



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF WORTHINGTON, OHIO

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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City Manager and Members of City Council
City of Worthington
6550 North High Street
Worthington, Ohio 43085

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

June 27, 2022

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**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, 2021, 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 16, 2022.

Report on 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.

Report on 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.

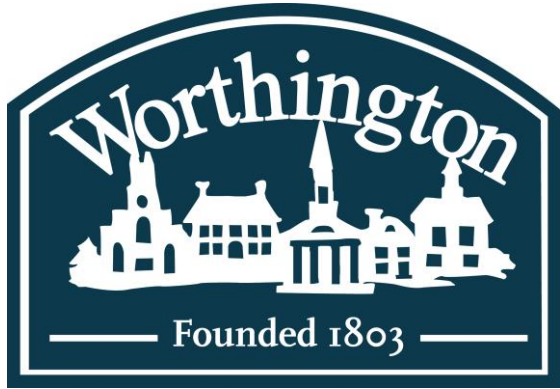
Columbus, Ohio
June 16, 2022



City of Worthington, Ohio Annual Comprehensive Financial Report

For the Fiscal Year ended December 31, 2021





ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Issued by:
Department of Finance
Scott F. Bartter
Director

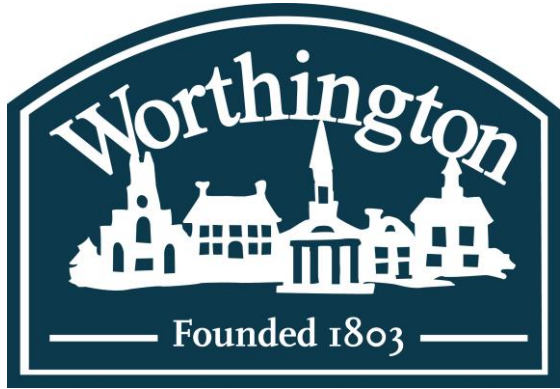


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Introductory Section

Introductory Section





June 16, 2022

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

The Annual Comprehensive Financial Report of the City of Worthington, Ohio (City), for fiscal year ended December 31, 2021, 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, 2021

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, 2021

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:

- 6700 North High Street – In April 2022, the City’s largest office building was purchased by Olive AI, Inc. Olive AI is a technology company that specializes in addressing the healthcare industry’s most burdensome issues with intelligent automation. To accommodate their rapid growth, Olive AI has committed to adding up to 425 net new jobs with a peak annualized payroll of \$73,881,633 at the 6700 North High Street location within 10 years.
- 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 2022 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 receives 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.

CITY OF WORTHINGTON

Letter of Transmittal

For the Year Ended December 31, 2021

- 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 is nearing completion on the Northeast Gateway Intersection project, a \$17 million 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 corridor was recently completed. In 2021, the City moved forward with planned improvements to McCord Park. In 2022, the City anticipates moving forward with Phase 2 of McCord Park Improvements, which include renovations to ball diamonds as well as finalizing the multi-use path. 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.
- 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 a former industrial 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, as well as a health center.
- 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) and venture grants 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, 2021

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. Additionally, the City has received Federal funds through the American Rescue Plan Act (ARPA), which are planned for use in funding waterline improvements.

In 2021, S&P Global Ratings assigned a rating of AAA to the city of Worthington.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive 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.

CITY OF WORTHINGTON

Letter of Transmittal For the Year Ended December 31, 2021

Acknowledgements

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

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

Respectfully submitted,

Scott F. Bartter

Scott F. Bartter, Finance Director

Matthew H. Greeson

Matthew H. Greeson, City Manager



CITY OF WORTHINGTON

List of Principal Officials For the Year Ended December 31, 2021



For the Year Ended December 31, 2021

City Council

| | |
|-----------------------|-----------------|
| President | David Robinson |
| President Pro Tempore | Katie Brewer |
| Member of Council | Rebecca Hermann |
| Member of Council | Peter Bucher |
| Member of Council | Beth Kowalczyk |
| Member of Council | Bonnie Michael |
| Member of Council | Doug Smith |

Appointed Officials

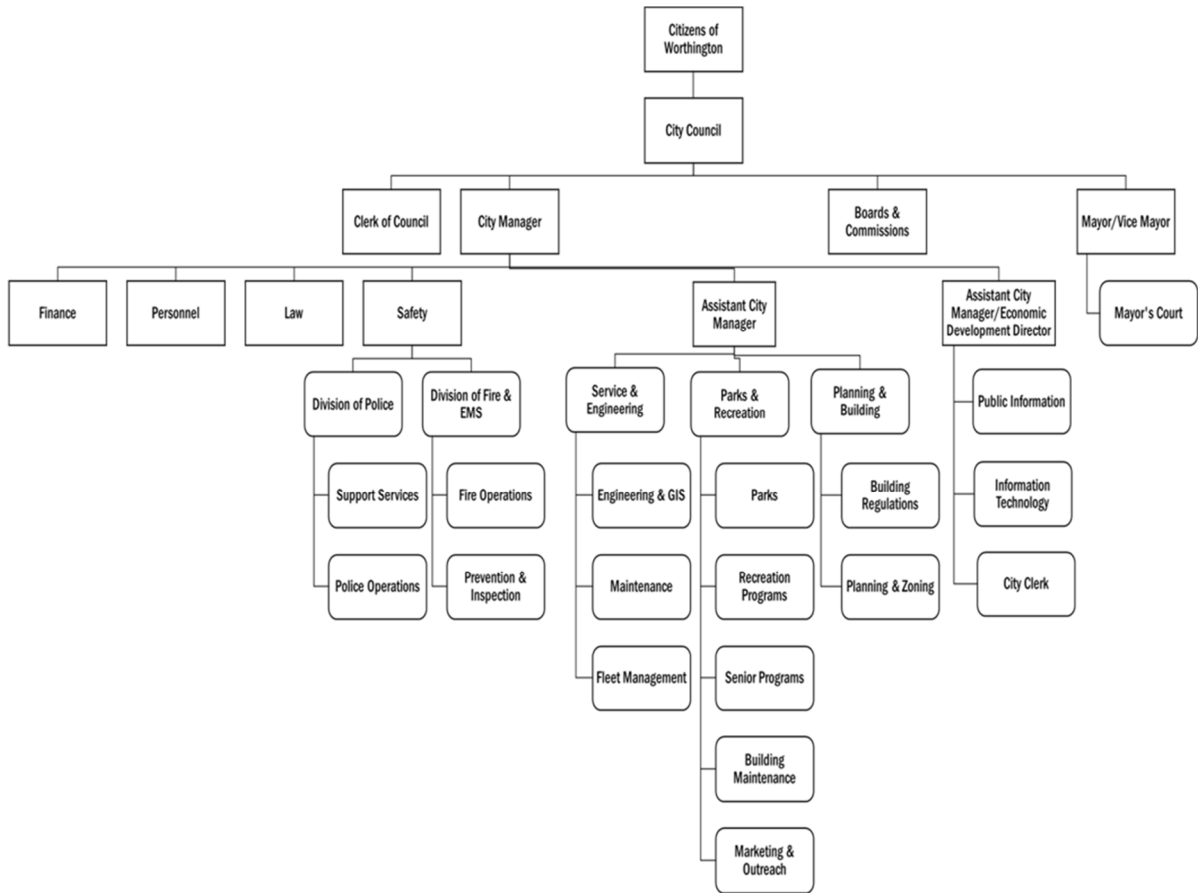
| | |
|--------------|--------------------|
| City Manager | Matthew H. Greeson |
| Mayor | Scott Holmes |
| Vice-Mayor | Joseph Mas |

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. Barter |
| 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, 2021



***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Worthington
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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 Audit of the Financial Statements

Opinions

We have audited 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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/(assets) and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022 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 16, 2022



CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

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, 2021. 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 2021 are as follows:

- ❑ Net position increased \$13,864,249, which represents a 36% increase from 2020.
- ❑ General revenues accounted for \$37,439,750 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,152,572 or 12% of total revenues of \$42,592,322.
- ❑ The City had \$28,728,073 in expenses related to governmental activities; only \$5,152,572 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$37,439,750 were also available to provide for these programs.
- ❑ Among major funds, the general fund had \$31,852,328 in revenues and \$27,801,110 in expenditures. The general fund's fund balance increased \$2,874,854 to \$23,734,815.

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 expenses.

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 Net Position and Statement of Changes in Net Position.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

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, 2021 and 2020:

| | Governmental Activities | |
|----------------------------------|----------------------------|--------------|
| | 2021 | 2020 |
| Current and Other Assets | \$53,515,054 | \$44,920,493 |
| Net OPEB Asset | 826,424 | 0 |
| Capital Assets, Net | 56,257,811 | 53,592,024 |
| Total Assets | 110,599,289 | 98,512,517 |
| Deferred Outflows of Resources | 6,787,326 | 8,013,014 |
| Net Pension Liability | 27,333,459 | 30,336,501 |
| Net OPEB Liability | 3,203,766 | 10,246,302 |
| Other Long-term Liabilities | 16,543,679 | 6,728,916 |
| Other Liabilities | 2,587,541 | 8,586,704 |
| Total Liabilities | 49,668,445 | 55,898,423 |
| Deferred Inflows of Resources | 15,558,839 | 12,332,026 |
| Net Position | | |
| Net Investment in Capital Assets | 42,224,296 | 43,582,235 |
| Restricted | 7,735,188 | 6,240,586 |
| Unrestricted (Deficit) | 2,199,847 | (11,527,739) |
| Total Net Position | \$52,159,331 | \$38,295,082 |

The net pension liability 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/asset 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, and net OPEB asset.

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, 2021

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GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset 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/asset, respectively, not accounted for as deferred inflows/outflows.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2021 and 2020:

| | Governmental Activities | |
|------------------------------------|----------------------------|--------------|
| | 2021 | 2020 |
| Revenues | | |
| Program revenues: | | |
| Charges for Services and Sales | \$2,805,858 | \$2,676,075 |
| Operating Grants and Contributions | 1,173,570 | 2,461,136 |
| Capital Grants and Contributions | 1,173,144 | 772,295 |
| Total Program Revenues | 5,152,572 | 5,909,506 |
| General revenues: | | |
| Property Taxes | 4,252,861 | 3,639,209 |
| Municipal Income Taxes | 31,731,764 | 26,770,166 |
| Other Local Taxes | 83,170 | 73,905 |
| Intergovernmental, Unrestricted | 943,170 | 785,472 |
| Investment Earnings | (10,604) | 459,424 |
| Miscellaneous | 439,389 | 2,850,778 |
| Total General Revenues | 37,439,750 | 34,578,954 |
| Total Revenues | 42,592,322 | 40,488,460 |
| Program Expenses | | |
| Security of Persons and Property | 14,606,693 | 17,242,042 |
| Public Health and Welfare Services | 73,500 | 70,000 |
| Leisure Time Activities | 2,739,808 | 5,741,663 |
| Community Environment | 1,146,825 | 1,416,432 |
| Basic Utility Services | 1,191,753 | 1,449,751 |
| Transportation | 1,896,851 | 2,518,695 |
| General Government | 6,593,619 | 9,944,001 |
| Interest and Fiscal Charges | 479,024 | 251,019 |
| Total Expenses | 28,728,073 | 38,633,603 |
| Change in Net Position | 13,864,249 | 1,854,857 |
| Beginning Net Position | 38,295,082 | 36,440,225 |
| Ending Net Position | \$52,159,331 | \$38,295,082 |

Governmental Activities

Governmental activities net position increased \$13,864,249, or 36% in 2021. Coronavirus relief funding received as part of the CARES Act in the prior year resulted in a subsequent decrease in operating grants in the current year. Capital grants and contributions consisted of grants for the Northeast Gateway Project. Refunds received from the Ohio Bureau of Workers' Compensation in the prior year resulted in a subsequent decrease in miscellaneous revenue in 2021. An increase in income taxes can be attributed to improving economic conditions. A decrease in investment earnings was due to a drop in interest rates.

A substantial decrease in expenses was the direct result of changes in the Net Pension and Net OPEB liabilities/assets.

CITY OF WORTHINGTON

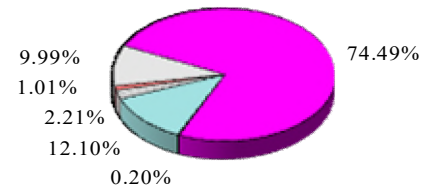
Management's Discussion and Analysis For the Year Ended December 31, 2021

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 9.99% and 74.49% respectively, of revenues for governmental activities in fiscal year 2021, while other local taxes made up 0.20%. The City's reliance upon tax revenues is demonstrated by the following graph indicating 84.68% of total revenues from general tax revenues:

| Revenue Sources | 2021 | Percent of Total |
|---------------------------------|---------------------|------------------|
| Property Taxes | \$4,252,861 | 9.99% |
| Income Taxes | 31,731,764 | 74.49% |
| Other Local Taxes | 83,170 | 0.20% |
| Program Revenues | 5,152,572 | 12.10% |
| Intergovernmental, Unrestricted | 943,170 | 2.21% |
| General Other | 428,785 | 1.01% |
| Total Revenue | \$42,592,322 | 100.00% |



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$42,836,317, which is an increase from last year's balance of \$28,924,215. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

| | Fund Balance December 31, 2021 | Fund Balance December 31, 2020 | Increase (Decrease) |
|-------------------------|-----------------------------------|-----------------------------------|------------------------|
| General | \$23,734,815 | \$20,859,961 | \$2,874,854 |
| Tax Increment Financing | 1,673,585 | 1,276,653 | 396,932 |
| Capital Improvement | 13,015,531 | 3,491,489 | 9,524,042 |
| Other Governmental | 4,412,386 | 3,296,112 | 1,116,274 |
| Total | \$42,836,317 | \$28,924,215 | \$13,912,102 |

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, 2021

Unaudited

| | 2021 Revenues | 2020 Revenues | Increase (Decrease) |
|----------------------------|---------------------|---------------------|------------------------|
| Property Taxes | \$3,028,771 | \$2,661,783 | \$366,988 |
| Municipal Income Taxes | 25,014,879 | 21,406,025 | 3,608,854 |
| Other Local Taxes | 4,089 | 2,170 | 1,919 |
| Intergovernmental Revenues | 892,749 | 731,738 | 161,011 |
| Charges for Services | 2,187,503 | 2,052,629 | 134,874 |
| Licenses, Permits and Fees | 458,531 | 446,072 | 12,459 |
| Investment Earnings | (8,840) | 465,517 | (474,357) |
| Special Assessments | 32,977 | 32,977 | 0 |
| Fines and Forfeitures | 36,683 | 52,312 | (15,629) |
| All Other Revenue | 204,986 | 2,417,942 | (2,212,956) |
| Total | <u>\$31,852,328</u> | <u>\$30,269,165</u> | <u>\$1,583,163</u> |

General Fund revenues increased approximately 5% when compared with the prior year. Refunds received from the Ohio Bureau of Workers' Compensation in the prior year resulted in a subsequent decrease in all other revenue in the current year. An increase in income taxes can be attributed to improving economic conditions. A decrease in investment earnings was due to a drop in interest rates.

| | 2021 Expenditures | 2020 Expenditures | Increase (Decrease) |
|------------------------------------|----------------------|----------------------|------------------------|
| Security of Persons and Property | \$12,953,236 | \$12,516,588 | \$436,648 |
| Public Health and Welfare Services | 73,500 | 70,000 | 3,500 |
| Leisure Time Activities | 4,425,565 | 4,445,635 | (20,070) |
| Community Environment | 1,521,237 | 1,237,042 | 284,195 |
| Basic Utility Services | 1,008,439 | 1,109,117 | (100,678) |
| General Government | 7,819,133 | 7,588,813 | 230,320 |
| Total | <u>\$27,801,110</u> | <u>\$26,967,195</u> | <u>\$833,915</u> |

General Fund expenditures increased \$833,915, or 3% from the prior year. An increase in security of persons and property can be attributed to increases in wages and benefits. An increase in community environment can mostly be attributed to payments made to the Worthington Community Improvement Corporation. A decrease in basic utility services was mostly due to a decrease in recycling charges.

Tax Increment Financing Fund – The City's Tax Increment Financing Fund balance increased \$396,932, or 31%. This fund reports amounts received in lieu of property taxes generated by various tax increment financing agreements. Expenditures are for various infrastructure improvements.

Capital Improvement Fund – The City's Capital Improvement Fund balance increased substantially in 2021, increasing \$9,524,042 to a yearend balance of \$13,015,531. This increase can be directly attributed to the receipt of \$9,985,000 of various purpose bond proceeds.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

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 2021 the City amended its General Fund budget several times.

General fund original and final revenue and expenditure estimates were not significantly different. Actual revenues were 10% more than final estimates. Income tax revenues were 23% higher than final estimates. This was offset by lower than expected charges for services, which was the result of community activities remaining below pre-pandemic levels. Actual budget basis expenditures were 11% less than final budget estimates, due in part to the effect of the pandemic on leisure time activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the City had \$56,257,811 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 2021 and 2020 balances:

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------|----------------------------|---------------------|------------------------|
| | 2021 | 2020 | |
| Land | \$9,216,299 | \$9,216,299 | \$0 |
| Construction In Progress | 14,453,299 | 12,336,737 | 2,116,562 |
| Land Improvements | 2,192,508 | 2,192,508 | 0 |
| Buildings | 22,924,544 | 22,849,544 | 75,000 |
| Infrastructure | 50,532,370 | 47,594,366 | 2,938,004 |
| Machinery and Equipment | 6,950,682 | 6,776,677 | 174,005 |
| Vehicles | 6,770,097 | 6,732,295 | 37,802 |
| Less: Accumulated Depreciation | (56,781,988) | (54,106,402) | (2,675,586) |
| Totals | <u>\$56,257,811</u> | <u>\$53,592,024</u> | <u>\$2,665,787</u> |

Additions to construction in progress included McCord Park renovations, Selby Park playground improvements, and various street and sewer improvements. Equipment additions included fitness equipment for the recreation center and various EMS items. Changes in vehicles included the addition of police cruisers and a sport utility vehicle in the fire department.

As of December 31, 2021, the City had contractual commitments of \$5,856,790 related to street improvements, equipment replacements, and building improvements. Additional information on the City's capital assets can be found in Note 8.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

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, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|---------------------|--------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$14,029,417 | \$3,840,000 |
| OPWC Loans | 516,687 | 544,924 |
| Capital Leases Payable | 43,395 | 291,838 |
| Compensated Absences | 1,954,180 | 2,052,154 |
| Total Governmental Activities | <u>\$16,543,679</u> | <u>\$6,728,916</u> |

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

ECONOMIC FACTORS

The City of Worthington is building upon its efforts to implement a robust, multi-faceted, and professional economic development program. The City has witnessed the re-emergence of the downtown retailers' association, The Worthington Partnership 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.
 - Attraction and retention of two employers, NODIS Corp. and Cleverley & Associates, respectively.

CITY OF WORTHINGTON

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

- Construction of the Northeast Gateway is nearing completion, 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.
- Olive AI, Inc., a technology company providing a variety of services to the health care industry acquired 6700 North High Street with plans for up to 425 net new jobs to be created within the next ten years.
- 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. Bartter, Director of Finance for the City of Worthington.



CITY OF WORTHINGTON

Statement of Net Position December 31, 2021

| | Governmental Activities | Component Unit Community Improvement Corporation |
|--|----------------------------|---|
| Assets: | | |
| Pooled Cash and Investments | \$ 40,176,936 | \$ 0 |
| Cash and Cash Equivalents | 0 | 174,531 |
| Cash and Cash Equivalents in Segregated Accounts | 28,508 | 0 |
| Receivables: | | |
| Taxes | 11,046,411 | 0 |
| Accounts | 469,497 | 0 |
| Intergovernmental | 1,026,359 | 0 |
| Interest | 40,149 | 0 |
| Special Assessments | 33,593 | 0 |
| Loans | 33,334 | 0 |
| Prepaid Items | 211,422 | 386 |
| Restricted Assets: | | |
| Cash and Cash Equivalents with Fiscal Agent | 448,845 | 0 |
| Net OPEB Asset | 826,424 | 0 |
| Real Estate Held for Development | 0 | 893,955 |
| Capital Assets: | | |
| Capital Assets Not Being Depreciated | 23,669,598 | 0 |
| Capital Assets Being Depreciated, Net | 32,588,213 | 0 |
| Total Assets | 110,599,289 | 1,068,872 |
| Deferred Outflows of Resources: | | |
| Pension | 4,276,911 | 0 |
| OPEB | 2,510,415 | 0 |
| Total Deferred Outflows of Resources | 6,787,326 | 0 |
| Liabilities: | | |
| Accounts Payable | 399,411 | 0 |
| Accrued Wages and Benefits | 286,200 | 0 |
| Intergovernmental Payable | 448,295 | 0 |
| Contracts Payable | 482,585 | 0 |
| Property Taxes Payable | 0 | 25,034 |
| Retainage Payable | 170,260 | 0 |
| Unearned Revenue | 769,501 | 0 |
| Accrued Interest Payable | 31,289 | 0 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 1,380,466 | 0 |
| Due in More Than One Year: | | |
| Net Pension Liability | 27,333,459 | 0 |
| Net OPEB Liability | 3,203,766 | 0 |
| Other Amounts Due in More Than One Year | 15,163,213 | 0 |
| Total Liabilities | 49,668,445 | 25,034 |

CITY OF WORTHINGTON

| | Governmental Activities | Component Unit Community Improvement Corporation |
|--|------------------------------------|---|
| Deferred Inflows of Resources: | | |
| Property Tax Levy for Next Fiscal Year | 4,144,604 | 0 |
| Pension | 6,638,916 | 0 |
| OPEB | 4,775,319 | 0 |
| Total Deferred Inflows of Resources | 15,558,839 | 0 |
| Net Position: | | |
| Net Investment in Capital Assets | 42,224,296 | 0 |
| Restricted For: | | |
| Capital Projects | 3,722,639 | 0 |
| Debt Service | 2,145,555 | 0 |
| Street Improvements | 865,314 | 0 |
| Law Enforcement | 778,094 | 0 |
| Mayor's Court Improvements | 197,766 | 0 |
| Building Inspection | 14,963 | 0 |
| Performance Deposits | 9,000 | 0 |
| Convention and Visitor's Bureau | 1,857 | 0 |
| Unrestricted | 2,199,847 | 1,043,838 |
| Total Net Position | \$ 52,159,331 | \$ 1,043,838 |

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Statement of Activities For the Year Ended December 31, 2021

| | Expenses | Program Revenues | | |
|------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$ 14,606,693 | \$ 1,285,974 | \$ 18,318 | \$ 0 |
| Public Health and Welfare Services | 73,500 | 0 | 0 | 0 |
| Leisure Time Activities | 2,739,808 | 1,090,551 | 0 | 0 |
| Community Environment | 1,146,825 | 296,274 | 0 | 0 |
| Basic Utility Services | 1,191,753 | 79,633 | 0 | 0 |
| Transportation | 1,896,851 | 0 | 1,155,252 | 1,173,144 |
| General Government | 6,593,619 | 53,426 | 0 | 0 |
| Interest and Fiscal Charges | 479,024 | 0 | 0 | 0 |
| Total Primary Government | \$ 28,728,073 | \$ 2,805,858 | \$ 1,173,570 | \$ 1,173,144 |
| Component Unit: | | | | |
| Community Improvement Corporation | \$ 36,949 | \$ 0 | \$ 475,000 | \$ 0 |

General Revenues

Property Taxes Levied for:

- General Purposes
- Bond Retirement
- Police Pension
- Capital Projects
- Municipal Income Taxes
- Other Local Taxes
- Intergovernmental, Unrestricted
- Investment Earnings
- Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0"> <tr> <td style="width: 10px;">\$</td> <td style="text-align: right;">(13,302,401)</td> </tr> <tr> <td></td> <td style="text-align: right;">(73,500)</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,649,257)</td> </tr> <tr> <td></td> <td style="text-align: right;">(850,551)</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,112,120)</td> </tr> <tr> <td></td> <td style="text-align: right;">431,545</td> </tr> <tr> <td></td> <td style="text-align: right;">(6,540,193)</td> </tr> <tr> <td></td> <td style="text-align: right;">(479,024)</td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">(23,575,501)</td> </tr> </table> | \$ | (13,302,401) | | (73,500) | | (1,649,257) | | (850,551) | | (1,112,120) | | 431,545 | | (6,540,193) | | (479,024) | \$ | (23,575,501) | <table border="0"> <tr> <td style="width: 10px;">\$</td> <td style="text-align: right;">438,051</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">178</td> </tr> <tr> <td></td> <td style="text-align: right;">11,000</td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="text-align: right; border-top: 1px solid black;">11,178</td> </tr> <tr> <td></td> <td style="text-align: right;">449,229</td> </tr> <tr> <td></td> <td style="text-align: right;">594,609</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,043,838</td> </tr> </table> | \$ | 438,051 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 178 | | 11,000 | | 11,178 | | 449,229 | | 594,609 | \$ | 1,043,838 |
| \$ | (13,302,401) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (73,500) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (1,649,257) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (850,551) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (1,112,120) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 431,545 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (6,540,193) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (479,024) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | (23,575,501) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 438,051 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 178 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 11,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 11,178 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 449,229 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 594,609 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 1,043,838 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

CITY OF WORTHINGTON

Balance Sheet Governmental Funds December 31, 2021

| | General | Tax Increment Financing | Capital Improvement |
|---|----------------------|----------------------------|------------------------|
| Assets: | | | |
| Pooled Cash and Investments | \$ 19,943,294 | \$ 2,473,585 | \$ 12,555,112 |
| Cash and Cash Equivalents in Segregated Accounts | 4,239 | 0 | 0 |
| Receivables: | | | |
| Taxes | 8,612,029 | 744,500 | 1,361,058 |
| Accounts | 460,304 | 0 | 0 |
| Intergovernmental | 433,060 | 0 | 0 |
| Interest | 40,149 | 0 | 0 |
| Special Assessments | 0 | 0 | 33,593 |
| Loans | 33,334 | 0 | 0 |
| Interfund Loans Receivable | 800,000 | 0 | 153,738 |
| Prepaid Items | 136,362 | 0 | 75,060 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents with Fiscal Agent | 0 | 0 | 448,845 |
| Total Assets | \$ 30,462,771 | \$ 3,218,085 | \$ 14,627,406 |
| Liabilities: | | | |
| Accounts Payable | \$ 381,142 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 274,142 | 0 | 0 |
| Intergovernmental Payable | 339,361 | 0 | 32,416 |
| Contracts Payable | 0 | 0 | 482,585 |
| Retainage Payable | 0 | 0 | 170,260 |
| Interfund Loans Payable | 0 | 800,000 | 0 |
| Unearned Revenue | 0 | 0 | 0 |
| Total Liabilities | 994,645 | 800,000 | 685,261 |
| Deferred Inflows of Resources: | | | |
| Unavailable Amounts | 2,652,862 | 0 | 926,614 |
| Property Tax Levy for Next Fiscal Year | 3,080,449 | 744,500 | 0 |
| Total Deferred Inflows of Resources | 5,733,311 | 744,500 | 926,614 |
| Fund Balances: | | | |
| Nonspendable | 1,000,184 | 0 | 75,060 |
| Restricted | 0 | 1,673,585 | 1,150,000 |
| Committed | 431,364 | 0 | 11,790,471 |
| Assigned | 3,166,205 | 0 | 0 |
| Unassigned | 19,137,062 | 0 | 0 |
| Total Fund Balances | 23,734,815 | 1,673,585 | 13,015,531 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 30,462,771 | \$ 3,218,085 | \$ 14,627,406 |

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 5,204,945 | \$ 40,176,936 |
| 24,269 | 28,508 |
| 328,824 | 11,046,411 |
| 9,193 | 469,497 |
| 593,299 | 1,026,359 |
| 0 | 40,149 |
| 0 | 33,593 |
| 0 | 33,334 |
| 0 | 953,738 |
| 0 | 211,422 |
| 0 | 448,845 |
| <u>\$ 6,160,530</u> | <u>\$ 54,468,792</u> |
| | |
| \$ 18,269 | \$ 399,411 |
| 12,058 | 286,200 |
| 76,518 | 448,295 |
| 0 | 482,585 |
| 0 | 170,260 |
| 153,738 | 953,738 |
| 769,501 | 769,501 |
| <u>1,030,084</u> | <u>3,509,990</u> |
| | |
| 398,405 | 3,977,881 |
| 319,655 | 4,144,604 |
| <u>718,060</u> | <u>8,122,485</u> |
| | |
| 0 | 1,075,244 |
| 4,091,871 | 6,915,456 |
| 320,515 | 12,542,350 |
| 0 | 3,166,205 |
| 0 | 19,137,062 |
| <u>4,412,386</u> | <u>42,836,317</u> |
| | |
| <u>\$ 6,160,530</u> | <u>\$ 54,468,792</u> |

CITY OF WORTHINGTON

Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2021

Total Governmental Fund Balances \$ 42,836,317

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 56,257,811

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 3,977,881

The net pension and OPEB liabilities are not due and payable in the current period, and the net OPEB asset is not an expendable financial resource; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in the governmental funds.

| | | |
|-----------------------------|--------------------|--------------|
| Deferred Outflows - Pension | 4,276,911 | |
| Deferred Inflows - Pension | (6,638,916) | |
| Net Pension Liability | (27,333,459) | |
| Deferred Outflows - OPEB | 2,510,415 | |
| Deferred Inflows - OPEB | (4,775,319) | |
| Net OPEB Asset | 826,424 | |
| Net OPEB Liability | <u>(3,203,766)</u> | (34,337,710) |

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 | (43,395) | |
| General Obligation Bonds Payable | (14,029,417) | |
| OPWC Loans Payable | (516,687) | |
| Compensated Absences Payable | (1,954,180) | |
| Accrued Interest Payable | <u>(31,289)</u> | <u>(16,574,968)</u> |

Net Position of Governmental Activities \$ 52,159,331

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, 2021

| | General | Tax Increment Financing | Capital Improvement |
|--|----------------------|----------------------------|------------------------|
| Revenues: | | | |
| Property Taxes | \$ 3,028,771 | \$ 887,980 | \$ 0 |
| Municipal Income Taxes | 25,014,879 | 0 | 6,253,644 |
| Other Local Taxes | 4,089 | 0 | 0 |
| Intergovernmental Revenues | 892,749 | 0 | 1,173,144 |
| Charges for Services | 2,187,503 | 0 | 0 |
| Licenses, Permits and Fees | 458,531 | 0 | 0 |
| Investment Earnings | (8,840) | 0 | 0 |
| Special Assessments | 32,977 | 0 | 42,665 |
| Fines and Forfeitures | 36,683 | 0 | 0 |
| All Other Revenue | 204,986 | 1,491 | 100,797 |
| Total Revenues | 31,852,328 | 889,471 | 7,570,250 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | 12,953,236 | 0 | 0 |
| Public Health and Welfare Services | 73,500 | 0 | 0 |
| Leisure Time Activities | 4,425,565 | 0 | 0 |
| Community Environment | 1,521,237 | 0 | 0 |
| Basic Utility Services | 1,008,439 | 0 | 0 |
| Transportation | 0 | 0 | 0 |
| General Government | 7,819,133 | 492,539 | 385,462 |
| Capital Outlay | 0 | 0 | 6,902,128 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 276,680 |
| Interest and Fiscal Charges | 0 | 0 | 46,712 |
| Total Expenditures | 27,801,110 | 492,539 | 7,610,982 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,051,218 | 396,932 | (40,732) |
| Other Financing Sources (Uses): | | | |
| Premium on Debt Issuance | 0 | 0 | 0 |
| Bond Issuance | 0 | 0 | 9,985,000 |
| Transfers In | 0 | 0 | 945,036 |
| Transfers Out | (1,176,364) | 0 | (1,365,262) |
| Total Other Financing Sources (Uses) | (1,176,364) | 0 | 9,564,774 |
| Net Change in Fund Balances | 2,874,854 | 396,932 | 9,524,042 |
| Fund Balances at Beginning of Year | 20,859,961 | 1,276,653 | 3,491,489 |
| Fund Balances End of Year | \$ 23,734,815 | \$ 1,673,585 | \$ 13,015,531 |

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 314,271 | \$ 4,231,022 |
| 0 | 31,268,523 |
| 7,938 | 12,027 |
| 1,197,335 | 3,263,228 |
| 102,843 | 2,290,346 |
| 0 | 458,531 |
| 323 | (8,517) |
| 0 | 75,642 |
| 3,410 | 40,093 |
| 40,581 | 347,855 |
| <u>1,666,701</u> | <u>41,978,750</u> |
| 691,053 | 13,644,289 |
| 0 | 73,500 |
| 13,124 | 4,438,689 |
| 0 | 1,521,237 |
| 195,785 | 1,204,224 |
| 957,490 | 957,490 |
| 140,444 | 8,837,578 |
| 0 | 6,902,128 |
| 1,020,000 | 1,296,680 |
| 353,538 | 400,250 |
| <u>3,371,434</u> | <u>39,276,065</u> |
| (1,704,733) | 2,702,685 |
| 1,224,417 | 1,224,417 |
| 0 | 9,985,000 |
| 2,256,626 | 3,201,662 |
| (660,036) | (3,201,662) |
| <u>2,821,007</u> | <u>11,209,417</u> |
| 1,116,274 | 13,912,102 |
| 3,296,112 | 28,924,215 |
| <u>\$ 4,412,386</u> | <u>\$ 42,836,317</u> |

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 13,912,102

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 | 5,511,293 | |
| Depreciation Expense | <u>(2,823,018)</u> | 2,688,275 |

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. (22,488)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 613,572

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

| | | |
|---------|---------------|-----------|
| Pension | 2,417,250 | |
| OPEB | <u>36,606</u> | 2,453,856 |

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

| | | |
|---------|------------------|-----------|
| Pension | (908,981) | |
| OPEB | <u>5,036,498</u> | 4,127,517 |

The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on net position.

| | | |
|-----------------------|--------------------|--------------|
| Bond Issuance | (9,985,000) | |
| Bond Issuance Premium | <u>(1,224,417)</u> | (11,209,417) |

CITY OF WORTHINGTON

Repayment of bond, loan, and lease 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 | 1,020,000 | |
| Deferred Loss on Bond Refunding | (54,174) | |
| OPWC Loan Principal Payment | 28,237 | |
| Capital Lease Principal Payment | <u>248,443</u> | 1,242,506 |

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (24,600)

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>82,926</u> |
|----------------------|--|---------------|

Change in Net Position of Governmental Activities \$ 13,864,249

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, 2021**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|---------------|---------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 2,638,859 | \$ 3,007,711 | \$ 3,028,771 | \$ 21,060 |
| Municipal Income Taxes | 19,994,400 | 19,994,400 | 24,589,572 | 4,595,172 |
| Other Local Taxes | 4,000 | 4,000 | 3,920 | (80) |
| Intergovernmental Revenue | 700,610 | 745,322 | 886,472 | 141,150 |
| Charges for Services | 3,652,221 | 3,652,221 | 2,140,108 | (1,512,113) |
| Licenses, Permits and Fees | 496,500 | 496,500 | 470,179 | (26,321) |
| Investment Earnings | 350,000 | 350,000 | 168,029 | (181,971) |
| Fines and Forfeitures | 150,000 | 150,000 | 34,384 | (115,616) |
| All Other Revenues | 237,728 | 237,728 | 135,260 | (102,468) |
| Total Revenues | 28,224,318 | 28,637,882 | 31,456,695 | 2,818,813 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 15,599,811 | 15,817,811 | 14,464,093 | 1,353,718 |
| Public Health and Welfare Services | 91,000 | 91,000 | 91,000 | 0 |
| Leisure Time Activities | 6,332,602 | 6,367,602 | 4,785,614 | 1,581,988 |
| Community Environment | 940,116 | 940,116 | 851,562 | 88,554 |
| Basic Utility Services | 1,064,876 | 1,064,876 | 1,058,575 | 6,301 |
| General Government | 9,237,333 | 9,454,593 | 8,771,322 | 683,271 |
| Total Expenditures | 33,265,738 | 33,735,998 | 30,022,166 | 3,713,832 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,041,420) | (5,098,116) | 1,434,529 | 6,532,645 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 370,000 | 370,000 | 300,130 | (69,870) |
| Transfers Out | (735,000) | (1,970,000) | (1,970,000) | 0 |
| Total Other Financing Sources (Uses): | (365,000) | (1,600,000) | (1,669,870) | (69,870) |
| Net Change in Fund Balance | (5,406,420) | (6,698,116) | (235,341) | 6,462,775 |
| Fund Balance at Beginning of Year | 16,492,503 | 16,492,503 | 16,492,503 | 0 |
| Prior Year Encumbrances | 1,933,403 | 1,933,403 | 1,933,403 | 0 |
| Fund Balance at End of Year | \$ 13,019,486 | \$ 11,727,790 | \$ 18,190,565 | \$ 6,462,775 |

See accompanying notes to the basic financial statements

CITY OF WORTHINGTON

Statement of Net Position Fiduciary Funds December 31, 2021

| | <u>Custodial</u> |
|--|------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 44,752 |
| Cash and Cash Equivalents in Segregated Accounts | 2,329 |
| Receivables: | |
| Property Taxes | 12,044 |
| Total Assets | <u>59,125</u> |
| Liabilities: | |
| Intergovernmental Payable | 58,744 |
| Undistributed Monies | 381 |
| Total Liabilities | <u>59,125</u> |
| Net Position: | |
| Total Net Position | <u>\$ 0</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, 2021

| | <u>Custodial</u> |
|--|------------------|
| Additions: | |
| Fines and Forfeiture Collections for other Governments | \$ 16,597 |
| Fee Collections for other Governments | 41,100 |
| Income Tax Collections for other Governments | <u>1,221</u> |
| Total Additions | <u>58,918</u> |
| Deductions: | |
| Distribution of Fines and Forfeitures to other Governments | 16,597 |
| Distribution of Fees to other Governments | 41,100 |
| Distribution of Income Taxes to other Governments | <u>1,221</u> |
| Total Deductions | <u>58,918</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, 2021

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, 2021

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 20 for additional note disclosures regarding the CIC.

The City of Worthington Mayor's Court has been included in the City's financial statements as 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, 2021

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 eleven 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 49-2021, the City committed to an eleventh three-year term that began on January 1, 2022. The City has no ongoing financial responsibility other than the three-year minimum membership. See Note 12.

B. Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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.

Tax Increment Financing Fund - This fund is used to account for payments received in lieu of property taxes to be used for public improvements.

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, building permit surcharges, and activity of the Sharon Township Joint Economic Development District.

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, 2021

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. The custodial funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet.

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, 2021

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, 2021 are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2021, but which are not intended to finance 2021 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than the 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, 2021

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 2021.

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, 2021

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:

| | <u>Net Change in Fund Balance</u> |
|--|-----------------------------------|
| | <u>General Fund</u> |
| GAAP Basis (as reported) | \$2,874,854 |
| Increase (Decrease): | |
| Accrued Revenues at December 31, 2021 received during 2022 | (3,788,201) |
| Accrued Revenues at December 31, 2020 received during 2021 | 3,494,043 |
| Accrued Expenditures at December 31, 2021 paid during 2022 | 994,645 |
| Accrued Expenditures at December 31, 2020 paid during 2021 | (1,841,460) |
| 2020 Prepays for 2021 | 103,272 |
| 2021 Prepays for 2022 | (136,362) |
| Change in Interfund Loans | (800,000) |
| Outstanding Encumbrances | (1,336,051) |
| Perspective Difference: | |
| Activity of Funds Reclassified for GAAP Reporting Purposes | <u>199,919</u> |
| Budget Basis | <u><u>(\$235,341)</u></u> |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

Cash 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 \$86,435 earned by other funds were credited to the General Fund as required by State Statute.

G. Investments

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

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2021, 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 \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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, 2021

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/Net Pension and OPEB Liabilities | 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, 2021

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, 2021

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 and OPEB liability/asset, 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, 2021. 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, 2021

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, 2021

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 deferred pension/OPEB amounts.

Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 9 and 10.

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 3 – FUND BALANCE CLASSIFICATION

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

| Fund Balances | General Fund | Tax Increment Financing Fund | Capital Improvement Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------|---------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Nonspendable: | | | | | |
| Prepaid Items | \$136,362 | \$0 | \$75,060 | \$0 | \$211,422 |
| Interfund Loans Receivable | 800,000 | 0 | 0 | 0 | 800,000 |
| Unclaimed Funds | 63,822 | 0 | 0 | 0 | 63,822 |
| Total Nonspendable | 1,000,184 | 0 | 75,060 | 0 | 1,075,244 |
| Restricted: | | | | | |
| Street Maintenance and Repair | 0 | 0 | 0 | 565,997 | 565,997 |
| Law Enforcement | 0 | 0 | 0 | 760,350 | 760,350 |
| Court Improvements | 0 | 0 | 0 | 197,766 | 197,766 |
| Convention and Visitor's Bureau | 0 | | 0 | 1,857 | 1,857 |
| Performance Deposits | 0 | | 0 | 9,000 | 9,000 |
| Building Code Inspection | 0 | 0 | 0 | 14,963 | 14,963 |
| Debt Retirement | 0 | 0 | 0 | 2,166,789 | 2,166,789 |
| Capital Improvements | 0 | 1,673,585 | 1,150,000 | 375,149 | 3,198,734 |
| Total Restricted | 0 | 1,673,585 | 1,150,000 | 4,091,871 | 6,915,456 |
| Committed: | | | | | |
| Economic Development | 431,364 | 0 | 0 | 0 | 431,364 |
| Parks and Recreation | 0 | 0 | 0 | 92,389 | 92,389 |
| Water Public Works | 0 | 0 | 0 | 94,516 | 94,516 |
| Sewer Public Works | 0 | 0 | 0 | 58,227 | 58,227 |
| Bicentennial Celebration | 0 | 0 | 0 | 75,383 | 75,383 |
| Capital Improvements | 0 | 0 | 11,790,471 | 0 | 11,790,471 |
| Total Committed | 431,364 | 0 | 11,790,471 | 320,515 | 12,542,350 |
| Assigned: | | | | | |
| Materials and Supplies | 652,319 | 0 | 0 | 0 | 652,319 |
| Budget Resource | 2,513,886 | 0 | 0 | 0 | 2,513,886 |
| Total Assigned | 3,166,205 | 0 | 0 | 0 | 3,166,205 |
| Unassigned (Deficits): | 19,137,062 | 0 | 0 | 0 | 19,137,062 |
| Total Fund Balances | \$23,734,815 | \$1,673,585 | \$13,015,531 | \$4,412,386 | \$42,836,317 |

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 2021.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- 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, 2021

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

A. Deposits

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

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At December 31, 2021, the carrying amount of the City's deposits, including segregated accounts, was \$7,063,621 and the bank balance was \$7,495,183. Of the bank balance, \$5,485,799 was covered by federal depository insurance and \$2,009,384 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

The City had \$448,845 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, 2021 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 | \$5,465,432 | AAA ^m ¹ | NA | 16.47% | \$5,465,432 | \$0 | \$0 |
| Repurchase Agreement | 13,749,125 | * | Level 2 | 41.43% | 13,749,125 | 0 | 0 |
| Government Money Market | 1,417,054 | AA ⁺ ¹ | Level 1 | 4.27% | 1,417,054 | 0 | 0 |
| Municipal Bonds | 5,212,368 | Aa ² ³ | Level 2 | 15.71% | 5,212,368 | 0 | 0 |
| FHLB | 493,940 | AA ⁺ ¹ | Level 2 | 1.49% | 0 | 0 | 493,940 |
| Negotiable CD's | 6,850,985 | AAA ² | Level 2 | 20.63% | 2,245,694 | 1,741,644 | 2,863,647 |
| Total Investments | \$33,188,904 | | | 100.00% | \$28,089,673 | \$1,741,644 | \$3,357,587 |

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, 2021

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

B. Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

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

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. The City has no policy on custodial credit risk and is governed by the Ohio Revised Code as described under Deposits.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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, 2021, 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 2021 property tax receipts were based are as follows:

| <u>Category</u> | <u>Amount</u> |
|----------------------------------|-----------------------------|
| Real Property Tax | \$737,234,710 |
| Public Utility Tangible Personal | <u>17,395,090</u> |
| Total Assessed Valuation | <u><u>\$754,629,800</u></u> |

Property taxes receivable represent real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021. 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 2021 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, 2021

NOTE 5 – TAXES (Continued)

A. Property Taxes (Continued)

Tax Abatement Disclosures

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

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

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

Below is information relevant to the disclosure of this program for the year ending December 31, 2021.

| | <u>Total Amount of Taxes Abated For the year 2021</u> |
|--|---|
| <i>Community Reinvestment Area (CRA)</i> | |
| Retail/Financial | <u>\$56,924</u> |
| | <u>\$56,924</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, 2021

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, intergovernmental receivables arising from shared revenues, special assessments, loans, interest, and utility and emergency medical service accounts.

NOTE 7 – TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Following is a summary of transfers in and out for all funds for 2021:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|---------------------|----------------------|
| General Fund | \$0 | \$1,176,364 |
| Capital Improvement Fund | 945,036 | 1,365,262 |
| Nonmajor Governmental Funds | 2,256,626 | 660,036 |
| Total All Funds | <u>\$3,201,662</u> | <u>\$3,201,662</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, 2021 were as follows:

| | <u>Interfund Loans Receivable</u> | <u>Interfund Loans Payable</u> |
|------------------------------|---|--|
| General Fund | \$800,000 | \$0 |
| Tax Increment Financing Fund | 0 | 800,000 |
| Capital Improvement Fund | 153,738 | 0 |
| Nonmajor Governmental Funds | 0 | 153,738 |
| Totals | <u>\$953,738</u> | <u>\$953,738</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, 2021

NOTE 8 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2021:

| <i>Historical Cost:</i> | | | | |
|--|----------------------|-----------------|---------------|----------------------|
| Class | December 31, 2020 | Additions | Deletions | December 31, 2021 |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$9,216,299 | \$0 | \$0 | \$9,216,299 |
| Construction in Progress | 12,336,737 | 5,054,566 | (2,938,004) | 14,453,299 |
| | 21,553,036 | 5,054,566 | (2,938,004) | 23,669,598 |
| <i>Capital assets being depreciated:</i> | | | | |
| Land Improvements | 2,192,508 | 0 | 0 | 2,192,508 |
| Buildings | 22,849,544 | 75,000 | 0 | 22,924,544 |
| Infrastructure | 47,594,366 | 2,938,004 | 0 | 50,532,370 |
| Machinery and Equipment | 6,776,677 | 225,268 | (51,263) | 6,950,682 |
| Vehicles | 6,732,295 | 156,459 | (118,657) | 6,770,097 |
| Total Cost | \$107,698,426 | \$8,449,297 | (\$3,107,924) | \$113,039,799 |
| <i>Accumulated Depreciation:</i> | | | | |
| Class | December 31, 2020 | Additions | Deletions | December 31, 2021 |
| Land Improvements | (\$1,981,522) | (\$23,198) | \$0 | (\$2,004,720) |
| Buildings | (14,135,489) | (536,484) | 0 | (14,671,973) |
| Infrastructure | (30,772,266) | (1,365,542) | 0 | (32,137,808) |
| Machinery and Equipment | (3,750,683) | (411,770) | 28,775 | (4,133,678) |
| Vehicles | (3,466,442) | (486,024) | 118,657 | (3,833,809) |
| Total Depreciation | (\$54,106,402) | (\$2,823,018) * | \$147,432 | (\$56,781,988) |
| <i>Net Value:</i> | \$53,592,024 | | | \$56,257,811 |

* Depreciation was charged to governmental functions as follows:

| | |
|----------------------------------|-------------|
| Security of Persons and Property | \$579,955 |
| Leisure Time Activities | 498,961 |
| Community Environment | 5,729 |
| Transportation | 1,371,485 |
| General Government | 366,888 |
| Total Depreciation Expense | \$2,823,018 |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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%.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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.

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.

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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

| | <u>State and Local</u> |
|--|----------------------------|
| 2021 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2021 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 \$844,469 for 2021. Of this amount, \$91,342 is reported as an intergovernmental payable.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org 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. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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 participating in the DROP program have separate eligibility requirements related to COLA.

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, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2021 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 |
| 2021 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 | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,572,781 for 2021. Of this amount, \$150,470 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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 | \$6,719,937 | \$20,613,522 | \$27,333,459 |
| Proportion of the Net Pension Liability-2021 | 0.045381% | 0.302380% | |
| Proportion of the Net Pension Liability-2020 | <u>0.052154%</u> | <u>0.297303%</u> | |
| Percentage Change | <u>(0.006773%)</u> | <u>0.005077%</u> | |
| Pension Expense | (\$454,316) | \$1,363,297 | \$908,981 |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Changes in assumptions | \$0 | \$345,700 | \$345,700 |
| Differences between expected and actual experience | 0 | 861,715 | 861,715 |
| Change in proportionate share | 0 | 652,246 | 652,246 |
| City contributions subsequent to the measurement date | 844,469 | 1,572,781 | 2,417,250 |
| Total Deferred Outflows of Resources | <u>\$844,469</u> | <u>\$3,432,442</u> | <u>\$4,276,911</u> |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$2,619,234 | \$999,890 | \$3,619,124 |
| Differences between expected and actual experience | 281,101 | 803,042 | 1,084,143 |
| Change in proportionate share | 932,599 | 1,003,050 | 1,935,649 |
| Total Deferred Inflows of Resources | <u>\$3,832,934</u> | <u>\$2,805,982</u> | <u>\$6,638,916</u> |

\$2,417,250 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|----------------------|--------------------|----------------------|
| Year Ending December 31: | | | |
| 2022 | (\$1,724,292) | (\$273,313) | (\$1,997,605) |
| 2023 | (683,727) | 266,593 | (417,134) |
| 2024 | (1,067,690) | (939,206) | (2,006,896) |
| 2025 | (357,225) | (70,977) | (428,202) |
| 2026 | 0 | 70,582 | 70,582 |
| Total | <u>(\$3,832,934)</u> | <u>(\$946,321)</u> | <u>(\$4,779,255)</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, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | December 31, 2020 |
|--|--|
| 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) | 0.5 percent simple through 2021. 2.15 percent simple, thereafter |
| Investment Rate of Return | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age |
| | 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 |

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.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 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 % | 1.32 % |
| Domestic Equities | 21.00 | 5.64 |
| Real Estate | 10.00 | 5.39 |
| Private Equity | 12.00 | 10.42 |
| International Equities | 23.00 | 7.36 |
| Other investments | 9.00 | 4.75 |
| Total | 100.00 % | 5.43 % |

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 | \$12,818,317 | \$6,719,937 | \$1,649,146 |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, compared with January 1, 2019, are presented below.

| | January 1, 2020 | January 1, 2019 |
|----------------------------|---|--|
| Valuation Date | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| 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 | 2.2 percent simple | 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, 2020 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, 2020 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, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

The long-term expected rate of return on 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, 2020 are summarized below:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 21.00 | 4.10 |
| Non-US Equity | 14.00 | 4.80 |
| Private Markets | 8.00 | 6.40 |
| Core Fixed Income * | 23.00 | 0.90 |
| High Yield Fixed Income | 7.00 | 3.00 |
| Private Credit | 5.00 | 4.50 |
| U.S. Inflation Linked Bonds * | 17.00 | 0.70 |
| Midstream Energy Infrastructure | 5.00 | 5.60 |
| Real Assets | 8.00 | 5.80 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 5.30 |
| Total | 125.00 % | |

* levered 2x

Note: Assumptions are geometric

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 1.25 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, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 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 | \$28,696,664 | \$20,613,522 | \$13,848,750 |

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CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) 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 (asset) 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 (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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/asset. 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, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. 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' Annual Comprehensive 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 2021, 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, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. 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 2021 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 2021.

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, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2021, 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 \$36,606 for 2021. Of this amount, \$3,532 is reported as an intergovernmental payable.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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 (Asset) | (\$826,424) | \$3,203,766 | \$2,377,342 |
| Proportion of the Net OPEB Liability (Asset) -2021 | 0.046387% | 0.302380% | |
| Proportion of the Net OPEB Liability -2020 | 0.052920% | 0.297303% | |
| Percentage Change | <u>(0.006533%)</u> | <u>0.005077%</u> | |
| OPEB Expense | (\$5,311,520) | \$275,022 | (\$5,036,498) |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, 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 | \$406,279 | \$1,769,904 | \$2,176,183 |
| Change in proportionate share | 991 | 296,635 | 297,626 |
| City contributions subsequent to the measurement date | 0 | 36,606 | 36,606 |
| Total Deferred Outflows of Resources | <u>\$407,270</u> | <u>\$2,103,145</u> | <u>\$2,510,415</u> |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on OPEB plan investments | \$440,163 | \$119,060 | \$559,223 |
| Changes in assumptions | 1,339,049 | 510,739 | 1,849,788 |
| Differences between expected and actual experience | 745,843 | 528,448 | 1,274,291 |
| Change in proportionate share | 550,929 | 541,088 | 1,092,017 |
| Total Deferred Inflows of Resources | <u>\$3,075,984</u> | <u>\$1,699,335</u> | <u>\$4,775,319</u> |

\$36,606 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/addition to the net OPEB asset in 2022. 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: | | | |
| 2022 | (\$1,442,286) | \$68,082 | (\$1,374,204) |
| 2023 | (983,287) | 96,273 | (887,014) |
| 2024 | (191,278) | 51,826 | (139,452) |
| 2025 | (51,863) | 55,980 | 4,117 |
| 2026 | 0 | 44,667 | 44,667 |
| 2027 | 0 | 38,883 | 38,883 |
| 2028 | 0 | 11,493 | 11,493 |
| Total | <u>(\$2,668,714)</u> | <u>\$367,204</u> | <u>(\$2,301,510)</u> |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. 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 | 6.00 percent |
| Prior Measurement date | 3.16 percent |
| Investment Rate of Return: | |
| Current measurement date | 6.00 percent |
| Prior Measurement date | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 2.00 percent |
| Prior Measurement date | 2.75 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 8.5 percent initial, 3.5 percent ultimate in 2035 |
| Prior Measurement date | 10.5 percent initial, 3.5 percent ultimate in 2030 |
| 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, 2021

NOTE 10 - 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.

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 2020 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 34.00 % | 1.07 % |
| Domestic Equities | 25.00 | 5.64 |
| Real Estate Investment Trust | 7.00 | 6.48 |
| International Equities | 25.00 | 7.36 |
| Other investments | 9.00 | 4.02 |
| Total | 100.00 % | 4.43 % |

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability (asset) | (\$205,494) | (\$826,424) | (\$1,336,873) |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) 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 2021 is 8.50 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 (asset) | (\$846,563) | (\$826,424) | (\$803,887) |

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, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, with actuarial liabilities rolled forward to December 31, 2020 | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
|----------------------------|---|--|
| 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 | 2.96 percent | 3.56 percent |
| Cost of Living Adjustments | 2.2 percent simple | 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, 2021

NOTE 10 - 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, 2020, are summarized below:

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - 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 % | 0.00 % |
| Domestic Equity | 21.00 | 4.10 |
| Non-US Equity | 14.00 | 4.80 |
| Private Markets | 8.00 | 6.40 |
| Core Fixed Income * | 23.00 | 0.90 |
| High Yield Fixed Income | 7.00 | 3.00 |
| Private Credit | 5.00 | 4.50 |
| U.S. Inflation Linked Bonds* | 17.00 | 0.70 |
| Midstream Energy Infrastructure | 5.00 | 5.60 |
| Real Assets | 8.00 | 5.80 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 5.30 |
| Total | <u>125.00 %</u> | |

* levered 2x

Note: Assumptions are geometric

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The 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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

| | 1% Decrease (1.96%) | Current Discount Rate (2.96%) | 1% Increase (3.96%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$3,994,914 | \$3,203,766 | \$2,551,163 |

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, 2021

NOTE 11 - COMPENSATED ABSENCES

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

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

At December 31, 2021, 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 | 21,714 | \$849,007 |
| Vacation / Compensatory Time | 28,265 | 1,105,173 |
| Total | <u>49,979</u> | <u>\$1,954,180</u> |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 12 - RISK MANAGEMENT

A. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2021, 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 | 67,944,623 | 5,000 |
| Boiler and Machinery | 67,944,623 | 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, 2021

NOTE 12 - RISK MANAGEMENT (Continued)

B. Health Care Benefits (Continued)

The COHCC has entered into an agreement for specific stop loss coverage with a commercial insurance carrier. The specific stop loss coverage has been structured to indemnify the COHCC for medical claims paid on an individual in excess of \$250,000, with an unlimited individual lifetime maximum. Aggregate stop loss coverage was discontinued effective 1/1/2020. In the event the consortium incurs net plan expenses in any year which exceed amounts paid to the COHCC and including plan cash reserves, the payment of all excess expenses shall revert to the member political subdivisions of the COHCC. No such loss has occurred in the past ten 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 2021 was \$3,095,832. 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, 2021

NOTE 13 - 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, 2021, was as follows:

| | Balance | | | Balance | Amount |
|--|--------------------|---------------------|----------------------|---------------------|--------------------|
| | December 31, | Issued | (Retired) | December 31, | Due Within |
| | 2020 | | | 2021 | One Year |
| Governmental Activities Debt: | | | | | |
| General Obligation Bonds: | | | | | |
| 2015 1.62% Various Purpose Refunding | \$780,000 | \$0 | (\$780,000) | \$0 | \$0 |
| 2017 2.21% Various Purpose | 3,060,000 | 0 | (240,000) | 2,820,000 | 250,000 |
| 2021 2.0-5.0% Various Purpose | 0 | 9,985,000 | 0 | 9,985,000 | 420,000 |
| Premium | 0 | 1,224,417 | 0 | 1,224,417 | 0 |
| Total General Obligation Bonds | <u>3,840,000</u> | <u>11,209,417</u> | <u>(1,020,000)</u> | <u>14,029,417</u> | <u>670,000</u> |
| OPWC Loans:* | | | | | |
| 0.00% Old Worthington ADA Ramps | 54,670 | 0 | (7,810) | 46,860 | 7,810 |
| 0.00% Kenyonbrook Sanitary Sewer | 490,254 | 0 | (20,427) | 469,827 | 20,427 |
| Total OPWC Loans | <u>544,924</u> | <u>0</u> | <u>(28,237)</u> | <u>516,687</u> | <u>28,237</u> |
| Governmental Activities Other Long-Term Liabilities: | | | | | |
| Capital Leases Payable | 291,838 | 0 | (248,443) | 43,395 | 27,233 |
| Compensated Absences | <u>2,052,154</u> | <u>576,334</u> | <u>(674,308)</u> | <u>1,954,180</u> | <u>654,996</u> |
| Total Governmental Activities Long-Term Debt and Other Long-Term Liabilities | <u>\$6,728,916</u> | <u>\$11,785,751</u> | <u>(\$1,970,988)</u> | <u>\$16,543,679</u> | <u>\$1,380,466</u> |

*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.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (Continued)

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 matured in 2021. These bonds are direct placement debt.

In August 2021 the City issued \$9,985,000 of various purpose general obligation bonds for improvements to parks, water, sewer, public safety building, street, and other various improvements. The bonds carry an interest rate of 2.00% to 5.00% and mature in 2041.

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, 2021, follows:

| Years | General Obligation Bonds | | OPWC Loans* | |
|-----------|--------------------------|--------------------|------------------|------------|
| | Principal | Interest | Principal | Interest |
| 2022 | \$670,000 | \$375,472 | \$28,237 | \$0 |
| 2023 | 690,000 | 357,348 | 28,237 | 0 |
| 2024 | 710,000 | 334,402 | 28,237 | 0 |
| 2025 | 735,000 | 310,656 | 28,237 | 0 |
| 2026 | 760,000 | 286,088 | 28,237 | 0 |
| 2027-2031 | 4,295,000 | 991,872 | 109,945 | 0 |
| 2032-2036 | 2,870,000 | 379,900 | 102,136 | 0 |
| 2037-2041 | 2,075,000 | 108,600 | 102,135 | 0 |
| 2042-2045 | 0 | 0 | 61,286 | 0 |
| Totals | <u>\$12,805,000</u> | <u>\$3,144,338</u> | <u>\$516,687</u> | <u>\$0</u> |

*The Ohio Public Works Commission Loans are direct borrowings.

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 14 - 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, 2021:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| 2022 | \$30,750 |
| 2023 | 14,193 |
| Minimum Lease Payments | <u>44,943</u> |
| Less amount representing interest at the City's incremental borrowing rate of interest | <u>(1,548)</u> |
| Present value of minimum lease payments | <u><u>\$43,395</u></u> |

NOTE 15 - NOTES PAYABLE

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

| | <u>December 31, 2020</u> | <u>Issued</u> | <u>(Retired)</u> | <u>December 31, 2021</u> |
|--------------------------------------|------------------------------|---------------|----------------------|------------------------------|
| Capital Project Funds Notes Payable: | | | | |
| 0.875% Various Purpose | \$5,815,000 | \$0 | (\$5,815,000) | \$0 |
| Total Notes Payable | <u>\$5,815,000</u> | <u>\$0</u> | <u>(\$5,815,000)</u> | <u>\$0</u> |

CITY OF WORTHINGTON

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 16 - SIGNIFICANT COMMITMENTS

The City had the following contractual commitments at December 31, 2021:

| <u>Project</u> | <u>Amount</u> |
|--|--------------------|
| NE Gateway Wilson Bridge/Huntley/WG Intersection Study | \$2,394,221 |
| McCord Park Renovations | 624,641 |
| 2021 New and Replacement Equipment | 530,695 |
| 2021 Building Improvement Program | 432,000 |
| Colonial and Andover Waterline Improvement | 271,418 |
| 2021 Bicycle and Pedestrian Improvement | 191,417 |
| 2020 Sewer Lining and Repair | 167,314 |
| Indianola Park Repair | 150,000 |
| McCord Park Master Plan | 124,466 |
| Police Building Modifications | 109,822 |
| Kenyonbrook Sanitary Sewer | 103,887 |
| 2020 Building Improvement Program | 102,599 |
| 2019 Street Improvement Program | 101,127 |
| Fire Station Bathroom | 100,000 |
| 2021 Street Improvement Program | 94,833 |
| East Wilson Bridge Road Resurfacing | 76,194 |
| 2020 Street Improvement Program | 73,653 |
| 2020 New and Replacement Equipment | 54,259 |
| 2018 New and Replacement Equipment | 54,244 |
| Security System Improvements | 50,000 |
| 2018 Traffic Signal Replacement | 50,000 |
| | <u>\$5,856,790</u> |

At December 31, 2021 the City had encumbrance commitments in the Governmental Funds as follows:

| <u>Fund</u> | <u>Encumbrances</u> |
|------------------------------|---------------------|
| General Fund | \$1,451,203 |
| Tax Increment Financing Fund | 1,762,255 |
| Capital Improvement Fund | 6,880,763 |
| Other Governmental Funds | 37,275 |
| Total Governmental Funds | <u>\$10,131,496</u> |

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 17 - CONTINGENT LIABILITIES

A. Litigation

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

B. State and Federal Grants

For the period January 1, 2021, to December 31, 2021, the City received state and federal grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

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

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 19 – JOINT VENTURE

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

CITY OF WORTHINGTON

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 20 – COMPONENT UNIT

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

A. Basis of Accounting

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

B. Basis of Presentation

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

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

C. Federal Income Tax

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

D. Deposits

As of December 31, 2021, the carrying amount of the CIC's deposits was in the amount of \$174,531. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure", as of December 31, 2021 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, 2021 the CIC reported \$893,955 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 \$475,000 of contributions from the City in 2021.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WORTHINGTON

Schedule of City's Proportionate Share of the Net Pension Liability Last Eight 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> | <u>2021</u> |
|--------------|-------------|--------------|--------------|-------------|
| 0.049793% | 0.051531% | 0.052514% | 0.052154% | 0.045381% |
| \$11,307,168 | \$8,084,188 | \$14,382,520 | \$10,308,590 | \$6,719,937 |
| \$6,484,525 | \$6,835,277 | \$7,131,850 | \$7,281,807 | \$6,317,093 |
| 174.37% | 118.27% | 201.67% | 141.57% | 106.38% |
| 77.25% | 84.66% | 74.70% | 82.17% | 86.88% |

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--------------|--------------|--------------|--------------|--------------|
| 0.310223% | 0.322982% | 0.304814% | 0.297303% | 0.302380% |
| \$19,649,242 | \$19,822,876 | \$24,880,876 | \$20,027,911 | \$20,613,522 |
| \$6,620,503 | \$6,990,813 | \$6,847,709 | \$7,002,528 | \$7,103,344 |
| 296.79% | 283.56% | 363.35% | 286.01% | 290.19% |
| 68.36% | 70.91% | 63.07% | 69.89% | 70.65% |

CITY OF WORTHINGTON

Schedule of City Pension Contributions Last Nine 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> | <u>2021</u> |
|----------------|----------------|----------------|------------------|----------------|----------------|
| \$778,143 | \$888,586 | \$998,459 | \$1,019,453 | \$884,393 | \$844,469 |
| <u>778,143</u> | <u>888,586</u> | <u>998,459</u> | <u>1,019,453</u> | <u>884,393</u> | <u>844,469</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 | \$6,031,921 |
| 12.00% | 13.00% | 14.00% | 14.00% | 14.00% | 14.00% |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$1,420,678 | \$1,497,060 | \$1,464,952 | \$1,503,453 | \$1,518,554 | \$1,572,781 |
| <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>1,572,781</u> |
| <u>\$0</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 | \$7,321,238 |
| 21.46% | 21.41% | 21.39% | 21.47% | 21.38% | 21.48% |

CITY OF WORTHINGTON

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

| <u>2020</u> | <u>2021</u> |
|-------------|-------------|
| 0.052920% | 0.046387% |
| \$7,309,625 | (\$826,424) |
| \$7,281,807 | \$6,317,093 |
| 100.38% | (13.08%) |
| 47.80% | 115.57% |

| <u>2020</u> | <u>2021</u> |
|-------------|-------------|
| 0.297303% | 0.302380% |
| \$2,936,677 | \$3,203,766 |
| \$7,002,528 | \$7,103,344 |
| 41.94% | 45.10% |
| 47.08% | 45.42% |

CITY OF WORTHINGTON

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

Ohio Public Employees Retirement System

| Year | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|
| Contractually required contribution | \$66,287 | \$128,792 | \$127,865 |
| Contributions in relation to the contractually required contribution | 66,287 | 128,792 | 127,865 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 |
| 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 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|
| Contractually required contribution | \$242,888 | \$31,575 | \$32,300 |
| Contributions in relation to the contractually required contribution | 242,888 | 31,575 | 32,300 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 |
| 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> | <u>2021</u> |
|----------------|---------------|-------------|-------------|-------------|-------------|
| \$129,691 | \$68,353 | \$0 | \$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> | <u>\$0</u> | <u>\$0</u> |
| \$6,484,525 | \$6,835,277 | \$7,131,850 | \$7,281,807 | \$6,317,093 | \$6,031,921 |
| 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$33,103 | \$34,954 | \$34,239 | \$35,013 | \$35,517 | \$36,606 |
| <u>33,103</u> | <u>34,954</u> | <u>34,239</u> | <u>35,013</u> | <u>35,517</u> | <u>36,606</u> |
| <u>\$0</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 | \$7,321,238 |
| 0.50% | 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, 2021

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

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.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% 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 2014-2021.

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, 2021

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

2019-2021: 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, 2021

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

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%

2021: 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 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

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 - 2021: There were no changes in benefit terms.

CITY OF WORTHINGTON

Notes to the Required Supplementary Information For the Year Ended December 31, 2021

NET OPEB LIABILITY (ASSET) (Continued)

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

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%.

2021: 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 3.56% to 2.96%.



***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.

(Continued)

CITY OF WORTHINGTON

Special Revenue Funds (Continued)

Municipal Motor Vehicle License Tax Fund

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

Enforcement and Education Fund

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

American Rescue Plan Act (ARPA) Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures to report for the fiscal year.)

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

(Continued)

CITY OF WORTHINGTON

Special Revenue Funds (Continued)

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.

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|--------------------------------------|--------------------------------|--------------------------------------|---|
| Assets: | | | | |
| Pooled Cash and Cash Equivalents | \$ 2,509,269 | \$ 2,320,527 | \$ 375,149 | \$ 5,204,945 |
| Cash and Cash Equivalents in Segregated Accounts | 24,269 | 0 | 0 | 24,269 |
| Receivables: | | | | |
| Taxes | 210,048 | 118,776 | 0 | 328,824 |
| Accounts | 9,193 | 0 | 0 | 9,193 |
| Intergovernmental | 586,400 | 6,899 | 0 | 593,299 |
| Total Assets | \$ 3,339,179 | \$ 2,446,202 | \$ 375,149 | \$ 6,160,530 |
| Liabilities: | | | | |
| Accounts Payable | \$ 18,269 | \$ 0 | \$ 0 | \$ 18,269 |
| Accrued Wages and Benefits Payable | 12,058 | 0 | 0 | 12,058 |
| Intergovernmental Payable | 76,518 | 0 | 0 | 76,518 |
| Interfund Loans Payable | 0 | 153,738 | 0 | 153,738 |
| Unearned Revenue | 769,501 | 0 | 0 | 769,501 |
| Total Liabilities | 876,346 | 153,738 | 0 | 1,030,084 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 388,350 | 10,055 | 0 | 398,405 |
| Property Tax Levy for Next Fiscal Year | 204,035 | 115,620 | 0 | 319,655 |
| Total Deferred Inflows of Resources | 592,385 | 125,675 | 0 | 718,060 |
| Fund Balances: | | | | |
| Restricted | 1,549,933 | 2,166,789 | 375,149 | 4,091,871 |
| Committed | 320,515 | 0 | 0 | 320,515 |
| Total Fund Balances | 1,870,448 | 2,166,789 | 375,149 | 4,412,386 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 3,339,179 | \$ 2,446,202 | \$ 375,149 | \$ 6,160,530 |

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|--------------------------------------|--------------------------------|--------------------------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 200,604 | \$ 113,667 | \$ 0 | \$ 314,271 |
| Other Local Taxes | 7,938 | 0 | 0 | 7,938 |
| Intergovernmental Revenues | 1,183,540 | 13,795 | 0 | 1,197,335 |
| Charges for Services | 102,843 | 0 | 0 | 102,843 |
| Investment Earnings | 323 | 0 | 0 | 323 |
| Fines and Forfeitures | 3,410 | 0 | 0 | 3,410 |
| All Other Revenues | 38,369 | 2,212 | 0 | 40,581 |
| Total Revenue | 1,537,027 | 129,674 | 0 | 1,666,701 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 691,053 | 0 | 0 | 691,053 |
| Leisure Time Activities | 13,124 | 0 | 0 | 13,124 |
| Basic Utility Services | 195,785 | 0 | 0 | 195,785 |
| Transportation | 957,490 | 0 | 0 | 957,490 |
| General Government | 140,444 | 0 | 0 | 140,444 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 1,020,000 | 0 | 1,020,000 |
| Interest & Fiscal Charges | 0 | 353,538 | 0 | 353,538 |
| Total Expenditures | 1,997,896 | 1,373,538 | 0 | 3,371,434 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | (460,869) | (1,243,864) | 0 | (1,704,733) |
| Other Financing Sources (Uses): | | | | |
| Premium on Debt Issuance | 0 | 1,224,417 | 0 | 1,224,417 |
| Transfers In | 891,364 | 1,365,262 | 0 | 2,256,626 |
| Transfers Out | (150,000) | (510,036) | 0 | (660,036) |
| Total Other Financing Sources (Uses) | 741,364 | 2,079,643 | 0 | 2,821,007 |
| Net Change in Fund Balances | 280,495 | 835,779 | 0 | 1,116,274 |
| Fund Balances at Beginning of Year | 1,589,953 | 1,331,010 | 375,149 | 3,296,112 |
| Fund Balances End of Year | \$ 1,870,448 | \$ 2,166,789 | \$ 375,149 | \$ 4,412,386 |

CITY OF WORTHINGTON

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

| | Street Construction Maintenance and Repair | State Highway | Water | Sanitary Sewer |
|---|---|-------------------|------------------|------------------|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 275,156 | \$ 78,883 | \$ 92,740 | \$ 61,419 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 0 |
| Accounts | 0 | 0 | 4,852 | 4,341 |
| Intergovernmental | 460,110 | 37,306 | 0 | 0 |
| Total Assets | \$ 735,266 | \$ 116,189 | \$ 97,592 | \$ 65,760 |
| Liabilities: | | | | |
| Accounts Payable | \$ 7,263 | \$ 56 | \$ 1,829 | \$ 6,286 |
| Accrued Wages and Benefits Payable | 9,322 | 1,316 | 710 | 710 |
| Intergovernmental Payable | 7,064 | 998 | 537 | 537 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 23,649 | 2,370 | 3,076 | 7,533 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 306,740 | 24,871 | 0 | 0 |
| Property Tax Levy for Next Fiscal Year | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 306,740 | 24,871 | 0 | 0 |
| Fund Balances: | | | | |
| Restricted | 404,877 | 88,948 | 0 | 0 |
| Committed | 0 | 0 | 94,516 | 58,227 |
| Total Fund Balances | 404,877 | 88,948 | 94,516 | 58,227 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 735,266 | \$ 116,189 | \$ 97,592 | \$ 65,760 |

(Continued)

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2021

| | Police Pension | Law Enforcement | Municipal Motor Vehicle License Tax | Enforcement and Education |
|---|-------------------|------------------|-------------------------------------|---------------------------|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 720,834 | \$ 17,501 | \$ 52,675 | \$ 53,049 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Taxes | 209,605 | 0 | 0 | 0 |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 12,174 | 0 | 58,492 | 0 |
| Total Assets | \$ 942,613 | \$ 17,501 | \$ 111,167 | \$ 53,049 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 67,382 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 67,382 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 17,744 | 0 | 38,995 | 0 |
| Property Tax Levy for Next Fiscal Year | 204,035 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 221,779 | 0 | 38,995 | 0 |
| Fund Balances: | | | | |
| Restricted | 653,452 | 17,501 | 72,172 | 53,049 |
| Committed | 0 | 0 | 0 | 0 |
| Total Fund Balances | 653,452 | 17,501 | 72,172 | 53,049 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 942,613 | \$ 17,501 | \$ 111,167 | \$ 53,049 |

CITY OF WORTHINGTON

| ARPA | Court Clerk Computer | Convention and Visitor's Bureau | Law Enforcement Continuing Education | Special Parks | Bicentennial Trust |
|-------------------|-------------------------|------------------------------------|---|------------------|-----------------------|
| \$ 769,501 | \$ 197,521 | \$ 3,696 | \$ 18,030 | \$ 92,881 | \$ 75,383 |
| 0 | 306 | 0 | 0 | 0 | 0 |
| 0 | 0 | 443 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 18,318 | 0 | 0 |
| <u>\$ 769,501</u> | <u>\$ 197,827</u> | <u>\$ 4,139</u> | <u>\$ 36,348</u> | <u>\$ 92,881</u> | <u>\$ 75,383</u> |
| \$ 0 | \$ 61 | \$ 2,282 | \$ 0 | \$ 492 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 769,501 | 0 | 0 | 0 | 0 | 0 |
| <u>769,501</u> | <u>61</u> | <u>2,282</u> | <u>0</u> | <u>492</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 197,766 | 1,857 | 36,348 | 0 | 0 |
| 0 | 0 | 0 | 0 | 92,389 | 75,383 |
| <u>0</u> | <u>197,766</u> | <u>1,857</u> | <u>36,348</u> | <u>92,389</u> | <u>75,383</u> |
| <u>\$ 769,501</u> | <u>\$ 197,827</u> | <u>\$ 4,139</u> | <u>\$ 36,348</u> | <u>\$ 92,881</u> | <u>\$ 75,383</u> |

(Continued)

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2021

| | Subdivision Trust | Performance Trust | Total Nonmajor Special Revenue Funds |
|---|----------------------|----------------------|--|
| | | | |
| Assets: | | | |
| Pooled Cash and Investments | \$ 0 | \$ 0 | \$ 2,509,269 |
| Cash and Cash Equivalents in Segregated Accounts | 14,963 | 9,000 | 24,269 |
| Receivables: | | | |
| Taxes | 0 | 0 | 210,048 |
| Accounts | 0 | 0 | 9,193 |
| Intergovernmental | 0 | 0 | 586,400 |
| Total Assets | \$ 14,963 | \$ 9,000 | \$ 3,339,179 |
| Liabilities: | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 18,269 |
| Accrued Wages and Benefits Payable | 0 | 0 | 12,058 |
| Intergovernmental Payable | 0 | 0 | 76,518 |
| Unearned Revenue | 0 | 0 | 769,501 |
| Total Liabilities | 0 | 0 | 876,346 |
| Deferred Inflows of Resources: | | | |
| Unavailable Amounts | 0 | 0 | 388,350 |
| Property Tax Levy for Next Fiscal Year | 0 | 0 | 204,035 |
| Total Deferred Inflows of Resources | 0 | 0 | 592,385 |
| Fund Balances: | | | |
| Restricted | 14,963 | 9,000 | 1,549,933 |
| Committed | 0 | 0 | 320,515 |
| Total Fund Balances | 14,963 | 9,000 | 1,870,448 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 14,963 | \$ 9,000 | \$ 3,339,179 |

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2021

| | 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 | 940,104 | 76,224 | 0 | 0 |
| Charges for Services | 0 | 0 | 41,758 | 37,875 |
| Investment Earnings | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 0 | 0 | 0 | 0 |
| Total Revenues | 940,104 | 76,224 | 41,758 | 37,875 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 119,534 | 76,251 |
| Transportation | 878,627 | 78,863 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Total Expenditures | 878,627 | 78,863 | 119,534 | 76,251 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 61,477 | (2,639) | (77,776) | (38,376) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 25,000 | 75,000 | 35,000 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 25,000 | 75,000 | 35,000 |
| Net Change in Fund Balances | 61,477 | 22,361 | (2,776) | (3,376) |
| Fund Balances at Beginning of Year | 343,400 | 66,587 | 97,292 | 61,603 |
| Fund Balances End of Year | \$ 404,877 | \$ 88,948 | \$ 94,516 | \$ 58,227 |

(Continued)

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2021

| | Police Pension | Law Enforcement | Municipal Motor Vehicle License Tax | Enforcement and Education |
|--|-------------------|------------------|-------------------------------------|---------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 200,604 | \$ 0 | \$ 0 | \$ 0 |
| Other Local Taxes | 0 | 0 | 0 | 0 |
| Intergovernmental Revenues | 24,346 | 0 | 124,548 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 698 |
| All Other Revenue | 374 | 88 | 0 | 0 |
| Total Revenues | 225,324 | 88 | 124,548 | 698 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 619,746 | 55,000 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Total Expenditures | 619,746 | 55,000 | 0 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (394,422) | (54,912) | 124,548 | 698 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 756,364 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | (150,000) | 0 |
| Total Other Financing Sources (Uses) | 756,364 | 0 | (150,000) | 0 |
| Net Change in Fund Balances | 361,942 | (54,912) | (25,452) | 698 |
| Fund Balances at Beginning of Year | 291,510 | 72,413 | 97,624 | 52,351 |
| Fund Balances End of Year | \$ 653,452 | \$ 17,501 | \$ 72,172 | \$ 53,049 |

CITY OF WORTHINGTON

| Court Clerk Computer | Convention and Visitor's Bureau | Law Enforcement Continuing Education | Coronavirus Relief | Special Parks | Bicentennial Trust |
|-------------------------|------------------------------------|---|-----------------------|------------------|-----------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 7,938 | 0 | 0 | 0 | 0 |
| 0 | 0 | 18,318 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 23,210 | 0 |
| 0 | 0 | 0 | 0 | 0 | 323 |
| 2,712 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 25,805 | 0 |
| <u>2,712</u> | <u>7,938</u> | <u>18,318</u> | <u>0</u> | <u>49,015</u> | <u>323</u> |
| 0 | 0 | 0 | 16,307 | 0 | 0 |
| 0 | 0 | 0 | 0 | 13,124 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 12,090 | 58,932 | 0 | 0 | 0 | 0 |
| <u>12,090</u> | <u>58,932</u> | <u>0</u> | <u>16,307</u> | <u>13,124</u> | <u>0</u> |
| (9,378) | (50,994) | 18,318 | (16,307) | 35,891 | 323 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (9,378) | (50,994) | 18,318 | (16,307) | 35,891 | 323 |
| 207,144 | 52,851 | 18,030 | 16,307 | 56,498 | 75,060 |
| <u>\$ 197,766</u> | <u>\$ 1,857</u> | <u>\$ 36,348</u> | <u>\$ 0</u> | <u>\$ 92,389</u> | <u>\$ 75,383</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, 2021

| | Subdivision Trust | Performance Trust | Total Nonmajor Special Revenue Funds |
|--|----------------------|----------------------|--|
| Revenues: | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 200,604 |
| Other Local Taxes | 0 | 0 | 7,938 |
| Intergovernmental Revenues | 0 | 0 | 1,183,540 |
| Charges for Services | 0 | 0 | 102,843 |
| Investment Earnings | 0 | 0 | 323 |
| Fines and Forfeitures | 0 | 0 | 3,410 |
| All Other Revenue | 2 | 12,100 | 38,369 |
| Total Revenues | 2 | 12,100 | 1,537,027 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | 0 | 0 | 691,053 |
| Leisure Time Activities | 0 | 0 | 13,124 |
| Basic Utility Services | 0 | 0 | 195,785 |
| Transportation | 0 | 0 | 957,490 |
| General Government | 0 | 69,422 | 140,444 |
| Total Expenditures | 0 | 69,422 | 1,997,896 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2 | (57,322) | (460,869) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 0 | 0 | 891,364 |
| Transfers Out | 0 | 0 | (150,000) |
| Total Other Financing Sources (Uses) | 0 | 0 | 741,364 |
| Net Change in Fund Balances | 2 | (57,322) | 280,495 |
| Fund Balances at Beginning of Year | 14,961 | 66,322 | 1,589,953 |
| Fund Balances End of Year | \$ 14,963 | \$ 9,000 | \$ 1,870,448 |

CITY OF WORTHINGTON

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2021

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|---|---|---|---|
| Assets: | | | |
| Pooled Cash and Investments | \$ 2,042,079 | \$ 278,448 | \$ 2,320,527 |
| Receivables: | | | |
| Taxes | 118,776 | 0 | 118,776 |
| Intergovernmental | 6,899 | 0 | 6,899 |
| Total Assets | <u>\$ 2,167,754</u> | <u>\$ 278,448</u> | <u>\$ 2,446,202</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 | 10,055 | 0 | 10,055 |
| Property Tax Levy for Next Fiscal Year | 115,620 | 0 | 115,620 |
| Total Deferred Inflows of Resources | <u>125,675</u> | <u>0</u> | <u>125,675</u> |
| Fund Balances: | | | |
| Restricted | 2,042,079 | 124,710 | 2,166,789 |
| Total Fund Balances | <u>2,042,079</u> | <u>124,710</u> | <u>2,166,789</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 2,167,754</u> | <u>\$ 278,448</u> | <u>\$ 2,446,202</u> |

CITY OF WORTHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2021

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|--|---|---|---|
| Revenues: | | | |
| Property Taxes | \$ 113,667 | \$ 0 | \$ 113,667 |
| Intergovernmental Revenues | 13,795 | 0 | 13,795 |
| All Other Revenue | 2,212 | 0 | 2,212 |
| Total Revenues | 129,674 | 0 | 129,674 |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 1,020,000 | 0 | 1,020,000 |
| Interest and Fiscal Charges | 353,538 | 0 | 353,538 |
| Total Expenditures | 1,373,538 | 0 | 1,373,538 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,243,864) | 0 | (1,243,864) |
| Other Financing Sources (Uses): | | | |
| Premium on Debt Issuance | 1,224,417 | 0 | 1,224,417 |
| Transfers In | 1,365,262 | 0 | 1,365,262 |
| Transfers Out | (510,036) | 0 | (510,036) |
| Total Other Financing Sources (Uses) | 2,079,643 | 0 | 2,079,643 |
| Net Change in Fund Balances | 835,779 | 0 | 835,779 |
| Fund Balances at Beginning of Year | 1,206,300 | 124,710 | 1,331,010 |
| Fund Balances End of Year | \$ 2,042,079 | \$ 124,710 | \$ 2,166,789 |

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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 2,638,859 | \$ 3,007,711 | \$ 3,028,771 | \$ 21,060 |
| Municipal Income Taxes | 19,994,400 | 19,994,400 | 24,589,572 | 4,595,172 |
| Other Local Taxes | 4,000 | 4,000 | 3,920 | (80) |
| Intergovernmental Revenues | 700,610 | 745,322 | 886,472 | 141,150 |
| Charges for Services | 3,652,221 | 3,652,221 | 2,140,108 | (1,512,113) |
| Licenses, Permits and Fees | 496,500 | 496,500 | 470,179 | (26,321) |
| Investment Earnings | 350,000 | 350,000 | 168,029 | (181,971) |
| Fines and Forfeitures | 150,000 | 150,000 | 34,384 | (115,616) |
| All Other Revenues | 237,728 | 237,728 | 135,260 | (102,468) |
| Total Revenues | 28,224,318 | 28,637,882 | 31,456,695 | 2,818,813 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Police - Administration: | | | | |
| Personal Services | 629,779 | 629,779 | 461,658 | 168,121 |
| Nonpersonnel | 529,343 | 609,343 | 453,171 | 156,172 |
| Total Police - Administration | 1,159,122 | 1,239,122 | 914,829 | 324,293 |
| Police - Community Service: | | | | |
| Personal Services | 5,603,006 | 5,576,006 | 5,004,676 | 571,330 |
| Nonpersonnel | 48,109 | 48,109 | 38,314 | 9,795 |
| Total Police - Community Service | 5,651,115 | 5,624,115 | 5,042,990 | 581,125 |
| Police - Support Service: | | | | |
| Personal Services | 505,817 | 505,817 | 407,398 | 98,419 |
| Total Police - Support Service | 505,817 | 505,817 | 407,398 | 98,419 |
| Fire - Administration: | | | | |
| Personal Services | 273,825 | 273,825 | 264,550 | 9,275 |
| Nonpersonnel | 185,919 | 185,919 | 171,379 | 14,540 |
| Total Fire - Administration | 459,744 | 459,744 | 435,929 | 23,815 |
| Fire - Operations: | | | | |
| Personal Services | 6,293,116 | 6,458,116 | 6,197,336 | 260,780 |
| Nonpersonnel | 421,567 | 421,567 | 401,581 | 19,986 |
| Total Fire - Operations | 6,714,683 | 6,879,683 | 6,598,917 | 280,766 |
| Fire - Training and Prevention: | | | | |
| Personal Services | 201,055 | 201,055 | 168,617 | 32,438 |
| Nonpersonnel | 28,660 | 28,660 | 26,000 | 2,660 |
| Total Fire - Training and Prevention | 229,715 | 229,715 | 194,617 | 35,098 |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------|------------|---|
| 911 Dispatch: | | | | |
| Nonpersonnel | 879,615 | 879,615 | 869,413 | 10,202 |
| Total 911 Dispatch | 879,615 | 879,615 | 869,413 | 10,202 |
| Total Security of Persons and Property | 15,599,811 | 15,817,811 | 14,464,093 | 1,353,718 |
| Public Health and Welfare Services: | | | | |
| Board of Health: | | | | |
| Nonpersonnel | 91,000 | 91,000 | 91,000 | 0 |
| Total Public Health and Welfare Services | 91,000 | 91,000 | 91,000 | 0 |
| Leisure Time Activities: | | | | |
| Parks and Recreation - Administration: | | | | |
| Personal Services | 259,229 | 259,229 | 198,957 | 60,272 |
| Nonpersonnel | 44,562 | 44,562 | 39,716 | 4,846 |
| Total Parks and Recreation - Administration | 303,791 | 303,791 | 238,673 | 65,118 |
| Parks Maintenance: | | | | |
| Personal Services | 993,531 | 993,531 | 948,136 | 45,395 |
| Nonpersonnel | 347,699 | 382,699 | 352,305 | 30,394 |
| Total Parks Maintenance | 1,341,230 | 1,376,230 | 1,300,441 | 75,789 |
| Community Center Programs: | | | | |
| Personal Services | 2,119,741 | 2,119,741 | 1,600,412 | 519,329 |
| Nonpersonnel | 906,912 | 906,912 | 778,293 | 128,619 |
| Total Community Center Programs | 3,026,653 | 3,026,653 | 2,378,705 | 647,948 |
| Recreation Programs: | | | | |
| Personal Services | 639,613 | 639,613 | 251,047 | 388,566 |
| Nonpersonnel | 399,105 | 399,105 | 183,035 | 216,070 |
| Total Recreation Programs | 1,038,718 | 1,038,718 | 434,082 | 604,636 |
| Senior Citizen Programs: | | | | |
| Personal Services | 525,880 | 525,880 | 372,259 | 153,621 |
| Nonpersonnel | 96,330 | 96,330 | 61,454 | 34,876 |
| Total Senior Citizen Programs | 622,210 | 622,210 | 433,713 | 188,497 |
| Total Leisure Time Activities | 6,332,602 | 6,367,602 | 4,785,614 | 1,581,988 |
| Community Environment: | | | | |
| Planning and Building: | | | | |
| Personal Services | 722,765 | 717,765 | 645,317 | 72,448 |
| Nonpersonnel | 217,351 | 222,351 | 206,245 | 16,106 |
| Total Community Environment | 940,116 | 940,116 | 851,562 | 88,554 |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|--------------|-----------|---|
| Basic Utility Services: | | | | |
| Refuse: | | | | |
| Nonpersonnel | 1,064,876 | 1,064,876 | 1,058,575 | 6,301 |
| Total Basic Utility Services | 1,064,876 | 1,064,876 | 1,058,575 | 6,301 |
| General Government: | | | | |
| Personnel: | | | | |
| Personal Services | 393,796 | 493,796 | 457,122 | 36,674 |
| Nonpersonnel | 56,187 | 76,187 | 68,590 | 7,597 |
| Total Personnel | 449,983 | 569,983 | 525,712 | 44,271 |
| Finance and Taxation: | | | | |
| Personal Services | 555,625 | 555,625 | 540,555 | 15,070 |
| Nonpersonnel | 1,274,481 | 1,274,481 | 1,164,145 | 110,336 |
| Total Finance and Taxation | 1,830,106 | 1,830,106 | 1,704,700 | 125,406 |
| Legislative and Clerk: | | | | |
| Personal Services | 93,155 | 93,155 | 82,837 | 10,318 |
| Nonpersonnel | 112,670 | 112,670 | 98,688 | 13,982 |
| Total Legislative and Clerk | 205,825 | 205,825 | 181,525 | 24,300 |
| Law: | | | | |
| Personal Services | 302,635 | 302,635 | 294,482 | 8,153 |
| Nonpersonnel | 383,080 | 383,080 | 373,182 | 9,898 |
| Total Law | 685,715 | 685,715 | 667,664 | 18,051 |
| Mayor and Mayors Court: | | | | |
| Personal Services | 153,846 | 153,846 | 143,464 | 10,382 |
| Nonpersonnel | 25,669 | 25,669 | 11,221 | 14,448 |
| Total Mayor and Mayors Court | 179,515 | 179,515 | 154,685 | 24,830 |
| Economic Development: | | | | |
| Personal Services | 183,533 | 183,533 | 177,436 | 6,097 |
| Nonpersonnel | 62,610 | 62,610 | 59,516 | 3,094 |
| Total Economic Development | 246,143 | 246,143 | 236,952 | 9,191 |
| Management Information Systems: | | | | |
| Personal Services | 569,468 | 569,468 | 528,942 | 40,526 |
| Nonpersonnel | 232,392 | 232,392 | 222,356 | 10,036 |
| Total Management Information Systems | 801,860 | 801,860 | 751,298 | 50,562 |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|------------|---|
| Service/Engineering - Administration: | | | | |
| Personal Services | 1,020,033 | 1,010,033 | 968,225 | 41,808 |
| Nonpersonnel | 231,299 | 241,299 | 219,774 | 21,525 |
| Total Service/Engineering - Administration | 1,251,332 | 1,251,332 | 1,187,999 | 63,333 |
| Service/Engineering - Buildings and Structures: | | | | |
| Personal Services | 302,294 | 302,294 | 293,278 | 9,016 |
| Nonpersonnel | 334,544 | 334,544 | 323,788 | 10,756 |
| Total Service/Engineering - Buildings and Structures | 636,838 | 636,838 | 617,066 | 19,772 |
| Service/Engineering - Grounds Maintenance: | | | | |
| Personal Services | 535,383 | 535,383 | 463,049 | 72,334 |
| Nonpersonnel | 380,674 | 380,674 | 305,742 | 74,932 |
| Total Service/Engineering - Grounds Maintenance | 916,057 | 916,057 | 768,791 | 147,266 |
| Service/Engineering - Sanitation: | | | | |
| Nonpersonnel | 26,200 | 26,200 | 26,200 | 0 |
| Total Service/Engineering - Sanitation | 26,200 | 26,200 | 26,200 | 0 |
| Service/Engineering - Fleet Maintenance: | | | | |
| Personal Services | 142,586 | 142,586 | 138,977 | 3,609 |
| Nonpersonnel | 194,966 | 194,966 | 183,276 | 11,690 |
| Total Service/Engineering - Fleet Maintenance | 337,552 | 337,552 | 322,253 | 15,299 |
| Cultural Arts Center: | | | | |
| Nonpersonnel | 260,128 | 260,128 | 257,746 | 2,382 |
| Total Cultural Arts Center | 260,128 | 260,128 | 257,746 | 2,382 |
| Administration: | | | | |
| Personal Services | 819,376 | 826,376 | 789,333 | 37,043 |
| Nonpersonnel | 135,576 | 135,576 | 107,317 | 28,259 |
| Total Administration | 954,952 | 961,952 | 896,650 | 65,302 |
| General Miscellaneous: | | | | |
| Nonpersonnel | 455,127 | 545,387 | 472,081 | 73,306 |
| Total General Miscellaneous | 455,127 | 545,387 | 472,081 | 73,306 |
| Total General Government | 9,237,333 | 9,454,593 | 8,771,322 | 683,271 |
| Total Expenditures | 33,265,738 | 33,735,998 | 30,022,166 | 3,713,832 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,041,420) | (5,098,116) | 1,434,529 | 6,532,645 |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| Other Financing Sources (Uses): | | | | |
| Transfers In | 370,000 | 370,000 | 300,130 | (69,870) |
| Transfers Out | (735,000) | (1,970,000) | (1,970,000) | 0 |
| Total Other Financing Sources (Uses) | <u>(365,000)</u> | <u>(1,600,000)</u> | <u>(1,669,870)</u> | <u>(69,870)</u> |
| Net Change in Fund Balance | (5,406,420) | (6,698,116) | (235,341) | 6,462,775 |
| Fund Balance at Beginning of Year | 16,492,503 | 16,492,503 | 16,492,503 | 0 |
| Prior Year Encumbrances | 1,933,403 | 1,933,403 | 1,933,403 | 0 |
| Fund Balance at End of Year | <u>\$ 13,019,486</u> | <u>\$ 11,727,790</u> | <u>\$ 18,190,565</u> | <u>\$ 6,462,775</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– Tax Increment Financing Fund For the Year Ended December 31, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---|
| Revenues: | | | |
| Property Taxes | \$ 929,000 | \$ 887,980 | \$ (41,020) |
| All Other Revenues | 0 | 1,491 | 1,491 |
| Total Revenues | <u>929,000</u> | <u>889,471</u> | <u>(39,529)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Nonpersonnel | <u>2,788,210</u> | <u>2,254,795</u> | <u>533,415</u> |
| Total Expenditures | <u>2,788,210</u> | <u>2,254,795</u> | <u>533,415</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,859,210) | (1,365,324) | 493,886 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 900,000 | 800,000 | (100,000) |
| Transfers Out | <u>(68,000)</u> | <u>0</u> | <u>68,000</u> |
| Total Other Financing Sources (Uses) | <u>832,000</u> | <u>800,000</u> | <u>(32,000)</u> |
| Net Change in Fund Balance | (1,027,210) | (565,324) | 461,886 |
| Fund Balance at Beginning of Year | 974,893 | 974,893 | 0 |
| Prior Year Encumbrances | 301,760 | 301,760 | 0 |
| Fund Balance at End of Year | <u>\$ 249,443</u> | <u>\$ 711,329</u> | <u>\$ 461,886</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Municipal Income Taxes | \$ 5,248,530 | \$ 6,147,393 | \$ 898,863 |
| Intergovernmental Revenues | 200,000 | 0 | (200,000) |
| Special Assessments | 40,000 | 26,026 | (13,974) |
| All Other Revenues | 150,000 | 655,368 | 505,368 |
| Total Revenues | <u>5,638,530</u> | <u>6,828,787</u> | <u>1,190,257</u> |
| Expenditures: | | | |
| General Government: | | | |
| Nonpersonnel | 495,058 | 402,097 | 92,961 |
| Capital Outlay: | | | |
| Nonpersonnel | 12,823,273 | 12,667,881 | 155,392 |
| Debt Service: | | | |
| Principal Retirement | 290,665 | 289,234 | 1,431 |
| Total Expenditures | <u>13,608,996</u> | <u>13,359,212</u> | <u>249,784</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,970,466) | (6,530,425) | 1,440,041 |
| Other Financing Sources (Uses): | | | |
| General Obligation Notes Issued | 6,050,000 | 4,629,155 | (1,420,845) |
| Transfers Out | (1,370,262) | (1,365,262) | 5,000 |
| Total Other Financing Sources (Uses) | <u>4,679,738</u> | <u>3,263,893</u> | <u>(1,415,845)</u> |
| Net Change in Fund Balance | (3,290,728) | (3,266,532) | 24,196 |
| Fund Balance at Beginning of Year | 2,116,184 | 2,116,184 | 0 |
| Prior Year Encumbrances | 6,824,696 | 6,824,696 | 0 |
| Fund Balance at End of Year | <u>\$ 5,650,152</u> | <u>\$ 5,674,348</u> | <u>\$ 24,196</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, 2021

| | 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, 2021**

| | PAYROLL RESERVE FUND | | Variance with Final Budget Positive (Negative) |
|--|----------------------|-----------|---|
| | Final Budget | Actual | |
| 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 Out | (300,000) | (300,000) | 0 |
| Total Other Financing Sources (Uses) | (300,000) | (300,000) | 0 |
| Net Change in Fund Balance | (300,000) | (300,000) | 0 |
| Fund Balance at Beginning of Year | 300,000 | 300,000 | 0 |
| Fund Balance at End of Year | \$ 0 | \$ 0 | \$ 0 |

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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 990,000 | \$ 933,339 | \$ (56,661) |
| Total Revenues | <u>990,000</u> | <u>933,339</u> | <u>(56,661)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Personal Services | 739,926 | 698,291 | 41,635 |
| Nonpersonnel | 238,472 | 229,713 | 8,759 |
| Total Expenditures | <u>978,398</u> | <u>928,004</u> | <u>50,394</u> |
| Net Change in Fund Balance | 11,602 | 5,335 | (6,267) |
| Fund Balance at Beginning of Year | 205,585 | 205,585 | 0 |
| Prior Year Encumbrances | 50,298 | 50,298 | 0 |
| Fund Balance at End of Year | <u>\$ 267,485</u> | <u>\$ 261,218</u> | <u>\$ (6,267)</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 85,000 | \$ 75,676 | \$ (9,324) |
| Total Revenues | <u>85,000</u> | <u>75,676</u> | <u>(9,324)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Personal Services | 85,493 | 82,639 | 2,854 |
| Nonpersonnel | 25,000 | 0 | 25,000 |
| Total Expenditures | <u>110,493</u> | <u>82,639</u> | <u>27,854</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (25,493) | (6,963) | 18,530 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 0 | 25,000 | 25,000 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>25,000</u> | <u>25,000</u> |
| Net Change in Fund Balance | (25,493) | 18,037 | 43,530 |
| Fund Balance at Beginning of Year | 58,631 | 58,631 | 0 |
| Prior Year Encumbrances | 2,159 | 2,159 | 0 |
| Fund Balance at End of Year | <u>\$ 35,297</u> | <u>\$ 78,827</u> | <u>\$ 43,530</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, 2021**

| WATER FUND | | | |
|--|------------------|------------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Charges for Services | \$ 45,500 | \$ 43,215 | \$ (2,285) |
| Total Revenues | <u>45,500</u> | <u>43,215</u> | <u>(2,285)</u> |
| Expenditures: | | | |
| Basic Utility Services: | | | |
| Personal Services | 61,025 | 59,204 | 1,821 |
| Nonpersonnel | 68,144 | 62,500 | 5,644 |
| Total Expenditures | <u>129,169</u> | <u>121,704</u> | <u>7,465</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (83,669) | (78,489) | 5,180 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 80,000 | 75,000 | (5,000) |
| Total Other Financing Sources (Uses) | <u>80,000</u> | <u>75,000</u> | <u>(5,000)</u> |
| Net Change in Fund Balance | (3,669) | (3,489) | 180 |
| Fund Balance at Beginning of Year | 87,677 | 87,677 | 0 |
| Prior Year Encumbrances | 6,723 | 6,723 | 0 |
| Fund Balance at End of Year | <u>\$ 90,731</u> | <u>\$ 90,911</u> | <u>\$ 180</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, 2021

| | SANITARY SEWER FUND | | Variance with Final Budget |
|--|---------------------|------------------|-------------------------------|
| | Final Budget | Actual | Positive (Negative) |
| Revenues: | | | |
| Charges for Services | \$ 45,500 | \$ 39,177 | \$ (6,323) |
| Total Revenues | <u>45,500</u> | <u>39,177</u> | <u>(6,323)</u> |
| Expenditures: | | | |
| Basic Utility Services: | | | |
| Personal Services | 65,090 | 62,846 | 2,244 |
| Nonpersonnel | 33,108 | 33,025 | 83 |
| Total Expenditures | <u>98,198</u> | <u>95,871</u> | <u>2,327</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (52,698) | (56,694) | (3,996) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 40,000 | 35,000 | (5,000) |
| Total Other Financing Sources (Uses) | <u>40,000</u> | <u>35,000</u> | <u>(5,000)</u> |
| Net Change in Fund Balance | (12,698) | (21,694) | (8,996) |
| Fund Balance at Beginning of Year | 57,839 | 57,839 | 0 |
| Prior Year Encumbrances | 12,252 | 12,252 | 0 |
| Fund Balance at End of Year | <u>\$ 57,393</u> | <u>\$ 48,397</u> | <u>\$ (8,996)</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, 2021**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---|
| POLICE PENSION FUND | | | |
| Revenues: | | | |
| Property Taxes | \$ 200,003 | \$ 200,604 | \$ 601 |
| Intergovernmental Revenues | 24,380 | 24,346 | (34) |
| All Other Revenues | 0 | 374 | 374 |
| Total Revenues | <u>224,383</u> | <u>225,324</u> | <u>941</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | <u>755,840</u> | <u>639,402</u> | <u>116,438</u> |
| Total Expenditures | <u>755,840</u> | <u>639,402</u> | <u>116,438</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (531,457) | (414,078) | 117,379 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>600,000</u> | <u>756,364</u> | <u>156,364</u> |
| Total Other Financing Sources (Uses) | <u>600,000</u> | <u>756,364</u> | <u>156,364</u> |
| Net Change in Fund Balance | 68,543 | 342,286 | 273,743 |
| Fund Balance at Beginning of Year | <u>378,548</u> | <u>378,548</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 447,091</u> | <u>\$ 720,834</u> | <u>\$ 273,743</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Revenues: | | | |
| All Other Revenues | \$ 2,500 | \$ 88 | \$ (2,412) |
| Total Revenues | <u>2,500</u> | <u>88</u> | <u>(2,412)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 2,500 | 0 | 2,500 |
| Nonpersonnel | <u>55,000</u> | <u>55,000</u> | <u>0</u> |
| Total Expenditures | <u>57,500</u> | <u>55,000</u> | <u>2,500</u> |
| Net Change in Fund Balance | (55,000) | (54,912) | 88 |
| Fund Balance at Beginning of Year | <u>72,413</u> | <u>72,413</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 17,413</u> | <u>\$ 17,501</u> | <u>\$ 88</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 120,000 | \$ 124,674 | \$ 4,674 |
| Total Revenues | <u>120,000</u> | <u>124,674</u> | <u>4,674</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 120,000 | 124,674 | 4,674 |
| 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) | (25,326) | 4,674 |
| Fund Balance at Beginning of Year | <u>78,001</u> | <u>78,001</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 48,001</u> | <u>\$ 52,675</u> | <u>\$ 4,674</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, 2021***

| ENFORCEMENT AND EDUCATION FUND | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Fines and Forfeitures | \$ 2,500 | \$ 698 | \$ (1,802) |
| Total Revenues | <u>2,500</u> | <u>698</u> | <u>(1,802)</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) | 698 | 1,698 |
| Fund Balance at Beginning of Year | 52,351 | 52,351 | 0 |
| Fund Balance at End of Year | <u>\$ 51,351</u> | <u>\$ 53,049</u> | <u>\$ 1,698</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, 2021

| | AMERICAN RESCUE PLAN ACT (ARPA) FUND | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------------------------|-------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 770,000 | \$ 769,501 | \$ (499) |
| Total Revenues | <u>770,000</u> | <u>769,501</u> | <u>(499)</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | 770,000 | 769,501 | (499) |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 770,000</u> | <u>\$ 769,501</u> | <u>\$ (499)</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, 2021**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | \$ 20,000 | \$ 2,532 | \$ (17,468) |
| Total Revenues | <u>20,000</u> | <u>2,532</u> | <u>(17,468)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Nonpersonnel | 115,344 | 12,586 | 102,758 |
| Total Expenditures | <u>115,344</u> | <u>12,586</u> | <u>102,758</u> |
| Net Change in Fund Balance | (95,344) | (10,054) | 85,290 |
| Fund Balance at Beginning of Year | 189,638 | 189,638 | 0 |
| Prior Year Encumbrances | 17,444 | 17,444 | 0 |
| Fund Balance at End of Year | <u>\$ 111,738</u> | <u>\$ 197,028</u> | <u>\$ 85,290</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---|
| ECONOMIC DEVELOPMENT FUND | | | |
| Revenues: | | | |
| All Other Revenues | \$ 20,000 | \$ 2,207 | \$ (17,793) |
| Total Revenues | <u>20,000</u> | <u>2,207</u> | <u>(17,793)</u> |
| Expenditures: | | | |
| Community Environment: | | | |
| Nonpersonnel | <u>786,766</u> | <u>681,105</u> | <u>105,661</u> |
| Total Expenditures | <u>786,766</u> | <u>681,105</u> | <u>105,661</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (766,766) | (678,898) | 87,868 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>600,000</u> | <u>600,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>600,000</u> | <u>600,000</u> | <u>0</u> |
| Net Change in Fund Balance | (166,766) | (78,898) | 87,868 |
| Fund Balance at Beginning of Year | 224,434 | 224,434 | 0 |
| Prior Year Encumbrances | <u>153,766</u> | <u>153,766</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 211,434</u> | <u>\$ 299,302</u> | <u>\$ 87,868</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, 2021

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------|-----------------|---|
| CONVENTION AND VISITOR'S BUREAU FUND | | | |
| Revenues: | | | |
| Other Local Taxes | \$ 8,000 | \$ 7,609 | \$ (391) |
| Total Revenues | <u>8,000</u> | <u>7,609</u> | <u>(391)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Nonpersonnel | 60,000 | 58,500 | 1,500 |
| Total Expenditures | <u>60,000</u> | <u>58,500</u> | <u>1,500</u> |
| Net Change in Fund Balance | (52,000) | (50,891) | 1,109 |
| Fund Balance at Beginning of Year | 52,737 | 52,737 | 0 |
| Fund Balance at End of Year | <u>\$ 737</u> | <u>\$ 1,846</u> | <u>\$ 1,109</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, 2021**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 20,000 | \$ 0 | \$ (20,000) |
| Total Revenues | <u>20,000</u> | <u>0</u> | <u>(20,000)</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 | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 18,030 | 18,030 | 0 |
| Fund Balance at End of Year | <u>\$ 18,030</u> | <u>\$ 18,030</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, 2021***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------|----------|---|
| Revenues: | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Nonpersonnel | 16,307 | 16,307 | 0 |
| Total Expenditures | 16,307 | 16,307 | 0 |
| Net Change in Fund Balance | (16,307) | (16,307) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | 16,307 | 16,307 | 0 |
| Fund Balance at End of Year | \$ 0 | \$ 0 | \$ 0 |

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, 2021**

| SPECIAL PARKS FUND | | | |
|--|------------------|------------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Charges for Services | \$ 5,000 | \$ 23,210 | \$ 18,210 |
| All Other Revenues | 0 | 25,805 | 25,805 |
| Total Revenues | <u>5,000</u> | <u>49,015</u> | <u>44,015</u> |
| Expenditures: | | | |
| Leisure Time Activities: | | | |
| Nonpersonnel | 18,720 | 18,720 | 0 |
| Total Expenditures | <u>18,720</u> | <u>18,720</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (13,720) | 30,295 | 44,015 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 5,000 | 0 | (5,000) |
| Total Other Financing Sources (Uses) | <u>5,000</u> | <u>0</u> | <u>(5,000)</u> |
| Net Change in Fund Balance | (8,720) | 30,295 | 39,015 |
| Fund Balance at Beginning of Year | 47,778 | 47,778 | 0 |
| Prior Year Encumbrances | 8,720 | 8,720 | 0 |
| Fund Balance at End of Year | <u>\$ 47,778</u> | <u>\$ 86,793</u> | <u>\$ 39,015</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, 2021*

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Revenues: | | | |
| Investment Earnings | \$ 250 | \$ 323 | \$ 73 |
| Total Revenues | <u>250</u> | <u>323</u> | <u>73</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | 250 | 323 | 73 |
| Fund Balance at Beginning of Year | <u>75,060</u> | <u>75,060</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 75,310</u> | <u>\$ 75,383</u> | <u>\$ 73</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, 2021**

| GENERAL OBLIGATION BOND RETIREMENT FUND | | | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Property Taxes | \$ 113,336 | \$ 113,667 | \$ 331 |
| Intergovernmental Revenues | 13,815 | 13,795 | (20) |
| All Other Revenues | 7,408 | 2,212 | (5,196) |
| Total Revenues | <u>134,559</u> | <u>129,674</u> | <u>(4,885)</u> |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 6,850,000 | 6,850,000 | 0 |
| Interest and Fiscal Charges | 372,000 | 347,865 | 24,135 |
| Total Expenditures | <u>7,222,000</u> | <u>7,197,865</u> | <u>24,135</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,087,441) | (7,068,191) | 19,250 |
| Other Financing Sources (Uses): | | | |
| Note Issuance | 6,500,000 | 6,538,708 | 38,708 |
| Transfers In | 1,432,626 | 1,365,262 | (67,364) |
| Total Other Financing Sources (Uses) | <u>7,932,626</u> | <u>7,903,970</u> | <u>(28,656)</u> |
| Net Change in Fund Balance | 845,185 | 835,779 | (9,406) |
| Fund Balance at Beginning of Year | <u>1,206,300</u> | <u>1,206,300</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 2,051,485</u> | <u>\$ 2,042,079</u> | <u>\$ (9,406)</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, 2021***

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

CITY OF WORTHINGTON

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

| | 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>\$ 375,149</u> | <u>\$ 375,149</u> | <u>\$ 0</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.

Sharon Township JEDD Fund

To account for the receipt and disbursement of income tax revenue pursuant to The Joint Economic Development District Agreement with Sharon Township.

CITY OF WORTHINGTON

Combining Statement of Net Position Custodial Funds December 31, 2021

| | Mayor's Court | Accrued Acreage Benefit | OBBS |
|--|---------------|----------------------------|--------------|
| Assets: | | | |
| Pooled Cash and Investments | \$ 0 | \$ 41,628 | \$ 1,903 |
| Cash and Cash Equivalents in Segregated Accounts | 2,329 | 0 | 0 |
| Receivables: | | | |
| Property Taxes | 0 | 0 | 0 |
| Total Assets | <u>2,329</u> | <u>41,628</u> | <u>1,903</u> |
| Liabilities: | | | |
| Intergovernmental Payable | 1,948 | 41,628 | 1,903 |
| Undistributed Monies | 381 | 0 | 0 |
| Total Liabilities | <u>2,329</u> | <u>41,628</u> | <u>1,903</u> |
| Net Position: | | | |
| Total Net Position | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF WORTHINGTON

| Sharon Township JEDD | Total Custodial Funds |
|----------------------------|--------------------------|
| \$ 1,221 | \$ 44,752 |
| 0 | 2,329 |
| 12,044 | 12,044 |
| <u>13,265</u> | <u>59,125</u> |
| 13,265 | 58,744 |
| 0 | 381 |
| <u>13,265</u> | <u>59,125</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, 2021

| | Mayor's Court | Accrued Acreage Benefit | OBBS |
|--|--------------------|----------------------------|--------------------|
| Additions: | | | |
| Fines and Forfeiture Collections for other Governments | \$ 16,597 | \$ 0 | \$ 0 |
| Fee Collections for other Governments | 0 | 36,605 | 4,495 |
| Income Tax Collections for other Governments | 0 | 0 | 0 |
| Total Additions | <u>16,597</u> | <u>36,605</u> | <u>4,495</u> |
| Deductions: | | | |
| Distribution of Fines and Forfeitures to other Governments | 16,597 | 0 | 0 |
| Distribution of Fees to other Governments | 0 | 36,605 | 4,495 |
| Distribution of Income Taxes to other Governments | 0 | 0 | 0 |
| Total Deductions | <u>16,597</u> | <u>36,605</u> | <u>4,495</u> |
| Change in Net Position | 0 | 0 | 0 |
| Net Position at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Position End of Year | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

CITY OF WORTHINGTON

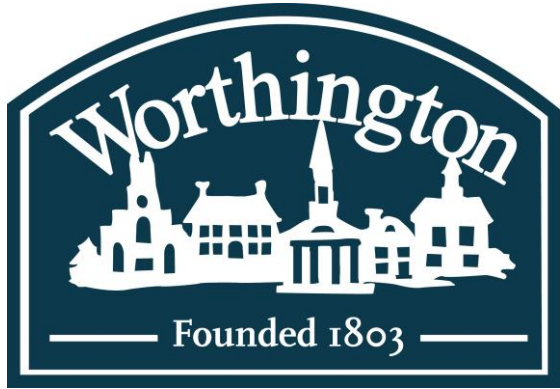
| Sharon Township JEDD | Total Custodial Funds |
|----------------------------|--------------------------|
| \$ 0 | \$ 16,597 |
| 0 | 41,100 |
| 1,221 | 1,221 |
| <u>1,221</u> | <u>58,918</u> |
| 0 | 16,597 |
| 0 | 41,100 |
| 1,221 | 1,221 |
| <u>1,221</u> | <u>58,918</u> |
| 0 | 0 |
| 0 | 0 |
| <u>\$ 0</u> | <u>\$ 0</u> |





Statistical Section

Statistical Section



STATISTICAL TABLES

This part of the City’s annual comprehensive 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)*

| | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | * | |
| Net Investment in Capital Assets | \$31,344,906 | \$33,117,458 | \$34,341,581 | \$36,040,343 |
| Restricted | 2,677,256 | 2,916,767 | 2,580,781 | 2,737,671 |
| Unrestricted | 14,856,730 | 16,946,414 | (154,676) | 905,477 |
| Total Primary Government Net Position | <u>\$48,878,892</u> | <u>\$52,980,639</u> | <u>\$36,767,686</u> | <u>\$39,683,491</u> |

Source: City Finance Director's Office

* As Restated

CITY OF WORTHINGTON

| * | * | * | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| \$35,066,291 | \$35,853,600 | \$35,598,171 | \$40,987,801 | \$43,582,235 | \$42,224,296 |
| 3,738,858 | 3,882,091 | 4,193,594 | 4,466,757 | 6,240,586 | 7,735,188 |
| (43,393) | (18,845,342) | (19,184,400) | (9,014,333) | (11,527,739) | 2,199,847 |
| <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> | <u>\$52,159,331</u> |

CITY OF WORTHINGTON

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

| | 2012 | 2013 | 2014 |
|--|---------------------|---------------------|---------------------|
| Expenses | | | |
| Governmental Activities: | | | |
| Security of Persons and Property | \$11,091,440 | \$10,782,636 | \$11,222,523 |
| Public Health and Welfare Services | 96,968 | 43,301 | 54,180 |
| Leisure Time Activities | 4,430,482 | 4,194,404 | 4,513,699 |
| Community Environment | 1,013,734 | 526,119 | 765,040 |
| Basic Utility Services | 1,878,232 | 1,867,611 | 2,107,884 |
| Transportation | 2,535,910 | 1,871,571 | 2,141,898 |
| General Government | 8,437,221 | 8,346,511 | 8,510,482 |
| Interest and Fiscal Charges | 325,729 | 302,813 | 277,281 |
| <i>Total Primary Government Expenses</i> | <u>\$29,809,716</u> | <u>\$27,934,966</u> | <u>\$29,592,987</u> |
| Program Revenues | | | |
| Governmental Activities: | | | |
| Charges for Services | | | |
| Security of Persons and Property | \$1,348,530 | \$1,420,899 | \$1,439,086 |
| Leisure Time Activities | 1,998,211 | 2,124,088 | 2,137,502 |
| Community Environment | 182,840 | 254,565 | 251,870 |
| Basic Utility Services | 96,218 | 96,930 | 89,176 |
| Transportation | 0 | 180 | 0 |
| General Government | 0 | 0 | 2,500 |
| Operating Grants and Contributions | 889,805 | 940,889 | 938,914 |
| Capital Grants and Contributions | 0 | 306,729 | 447,271 |
| <i>Total Primary Government Program Revenues</i> | <u>4,515,604</u> | <u>5,144,280</u> | <u>5,306,319</u> |

CITY OF WORTHINGTON

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$12,601,769 | \$13,827,841 | \$14,453,396 | \$16,168,159 | \$2,035,677 | \$17,242,042 | \$14,606,693 |
| 54,045 | 42,559 | 73,770 | 63,000 | 66,153 | 70,000 | 73,500 |
| 5,681,219 | 6,019,675 | 6,474,760 | 6,814,845 | 7,152,692 | 5,741,663 | 2,739,808 |
| 844,283 | 1,098,121 | 1,028,043 | 1,281,355 | 1,250,129 | 1,416,432 | 1,146,825 |
| 1,109,835 | 1,079,883 | 1,379,682 | 1,343,620 | 1,220,625 | 1,449,751 | 1,191,753 |
| 2,075,204 | 2,457,842 | 2,709,083 | 2,505,597 | 2,468,187 | 2,518,695 | 1,896,851 |
| 7,068,167 | 7,620,278 | 8,187,827 | 9,716,823 | 10,307,088 | 9,944,001 | 6,593,619 |
| 227,741 | 147,987 | 199,009 | 211,215 | 307,499 | 251,019 | 479,024 |
| <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> | <u>\$28,728,073</u> |

| | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| \$1,327,412 | \$1,354,344 | \$1,358,886 | \$1,348,441 | \$1,252,362 | \$1,289,186 | \$1,285,974 |
| 2,172,924 | 2,211,620 | 2,283,207 | 2,336,946 | 2,419,580 | 947,495 | 1,090,551 |
| 222,788 | 243,883 | 245,942 | 274,635 | 320,305 | 242,354 | 296,274 |
| 89,176 | 90,730 | 90,196 | 80,161 | 80,997 | 82,826 | 79,633 |
| 5,085 | 0 | 251 | 56 | 0 | 70,807 | 0 |
| 0 | 2 | 2 | 40,329 | 47,225 | 43,407 | 53,426 |
| 1,261,922 | 1,202,627 | 934,301 | 900,969 | 1,199,369 | 2,461,136 | 1,173,570 |
| 0 | 0 | 0 | 612,321 | 2,889,715 | 772,295 | 1,173,144 |
| <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> | <u>5,152,572</u> |

(continued)

CITY OF WORTHINGTON

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|
| Net (Expense)/Revenue | | | |
| Governmental Activities | (25,294,112) | (22,790,686) | (24,286,668) |
| <i>Total Primary Government Net (Expense)/Revenue</i> | <u>(25,294,112)</u> | <u>(22,790,686)</u> | <u>(24,286,668)</u> |
| General Revenues and Other Changes in Net Position | | | |
| Governmental Activities: | | | |
| Property Taxes | \$2,493,851 | \$2,536,180 | \$2,396,954 |
| Municipal Income Taxes | 20,991,494 | 22,144,863 | 23,636,768 |
| Other Local Taxes | 185,760 | 205,573 | 203,099 |
| Intergovernmental Revenue, Unrestricted | 2,164,722 | 1,267,009 | 929,797 |
| Investment Earnings | 32,198 | 40,171 | 34,359 |
| Miscellaneous | 494,331 | 698,637 | 522,245 |
| <i>Total Primary Government</i> | <u>\$26,362,356</u> | <u>\$26,892,433</u> | <u>\$27,723,222</u> |
| Change in Net Position | | | |
| Governmental Activities | \$1,068,244 | \$4,101,747 | \$3,436,554 |
| <i>Total Primary Government Change in Net Position</i> | <u>\$1,068,244</u> | <u>\$4,101,747</u> | <u>\$3,436,554</u> |

Source: City Finance Director's Office

CITY OF WORTHINGTON

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| (24,582,956) | (27,190,980) | (29,592,785) | (32,510,756) | (16,598,497) | (32,724,097) | (23,575,501) |
| <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>(23,575,501)</u> |
| \$2,503,244 | \$2,758,956 | \$2,800,084 | \$3,441,389 | \$3,487,243 | \$3,639,209 | \$4,252,861 |
| 23,428,075 | 25,006,898 | 27,009,943 | 26,986,800 | 26,745,221 | 26,770,166 | 31,731,764 |
| 233,061 | 217,345 | 185,435 | 97,172 | 15,587 | 73,905 | 83,170 |
| 788,376 | 771,640 | 722,404 | 724,696 | 872,887 | 785,472 | 943,170 |
| 203,962 | 170,700 | 119,705 | 365,681 | 767,218 | 459,424 | (10,604) |
| 342,043 | 382,161 | 581,837 | 548,212 | 543,201 | 2,850,778 | 439,389 |
| <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> | <u>\$37,439,750</u> |
| \$2,915,805 | \$2,116,720 | \$1,826,623 | (\$346,806) | \$15,832,860 | \$1,854,857 | \$13,864,249 |
| <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> | <u>\$13,864,249</u> |

CITY OF WORTHINGTON

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | |
| Nonspendable | \$34,185 | \$31,479 | \$35,051 | \$32,704 |
| Restricted | 0 | 0 | 0 | 0 |
| Committed | 579,337 | 682,314 | 607,031 | 504,457 |
| Assigned | 126,830 | 825,172 | 396,974 | 826,160 |
| Unassigned | <u>6,729,986</u> | <u>8,891,886</u> | <u>11,124,927</u> | <u>11,614,096</u> |
| <i>Total General Fund</i> | <u>7,470,338</u> | <u>10,430,851</u> | <u>12,163,983</u> | <u>12,977,417</u> |
| | | | | |
| All Other Governmental Funds | | | | |
| Nonspendable | 54,252 | 56,291 | 56,556 | 58,609 |
| Restricted | 2,152,566 | 2,303,163 | 2,420,720 | 2,584,213 |
| Committed | 7,499,539 | 6,443,142 | 6,753,563 | 7,153,824 |
| Assigned | 0 | 0 | 0 | 0 |
| Unassigned | <u>(37,005)</u> | <u>(28,441)</u> | <u>0</u> | <u>0</u> |
| <i>Total All Other Governmental Funds</i> | <u>9,669,352</u> | <u>8,774,155</u> | <u>9,230,839</u> | <u>9,796,646</u> |
| | | | | |
| <i>Total Governmental Funds</i> | <u>\$17,139,690</u> | <u>\$19,205,006</u> | <u>\$21,394,822</u> | <u>\$22,774,063</u> |

Source: City Finance Director's Office

* As Restated

CITY OF WORTHINGTON

| 2016 | 2017 | * | 2018 | 2019 | 2020 | 2021 |
|---------------------|---------------------|---|---------------------|---------------------|---------------------|---------------------|
| \$34,855 | \$34,398 | | \$96,443 | \$84,753 | \$103,272 | \$1,000,184 |
| 0 | 0 | | 0 | 0 | 0 | 0 |
| 540,221 | 587,181 | | 569,887 | 703,685 | 706,580 | 431,364 |
| 947,624 | 1,463,862 | | 2,521,541 | 3,382,414 | 3,538,550 | 3,166,205 |
| 12,425,887 | 14,042,149 | | 13,668,594 | 14,218,139 | 16,511,559 | 19,137,062 |
| <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> | <u>23,734,815</u> |
| 57,314 | 64,131 | | 59,897 | 59,158 | 67,083 | 75,060 |
| 3,023,840 | 3,052,161 | | 5,601,770 | 3,747,734 | 5,424,954 | 6,915,456 |
| 7,970,436 | 9,443,727 | | 5,137,576 | 4,206,241 | 2,572,217 | 12,110,986 |
| 0 | 0 | | 0 | 0 | 0 | 0 |
| 0 | 0 | | 0 | 0 | 0 | 0 |
| <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>19,101,502</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> | <u>\$42,836,317</u> |

CITY OF WORTHINGTON

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

| | 2012 | 2013 | 2014 | 2015 |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Property Taxes | \$2,497,508 | \$2,547,500 | \$2,408,615 | \$2,533,210 |
| Municipal Income Taxes | 21,223,685 | 21,968,120 | 23,531,714 | 23,573,223 |
| Other Local Taxes | 185,760 | 205,573 | 203,099 | 233,061 |
| Intergovernmental Revenues | 3,203,346 | 2,440,227 | 2,225,148 | 1,638,930 |
| Charges for Services | 3,298,062 | 3,340,517 | 3,370,997 | 3,305,918 |
| Licenses, Permits and Fees | 437,632 | 472,788 | 503,885 | 453,276 |
| Investment Earnings | 32,198 | 40,171 | 34,359 | 203,962 |
| Special Assessments | 58,307 | 16,715 | 33,698 | 17,946 |
| Fines and Forfeitures | 198,393 | 297,008 | 273,465 | 192,953 |
| All Other Revenue | 224,075 | 485,056 | 276,133 | 137,832 |
| Total Revenue | <u>31,358,966</u> | <u>31,813,675</u> | <u>32,861,113</u> | <u>32,290,311</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 10,398,620 | 10,367,348 | 10,576,062 | 11,862,349 |
| Public Health and Welfare Services | 96,968 | 43,301 | 54,180 | 54,045 |
| Leisure Time Activities | 3,626,091 | 3,732,335 | 3,908,091 | 5,194,138 |
| Community Environment | 867,755 | 504,927 | 626,798 | 818,167 |
| Basic Utility Services | 1,878,005 | 1,868,434 | 2,009,604 | 1,109,619 |
| Transportation | 827,063 | 779,038 | 881,852 | 905,003 |
| General Government | 8,291,453 | 8,296,165 | 7,909,130 | 6,929,128 |
| Capital Outlay | 2,362,059 | 3,269,024 | 4,331,815 | 3,435,649 |
| Debt Service: | | | | |
| Principal Retirement | 2,177,810 | 2,482,810 | 2,506,715 | 6,949,119 |
| Interest and Fiscal Charges | 294,075 | 264,977 | 239,866 | 278,853 |
| Total Expenditures | <u>30,819,899</u> | <u>31,608,359</u> | <u>33,044,113</u> | <u>37,536,070</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 539,067 | 205,316 | (183,000) | (5,245,759) |

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$2,712,413 | \$2,787,849 | \$3,424,243 | \$3,534,141 | \$3,635,106 | \$4,231,022 |
| 25,181,744 | 27,310,948 | 25,368,712 | 26,717,808 | 26,757,531 | 31,268,523 |
| 217,345 | 185,435 | 97,172 | 15,587 | 6,381 | 12,027 |
| 1,914,292 | 1,578,200 | 2,399,337 | 4,904,706 | 3,965,219 | 3,263,228 |
| 3,376,707 | 3,526,529 | 3,653,599 | 3,665,959 | 2,141,270 | 2,290,346 |
| 519,593 | 466,285 | 507,901 | 504,161 | 446,072 | 458,531 |
| 170,700 | 113,804 | 356,120 | 759,179 | 466,355 | (8,517) |
| 22,569 | 55,749 | 71,069 | 85,963 | 60,413 | 75,642 |
| 168,407 | 172,714 | 164,488 | 133,882 | 57,281 | 40,093 |
| 109,590 | 359,220 | 268,073 | 338,378 | 2,710,416 | 347,855 |
| 34,393,360 | 36,556,733 | 36,310,714 | 40,659,764 | 40,246,044 | 41,978,750 |
| 11,870,390 | 12,632,285 | 12,624,584 | 13,261,938 | 14,589,957 | 13,644,289 |
| 42,559 | 73,770 | 63,000 | 66,153 | 70,000 | 73,500 |
| 5,303,025 | 5,263,937 | 5,458,303 | 5,529,247 | 4,446,915 | 4,438,689 |
| 1,046,297 | 870,069 | 1,027,970 | 1,078,509 | 1,237,042 | 1,521,237 |
| 1,076,461 | 1,297,233 | 1,149,678 | 1,194,753 | 1,369,712 | 1,204,224 |
| 1,046,176 | 1,101,114 | 955,364 | 929,710 | 922,649 | 957,490 |
| 7,465,688 | 7,429,858 | 8,324,660 | 8,939,437 | 8,464,213 | 8,837,578 |
| 3,368,398 | 5,609,059 | 6,734,263 | 9,935,584 | 5,155,972 | 6,902,128 |
| 2,418,237 | 2,602,950 | 1,038,639 | 1,236,308 | 1,269,174 | 1,296,680 |
| 90,015 | 159,343 | 204,340 | 298,392 | 198,319 | 400,250 |
| 33,727,246 | 37,039,618 | 37,580,801 | 42,470,031 | 37,723,953 | 39,276,065 |
| 666,114 | (482,885) | (1,270,087) | (1,810,267) | 2,522,091 | 2,702,685 |

(continued)

CITY OF WORTHINGTON

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| 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 | 1,860,000 | 1,860,000 | 1,760,000 | 1,660,000 |
| Insurance Proceeds | 0 | 0 | 0 | 375,000 |
| Refunding Bonds Issued | 0 | 0 | 0 | 4,590,000 |
| OPWC Loan Issuance | 0 | 0 | 612,816 | 0 |
| Transfers In | 1,546,083 | 1,685,832 | 1,777,919 | 1,945,201 |
| Transfers Out | (1,546,083) | (1,685,832) | (1,777,919) | (1,945,201) |
| Total Other Financing Sources (Uses) | <u>1,860,000</u> | <u>1,860,000</u> | <u>2,372,816</u> | <u>6,625,000</u> |
| Net Change in Fund Balance | <u>\$2,399,067</u> | <u>\$2,065,316</u> | <u>\$2,189,816</u> | <u>\$1,379,241</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 8.26% | 9.70% | 9.22% | 21.14% |

Source: City Finance Director's Office

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|--------------------|----------------------|----------------------|--------------------|---------------------|
| 0 | 210,317 | 128,471 | 513,054 | 0 | 0 |
| 0 | 3,960,000 | 0 | 0 | 0 | 9,985,000 |
| 0 | 0 | 45,893 | 43,629 | 0 | 1,224,417 |
| 1,560,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 2,177,193 | 1,820,246 | 1,976,230 | 2,309,117 | 2,503,144 | 3,201,662 |
| (2,177,193) | (1,820,246) | (1,976,230) | (2,309,117) | (2,503,144) | (3,201,662) |
| <u>1,560,000</u> | <u>4,170,317</u> | <u>174,364</u> | <u>556,683</u> | <u>0</u> | <u>11,209,417</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> | <u>\$13,912,102</u> |

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 8.27% | 8.67% | 3.84% | 4.80% | 4.32% | 5.03% |
|-------|-------|-------|-------|-------|-------|

CITY OF WORTHINGTON

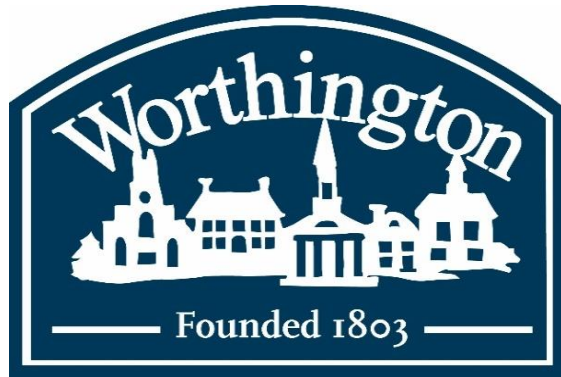
*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

| Tax year | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------------------|---------------|---------------|---------------|---------------|
| Income Tax Rate | 2.50% | 2.50% | 2.50% | 2.50% |
| Total Personal Income (1) | \$503,324,628 | \$517,108,395 | \$524,948,983 | \$540,626,455 |
| Total Tax Collected | \$21,056,614 | \$22,531,915 | \$23,359,334 | \$23,741,881 |
| Income Tax Receipts | | | | |
| Withholding | 15,746,965 | 16,843,232 | 17,434,204 | 17,925,917 |
| Percentage | 74.7% | 74.8% | 74.7% | 75.5% |
| Corporate | 2,811,085 | 3,109,576 | 3,345,462 | 2,960,948 |
| Percentage | 13.4% | 13.8% | 14.3% | 12.5% |
| Individuals | 2,498,564 | 2,579,107 | 2,579,668 | 2,855,016 |
| Percentage | 11.9% | 11.4% | 11.0% | 12.0% |

Source: City Finance Department

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| \$540,926,478 | \$530,503,028 | \$414,607,177 | \$545,997,584 | \$555,050,411 | \$528,825,626 |
| \$24,883,975 | \$26,258,201 | \$26,065,130 | \$26,426,895 | \$26,498,678 | \$30,736,965 |
| 19,358,989 | 20,444,183 | 20,508,647 | 20,764,225 | 20,820,728 | 23,119,571 |
| 77.8% | 77.9% | 78.7% | 78.6% | 78.6% | 75.2% |
| 2,623,030 | 3,056,963 | 2,662,644 | 2,828,732 | 2,763,783 | 4,605,795 |
| 10.5% | 11.6% | 10.2% | 10.7% | 10.4% | 15.0% |
| 2,901,956 | 2,757,055 | 2,893,839 | 2,833,938 | 2,914,167 | 3,011,599 |
| 11.7% | 10.5% | 11.1% | 10.7% | 11.0% | 9.8% |



CITY OF WORTHINGTON

Income Tax Statistics Current Year and Nine Years Ago

| Calendar Year 2021 | | | | |
|--------------------|------------------|------------------|----------------------|-------------------|
| Income Level | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
| \$0 - \$19,999 | 903 | 20.45% | \$6,605,102 | 1.25% |
| 20,000 - 49,999 | 567 | 12.84% | 19,969,141 | 3.78% |
| 50,000 - 74,999 | 500 | 11.32% | 31,272,007 | 5.91% |
| 75,000 - 99,999 | 468 | 10.60% | 40,871,493 | 7.73% |
| Over 100,000 | 1,978 | 44.79% | 430,107,883 | 81.33% |
| Total | 4,416 | 100.00% | \$528,825,626 | 100.00% |

| Calendar Year 2012 | | | | |
|--------------------|------------------|------------------|----------------------|-------------------|
| Income Level | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
| \$0 - \$19,999 | 1,322 | 23.42% | \$10,430,101 | 2.07% |
| 20,000 - 49,999 | 1,104 | 19.56% | 38,070,127 | 7.56% |
| 50,000 - 74,999 | 759 | 13.45% | 47,574,894 | 9.45% |
| 75,000 - 99,999 | 682 | 12.08% | 59,459,082 | 11.81% |
| Over 100,000 | 1,778 | 31.49% | 347,790,424 | 69.11% |
| Total | 5,645 | 100.00% | \$503,324,628 | 100.00% |

Source: City Finance Director's Office

CITY OF WORTHINGTON

Ratios of Outstanding Debt By Type Last Ten Years

| | 2012 | 2013 | 2014 | 2015 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities | | | | |
| General Obligation Bonds | \$6,345,000 | \$5,730,000 | \$5,095,000 | \$4,510,000 |
| Ohio Public Works Commission Loans | 121,056 | 113,246 | 714,347 | 700,228 |
| Capital Leases | 0 | 0 | 0 | 0 |
| Total Primary Government | <u>\$6,466,056</u> | <u>\$5,843,246</u> | <u>\$5,809,347</u> | <u>\$5,210,228</u> |
| | | | | |
| Population ⁽¹⁾ | | | | |
| City of Worthington | 13,591 | 13,599 | 13,606 | 13,629 |
| Outstanding Debt Per Capita | \$476 | \$430 | \$427 | \$382 |
| | | | | |
| Income ⁽²⁾ | | | | |
| Personal Income | \$503,324,628 | \$517,108,395 | \$524,948,983 | \$540,626,455 |
| Percentage of Personal Income | 1.28% | 1.13% | 1.11% | 0.96% |

Sources:

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

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| \$3,780,000 | \$6,785,000 | \$5,825,000 | \$4,845,000 | \$3,840,000 | \$14,029,417 |
| 671,991 | 629,635 | 601,398 | 573,161 | 544,924 | 516,687 |
| 0 | 164,723 | 242,792 | 527,775 | 291,838 | 43,395 |
| <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> | <u>\$14,589,499</u> |
| 13,596 | 13,650 | 14,285 | 14,442 | 14,692 | 14,786 |
| \$327 | \$555 | \$467 | \$412 | \$318 | \$987 |
| \$540,926,478 | \$530,503,028 | \$414,607,177 | \$545,997,584 | \$550,050,411 | \$528,825,626 |
| 0.82% | 1.43% | 1.61% | 1.09% | 0.85% | 2.76% |

CITY OF WORTHINGTON

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

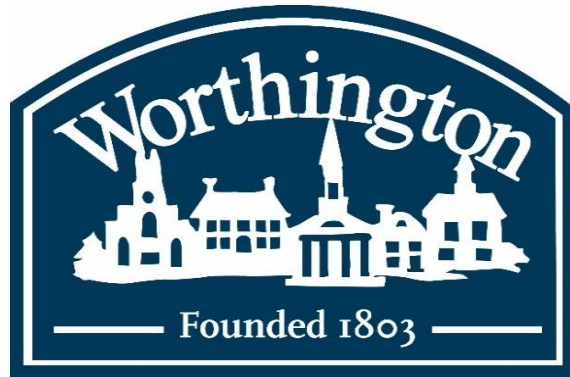
| Year | 2012 | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|---------------|
| Population ⁽¹⁾ | 13,591 | 13,599 | 13,606 | 13,629 |
| Personal Income ⁽²⁾ | \$503,324,628 | \$517,108,395 | \$524,948,983 | \$540,626,455 |
| General Bonded Debt ⁽³⁾ | | | | |
| General Obligation Bonds | \$6,345,000 | \$5,730,000 | \$5,095,000 | \$4,510,000 |
| Resources Available to Pay Principal | \$877,280 | \$1,049,298 | \$1,122,887 | \$1,213,529 |
| Net General Bonded Debt | \$5,467,720 | \$4,680,702 | \$3,972,113 | \$3,296,471 |
| Ratio of Net Bonded Debt to Personal Income | 1.09% | 0.91% | 0.76% | 0.61% |
| Net Bonded Debt per Capita | \$402.30 | \$344.19 | \$291.94 | \$241.87 |

Source:

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

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 13,596 | 13,650 | 14,285 | 14,442 | 14,692 | 14,786 |
| \$540,926,478 | \$530,503,028 | \$414,607,177 | \$545,997,584 | \$550,050,411 | \$528,825,626 |
| \$3,780,000 | \$6,785,000 | \$5,825,000 | \$4,845,000 | \$3,840,000 | \$14,029,417 |
| \$1,348,040 | \$1,063,222 | \$1,191,326 | \$1,183,122 | \$1,206,300 | \$2,042,079 |
| \$2,431,960 | \$5,721,778 | \$4,633,674 | \$3,661,878 | \$2,633,700 | \$11,987,338 |
| 0.45% | 1.08% | 1.12% | 0.67% | 0.48% | 2.27% |
| \$178.87 | \$419.18 | \$324.37 | \$253.56 | \$179.26 | \$810.72 |



CITY OF WORTHINGTON

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

| <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 | \$14,589,499 | 100.00% | \$14,589,499 |
| Overlapping: | | | |
| Franklin County | 131,415,916 | 2.07% | 2,720,309 |
| Worthington City Schools | 112,519,000 | 31.20% | 35,105,928 |
| Solid Waste Authority of Central Ohio | 58,180,000 | 1.97% | 1,146,146 |
| | | Subtotal | <u>38,972,383</u> |
| | | Total | <u><u>\$53,561,882</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

| | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Debt | | | | |
| Net Assessed Valuation | \$554,681,810 | \$551,623,370 | \$577,576,190 | \$582,555,670 |
| Legal Debt Limitation (%) (1) | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) (1) | 58,241,590 | 57,920,454 | 60,645,500 | 61,168,345 |
| City Debt Outstanding (2) | 6,345,000 | 5,730,000 | 5,095,000 | 4,510,000 |
| Less: Applicable Debt Service Fund Amounts | (877,280) | (1,049,298) | (1,122,887) | (1,213,529) |
| Net Indebtedness Subject to Limitation | <u>5,467,720</u> | <u>4,680,702</u> | <u>3,972,113</u> | <u>3,296,471</u> |
| Overall Legal Debt Margin | <u>\$52,773,870</u> | <u>\$53,239,752</u> | <u>\$56,673,387</u> | <u>\$57,871,874</u> |
| | | | | |
| Debt Margin as a Percentage of Debt Limit | 90.61% | 91.92% | 93.45% | 94.61% |
| Unvoted Debt | | | | |
| Net Assessed Valuation | \$554,681,810 | \$551,623,370 | \$577,576,190 | \$582,555,670 |
| Legal Debt Limitation (%) (1) | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 30,507,500 | 30,339,285 | 31,766,690 | 32,040,562 |
| City Debt Outstanding (2) | 6,345,000 | 5,730,000 | 5,095,000 | 4,510,000 |
| Less: Applicable Debt Service Fund Amounts | (877,280) | (1,049,298) | (1,122,887) | (1,213,529) |
| Net Indebtedness Subject to Limitation | <u>5,467,720</u> | <u>4,680,702</u> | <u>3,972,113</u> | <u>3,296,471</u> |
| Overall Legal Debt Margin | <u>\$25,039,780</u> | <u>\$25,658,583</u> | <u>\$27,794,577</u> | <u>\$28,744,091</u> |

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

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

Source: City Finance Director's Office

CITY OF WORTHINGTON

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$584,612,080 | \$650,365,580 | \$650,262,970 | \$657,692,980 | \$754,629,800 | \$760,080,460 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 61,384,268 | 68,288,386 | 68,277,612 | 69,057,763 | 79,236,129 | 79,808,448 |
| 3,780,000 | 6,785,000 | 5,825,000 | 4,845,000 | 3,840,000 | 14,029,417 |
| (1,348,040) | (1,063,222) | (1,191,326) | (1,183,122) | (1,206,300) | (2,042,079) |
| 2,431,960 | 5,721,778 | 4,633,674 | 3,661,878 | 2,633,700 | 11,987,338 |
| \$58,952,308 | \$62,566,608 | \$63,643,938 | \$65,395,885 | \$76,602,429 | \$67,821,110 |
| 96.04% | 91.62% | 93.21% | 94.70% | 96.68% | 84.98% |
| \$584,612,080 | \$650,365,580 | \$650,262,970 | \$657,692,980 | \$754,629,800 | \$760,080,460 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 32,153,664 | 35,770,107 | 35,764,463 | 36,173,114 | 41,504,639 | 41,804,425 |
| 3,780,000 | 6,785,000 | 5,825,000 | 4,845,000 | 3,840,000 | 14,029,417 |
| (1,348,040) | (1,063,222) | (1,191,326) | (1,183,122) | (1,206,300) | (2,042,079) |
| 2,431,960 | 5,721,778 | 4,633,674 | 3,661,878 | 2,633,700 | 11,987,338 |
| \$29,721,704 | \$30,048,329 | \$31,130,789 | \$32,511,236 | \$38,870,939 | \$29,817,087 |

CITY OF WORTHINGTON

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 2012 | 2013 | 2014 | 2015 |
|------------------------------|---------------|---------------|---------------|---------------|
| Population (1) | | | | |
| City of Worthington | 13,591 | 13,599 | 13,606 | 13,629 |
| Income | | | | |
| Total Personal Income (2) | \$503,324,628 | \$517,108,395 | \$524,948,983 | \$540,626,455 |
| Per Capita Personal Income | 37,034 | 38,025 | 38,582 | 39,667 |
| Median Household Income (3) | NA | NA | 87,842 | 90,445 |
| Unemployment Rate (4) | | | | |
| Federal | 7.5% | 6.7% | 5.6% | 5.3% |
| State | 7.0% | 7.2% | 4.8% | 4.9% |
| Franklin County | 6.1% | 6.2% | 3.6% | 4.1% |

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

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 13,596 | 13,650 | 14,285 | 14,442 | 14,692 | 14,786 |
| \$540,926,478 | \$530,503,028 | \$414,607,177 | \$545,997,584 | \$550,050,411 | \$528,825,626 |
| 39,786 | 38,865 | 29,024 | 37,806 | 37,439 | 35,765 |
| 91,075 | 98,784 | 102,731 | NA | N/A | N/A |
| 4.9% | 3.9% | 3.9% | 3.5% | 6.7% | 3.9% |
| 5.0% | 4.5% | 4.6% | 4.1% | 5.5% | 4.5% |
| 6.1% | 3.6% | 3.5% | 4.0% | 5.7% | 2.9% |



CITY OF WORTHINGTON

*Principal Employers
Current Year and Nine Years Ago*

| Employer | Nature of Business | 2021 | |
|--------------------------------------|-----------------------|---------------------|------|
| | | Number of Employees | Rank |
| Worthington City Schools | Education | 975 | 1 |
| MedVet Associates | Animal Care | 550 | 2 |
| I Am Boundless Inc | Health Care | 391 | 3 |
| Diamond Innovations Inc | Manufacturing | 293 | 4 |
| Ohio Automobile Club | Automotive | 209 | 5 |
| DLZ Corporation | Professional Services | 132 | 6 |
| First Financial Bank | Banking | 70 | 7 |
| Worthington Industries Incorporated | Manufacturing | N/A | 8 |
| Worthington Cylinder Corporation | Manufacturing | N/A | 9 |
| Worthington Steel Company | Manufacturing | N/A | 10 |
| Total | | <u>2,620</u> | |
| Total Employment within the City (1) | | <u>N/A</u> | |

| Employer | Nature of Business | 2012 | |
|--------------------------------------|-----------------------|---------------------|------|
| | | Number of Employees | Rank |
| Worthington City Schools | Education | 665 | 1 |
| Wellpoint Companies Inc | Health Care | 554 | 2 |
| Jack Maxton Chevrolet Inc | Automotive | 208 | 3 |
| American Health Holding Inc | Professional Services | 155 | 4 |
| Mettler-Toledo LLC | Manufacturing | 150 | 5 |
| Diamond Innovations Inc | Manufacturing | N/A | 6 |
| Worthington Industries Inc | Manufacturing | N/A | 7 |
| MedVet Associates | Animal Care | N/A | 8 |
| Ohio Automobile Club | Automotive | N/A | 9 |
| Worthington Cylinder Corp | Manufacturing | N/A | 10 |
| Total | | <u>1,732</u> | |
| Total Employment within the City (1) | | <u>N/A</u> | |

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 Eight Years*

| | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|---------------|---------------|---------------|---------------|
| 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> | <u>2021</u> |
|---------------|---------------|---------------|---------------|
| 4.00 | 4.00 | 4.00 | 4.00 |
| 3.50 | 3.50 | 3.50 | 3.50 |
| 11.25 | 11.25 | 11.25 | 11.25 |
| 47.00 | 48.00 | 48.00 | 40.50 |
| 41.00 | 41.00 | 41.00 | 41.00 |
| 24.00 | 24.00 | 24.00 | 24.00 |
| 58.75 | 58.75 | 58.75 | 59.25 |
| <u>5.50</u> | <u>5.50</u> | <u>5.50</u> | <u>5.50</u> |
| <u>195.00</u> | <u>196.00</u> | <u>196.00</u> | <u>189.00</u> |

CITY OF WORTHINGTON

Operating Indicators by Function Last Seven 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> | <u>2021</u> |
|-------------|-------------|-------------|-------------|
| 2,169 | 1,537 | 635 | 446 |
| 1,210 | 1,164 | 1,079 | 1,170 |
| 3,453 | 3,528 | 2,878 | 3,134 |
| 331,868 | 394,155 | 389,429 | 387,712 |
| 2,029 | 1,665 | 766 | 533 |
| 383 | 289 | 130 | 28 |
| 33 | 75 | 52 | 60 |
| 285 | 254 | 103 | 93 |
| 22 | 27 | 10 | 15 |
| 155 | 116 | 62 | 63 |
| 463 | 444 | 241 | 320 |
| 1,145 | 1,051 | 903 | 1,319 |
| 3,199 | 3,271 | 3,179 | 3,318 |
| 349 | 422 | 527 | 727 |
| 3.60 | 4.20 | 3.26 | 3.42 |
| 530 | 1,055 | 2,200 | 1,150 |
| 5,200 | 5,200 | 5,200 | 5,200 |
| 496 | 384 | 400 | 356 |
| 82 | 76 | 71 | 107 |
| 1,462 | 1,585 | 651 | 1,330 |
| 368 | 656 | 329 | 446 |
| 5,838 | 5,612 | 2,713 | 3,056 |
| 38,621 | 35,369 | 12,437 | 2,781 |
| 625 | 596 | 180 | 131 |

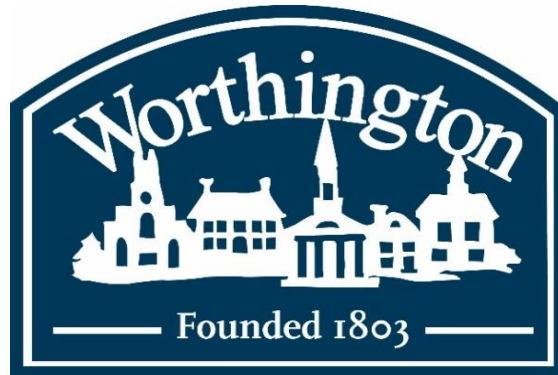
CITY OF WORTHINGTON

*Capital Asset Statistics by Function
Last Four Years*

| | 2018 | 2019 | 2020 | 2021 |
|--------------------------------|------|------|------|------|
| Governmental Activities | | | | |
| General Government | | | | |
| Public Land and Buildings | | | | |
| ROW Land (acres) | 650 | 650 | 650 | 650 |
| Buildings | 3 | 3 | 3 | 3 |
| Public Safety | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 15 | 19 | 19 | 19 |
| Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 14 | 15 | 15 | 15 |
| Public Works | | | | |
| Street | | | | |
| Streets (lane miles) | 130 | 130 | 130 | 130 |
| Street Lights | 170 | 170 | 170 | 170 |
| Vehicles | 25 | 29 | 29 | 29 |
| Parks and Recreation | | | | |
| Parks and Recreation | | | | |
| Land (acres) | 221 | 221 | 221 | 221 |
| Buildings | 8 | 8 | 8 | 8 |
| Parks | 20 | 20 | 20 | 20 |
| Tennis Courts | 8 | 8 | 8 | 8 |
| Baseball/Softball Diamonds | 10 | 10 | 10 | 10 |
| Soccer Fields | 5 | 5 | 5 | 5 |
| Vehicles | 8 | 9 | 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 7/7/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov