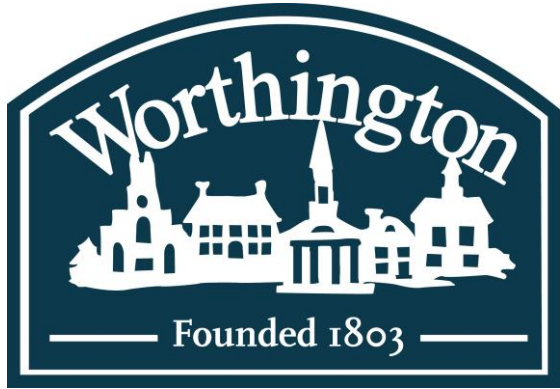
	<u>Mayor's Court</u>	<u>Accrued Acreage Benefit</u>	<u>OBBS</u>	<u>Total Custodial Funds</u>
Additions:				
Fines and Forfeiture Collections for other Governments	\$ 25,718	\$ 0	\$ 0	\$ 25,718
Fee Collections for other Governments	0	34,504	3,638	38,142
Total Additions	<u>25,718</u>	<u>34,504</u>	<u>3,638</u>	<u>63,860</u>
Deductions:				
Distribution of Fines and Forfeitures to other Governments	25,718	0	0	25,718
Distribution of Fees to other Governments	0	34,504	3,638	38,142
Total Deductions	<u>25,718</u>	<u>34,504</u>	<u>3,638</u>	<u>63,860</u>
Change in Net Position	0	0	0	0
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>





Statistical Section

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

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	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.	
Debt Capacity	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.	
Economic and Demographic Information	S 26 – S 29
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.	
Operating Information	S 30 – S 34
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.	
Sources Note:	
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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				*
Net Investment in Capital Assets	\$32,299,018	\$31,344,906	\$33,117,458	\$34,341,581
Restricted	8,770,218	2,677,256	2,916,767	2,580,781
Unrestricted	6,741,412	14,856,730	16,946,414	(154,676)
Total Primary Government Net Position	<u>\$47,810,648</u>	<u>\$48,878,892</u>	<u>\$52,980,639</u>	<u>\$36,767,686</u>

Source: City Finance Director's Office

* As Restated

CITY OF WORTHINGTON

2015	*	*	*	2019	2020
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$36,040,343	\$35,066,291	\$35,853,600	\$35,598,171	\$40,987,801	\$43,582,235
2,737,671	3,738,858	3,882,091	4,193,594	4,466,757	6,240,586
905,477	(43,393)	(18,845,342)	(19,184,400)	(9,014,333)	(11,527,739)
<u>\$39,683,491</u>	<u>\$38,761,756</u>	<u>\$20,890,349</u>	<u>\$20,607,365</u>	<u>\$36,440,225</u>	<u>\$38,295,082</u>

CITY OF WORTHINGTON

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

	2011	2012	2013
Expenses			
Governmental Activities:			
Security of Persons and Property	\$10,653,113	\$11,091,440	\$10,782,636
Public Health and Welfare Services	61,674	96,968	43,301
Leisure Time Activities	4,199,348	4,430,482	4,194,404
Community Environment	899,821	1,013,734	526,119
Basic Utility Services	1,901,240	1,878,232	1,867,611
Transportation	2,272,249	2,535,910	1,871,571
General Government	7,410,885	8,437,221	8,346,511
Interest and Fiscal Charges	357,753	325,729	302,813
<i>Total Primary Government Expenses</i>	<u>\$27,756,083</u>	<u>\$29,809,716</u>	<u>\$27,934,966</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,278,691	\$1,348,530	\$1,420,899
Leisure Time Activities	2,130,067	1,998,211	2,124,088
Community Environment	301,684	182,840	254,565
Basic Utility Services	90,766	96,218	96,930
Transportation	0	0	180
General Government	0	0	0
Operating Grants and Contributions	1,350,663	889,805	940,889
Capital Grants and Contributions	0	0	306,729
<i>Total Primary Government Program Revenues</i>	<u>5,151,871</u>	<u>4,515,604</u>	<u>5,144,280</u>

CITY OF WORTHINGTON

2014	2015	2016	2017	2018	2019	2020
\$11,222,523	\$12,601,769	\$13,827,841	\$14,453,396	\$16,168,159	\$2,035,677	\$17,242,042
54,180	54,045	42,559	73,770	63,000	66,153	70,000
4,513,699	5,681,219	6,019,675	6,474,760	6,814,845	7,152,692	5,741,663
765,040	844,283	1,098,121	1,028,043	1,281,355	1,250,129	1,416,432
2,107,884	1,109,835	1,079,883	1,379,682	1,343,620	1,220,625	1,449,751
2,141,898	2,075,204	2,457,842	2,709,083	2,505,597	2,468,187	2,518,695
8,510,482	7,068,167	7,620,278	8,187,827	9,716,823	10,307,088	9,944,001
277,281	227,741	147,987	199,009	211,215	307,499	251,019
<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>	<u>\$24,808,050</u>	<u>\$38,633,603</u>

\$1,439,086	\$1,327,412	\$1,354,344	\$1,358,886	\$1,348,441	\$1,252,362	\$1,289,186
2,137,502	2,172,924	2,211,620	2,283,207	2,336,946	2,419,580	947,495
251,870	222,788	243,883	245,942	274,635	320,305	242,354
89,176	89,176	90,730	90,196	80,161	80,997	82,826
0	5,085	0	251	56	0	70,807
2,500	0	2	2	40,329	47,225	43,407
938,914	1,261,922	1,202,627	934,301	900,969	1,199,369	2,461,136
447,271	0	0	0	612,321	2,889,715	772,295
<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>	<u>8,209,553</u>	<u>5,909,506</u>

(continued)

CITY OF WORTHINGTON

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (Expense)/Revenue			
Governmental Activities	(22,604,212)	(25,294,112)	(22,790,686)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(22,604,212)</u>	<u>(25,294,112)</u>	<u>(22,790,686)</u>
 General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$2,527,234	\$2,493,851	\$2,536,180
Municipal Income Taxes	20,286,588	20,991,494	22,144,863
Other Local Taxes	170,836	185,760	205,573
Intergovernmental Revenue, Unrestricted	1,365,348	2,164,722	1,267,009
Investment Earnings	101,432	32,198	40,171
Miscellaneous	540,794	494,331	698,637
<i>Total Primary Government</i>	<u>\$24,992,232</u>	<u>\$26,362,356</u>	<u>\$26,892,433</u>
 Change in Net Position			
Governmental Activities	\$2,388,020	\$1,068,244	\$4,101,747
<i>Total Primary Government Change in Net Position</i>	<u>\$2,388,020</u>	<u>\$1,068,244</u>	<u>\$4,101,747</u>

Source: City Finance Director's Office

CITY OF WORTHINGTON

2014	2015	2016	2017	2018	2019	2020
<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>(16,598,497)</u>	<u>(32,724,097)</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>	<u><u>(\$16,598,497)</u></u>	<u><u>(\$32,724,097)</u></u>
\$2,396,954	\$2,503,244	\$2,758,956	\$2,800,084	\$3,441,389	\$3,487,243	\$3,639,209
23,636,768	23,428,075	25,006,898	27,009,943	26,986,800	26,745,221	26,770,166
203,099	233,061	217,345	185,435	97,172	15,587	73,905
929,797	788,376	771,640	722,404	724,696	872,887	785,472
34,359	203,962	170,700	119,705	365,681	767,218	459,424
522,245	342,043	382,161	581,837	548,212	543,201	2,850,778
<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>\$32,431,357</u>	<u>\$34,578,954</u>
\$3,436,554	\$2,915,805	\$2,116,720	\$1,826,623	(\$346,806)	\$15,832,860	\$1,854,857
<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>\$15,832,860</u>	<u>\$1,854,857</u>

CITY OF WORTHINGTON

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$39,131	\$34,185	\$31,479	\$35,051
Restricted	0	0	0	0
Committed	402,659	579,337	682,314	607,031
Assigned	21,489	126,830	825,172	396,974
Unassigned	4,687,056	6,729,986	8,891,886	11,124,927
<i>Total General Fund</i>	<u>5,150,335</u>	<u>7,470,338</u>	<u>10,430,851</u>	<u>12,163,983</u>
All Other Governmental Funds				
Nonspendable	257,069	54,252	56,291	56,556
Restricted	2,130,399	2,152,566	2,303,163	2,420,720
Committed	7,273,728	7,499,539	6,443,142	6,753,563
Assigned	0	0	0	0
Unassigned	(70,908)	(37,005)	(28,441)	0
<i>Total All Other Governmental Funds</i>	<u>9,590,288</u>	<u>9,669,352</u>	<u>8,774,155</u>	<u>9,230,839</u>
<i>Total Governmental Funds</i>	<u>\$14,740,623</u>	<u>\$17,139,690</u>	<u>\$19,205,006</u>	<u>\$21,394,822</u>

Source: City Finance Director's Office

* As Restated

CITY OF WORTHINGTON

2015	2016	2017	*	2018	2019	2020
\$32,704	\$34,855	\$34,398		\$96,443	\$84,753	\$103,272
0	0	0		0	0	0
504,457	540,221	587,181		569,887	703,685	706,580
826,160	947,624	1,463,862		2,521,541	3,382,414	3,538,550
11,614,096	12,425,887	14,042,149		13,668,594	14,218,139	16,511,559
<u>12,977,417</u>	<u>13,948,587</u>	<u>16,127,590</u>		<u>16,856,465</u>	<u>18,388,991</u>	<u>20,859,961</u>
58,609	57,314	64,131		59,897	59,158	67,083
2,584,213	3,023,840	3,052,161		5,601,770	3,747,734	5,424,954
7,153,824	7,970,436	9,443,727		5,137,576	4,206,241	2,572,217
0	0	0		0	0	0
0	0	0		0	0	0
<u>9,796,646</u>	<u>11,051,590</u>	<u>12,560,019</u>		<u>10,799,243</u>	<u>8,013,133</u>	<u>8,064,254</u>
<u>\$22,774,063</u>	<u>\$25,000,177</u>	<u>\$28,687,609</u>		<u>\$27,655,708</u>	<u>\$26,402,124</u>	<u>\$28,924,215</u>

CITY OF WORTHINGTON

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

	2011	2012	2013	2014
Revenues:				
Property Taxes	\$2,530,891	\$2,497,508	\$2,547,500	\$2,408,615
Municipal Income Taxes	19,804,006	21,223,685	21,968,120	23,531,714
Other Local Taxes	170,836	185,760	205,573	203,099
Intergovernmental Revenues	2,389,804	3,203,346	2,440,227	2,225,148
Charges for Services	3,399,462	3,298,062	3,340,517	3,370,997
Licenses, Permits and Fees	403,710	437,632	472,788	503,885
Investment Earnings	101,432	32,198	40,171	34,359
Special Assessments	54,144	58,307	16,715	33,698
Fines and Forfeitures	186,895	198,393	297,008	273,465
All Other Revenue	265,390	224,075	485,056	276,133
Total Revenue	<u>29,306,570</u>	<u>31,358,966</u>	<u>31,813,675</u>	<u>32,861,113</u>
Expenditures:				
Current:				
Security of Persons and Property	10,173,618	10,398,620	10,367,348	10,576,062
Public Health and Welfare Services	61,674	96,968	43,301	54,180
Leisure Time Activities	3,729,736	3,626,091	3,732,335	3,908,091
Community Environment	872,301	867,755	504,927	626,798
Basic Utility Services	1,901,230	1,878,005	1,868,434	2,009,604
Transportation	825,006	827,063	779,038	881,852
General Government	7,109,628	8,291,453	8,296,165	7,909,130
Capital Outlay	4,309,381	2,362,059	3,269,024	4,331,815
Debt Service:				
Principal Retirement	557,810	2,177,810	2,482,810	2,506,715
Interest and Fiscal Charges	293,235	294,075	264,977	239,866
Total Expenditures	<u>29,833,619</u>	<u>30,819,899</u>	<u>31,608,359</u>	<u>33,044,113</u>
Excess (Deficiency) of Revenues Over Expenditures	(527,049)	539,067	205,316	(183,000)

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
\$2,533,210	\$2,712,413	\$2,787,849	\$3,424,243	\$3,534,141	\$3,635,106
23,573,223	25,181,744	27,310,948	25,368,712	26,717,808	26,757,531
233,061	217,345	185,435	97,172	15,587	6,381
1,638,930	1,914,292	1,578,200	2,399,337	4,904,706	3,965,219
3,305,918	3,376,707	3,526,529	3,653,599	3,665,959	2,141,270
453,276	519,593	466,285	507,901	504,161	446,072
203,962	170,700	113,804	356,120	759,179	466,355
17,946	22,569	55,749	71,069	85,963	60,413
192,953	168,407	172,714	164,488	133,882	57,281
137,832	109,590	359,220	268,073	338,378	2,710,416
<u>32,290,311</u>	<u>34,393,360</u>	<u>36,556,733</u>	<u>36,310,714</u>	<u>40,659,764</u>	<u>40,246,044</u>
11,862,349	11,870,390	12,632,285	12,624,584	13,261,938	14,589,957
54,045	42,559	73,770	63,000	66,153	70,000
5,194,138	5,303,025	5,263,937	5,458,303	5,529,247	4,446,915
818,167	1,046,297	870,069	1,027,970	1,078,509	1,237,042
1,109,619	1,076,461	1,297,233	1,149,678	1,194,753	1,369,712
905,003	1,046,176	1,101,114	955,364	929,710	922,649
6,929,128	7,465,688	7,429,858	8,324,660	8,939,437	8,464,213
3,435,649	3,368,398	5,609,059	6,734,263	9,935,584	5,155,972
6,949,119	2,418,237	2,602,950	1,038,639	1,236,308	1,269,174
278,853	90,015	159,343	204,340	298,392	198,319
<u>37,536,070</u>	<u>33,727,246</u>	<u>37,039,618</u>	<u>37,580,801</u>	<u>42,470,031</u>	<u>37,723,953</u>
(5,245,759)	666,114	(482,885)	(1,270,087)	(1,810,267)	2,522,091

(continued)

CITY OF WORTHINGTON

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

	2011	2012	2013	2014
Other Financing Sources (Uses):				
Capital Lease Issuance	0	0	0	0
Bond Issuance	0	0	0	0
Premium on Debt Issuance	0	0	0	0
Sale of Notes	1,600,000	1,860,000	1,860,000	1,760,000
Insurance Proceeds	0	0	0	0
Refunding Bonds Issued	0	0	0	0
OPWC Loan Issuance	0	0	0	612,816
Transfers In	1,403,526	1,546,083	1,685,832	1,777,919
Transfers Out	(1,403,526)	(1,546,083)	(1,685,832)	(1,777,919)
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>1,860,000</u>	<u>1,860,000</u>	<u>2,372,816</u>
Net Change in Fund Balance	<u>\$1,072,951</u>	<u>\$2,399,067</u>	<u>\$2,065,316</u>	<u>\$2,189,816</u>
Debt Service as a Percentage of Noncapital Expenditures	3.27%	8.26%	9.70%	9.22%

Source: City Finance Director's Office

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
0	0	210,317	128,471	513,054	0
0	0	3,960,000	0	0	0
0	0	0	45,893	43,629	0
1,660,000	1,560,000	0	0	0	0
375,000	0	0	0	0	0
4,590,000	0	0	0	0	0
0	0	0	0	0	0
1,945,201	2,177,193	1,820,246	1,976,230	2,309,117	2,503,144
(1,945,201)	(2,177,193)	(1,820,246)	(1,976,230)	(2,309,117)	(2,503,144)
<u>6,625,000</u>	<u>1,560,000</u>	<u>4,170,317</u>	<u>174,364</u>	<u>556,683</u>	<u>0</u>
<u>\$1,379,241</u>	<u>\$2,226,114</u>	<u>\$3,687,432</u>	<u>(\$1,095,723)</u>	<u>(\$1,253,584)</u>	<u>\$2,522,091</u>

21.14%	8.27%	8.67%	3.84%	4.80%	4.32%
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CITY OF WORTHINGTON

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

Tax year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Income Tax Rate	2.50%	2.50%	2.50%	2.50%
Total Personal Income (1)	\$492,841,167	\$503,662,514	\$517,108,395	\$524,948,983
Total Tax Collected	\$19,601,335	\$21,056,614	\$22,531,915	\$23,359,334
Income Tax Receipts				
Withholding	15,372,165	15,746,965	16,843,232	17,434,204
Percentage	78.4%	74.7%	74.8%	74.7%
Corporate	1,990,968	2,811,085	3,109,576	3,345,462
Percentage	10.2%	13.4%	13.8%	14.3%
Individuals	2,238,202	2,498,564	2,579,107	2,579,668
Percentage	11.4%	11.9%	11.4%	11.0%

Source: City Finance Department

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177	\$545,997,584	\$555,050,411
\$23,741,881	\$24,883,975	\$26,258,201	\$26,065,130	\$26,426,895	\$26,498,678
17,925,917	19,358,989	20,444,183	20,508,647	20,764,225	20,820,728
75.5%	77.8%	77.9%	78.7%	78.6%	78.6%
2,960,948	2,623,030	3,056,963	2,662,644	2,828,732	2,763,783
12.5%	10.5%	11.6%	10.2%	10.7%	10.4%
2,855,016	2,901,956	2,757,055	2,893,839	2,833,938	2,914,167
12.0%	11.7%	10.5%	11.1%	10.7%	11.0%



CITY OF WORTHINGTON

Income Tax Statistics Current Year and Nine Years Ago

Income Level	Calendar Year 2020			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	916	18.56%	\$7,008,229	1.26%
20,000 - 49,999	648	13.13%	22,268,169	4.01%
50,000 - 74,999	833	16.88%	33,017,004	5.95%
75,000 - 99,999	472	9.56%	41,482,666	7.47%
Over 100,000	2,066	41.87%	451,274,343	81.31%
Total	4,935	100.00%	\$555,050,411	100.00%

Income Level	Calendar Year 2011			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,381	24.36%	\$10,724,300	2.18%
20,000 - 49,999	1,120	19.75%	38,436,061	7.80%
50,000 - 74,999	774	13.65%	48,145,544	9.77%
75,000 - 99,999	676	11.92%	58,763,679	11.93%
Over 100,000	1,719	30.32%	336,644,862	68.32%
Total	5,670	100.00%	\$492,714,446	100.00%

Source: City Finance Director's Office

CITY OF WORTHINGTON

Ratios of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities				
General Obligation Bonds	\$6,915,000	\$6,345,000	\$5,730,000	\$5,095,000
Ohio Public Works Commission Loans	128,866	121,056	113,246	714,347
Capital Leases	0	0	0	0
Total Primary Government	<u>\$7,043,866</u>	<u>\$6,466,056</u>	<u>\$5,843,246</u>	<u>\$5,809,347</u>
Population (1)				
City of Worthington	13,587	13,591	13,599	13,606
Outstanding Debt Per Capita	\$518	\$476	\$430	\$427
Income (2)				
Personal Income	\$492,841,167	\$503,662,514	\$517,108,395	\$524,948,983
Percentage of Personal Income	1.43%	1.28%	1.13%	1.11%

Sources:

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

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
\$4,510,000	\$3,780,000	\$6,785,000	\$5,825,000	\$4,845,000	\$3,840,000
700,228	671,991	629,635	601,398	573,161	544,924
0	0	164,723	242,792	527,775	291,838
<u>\$5,210,228</u>	<u>\$4,451,991</u>	<u>\$7,579,358</u>	<u>\$6,669,190</u>	<u>\$5,945,936</u>	<u>\$4,676,762</u>
13,629	13,596	13,650	14,285	14,442	14,692
\$382	\$327	\$555	\$467	\$412	\$318
\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177	\$545,997,584	\$550,050,411
0.96%	0.82%	1.43%	1.61%	1.09%	0.85%

CITY OF WORTHINGTON

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2011	2012	2013	2014
Population (1)	13,587	13,591	13,599	13,606
Personal Income (2)	\$492,841,167	\$503,662,514	\$517,108,395	\$524,948,983
General Bonded Debt (3)				
General Obligation Bonds	\$6,915,000	\$6,345,000	\$5,730,000	\$5,095,000
Resources Available to Pay Principal	\$838,728	\$877,280	\$1,049,298	\$1,122,887
Net General Bonded Debt	\$6,076,272	\$5,467,720	\$4,680,702	\$3,972,113
Ratio of Net Bonded Debt to Personal Income	1.23%	1.09%	0.91%	0.76%
Net Bonded Debt per Capita	\$447.21	\$402.30	\$344.19	\$291.94

Source:

(1) MORPC Population Estimates

(2) Regional Income Tax Agency

(3) Includes all general obligation bonded debt supported by property taxes.

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
13,629	13,596	13,650	14,285	14,442	14,692
\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177	\$545,997,584	\$550,050,411
\$4,510,000	\$3,780,000	\$6,785,000	\$5,825,000	\$4,845,000	\$3,840,000
\$1,213,529	\$1,348,040	\$1,063,222	\$1,191,326	\$1,183,122	\$1,206,300
\$3,296,471	\$2,431,960	\$5,721,778	\$4,633,674	\$3,661,878	\$2,633,700
0.61%	0.45%	1.08%	1.12%	0.67%	0.48%
\$241.87	\$178.87	\$419.18	\$324.37	\$253.56	\$179.26



CITY OF WORTHINGTON

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

<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>
Direct:			
City of Worthington	\$4,676,762	100.00%	\$4,676,762
Overlapping:			
Franklin County	169,215,000	2.13%	3,604,280
Worthington City Schools	120,820,000	31.40%	37,937,480
Solid Waste Authority of Central Ohio	67,760,000	2.03%	1,375,528
		Subtotal	<u>42,917,288</u>
		Total	<u><u>\$47,594,050</u></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

	2011	2012	2013	2014
Total Debt				
Net Assessed Valuation	\$553,320,080	\$554,681,810	\$551,623,370	\$577,576,190
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	58,098,608	58,241,590	57,920,454	60,645,500
City Debt Outstanding (2)	6,915,000	6,345,000	5,730,000	5,095,000
Less: Applicable Debt Service Fund Amounts	(838,728)	(877,280)	(1,049,298)	(1,122,887)
Net Indebtedness Subject to Limitation	6,076,272	5,467,720	4,680,702	3,972,113
Overall Legal Debt Margin	\$52,022,336	\$52,773,870	\$53,239,752	\$56,673,387
Debt Margin as a Percentage of Debt Limit	89.54%	90.61%	91.92%	93.45%
Unvoted Debt				
Net Assessed Valuation	\$553,320,080	\$554,681,810	\$551,623,370	\$577,576,190
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	30,432,604	30,507,500	30,339,285	31,766,690
City Debt Outstanding (2)	6,915,000	6,345,000	5,730,000	5,095,000
Less: Applicable Debt Service Fund Amounts	(838,728)	(877,280)	(1,049,298)	(1,122,887)
Net Indebtedness Subject to Limitation	6,076,272	5,467,720	4,680,702	3,972,113
Overall Legal Debt Margin	\$24,356,332	\$25,039,780	\$25,658,583	\$27,794,577

(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

2015	2016	2017	2018	2019	2020
\$582,555,670	\$584,612,080	\$650,365,580	\$650,262,970	\$657,692,980	\$754,629,800
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
61,168,345	61,384,268	68,288,386	68,277,612	69,057,763	79,236,129
4,510,000	3,780,000	6,785,000	5,825,000	4,845,000	3,840,000
(1,213,529)	(1,348,040)	(1,063,222)	(1,191,326)	(1,183,122)	(1,206,300)
3,296,471	2,431,960	5,721,778	4,633,674	3,661,878	2,633,700
<u>\$57,871,874</u>	<u>\$58,952,308</u>	<u>\$62,566,608</u>	<u>\$63,643,938</u>	<u>\$65,395,885</u>	<u>\$76,602,429</u>
94.61%	96.04%	91.62%	93.21%	94.70%	96.68%
\$582,555,670	\$584,612,080	\$650,365,580	\$650,262,970	\$657,692,980	\$754,629,800
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
32,040,562	32,153,664	35,770,107	35,764,463	36,173,114	41,504,639
4,510,000	3,780,000	6,785,000	5,825,000	4,845,000	3,840,000
(1,213,529)	(1,348,040)	(1,063,222)	(1,191,326)	(1,183,122)	(1,206,300)
3,296,471	2,431,960	5,721,778	4,633,674	3,661,878	2,633,700
<u>\$28,744,091</u>	<u>\$29,721,704</u>	<u>\$30,048,329</u>	<u>\$31,130,789</u>	<u>\$32,511,236</u>	<u>\$38,870,939</u>

CITY OF WORTHINGTON

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014
Population (1)				
City of Worthington	13,587	13,591	13,599	13,606
Income				
Total Personal Income (2)	\$492,841,167	\$503,662,514	\$517,108,395	\$524,948,983
Per Capita Personal Income	36,273	37,059	38,025	38,582
Median Household Income (3)	NA	NA	NA	87,842
Unemployment Rate (4)				
Federal	8.5%	7.5%	6.7%	5.6%
State	8.1%	7.0%	7.2%	4.8%
Franklin County	6.3%	6.1%	6.2%	3.6%

Sources:

- (1) MORPC Population Estimates
- (2) Regional Income Tax Agency
- (3) Data USA
- (4) Ohio Department of Job and Family Services Ohio Labor Market Information

CITY OF WORTHINGTON

2015	2016	2017	2018	2019	2020
13,629	13,596	13,650	14,285	14,442	14,692
\$540,626,455	\$540,926,478	\$530,503,028	\$414,607,177	\$545,997,584	\$550,050,411
39,667	39,786	38,865	29,024	37,806	37,439
90,445	91,075	98,784	102,731	NA	N/A
5.3%	4.9%	3.9%	3.9%	3.5%	6.7%
4.9%	5.0%	4.5%	4.6%	4.1%	5.5%
4.1%	6.1%	3.6%	3.5%	4.0%	5.7%



CITY OF WORTHINGTON

Principal Employers Current Year and Nine Years Ago

		2020	
Employer	Nature of Business	Number of Employees	Rank
Worthington City Schools	Education	1,014	1
Worthington Industries Incorporated	Manufacturing	N/A	2
Medvet Incorporated	Animal Care	553	3
Worthington Cylinder Corporation	Manufacturing	N/A	4
Diamond Innovations Inc	Manufacturing	293	5
Worthington Steel Company	Manufacturing	N/A	6
I Am Boundless Inc	Health Care	384	7
DLZ Corporation	Professional Services	N/A	8
Ohio Automobile Club	Automotive	269	9
First Financial Bank	Banking	70	10
Total		2,583	
Total Employment within the City (1)		N/A	

		2011	
Employer	Nature of Business	Number of Employees	Rank
Worthington City Schools	Education	724	1
Wellpoint Companies Inc	Health Care	732	2
Diamond Innovations Inc	Manufacturing	430	3
Worthington Industries Inc	Manufacturing	N/A	4
MedVet Associates	Animal Care	N/A	5
Ohio Automobile Club	Automotive	N/A	6
Ikon Office Solutions	Office Supply	168	7
DLZ Corporation	Professional Services	109	8
Worthington Industries Inc	Manufacturing	N/A	9
Jack Maxton Chevrolet	Automotive	198	10
Total		2,361	
Total Employment within the City		N/A	

Source: City Finance Director's Office

(1) - Total employment within the City is not available.

CITY OF WORTHINGTON

Full Time Equivalent Employees by Function Last Seven Years

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

<u>2018</u>	<u>2019</u>	<u>2020</u>
4.00	4.00	4.00
3.50	3.50	3.50
11.25	11.25	11.25
47.00	48.00	48.00
41.00	41.00	41.00
24.00	24.00	24.00
58.75	58.75	58.75
<u>5.50</u>	<u>5.50</u>	<u>5.50</u>
<u>195.00</u>	<u>196.00</u>	<u>196.00</u>

CITY OF WORTHINGTON

Operating Indicators by Function Last Six Years

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

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

*2020 Parks and Recreation activity was significantly impacted by the Covid-19 pandemic.

Source: City Finance Director's Office

CITY OF WORTHINGTON

<u>2018</u>	<u>2019</u>	<u>2020</u>
2,169	1,537	635
1,210	1,164	1,079
3,453	3,528	2,878
331,868	394,155	389,429
2,029	1,665	766
383	289	130
33	75	52
285	254	103
22	27	10
155	116	62
463	444	241
1,145	1,051	3,179
3,199	3,271	903
349	422	527
3.60	4.20	3.26
530	1,055	2,200
5,200	5,200	5,200
496	384	400
82	76	71
1,462	1,585	651
368	656	329
5,838	5,612	2,713
38,621	35,369	12,437
625	596	180

CITY OF WORTHINGTON

*Capital Asset Statistics by Function
Last Three Years*

	2018	2019	2020
Governmental Activities			
General Government			
Public Land and Buildings			
ROW Land (acres)	650	650	650
Buildings	3	3	3
Public Safety			
Police			
Stations	1	1	1
Vehicles	15	19	19
Fire			
Stations	1	1	1
Vehicles	14	15	15
Public Works			
Street			
Streets (lane miles)	130	130	130
Street Lights	170	170	170
Vehicles	25	29	29
Parks and Recreation			
Parks and Recreation			
Land (acres)	221	221	221
Buildings	8	8	8
Parks	20	20	20
Tennis Courts	8	8	8
Baseball/Softball Diamonds	10	10	10
Soccer Fields	5	5	5
Vehicles	8	9	9

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

Source: City Finance Director's Office



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF WORTHINGTON

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/20/2021

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Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov