



CITY OF WORTHINGTON
COMPREHENSIVE FINANCIAL REPORT
GENERAL FUND
2016

Department of Finance
Molly P. Roberts
Director of Finance

INDEX

	Financial Trend Policies – Narrative.....	1
FTP #1	Revenue Per Capita.....	2
FTP #2	Expenditure Per Capita.....	4
FTP #3	Revenue/Expenditure Per Capita.....	6
FTP #4	General Fund Balance.....	8
FTP #5	Real Property Tax Revenue.....	11
FTP #6	Operating Deficits (%).....	13
FTP #7	Revenue Shortfalls (%).....	15
FTP #8	Long Term Debt.....	17
FTP #9	Fringe Benefits.....	19
FTP #10	Comparative Profile of Net Operating Revenue/Expenditures.....	21
FTP #11	Salary Costs.....	23
FTP #12	Assessed Valuation.....	25
FTP #13	One-Time Revenues (Estate Tax).....	27
FTP #14	Interest Earnings.....	29
FTP #15	Elastic Tax Revenues.....	31
Table #16	Major Revenue Sources.....	33
Table #17	Major Expenditure Categories.....	36
Exhibit #18	Comparison of % Change Revenues/Expenditures.....	39
Exhibit #19	General Fund Cash Position.....	40
Exhibit #20	Comparison Income Tax/Property Tax Rates.....	41
Exhibit #21	Comparison Budget vs Actual, Revenue/Expenditure.....	42
Exhibit #22	Financial Trend Profile Formulas.....	45
Table #23	General Fund Components.....	46
Table #24	General Fund Statistics.....	47
Graphic #25	Revenue/Expenditures, 2007 vs 2016.....	48
Graphic #26	Income Tax Revenue.....	49
Graphic #27	Selected Revenues, 2007 vs 2016.....	50
Graphic #28	Selected Expenditures, 2007 vs 2016.....	51
Table #29	Gross Property Tax Rates.....	52
Graphic #30	Allocation of Property Tax Rates.....	53
Graphic #31	Real Estate Tax Comparison.....	54
Graphic #32	Schedule of Indebtedness.....	55
Exhibit #33	Cash Position Statement – All Funds.....	56
Graphic #34	Capital Improvements Fund Balance.....	57
Graphic #35	General/Capital Improvements Fund Balance.....	58
	Notes.....	59

FINANCIAL TREND PROFILES

Financial trend profiles are intended to provide informational fiscal data which can be utilized for projections and planning purposes as well as to provide comparative data for a specific period for historical financial trend analysis and review. The primary trend profiles included in this report focus on core municipal functions and activities relative to general fund operations. The objective of compiling these reports is to provide meaningful historical fiscal data for future use as financial policies, budgets and future projections are developed and analyzed.

The Finance Department has produced a series of financial trend indicators, in response to the need for evaluating the financial condition of the City of Worthington. This system was originally developed by the ICMA and modified for our use which allows us to:

- Identify emerging financial problems and take timely corrective action;
- Develop remedial steps to deal with those problems;
- Monitor changes in financial condition; and
- Project future financial needs.

These financial trend profiles identify and organize the factors that affect financial conditions so that they can be analyzed and measured. It is a management tool that combines a city's budgetary and financial reports with economic and demographic data, creating a series of indicators that can be used to monitor changes in financial condition. These indicators deal with such things as cash liquidity, changes in fund balance, operating position, and debt structure. Examining the direction and relationship among the various indicators may identify potential problem areas. Trend indicators will not necessarily provide answers as to why a problem is occurring but will demonstrate trends that are potentially challenging and may require management response.

Financial Trend Profile #1

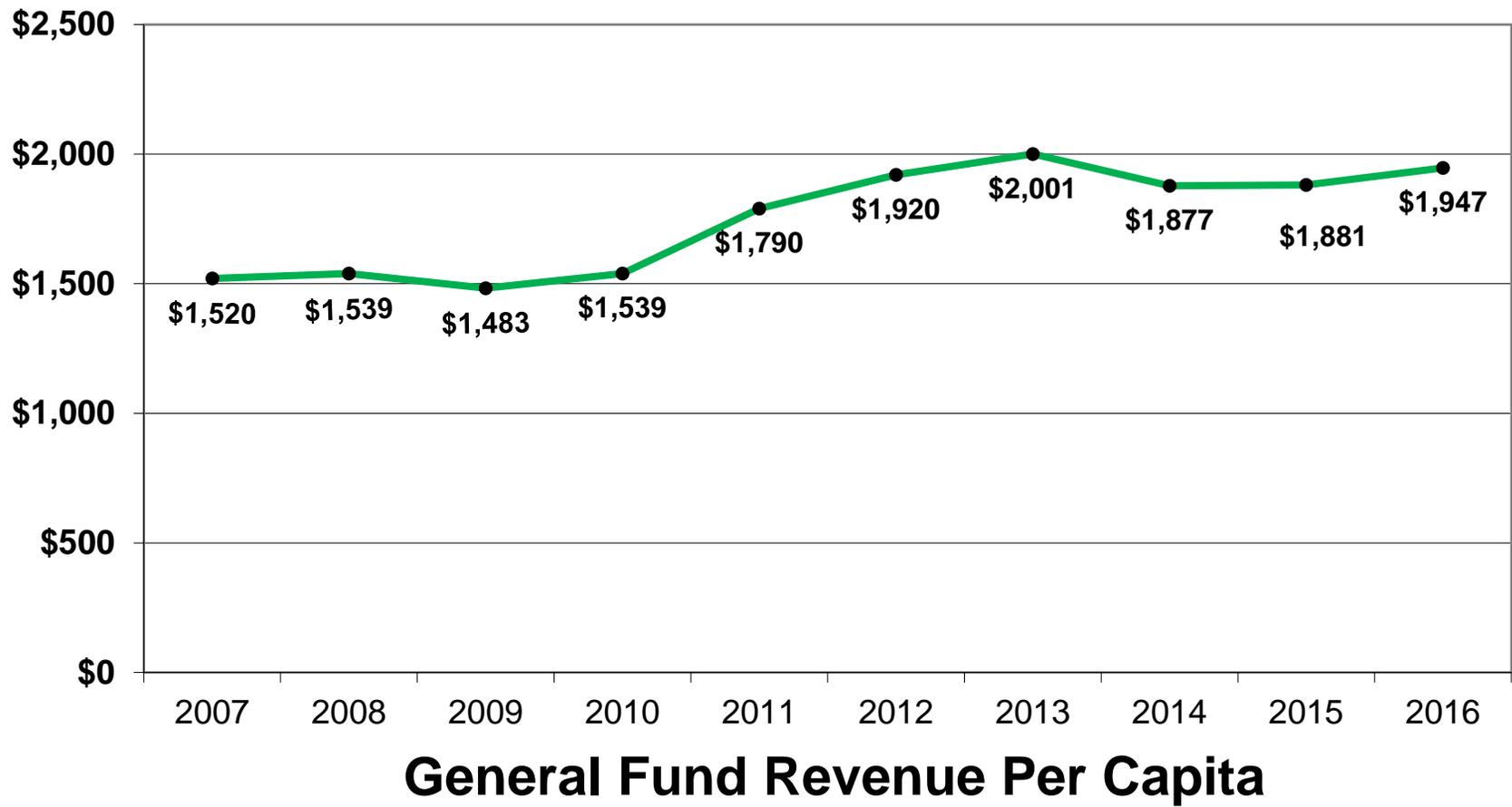
Revenue Per Capita

Revenue per capita indicates how revenue varies in relation to changes in population size. As populations increase, it can be expected that the need for services would increase as well. If per capita revenue is decreasing, it could be expected that the city might be unable to maintain existing service levels with current revenue sources and levels. Revenue per capita trends should remain stable as populations remain constant. Additionally, if population size remains constant, revenues per capita should increase incrementally as revenues increase or decline as revenues decrease. As of 2011, calculations are based on the 2010 U.S. Census Bureau population estimate of 13,575. Calculations for prior years were based on the 2000 U.S. Census Bureau population estimate of 14,137.

Revenue per capita increased overall by 3.55% from \$1,881 in 2015 to \$1,947 in 2016. Primary revenue increases were realized in income tax revenue, property tax revenue, EMS transports, and interest earnings. Reductions were realized in Parks & Recreation revenue, distributions from the local government fund, fines and fees, and police protection services.

The primary revenue source of the General Fund is income tax revenue, comprising of 75.31% of all General Fund Revenue in 2016. During the years of 2009 through 2013, the City of Worthington allocated 80% of total income tax revenues to the General Fund, 6.4% to the General Fund Operating Reserve and 13.6% to the Capital Improvements Fund. The income tax allocation returned to a split of 80% to the General Fund and 20% to the Capital Improvements Fund effective January 1, 2014. Thus, no longer supplementing the General Fund operating reserve by the additional 6.4%.

City of Worthington Financial Trend Profile #1



Financial Trend Profile #2

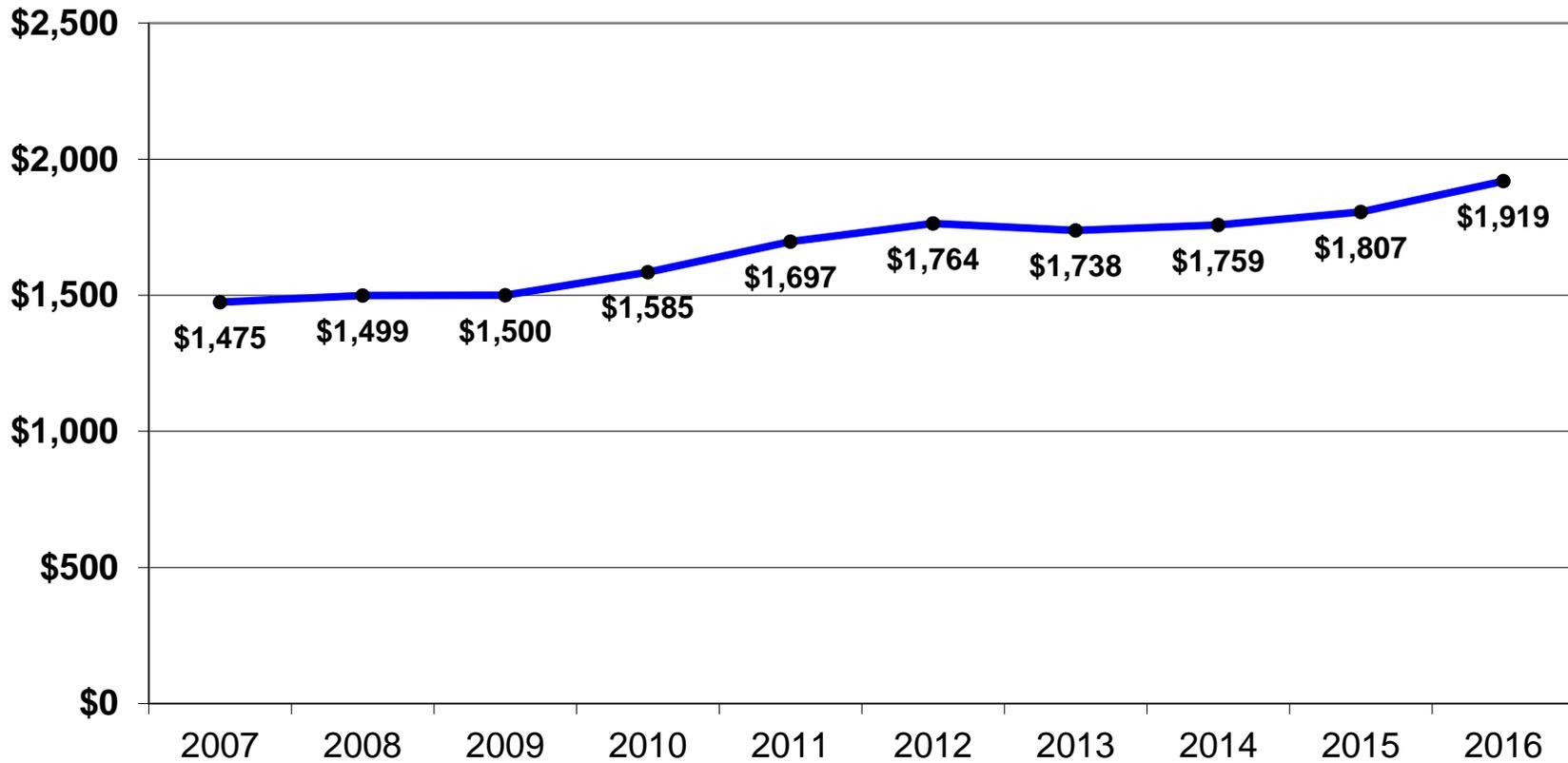
Expenditure Per Capita

Expenditures per capita reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is surpassing the city's ability to pay based on current service levels and population size. The trend report for the last ten years for Worthington reflects annual increases in expenditures per capita primarily due to static population estimates and increases in fixed expenditures costs. As of 2011, data calculations are based on the 2010 U.S. Census Bureau population estimate of 13,575. Calculations for prior years were based on the 2000 U.S. Census Bureau population estimate of 14,137.

In 2016, total General Fund expenses increased by \$1,531,474 or 6.24% from 2015 expenditure levels. Over the past five (5) years, expenses per capita have increased by an average of 2.52%. Expenditures per capita equated to \$1,919 in 2016 and a five year average of \$1,797. The primary operational objective continues to focus on maintaining current service levels while managing stable expenditure levels. Increased operational and fixed costs are a reality and will continue to be monitored and evaluated for efficiencies and cost saving measures. The General Fund expenses are allocated departmentally as follows: General Government, Fire Operations, Police Operations, Parks and Recreation, Service/Engineering and Planning and Building Departments. In 2016, General Fund expenses were apportioned accordingly:

- General Government – 28%
- Fire Operations - 23.2%
- Police Operations – 20.4%
- Parks and Recreation – 17.2%
- Service/Engineering – 8.5%
- Planning & Building – 2.7%

City of Worthington Financial Trend Profile #2



General Fund Expenditures Per Capita

Financial Trend Profile #3

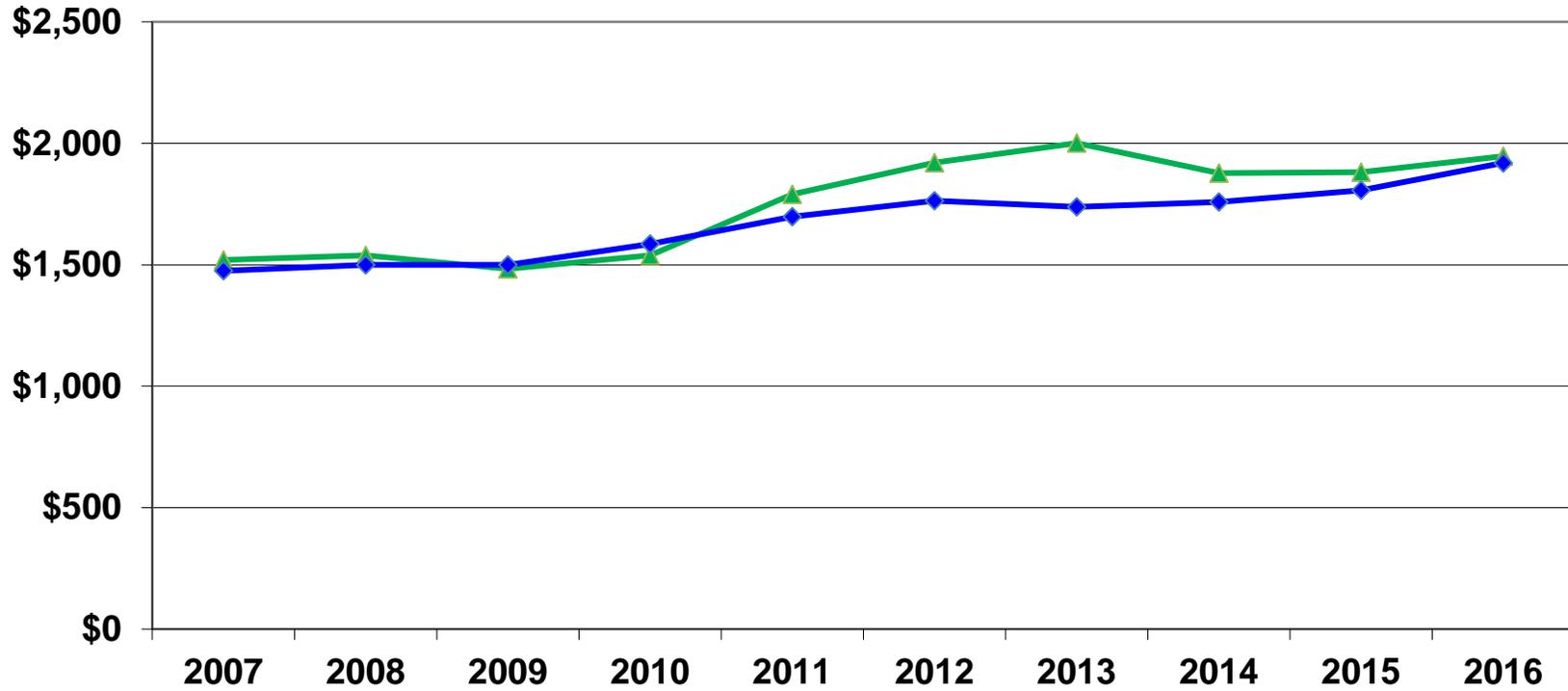
Revenue/Expenditure Per Capita

This financial trend profile is a comparison of profiles #1 and #2 into a single graphic presentation that more clearly identifies the relationship occurring between the two per capita trends based on revenues and expenditures. Financial Trend Profile #3 identifies how operational revenues and expenditures are measured relative to population and the spread between each measure. This measurement provides an instrument which management can use to evaluate the capacity of operations based on revenues and expenditures. Additionally, it provides a management tool to use when conducting reviews and evaluations for service levels and current revenue sources, especially as projections are made to determine the need for new sources of revenue or modifying service levels to decrease expenditures. Over the years, various policy decisions have been implemented to increase or reallocate resources in order to offset expenditures and the reliance on one-time revenue sources or reserve balances.

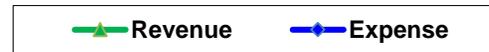
In 2016, revenues exceeded expenditures by \$378,116 or 1.43%, indicating a positive year-end cash position. Additionally, this ratio determines that revenues per capita exceed expenditures per capita by \$28 or a corresponding 1.43%.

The City maintains a heavy reliance on our strong employment base for continued stability of income tax revenues, which is the City's primary source of revenue for both the General Fund and Capital Improvement Fund. As indicated with FTP #1, income tax revenue comprises of 75.31% of all General Fund Revenue in 2016. All departments continue to explore and develop recommendations for cost saving measures which will help balance revenues in relation to expenditure demands in order to maintain current service and program levels.

City of Worthington Financial Trend Profile #3



Revenue/Expense Per Capita



Financial Trend Profile #4 and #4a

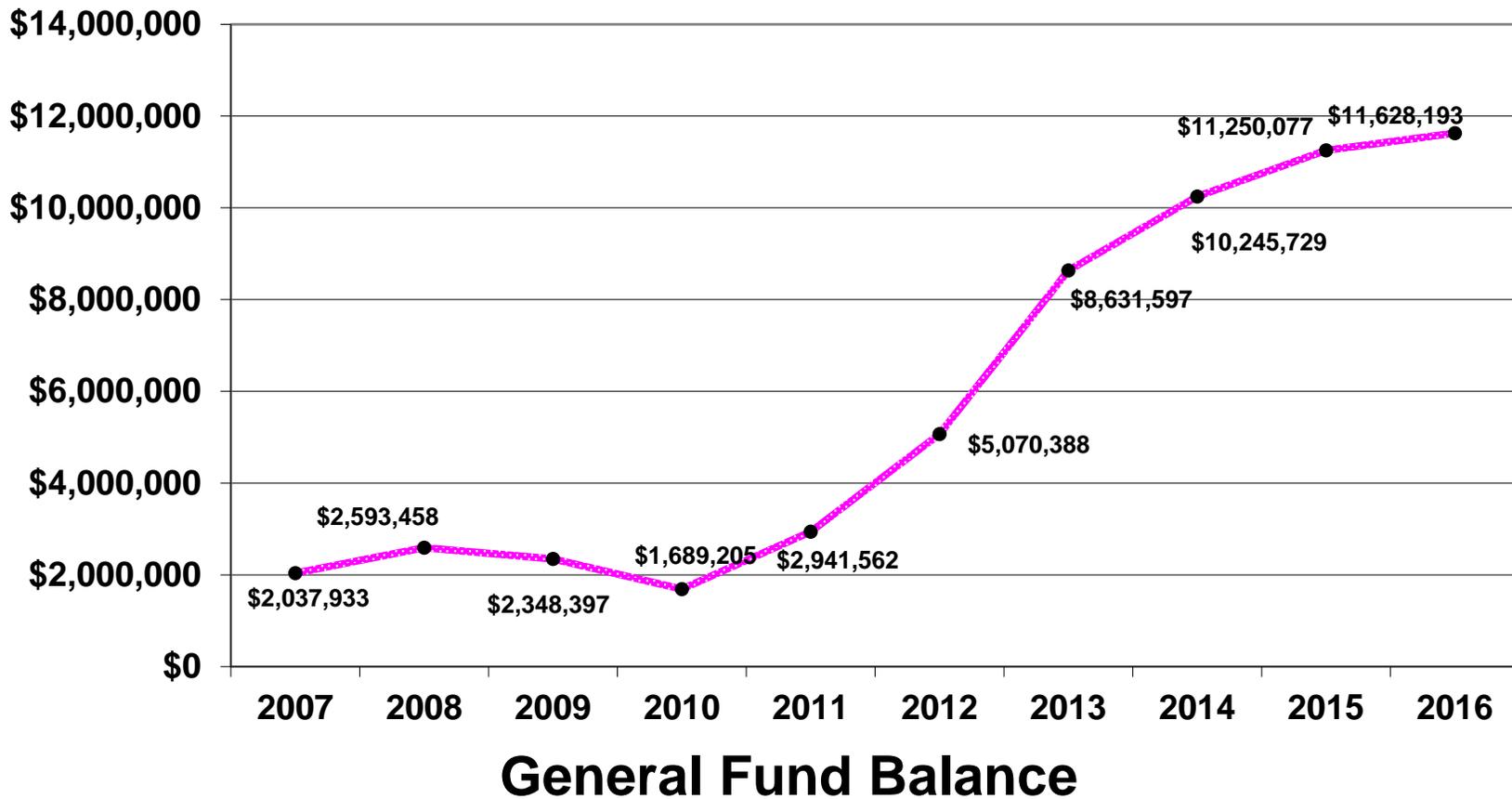
General Fund Balance

Financial Trend Profiles #4 and #4a detail the year-end General Fund cash balance for the ten year period of 2007 through 2016 in both dollar figures and percentages of net operating revenues, respectively. Fund balances are frequently considered as reserves for contingencies or as “surplus” dollars available for appropriations; to some extent this is true. However, it is not sustainable for fund balances to be used to subsidize fund shortfalls on a recurring basis. The level of a city’s fund balances can be an indicator of its ability to withstand unexpected financial emergencies as well as leverage for debt issuance and liquidity measures.

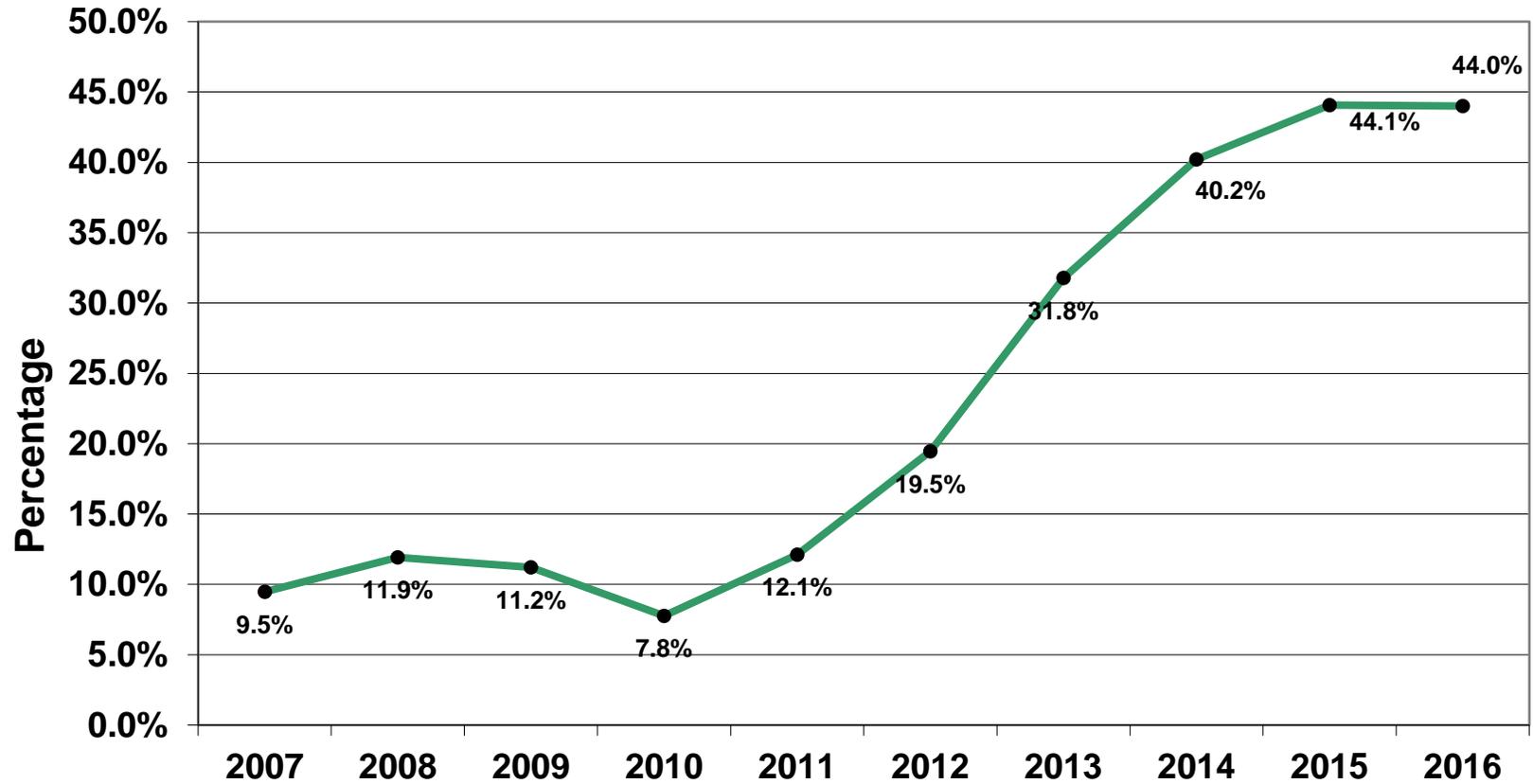
The vitality of this community and subsequent ability to provide services at the expected levels is imperative. Thus, it is essential to continually evaluate the operating position and the ability to maintain expected service levels with corresponding revenue sources without depleting fund balances on a continual basis. This commitment was solidified with Council’s passage of the General Fund Carryover Balance Policy.

In 2008, City Council adopted Resolution No. 36-2008 to establish a General Fund Carryover Balance/Reserve Policy. The carryover balance was originally established at fifteen (15%) percent of operating expenditures with a minimum reserve at \$1.5 million per year. The operating reserve was funded with 6.4% of income tax revenues beginning in 2009 through 2013. This policy was revised in 2014 with Resolution 07-2014 to reinforce the City’s proactive approach to financial management and increase the carryover balance of the General Fund to an amount equal to or in excess of twenty-five percent (25%) of the operating expenses for the previous year, a level realized since 2013.

City of Worthington Financial Trend Profile #4



City of Worthington Financial Trend Profile #4a



General Fund Balance as % of Net Operating Revenue

Financial Trend Profile #5

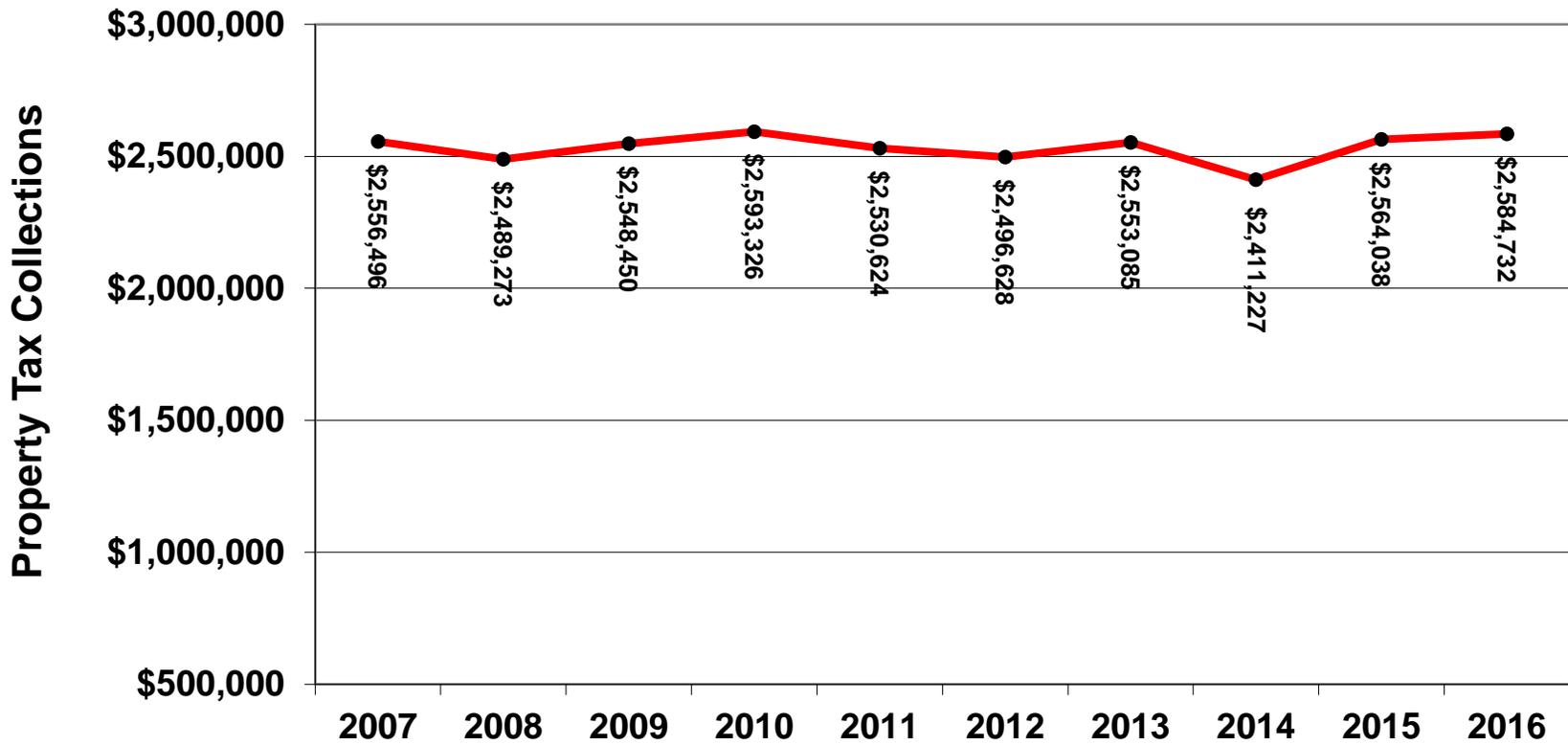
Real Property Tax Revenue

Property tax allocations are based on assessed valuations of properties located within each community. It is an important revenue source to consider because almost every city has some dependence upon it. A decline in property tax revenue can result from inefficient appraisal practices, inability of property owners to pay, a decline in population, an overall decrease in property values because of age, market conditions, or other factors.

The Franklin County Auditor conducts a reappraisal of all real property every six (6) years with a triennial update every three (3) years. The reappraisal process occurred in 2014 for the tax collection year of 2015. In 2006, City Council approved an addition of 2.0 mills of charter millage to begin in 2007, which resulted in property tax revenues increasing by 79% or \$1,129,000. The total property tax millage for the City of Worthington has been at 5 mills since 2007.

As Financial Trend Profile # 5 indicates, property tax collections for 2016 increased by .81% or \$20,694 which is consistent with the increase in total assessed valuations for tax year 2016. The total assessed valuation for all properties in the City of Worthington for 2015 was \$577,576,190 and increased to \$582,514,270 in 2016. Property tax collections totaled \$2,584,732, which equates to 9.78% of total General Fund revenues in 2016. Property tax collections and assessed valuations of property will continue to be monitored and evaluated as future projections and service level considerations are reviewed.

City of Worthington Financial Trend Profile #5



Property Tax Revenue

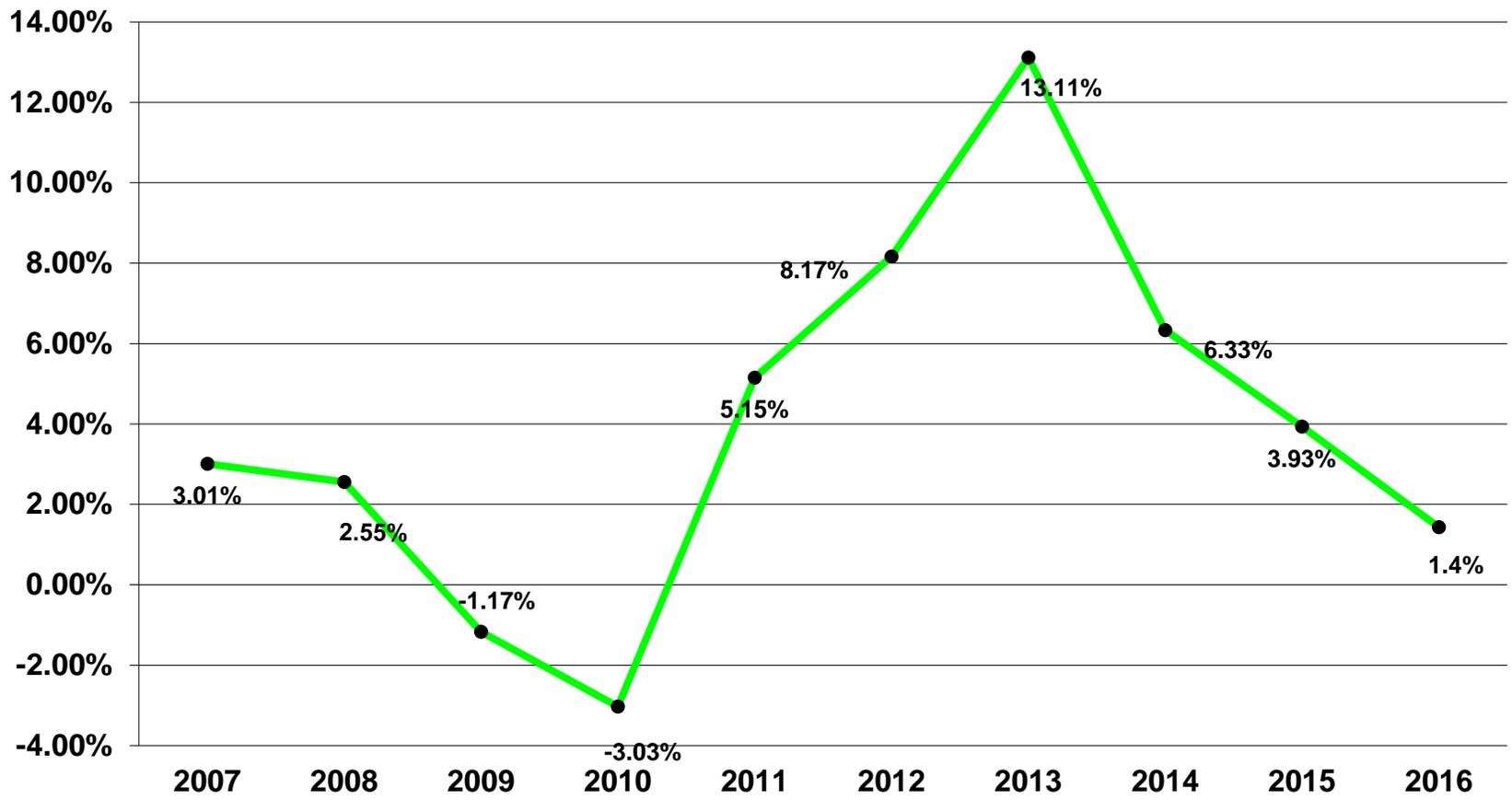
Financial Trend Profile #6

Operating Deficits (%)

An operating deficit occurs when current expenditures exceed current revenue. This does not necessarily mean that the budget will be out of balance because fund balances from prior year can be used to offset this deficit. However, it indicates that a city is spending more than it receives on an annual basis. This can occur as the result of a conscious policy decision to periodically use surplus funds that have accumulated over the years. The existence of an operating deficit in any one-year may not be a cause for concern, but frequent and increasing deficits can indicate that current revenue is not supporting current expenditures and should be further evaluated. All revenue and expenditure levels are continually monitored to best position the City for operating budget opportunities and efficiencies.

Over the last several years, revenue enhancement practices have been utilized as well as pursuing opportunities for operational efficiencies in order to contain costs to support operations and replenish fund balances. Operating revenues in 2016 exceeded expenditures by \$378,116 or 1.43%, which increased the general fund balance to \$11,628,193 as of December 31, 2016. In 2016, General Fund revenues were above estimated revenue by \$53,422 or .20%. Additionally, 2016 General Fund revenues are above 2015 collections by \$905,242 or 3.55%.

City of Worthington Financial Trend Profile #6



Revenues to Expenditures

Financial Trend Profile #7

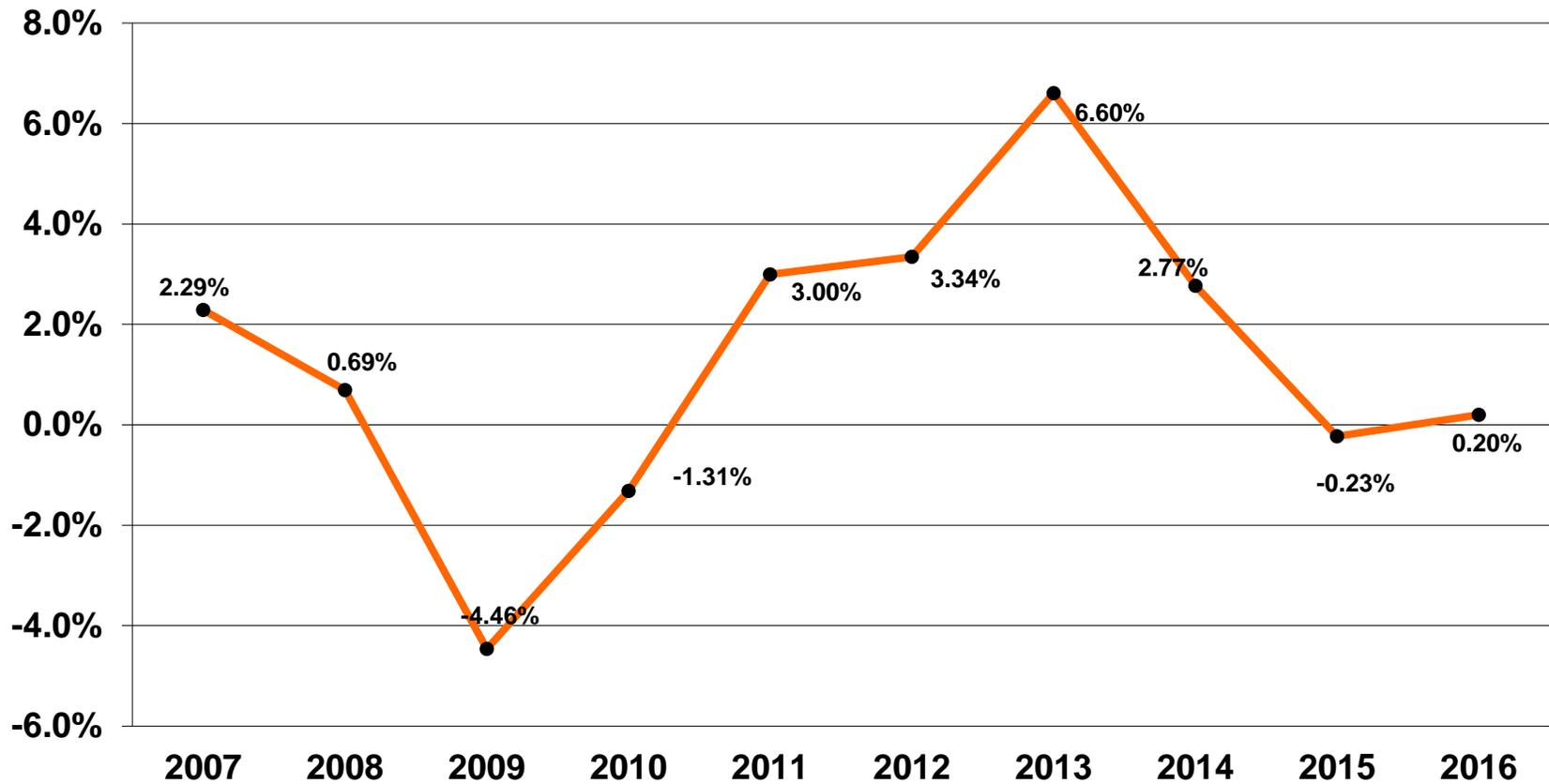
Revenue Shortfalls (%)

This profile examines the difference between revenue estimates and revenue actually received during the year. Major discrepancies that continue year after year can be an indication of a declining economy, inefficient collection procedures or inaccurate estimating techniques. A detailed analysis may need to be conducted if revenue shortfalls become typical. Revenues and expenditures levels are continually monitored for efficiencies and collection enhancement opportunities.

In 2016, actual revenue collections were slightly above estimates by .20% or \$53,422. The income tax continues to be the largest revenue source for the City of Worthington. The income tax comprised 75.31 % of total General Fund revenues in 2016. Income tax collections allocated to the General Fund totaled \$19,907,180, an increase of 4.81% from prior year collections. Increases in revenue from 2015 were also realized in property tax revenue, interest earnings and EMS transport fees. Reductions were realized in Parks & Recreation revenue, distributions from the local government fund, police protection services, and fines and fees.

Reductions in revenues received from the State of Ohio remain an ongoing concern. State initiatives and amendments to legislation are constantly monitored as changes may impact local government revenue sources. The State of Ohio eliminated the Estate Tax provisions in 2012, thus eliminating a major revenue source of the General Fund. The Estate Tax generated over \$5.2 million over the past ten years with annual collections averaging over 2.25% of total General Fund revenues. State Local Government Fund revenues have been reduced over the past ten years and the Tangible Personal Property tax was eliminated by the State.

City of Worthington Financial Trend Profile #7



Actual Revenue to Estimates

Financial Trend Profile #8

Long Term Debt

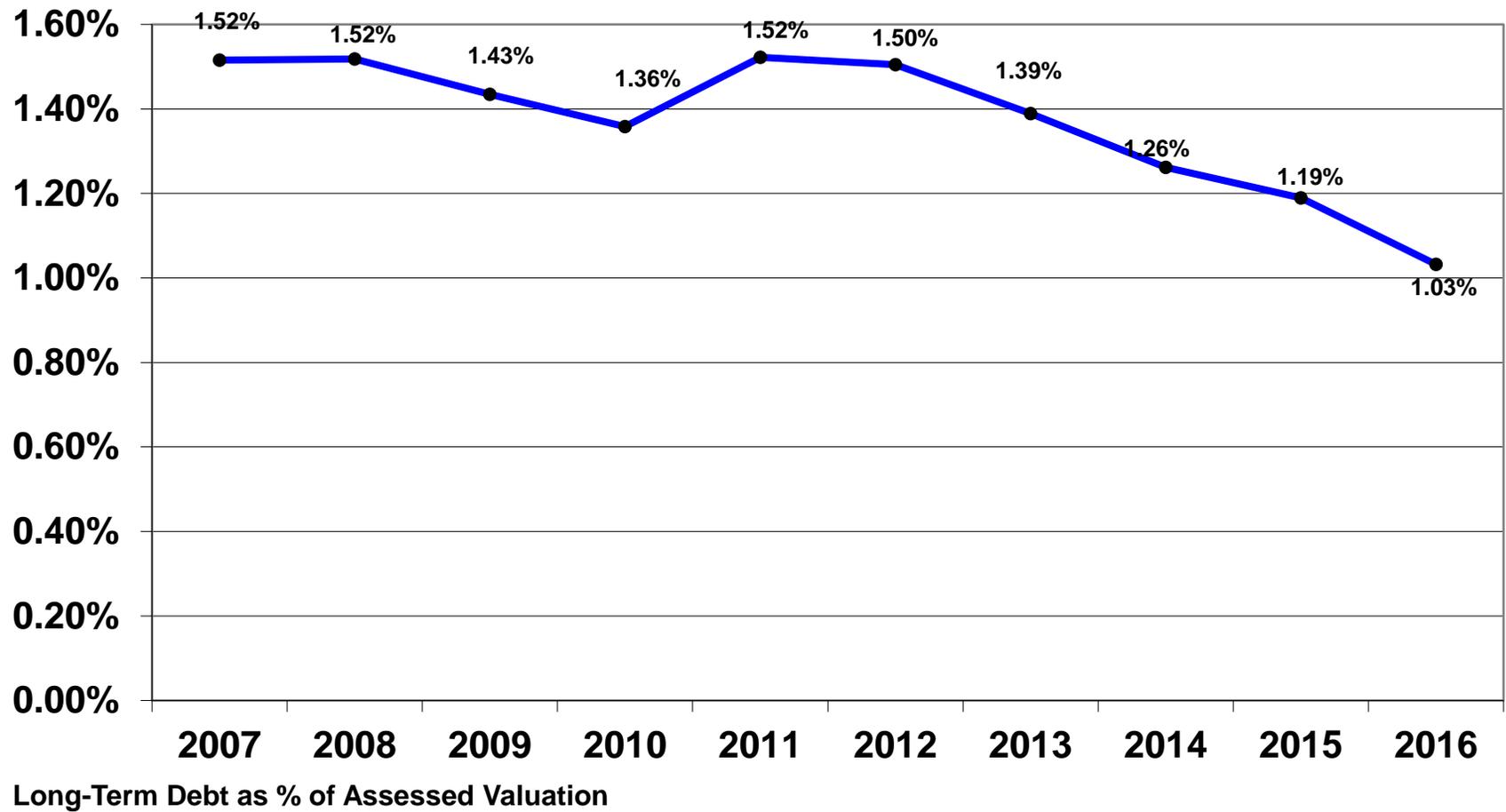
Direct debt is debt for which the city has pledged its “full faith and credit”. Self-supporting debt is debt for which the city has pledged a dedicated repayment source separate from all general tax revenues. Net debt is direct debt minus self-supporting debt. An increase in net long-term debt as a percentage of assessed valuation can indicate a city’s ability to repay is diminishing.

The City of Worthington issued general obligation bonds in 2001 in the amount of \$10,500,000 to construct the community center addition and develop the municipal police complex. In 2005, \$7,175,000 was refunded in order to capture a more attractive interest rate. Again, in 2015, due to an attractive interest rate environment, these bonds were able to be called and refunded in order to save significant future interest payment expenses. \$4,590,000 was refunded at an interest rate of 1.62% through December 1, 2021, capturing a savings of over \$500,000 over the life of the notes.

As of December 31, 2016, the City is also carrying \$1,560,000 in Bond Anticipation Notes which were issued for the purchase of the Fire Department Ladder Truck, construction of the Davis Estates waterline replacement project and the Community Center window replacement project.

The City’s 5.5 mill limitation on unvoted debt results in a legal debt margin of \$26,026,294 as of 2016. This limitation is calculated by factoring 5.5% of our total assessed valuation reduced by the net overall indebtedness authorized by City Council, which is the ceiling of debt that City Council may authorize without a vote of the people. There are several mandated capital improvement projects in the planning stages which will require additional debt issuance in the near future.

City of Worthington Financial Trend Profile #8



Financial Trend Profile #9

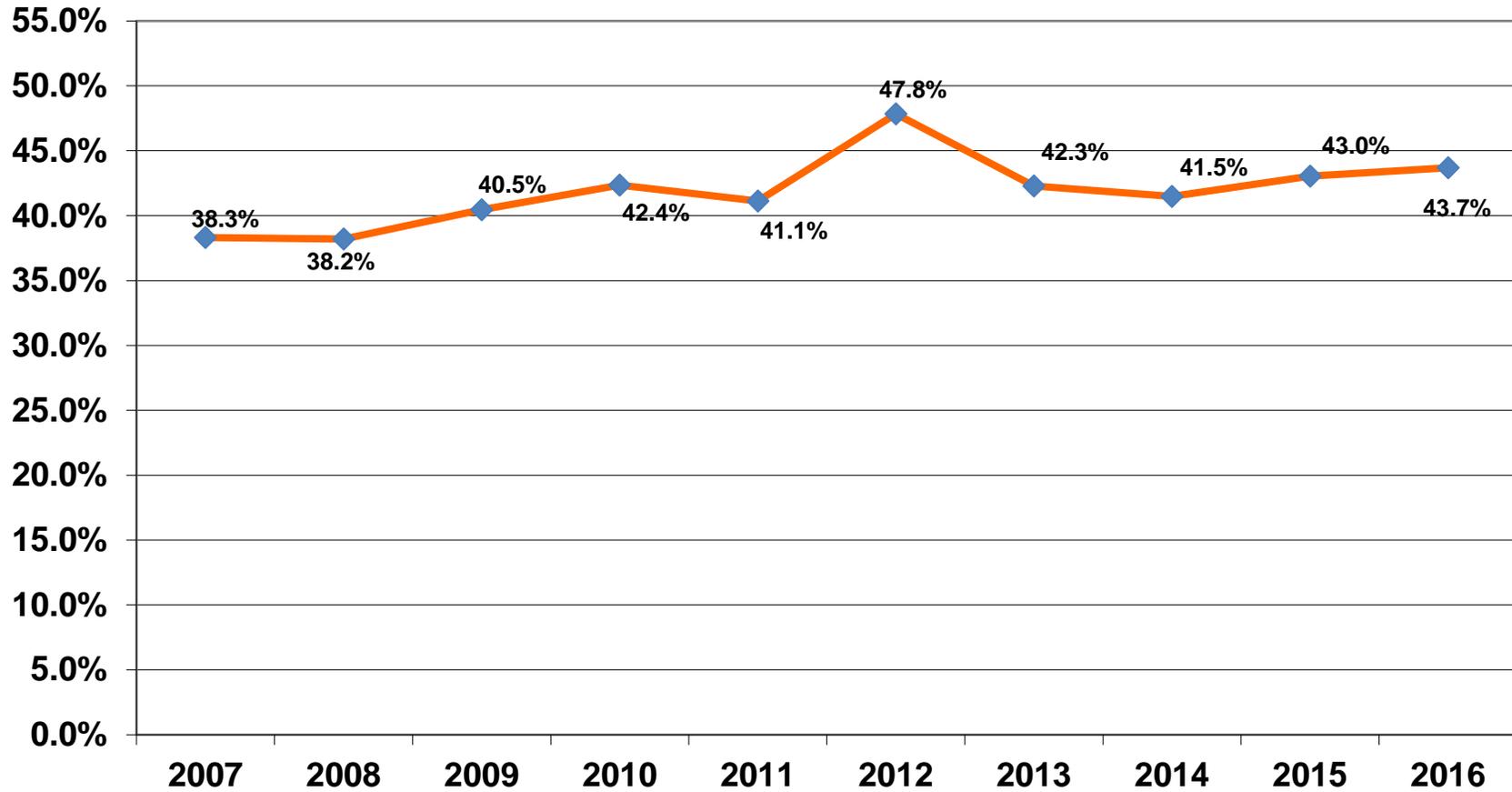
Fringe Benefits

Fringe benefits are attributed to personnel expenditures and employment liabilities. The most common type of fringe benefits involves pension plans and various insurance programs. Fringe benefits included in this profile are: OPERS, OP&F, Bureau of Workers' Compensation, unemployment compensation, medical/prescription, life insurance, dental insurance, vision insurance, Medicare and Social Security obligations. In total, these employer liabilities represent a significant portion of operating costs.

As detailed in this profile, fringe benefits as a percentage of salaries have remained fairly stable and do not indicate a negative position. The average cost of fringe benefits for the period 2007-2016 as a percentage of total salaries is 41.88%. The actual percentage of fringe benefit costs compared to actual salaries for 2016 is 43.7%. There are various legal mandates and requirements for a public employer which restrict the latitude to modify fringe benefit levels or expenditure liabilities. However, since it is a major expenditure for this entity, as well as for most employers, careful monitoring and evaluation of these expenses continue.

In 2016, the City discontinued the traditional health insurance plan and offered only a high deductible health insurance plan. Other insurance rates experienced moderate increases for the 2016 plan year. Beginning with the 2015 operating budget fringe benefits were allocated departmentally to capture expenditures on a more programmatic basis. However, this modification to the expense allocation does not impact this trend analysis or the overall expense of fringe benefits.

City of Worthington Financial Trend Profile #9



% Fringe Benefit Cost Compared to Wages

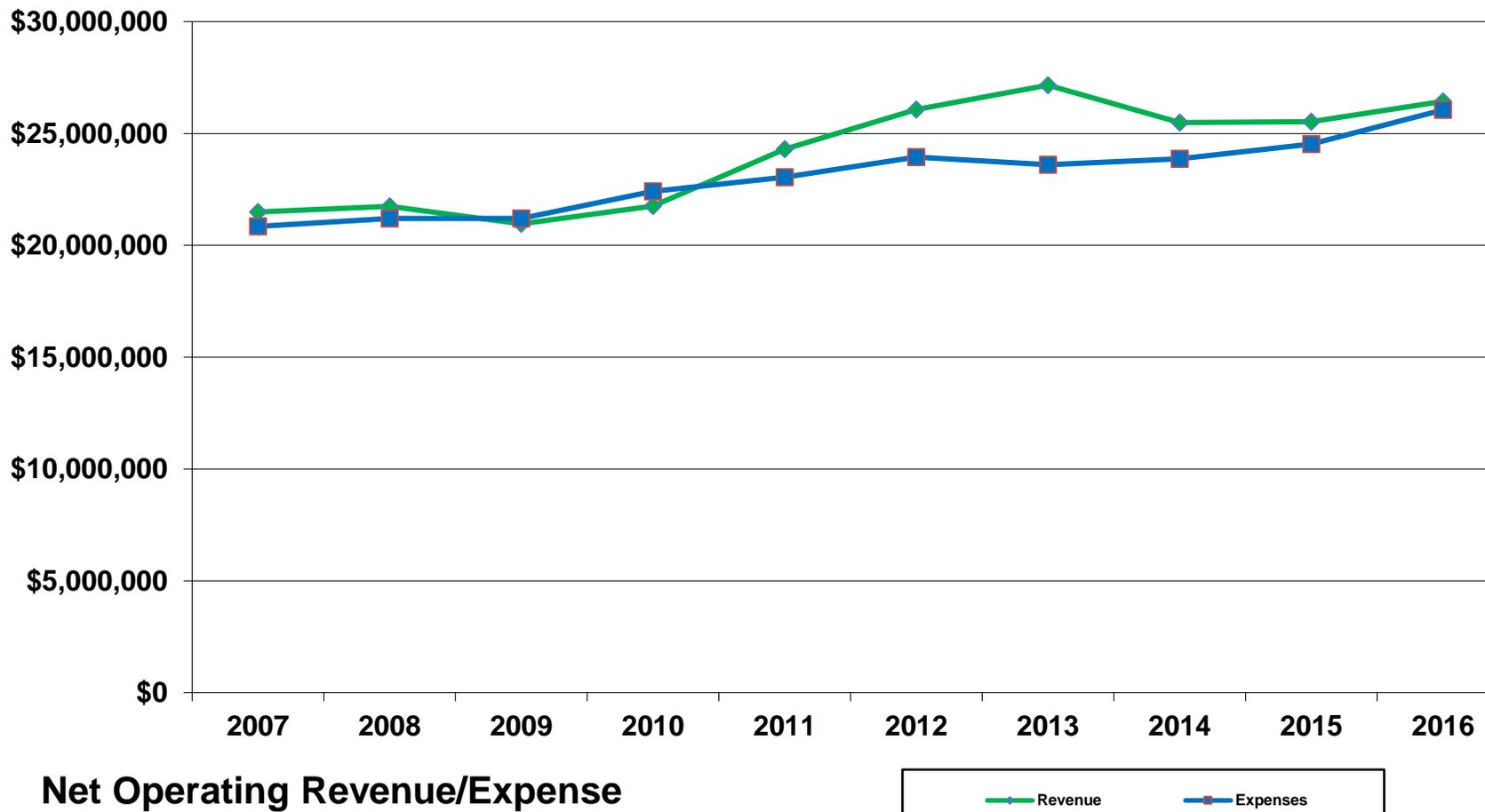
Financial Trend Profile #10
Comparative Profile of Net Operating
Revenue and Net Operating Expenditures

This profile shows the relationship between net operating revenues and net operating expenditures. Profile #3 reflects the identical trend line which compares revenues and expenditures per capita. As in Profile #3, this trend also indicates minimal fluctuation between net operating revenues to expenditures for the years 2006 through 2011. Prior to this ten year trend profile, expenditures exceeded revenues from 2001 through 2006. This trend was reversed in years 2007 and 2008 with revenues exceeding expenses. Then, primarily due to the down turn in the economy, revenue collections were not received as projected. As a result, expenditures exceeded revenues in the years 2009 and 2010. Thus, the result was a deficit between operating revenue and expenditures for those years.

In 2010, the citizens responded to the need to supplement the city's revenue sources by approving an income tax rate increase of .5%, to a total of 2.5%, to help offset the reduction in revenues and to provide funding for the continuation of expected service levels. The increase in income tax revenue supported by an overall increase in operating revenues resulted in revenues exceeding expenditures for each year since 2011.

In 2016, revenues exceeded expenditures by \$378,116 or 1.43%. 2016 operating revenues totaled \$26,434,268 and expenditures totaled \$26,056,152. 2016 revenues were above 2015 collections by \$905,242 or 3.55%. 2016 expenditures tracked at 92.69% of total appropriations.

City of Worthington Financial Trend Profile #10



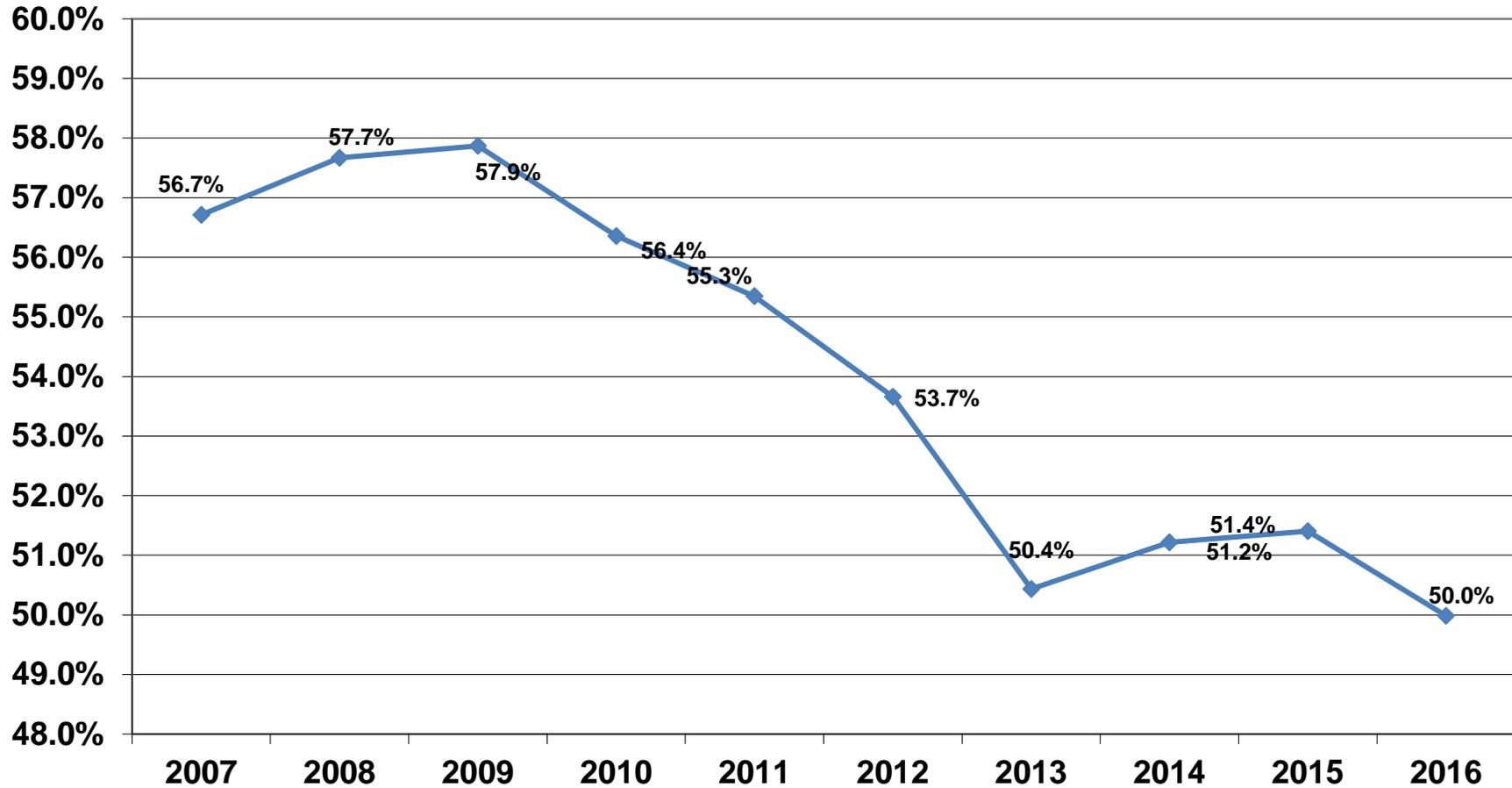
Financial Trend Profile #11

Salary Costs

This profile compares salary costs as a percentage of total General Fund expenditures. During the past ten-year period salary costs as a percentage of total General Fund expenditures have ranged from a low of 50.0% in 2016 to a high of 57.9% in 2009 with an average of 54.1%. In 2016, salary expenditures equated to 50.0% of all general fund expenses, a reasonable level for a service organization. This is a slight decrease from 2015 at 51.4% of General Fund expenditures.

Salary costs were maintained in 2016 due to departmental re-organizations and periodic vacancies of positions due to staff transitions throughout the year. In the past several years, position attrition has been utilized as opportunities developed due to retirements and other position vacancies. However, future savings that may be possible through the elimination of further positions will be minimal, if any. Staffing levels continue to be evaluated on an ongoing basis for all departments. Staffing efficiencies are captured when feasible without negatively impacting service levels.

City of Worthington Financial Trend Profile #11



Salary Cost as a % of General Fund Expenditures

Financial Trend Profile #12

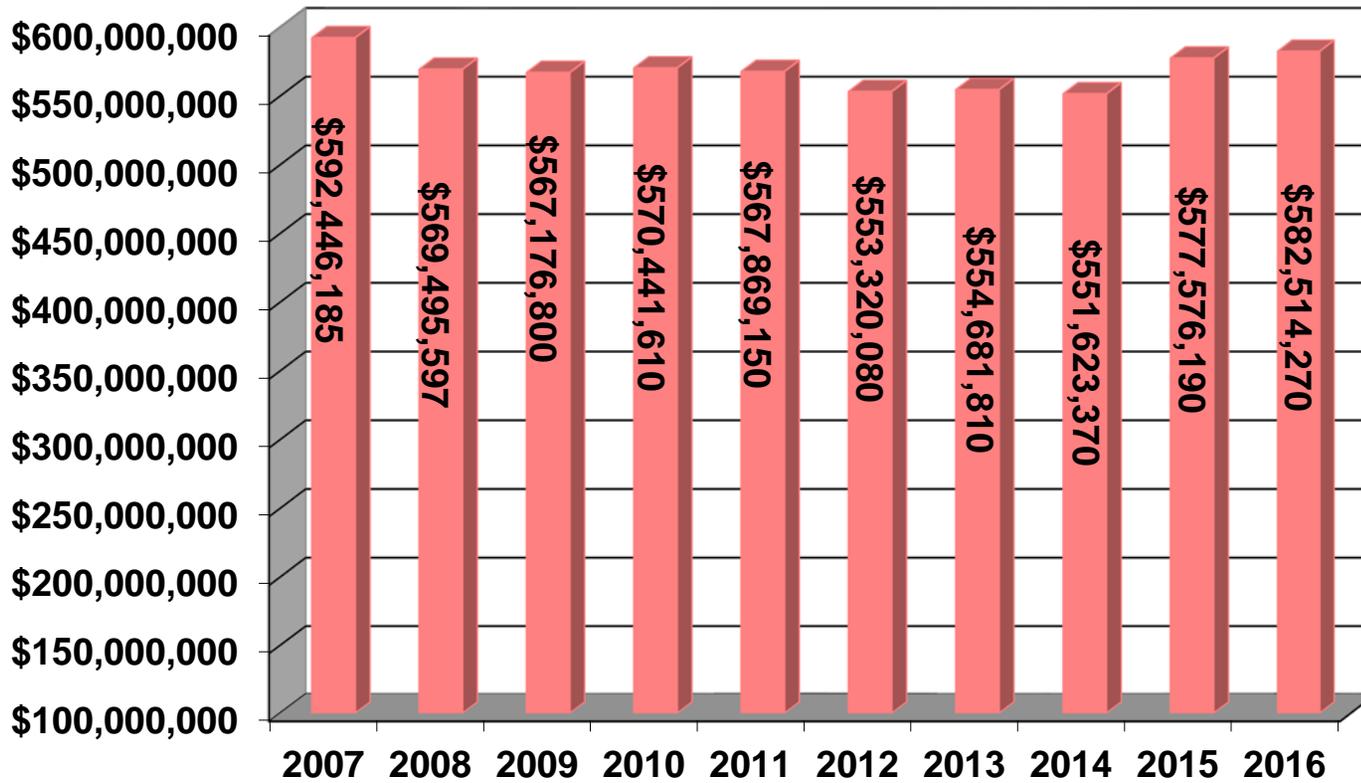
Assessed Valuation

This profile graphically illustrates the combined assessed valuation of all real and personal property located within the corporate limits of the City of Worthington. It may be studied in conjunction with profiles #5 and #8. This particular profile shows that the assessed valuations fluctuate according to changes in the valuation process through the Franklin County Auditor's Office. Typically, significant changes in total assessed valuation can be attributed to the re-evaluation of all property by the Franklin County Auditor.

All property is reappraised every six years with a triennial update every three years at the Franklin County Auditor's discretion and was conducted in 2014 for the collection year of 2015. The assessed valuation for all property increased for 2016 to a total of \$582,514,270 from \$577,576,190 in 2015. This resulted in an increase in total property tax collections in the amount of \$20,694 or .81%.

The valuation decline in the years 2007 through 2014 is attributed in part to the phase out of the personal property tax valuations, which began in 2006 and was essentially eliminated in 2013. Personal property tax revenue was eliminated as a result of the State's phase out of tangible personal property taxes allocated to local governments. Personal property tax collections for the prior ten year period (2007-2016) totaled \$607,069, with a high in 2007 in the amount of \$168,338.

City of Worthington Financial Trend Profile #12



Assessed Valuation

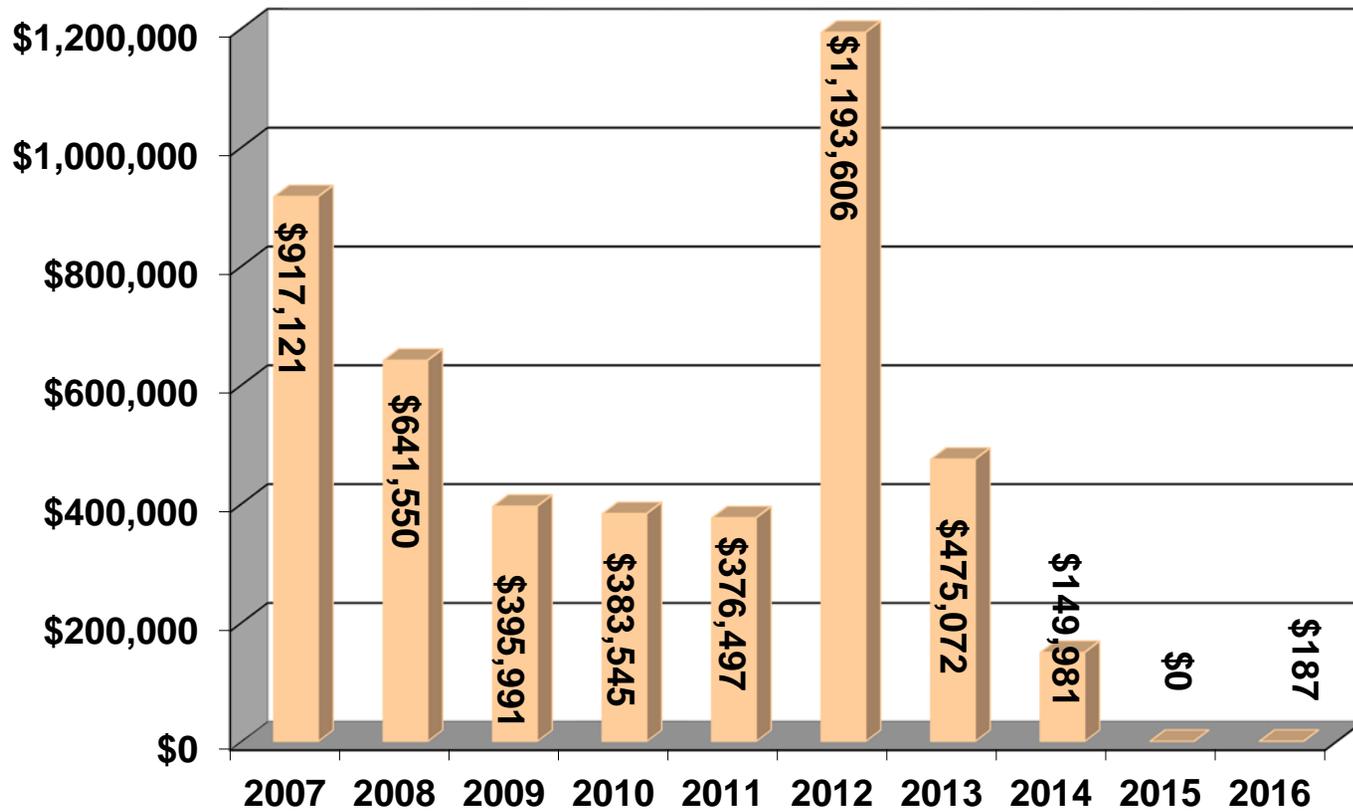
Financial Trend Profile #13

One-Time Revenues (Inheritance Tax)

Inheritance Tax or Estate Tax revenue is considered “One-Time Revenue” for this trend analysis. One-time revenue is one that cannot reasonably be expected to continue, or one that has a history of sporadic collection. The common use of one-time revenues to balance the budget may mean a city is incurring operating deficits and has little flexibility in dealing with shifts in the revenue stream.

Inheritance tax revenue has always been considered a highly volatile revenue source that could not be depended upon to produce a given amount of revenue in any given year. This revenue source was eliminated by the State Legislators with the passage of the State of Ohio Biennial Budget for the years 2011 through 2013. During the past ten year period, the annual inheritance tax collections ranged from a low of \$0 in 2015 to \$1,193,606 in 2012, averaging \$453,355. Due to the elimination of the inheritance tax a de-minimis amount was received in 2016 and this will not be a viable revenue source in the future unless this tax is further considered by the State Legislators.

City of Worthington Financial Trend Profile #13



Estate Tax

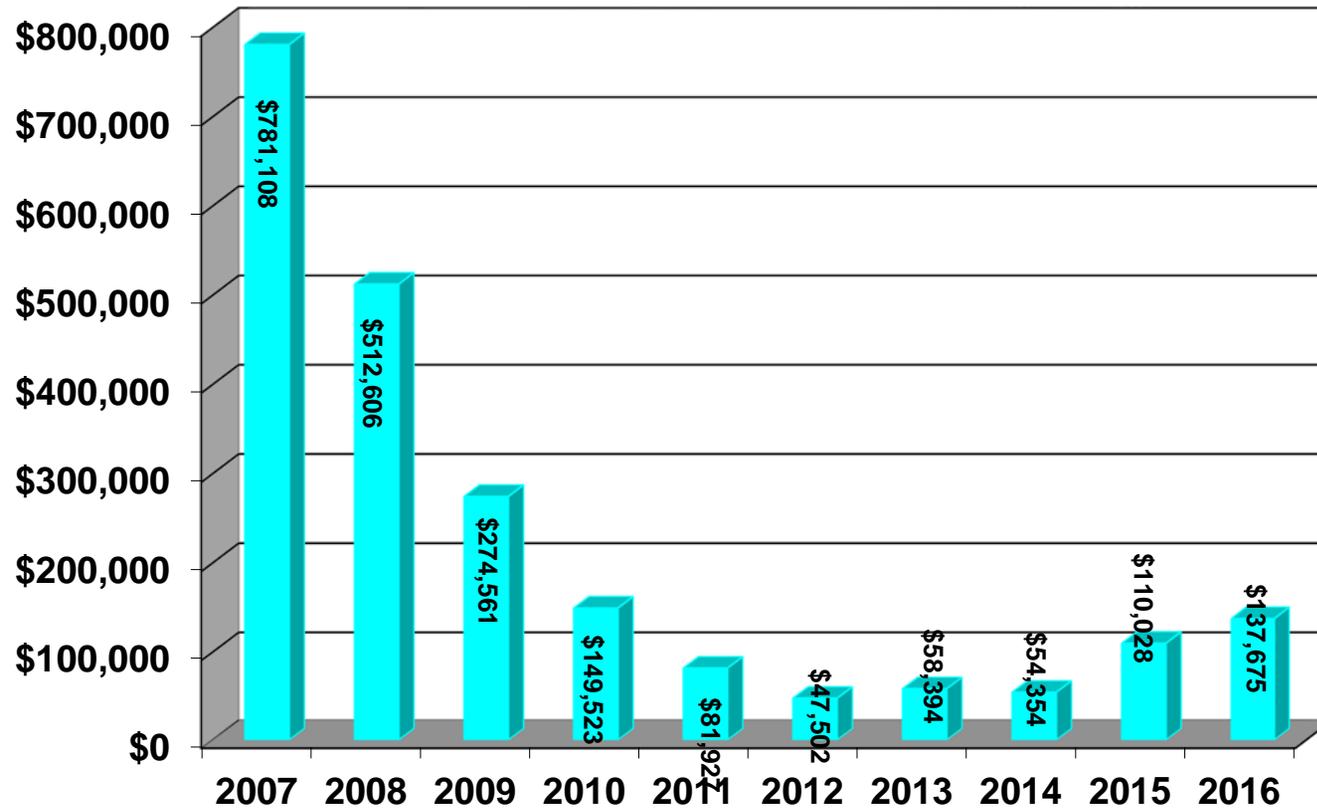
Financial Trend Profile #14

Interest Earnings

Interest earnings on investments are another volatile revenue source dependent on economic conditions and investment restrictions. Short-term investment rates remain at market rate lows ranging from .01 % to 1.0%, however, they are beginning to increase with the changes in the Federal market. Investment opportunities for public funds are generally restricted based on safety and liquidity needs.

Over the past ten years, interest earnings have fluctuated from a high of \$781,108 in 2007 to a low of \$47,502 in 2012. Interest rates in the market began to decline in 2008 resulting in lower investment earning opportunities. Interest earnings in 2016 continue to be restricted due to the market conditions, economic climate and the constraints of our investment policy. However, the interest rate environment is slowly increasing with changes to the federal interest rates provisions. 2016 interest earnings were in the amount of \$137,675, an increase of 25.13% from 2015. Investments are continually evaluated and diversified as allowed by law and consistent with our policies and liquidity needs.

City of Worthington Financial Trend Profile #14



Interest Earnings

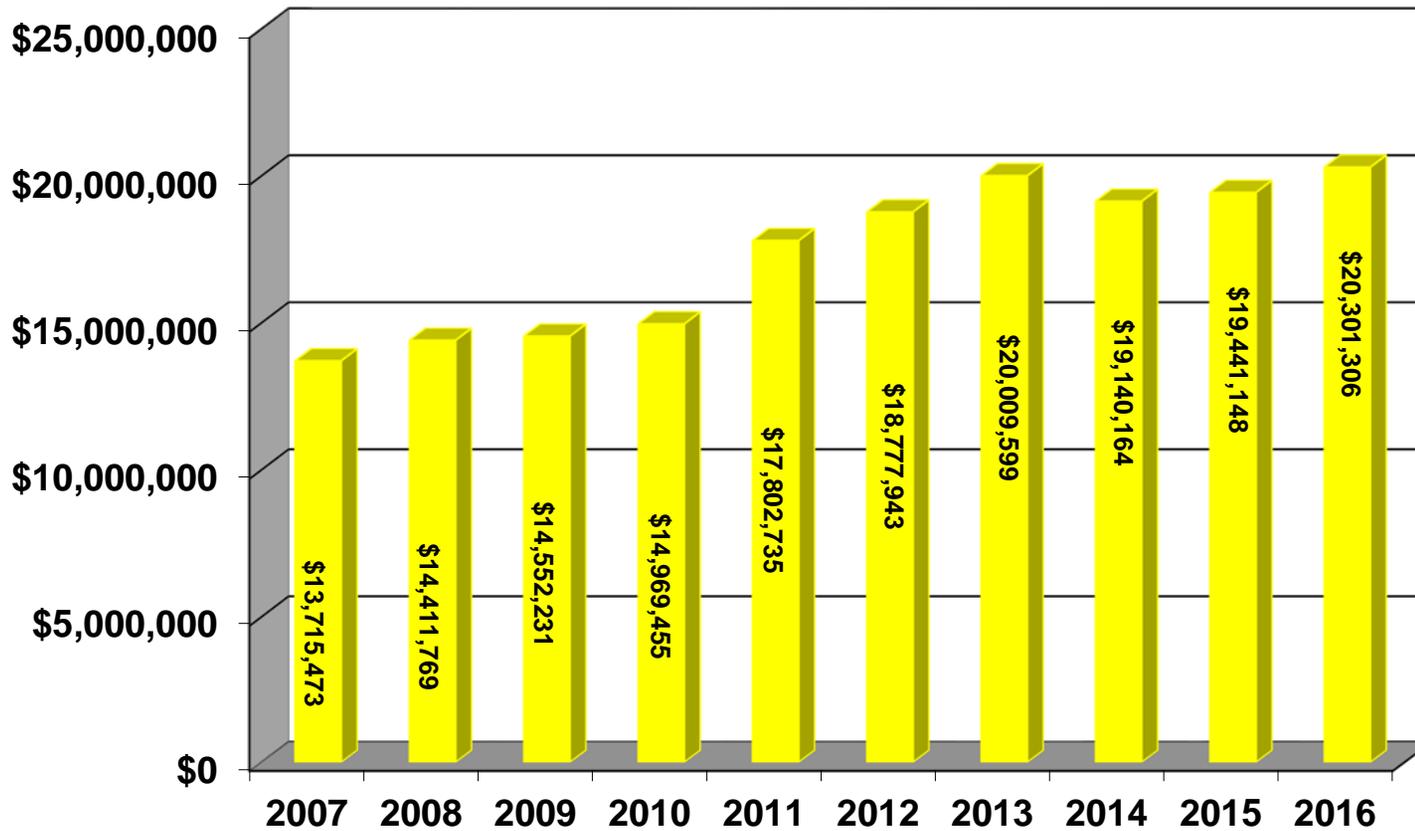
Financial Trend Profile #15

Elastic Tax Revenues

Elastic tax revenues are revenues whose yields are highly responsive to changes in the economic base and inflation. An example is a sales tax, which during good economic times increases along with the increase in retail business and declines during slowdowns in the economy. Conversely, inelastic revenues such as fixed license fees or user charges are relatively unresponsive to changes in economic conditions. It is beneficial for local government entities to create a balance between elastic and inelastic revenue sources which then allows for increased financial stability by providing a buffer against fluctuations due to economic challenges and inflationary periods. Diversifying revenues allows for financial stability in difficult economic times.

Elastic tax revenues reported for the City of Worthington in this diagram include income tax revenue, local government fund and tangible personal property tax receipts. For 2016, income tax revenue comprises 75.31% of the total operating revenue and local government fund revenue equates to 1.49% of total revenue. The State of Ohio began phasing out the tangible personal property tax in 2006. Nominal revenues have been received from this source since 2011 and nothing was received in 2016. The City of Worthington's General Fund revenues for 2016 reflects a total of 76.8% elastic and 23.2% inelastic revenue mix. This revenue allocation is primarily attributed to the heavy reliance on the income tax as the major revenue source for this entity.

City of Worthington Financial Trend Profile #15



General Fund Major Revenue Sources Totals (Elastic Revenues)

Income Tax, Local Govt, Personal Property Tax

**Table No. 16
General Fund
Major Revenue Sources**

Source	Ten Year Totals													Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
City Income Tax ¹	\$ 10,955,395	\$ 11,583,827	\$ 12,259,758	\$ 12,523,581	\$ 13,266,573	\$ 13,571,718	\$ 13,978,257	\$ 16,925,014	\$ 18,175,463	\$ 19,448,214	\$ 18,687,466	\$ 18,993,505	\$ 19,907,180	\$ 165,476,983
Real Estate Tax ²	1,266,495	1,107,032	1,295,690	2,321,487	2,210,134	2,407,102	2,593,326	2,530,624	2,496,628	2,553,085	2,411,227	2,564,038	2,584,732	\$ 24,672,382
Interest Earnings	240,437	403,734	673,738	781,108	512,606	272,543	149,523	81,927	47,502	58,394	54,354	110,028	137,675	\$ 2,205,658
Local Government	1,032,924	1,025,973	1,034,396	1,023,554	986,018	852,319	868,987	857,612	593,872	461,011	452,640	447,643	394,126	\$ 6,937,783
Personal Property Tax	130,565	119,517	135,530	168,338	159,178	128,193	122,211	20,109	8,608	375	58	-	-	\$ 607,069
Fines & Forfeitures	230,608	269,970	240,464	244,044	194,510	183,734	186,390	170,559	185,333	261,828	254,654	178,214	159,133	\$ 2,018,398
Inheritance Tax	511,196	972,263	683,309	917,121	641,551	395,991	383,545	376,497	1,193,606	475,072	149,981	-	187	\$ 4,533,551
All Other Revenue	2,764,769	3,265,883	3,161,350	3,515,670	3,779,832	3,149,652	3,469,924	3,332,661	3,367,786	3,902,019	3,476,432	3,235,598	\$ 3,251,236	\$ 34,480,811
Total Revenue	\$ 17,132,389	\$ 18,748,199	\$ 19,484,235	\$ 21,494,903	\$ 21,750,402	\$ 20,961,252	\$ 21,752,162	\$ 24,295,003	\$ 26,068,797	\$ 27,159,996	\$ 25,486,812	\$ 25,529,026	\$ 26,434,268	\$ 240,932,626
% Increase	18.22%	9.43%	3.93%	10.32%	1.19%	-3.63%	3.77%	11.69%	7.30%	4.19%	-6.16%	0.17%	3.55%	

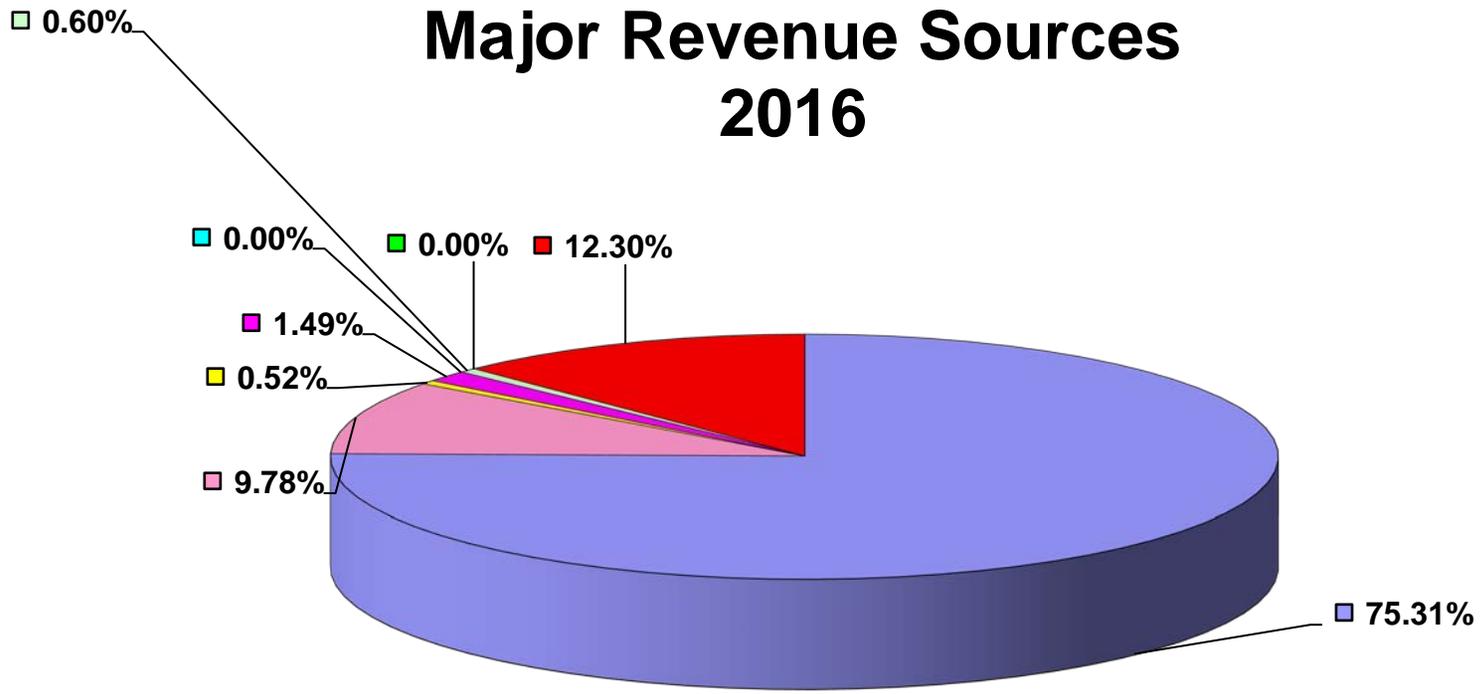
1 - Effective 1/1/94, Income Tax Rate increased from 1.0% to 1.65%, General Fund received 63.6% of total
 Effective 1/1/95, General Fund received 69.7% of total income tax collections
 Effective 1/1/04, Income Tax Rate increased to 2.0%, General Fund receives 80%
 Effective 7/1/10, Income Tax Rate increased to 2.5%, General Fund receives 80%, General Fund Reserve 6.4%, CIP 13.6%; returning to 80%/20% General Fund/CIP Fund on 1/1/2014.

2 - Effective 1/1/96, Property Tax Rates were decreased from 3.5 mills to 3.0 mills
 Effective 1/1/07, Property Tax Rates were increased from 3.0 mills to 5.0 mills

3 - 2009 Income Tax Revenue includes \$992,838 designated as Operating Reserve Funds within General Fund Revenues.
 2010 Income Tax Revenue includes \$1,025,964 designated as Operating Reserve Funds within General Fund Revenues.
 2011 Income Tax Revenue includes \$1,243,946 designated as Operating Reserve Funds within General Fund Revenues.
 2012 Income Tax Revenue includes \$1,330,172 designated as Operating Reserve Funds within General Fund Revenues.
 2013 Income Tax Revenue includes \$1,422,682 designated as Operating Reserve Funds within General Fund Revenues.
 2014 - return to 80%/20% split of Income Tax Revenue between General Fund and CIP.

25.13%

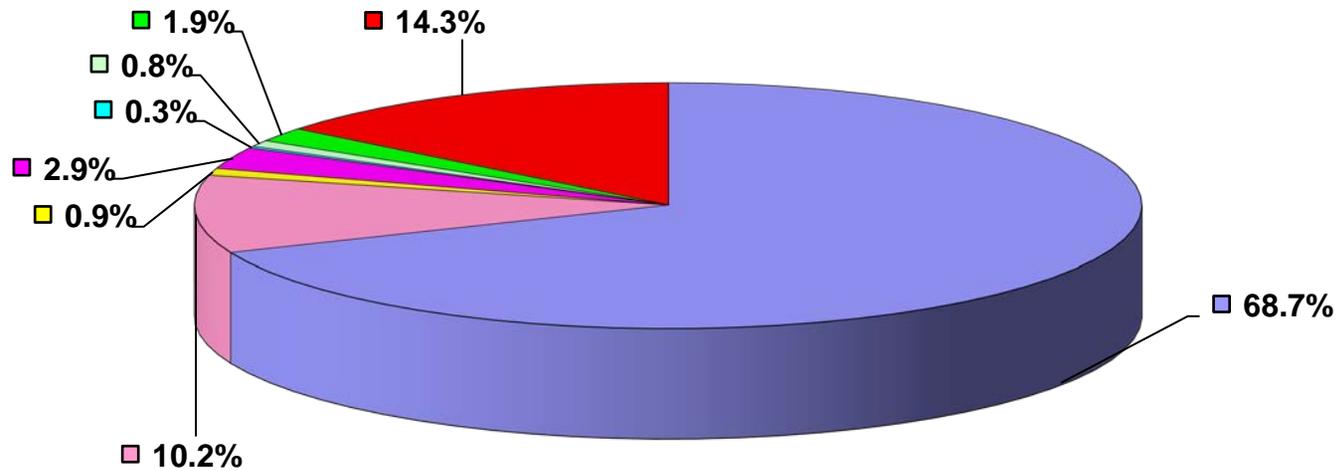
City of Worthington Major Revenue Sources 2016



Income Tax	Property Tax	Interest	Local Gov't
Personal Property	Fines & Forfeits	Inheritance Tax	Other Revenues

City of Worthington Major Revenue Sources

Ten Year Average
Collection Totals
2007 - 2016



Income Tax Property Tax Interest Local Gov't Personal Property Fines & Forfeits Inheritance Tax Other Revenues

**Table #17
General Fund
Major Expenditure Categories**

Source	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Police	\$ 3,382,592	\$ 3,544,774	\$ 3,534,737	\$ 3,652,093	\$ 3,832,314	\$ 3,909,179	\$ 4,040,448	\$ 4,001,656	\$ 4,045,026	\$ 4,137,684	\$ 4,211,887	\$ 5,203,269	\$ 5,313,514	2007-2016 \$ 42,347,070
Fire ¹	4,847,828	4,940,193	4,888,373	5,120,929	5,252,898	5,283,771	5,539,409	5,681,847	5,781,316	5,714,243	5,753,313	6,009,770	6,039,328	\$ 56,176,824
Parks & Recreation	2,821,936	2,839,955	2,920,096	2,933,292	2,926,756	2,988,790	2,924,795	2,928,534	2,949,809	3,081,429	3,160,505	4,298,746	4,483,496	\$ 32,676,153
Service/Engineering	1,211,734	1,287,437	1,245,470	1,340,283	1,493,204	1,328,014	1,461,945	1,498,277	1,576,545	1,735,252	1,747,239	2,342,814	2,211,661	\$ 16,735,234
Personnel	1,610,245	1,813,281	1,948,874	1,876,742	1,900,919	2,093,219	2,190,572	2,365,413	2,809,462	2,669,591	2,560,208	276,765	478,303	\$ 19,221,195
Administration	464,949	470,216	473,227	489,551	533,315	526,118	491,577	431,928	431,380	442,631	582,958	728,500	769,249	\$ 5,427,207
Planning & Building	519,606	532,021	554,518	544,768	574,862	585,140	573,395	682,926	701,328	424,465	535,580	736,679	692,505	\$ 6,051,649
Finance	610,907	647,566	680,941	990,642	1,088,379	1,046,123	1,508,655	1,218,680	1,418,797	1,315,648	1,362,844	1,454,880	1,557,803	\$ 12,962,451
Utilities ³	576,258	645,778	667,238	695,514	724,636	730,852	757,627	791,813	775,641	815,573	841,184	76,531	-	\$ 6,209,370
Law Director	479,738	395,103	407,869	399,887	309,127	355,949	349,785	427,834	408,477	420,217	363,137	411,098	728,893	\$ 4,174,403
All Other	1,535,186	1,569,907	1,580,716	1,744,907	1,868,467	1,944,158	2,018,145	2,538,739	2,547,192	2,192,055	2,079,825	2,144,626	2,556,400	\$ 21,634,513
Transfer Out ²	435,670	447,122	1,047,801	1,059,331	690,000	415,000	555,000	475,000	495,000	650,000	674,000	841,000	1,225,000	\$ 7,079,331
Total Expenditures	\$ 18,496,649	\$ 19,133,353	\$ 19,949,860	\$ 20,847,939	\$ 21,194,877	\$ 21,206,313	\$ 22,411,353	\$ 23,042,647	\$ 23,939,972	\$ 23,598,788	\$ 23,872,680	\$ 24,524,678	\$ 26,056,152	\$ 230,695,399
% Increase	1.97%	3.44%	4.27%	4.50%	1.66%	0.05%	5.68%	2.82%	3.89%	-1.43%	1.16%	2.73%	6.24%	

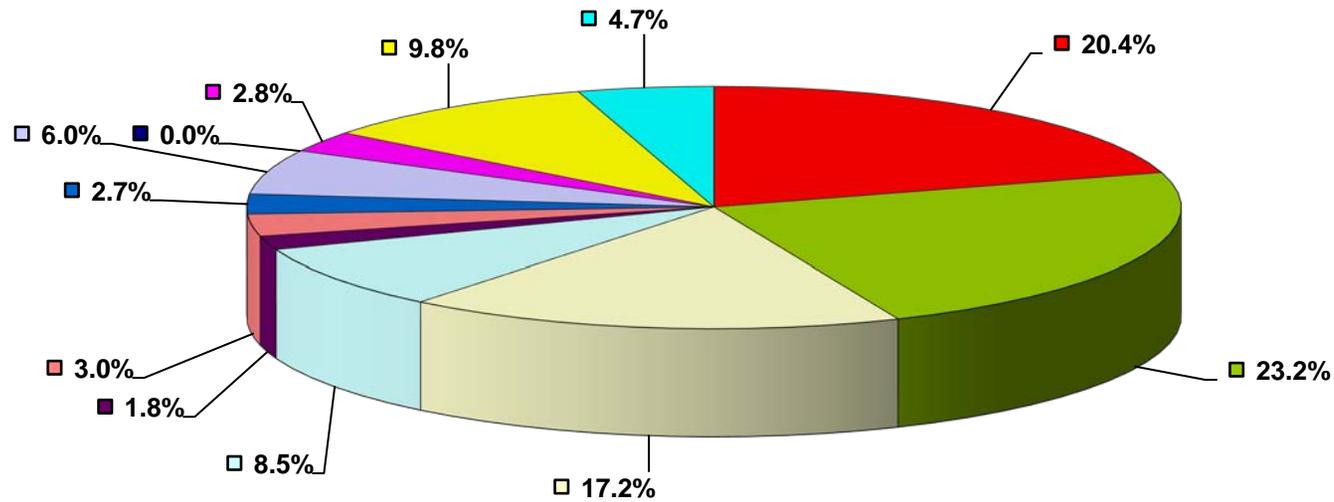
1 - Effective 1/1/94, City of Worthington assumed operation of former Sharon Township Fire Department.

2 - Transfers include Fire Department Note, Capital Expenditures, Economic Development Incentive funds, and Police Pension.

3 - Utility costs shifted to individual departments effective in 2015.

City of Worthington Major Expenditure Categories

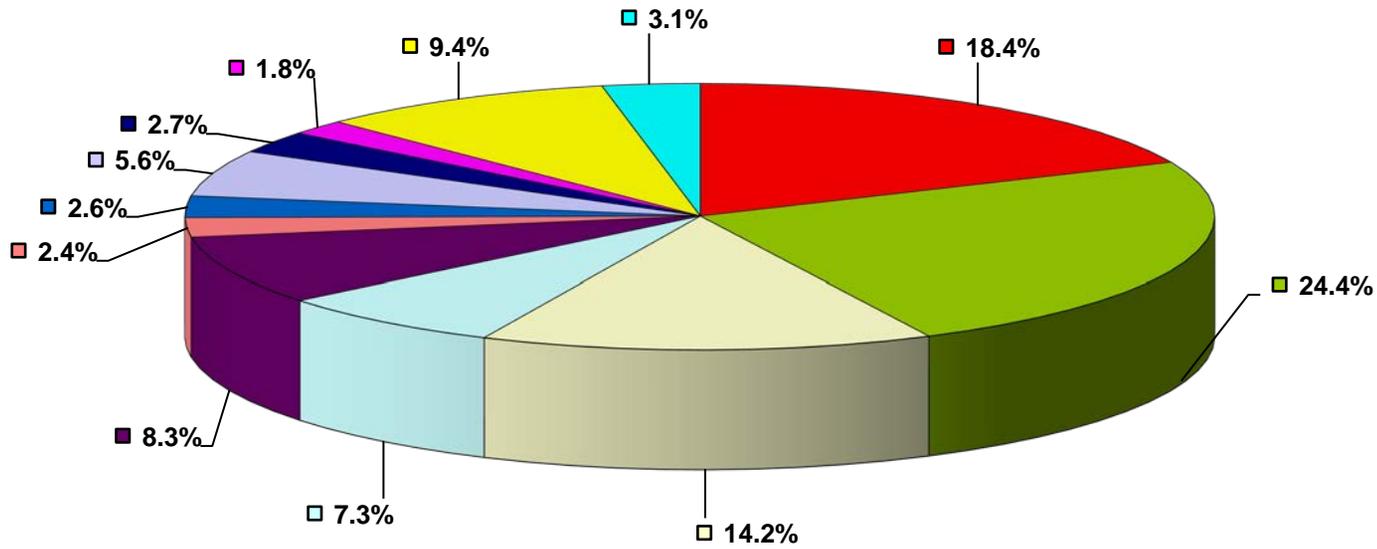
2016 Expenditures



Police	Fire	Parks & Recreation	Service
Personnel	Administration	Engineering	Finance
Utilities	Law Director	All Other	Transfer Out

City of Worthington Major Expenditure Categories

Ten Year Expenditure
Average
2007-2016



■ Police	■ Fire	□ Parks & Recreation	□ Service
■ Personnel	■ Administration	■ Engineering	□ Finance
■ Utilities	■ Law Director	■ All Other	■ Transfer Out

Exhibit #18
General Fund
Comparison of Percentage Change
of Revenues and Expenditures

<u>Year</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Difference</u>	<u>Accumulated Difference</u>
1999	4.10%	12.30%	-8.20%	-8.20%
2000	1.60%	1.70%	-0.10%	-8.30%
2001	-1.60%	8.90%	-10.50%	-18.80%
2002	-5.80%	10.40%	-16.20%	-35.00%
2003	3.80%	7.90%	-4.10%	-39.10%
2004	18.20%	2.00%	16.20%	-22.90%
2005	9.40%	3.40%	6.00%	-16.90%
2006	3.90%	4.30%	-0.40%	-17.30%
2007	10.30%	4.50%	5.80%	-11.50%
2008	1.20%	1.60%	0.40%	-11.10%
2009	-3.60%	0.05%	-3.65%	-14.75%
2010	3.77%	5.68%	-1.91%	-16.66%
2011	11.69%	2.82%	8.87%	-7.79%
2012	7.30%	3.89%	3.41%	-4.38%
2013	4.19%	-1.43%	5.62%	1.24%
2014	-6.16%	1.16%	-7.32%	-6.08%
2015	0.17%	2.73%	-2.56%	-8.64%
2016	3.55%	6.24%	-2.69%	-11.33%

Exhibit #19 General Fund Cash Position

<u>Year</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Ending Balance</u>
2000	9,410,846	15,068,544	13,979,854	1,088,690	10,499,536
2001	10,499,536	14,828,609	15,225,256	(396,647)	10,102,889
2002	10,102,889	13,962,484	16,811,748	(2,849,264)	7,253,625
2003	7,253,625	14,491,795	18,139,412	(3,647,617)	3,606,008
2004	3,606,008	17,132,389	18,496,649	(1,364,260)	2,241,748
2005	2,241,748	18,748,199	19,133,353	(385,154)	1,856,594
2006	1,856,594	19,484,235	19,949,860	(465,625)	1,390,969
2007	1,390,969	21,494,903	20,847,939	646,964	2,037,933
2008	2,037,933	21,750,402	21,194,877	555,525	2,593,458
2009	2,593,458	20,961,252	21,206,313	(245,061)	2,348,397
2010	2,348,397	21,752,162	22,411,354	(659,191)	1,689,206
2011	1,689,206	24,295,003	23,042,647	1,252,357	2,941,562
2012	2,941,562	26,068,798	23,939,972	2,128,826	5,070,388
2013	5,070,388	27,159,997	23,598,788	3,561,209	8,631,597
2014	8,631,597	25,486,812	23,872,680	1,614,132	10,245,729
2015	10,245,729	25,529,026	24,524,678	1,004,349	11,250,077
2016	11,250,077	26,434,268	26,056,152	378,116	11,628,193

Exhibit #20

Comparative Income Tax and Property Tax Rates

City	Income Tax Rate		Property Tax Rate
Bexley	2.50%	3	7.85
Columbus	2.50%	1	3.14
Dublin	2.00%		2.95
Gahanna	1.50%		2.40
Grandview Heights	2.50%	4	10.15
Grove City	2.00%		3.50
Hilliard	2.00%		1.60
New Albany	2.00%		1.94
Powell	0.75%		3.80
Reynoldsburg	1.50%		0.70
Upper Arlington	2.50%	6	6.58
Westerville	2.00%		23.10
Whitehall	2.50%	5	1.50
Worthington	2.50%	2	5.00

- 1- Income Tax Increase effective 10/1/2009
- 2- Income Tax Increase effective 07/01/2010
- 3- Income Tax Increase effective 01/01/2012
- 4- Income Tax Increase effective 01/01/2010
- 5- Income Tax Increase effective 01/01/2011
- 6- Income Tax Increase effective 01/01/2015

This comparison reflects city gross property tax and income tax rates as of 1/1/2016
 Property Tax Rate = Gross Millage

Credit allowed for tax paid to city of employment: Bexley 65%, Gahanna 83.33%,
 Grandview Heights 2.25%, and Powell .25%.

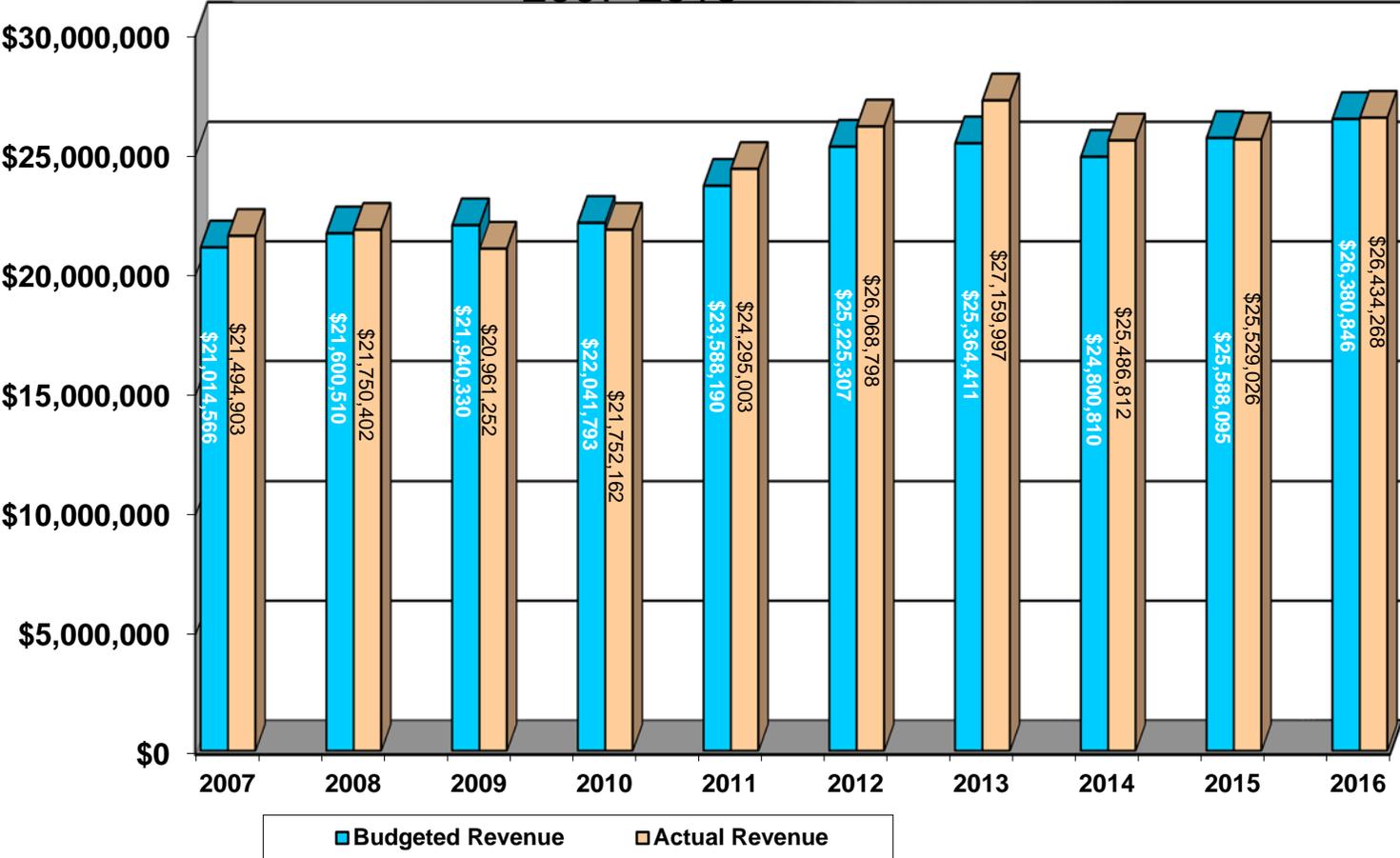
(All other communities allow 100% credit for tax paid to city of employment)

Source:
 Franklin County Auditor
 Delaware County Auditor
 State of Ohio Department of Taxation

City of Worthington Budget vs Actual Revenue

Ten Year History

2007-2016



City of Worthington Budget vs Actual Expenditures

Ten Year History 2007 - 2016

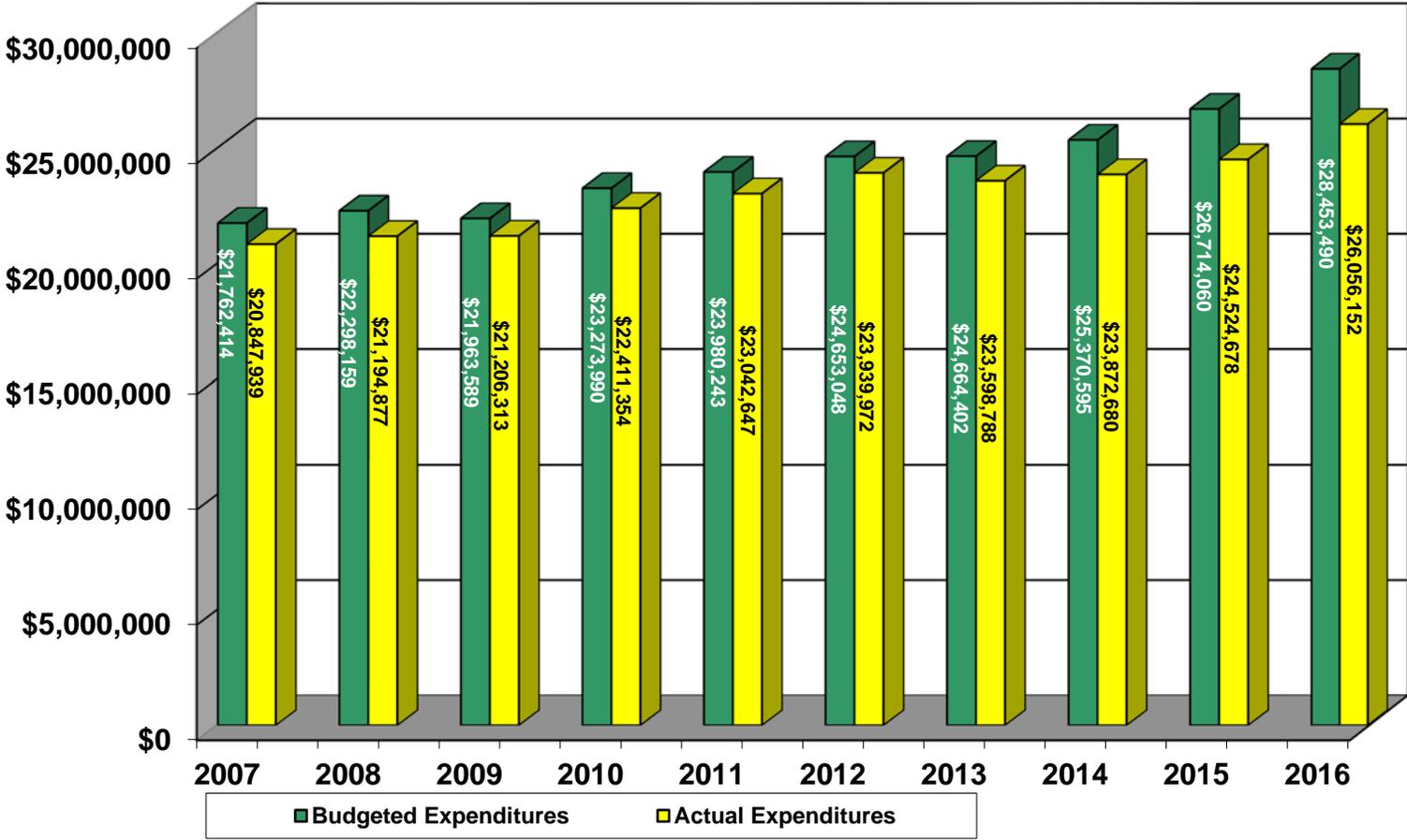


Exhibit #22

Financial Trend Profile Formulas

1. Revenue Per Capita - Net Operating Revenue/Population
2. Expenditure Per Capita - Net Operating Expenditures/Population
3. Comparative Profile of Revenue/Expenditure Per Capita
4. General Fund Balance Chart
5. Property Tax Revenue Chart
6. Operating Deficit - Net Operating Revenue/Net Operating Expenditures
7. Revenue Shortfall - Actual Operating Revenue/Budgeted Revenue
8. Long Term Debt - Net Long Term Debt/Assessed Valuation
9. Fringe Benefits - Fringe Benefits/Salaries and Wages
10. Comparative Profile of Net Operating Revenue/Net Operating Expenditures
11. Salary Cost - Salaries and Wages/Net Operating Expenditures
12. Assessed Valuation Chart
13. One-Time Revenue (Inheritance Tax) Chart
14. Interest Earnings Chart
15. Elastic Tax Revenue Chart

Table #23
City of Worthington
General Fund

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenue Per Capita	\$ 1,212	\$ 1,326	\$ 1,378	\$ 1,520	\$ 1,539	\$ 1,483	\$ 1,539	\$ 1,790	\$ 1,920	\$ 2,001	\$ 1,877	\$ 1,903	\$ 1,947
Expenditure Per Capita	\$ 1,308	\$ 1,353	\$ 1,411	\$ 1,475	\$ 1,499	\$ 1,500	\$ 1,585	\$ 1,697	\$ 1,764	\$ 1,738	\$ 1,759	\$ 1,807	\$ 1,919
Elastic Tax Revenue	70.7%	67.9%	68.9%	63.8%	66.3%	69.40%	68.80%	73.30%	72.00%	73.70%	75.10%	76.20%	76.80%
Estate Tax Revenue <small>(One-Time Revenue)</small>	3.0%	5.2%	3.5%	4.3%	2.9%	1.90%	1.80%	1.50%	4.60%	1.75%	0.60%	0.00%	0.00%
Property Tax Revenue	\$ 1,266,495	\$ 1,250,572	\$ 1,427,588	\$ 2,556,496	\$ 2,489,273	\$ 2,548,450	\$ 2,593,326	\$ 2,550,733	\$ 2,496,628	\$ 2,553,085	\$ 2,411,227	\$ 2,564,038	\$ 2,584,732
Revenue Shortfalls <small>Estimated to Actual Collections</small>	0.43%	0.92%	1.53%	2.28%	0.69%	-4.46%	-1.31%	3.00%	3.34%	7.08%	2.77%	-0.23%	0.20%
Fringe Benefits <small>% to Total Wages Paid</small>	38.9%	39.4%	40.8%	38.3%	38.2%	40.50%	42.40%	41.10%	47.80%	42.30%	41.50%	43.00%	43.70%
Operating Deficits	-7.4%	-2.1%	-2.3%	3.1%	2.6%	-1.20%	-2.90%	5.40%	8.90%	15.10%	6.80%	5.30%	
General Fund Balance <small>% of Net Operating Revenue</small>	13.1%	9.9%	7.1%	9.5%	11.9%	11.20%	7.80%	12.10%	19.45%	31.80%	40.20%	44.10%	44.00%
Long-Term Debt <small>% to Assessed Valuation</small>	1.73%	1.8%	1.57%	1.52%	1.49%	1.41%	1.31%	1.22%	1.48%	1.37%	1.24%	1.19%	1.03%
Salary Cost <small>% to Total General Fund Expenses</small>	58.2%	58.4%	56.4%	56.7%	57.7%	57.90%	56.40%	55.30%	53.66%	50.40%	51.20%	51.40%	50.00%
Interest Earnings	\$ 240,437	\$ 403,734	\$ 673,738	\$ 781,108	\$ 512,606	\$ 272,543	\$ 149,523	\$ 81,927	\$ 47,502	\$ 58,394	\$ 54,354	\$ 110,028	\$ 137,675
Income Tax Revenue	\$ 10,955,395	\$ 11,583,827	\$ 12,259,758	\$ 12,523,581	\$ 13,266,573	\$ 13,571,718	\$ 13,978,257	\$ 16,925,015	\$ 18,175,463	\$ 19,448,214	\$ 18,687,466	\$ 18,993,505	\$ 19,907,180
Property Tax Revenue <small>as % of Assessed Valuation</small>	0.23%	0.23%	0.24%	0.43%	0.44%	0.45%	0.45%	0.45%	0.45%	0.46%	0.44%	0.44%	0.44%

Table #24
City of Worthington
General Fund

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Operating Revenue (Budget)	\$ 17,461,160	\$ 18,577,646	\$ 19,190,424	\$ 21,014,566	\$ 21,600,510	\$ 21,080,015	\$ 22,041,793	\$ 23,588,190	\$ 25,225,307	\$ 25,364,411	\$ 24,800,810	\$ 25,588,095	\$ 26,380,846
Net Operating Revenue (Actual)	17,132,389	18,748,199	19,484,235	21,494,903	21,750,402	20,961,252 ***	21,752,162	24,295,003	26,068,798	27,159,997	25,486,812	25,529,026	\$ 26,434,268
Population	14,137	14,137	14,137	14,137	14,137	14,137	14,137	13,575 ****	13,575	13,575	13,575	13,575	13,575
Elastic Tax Revenue *	12,118,884	12,729,317	13,429,684	13,715,473	14,411,769	14,552,230	14,969,455	17,802,735	18,777,943	20,009,599	19,140,164	19,441,148	20,301,306
One-time Revenue (Estate Tax)	511,196	972,263	683,309	917,121	641,550	395,991	383,545	376,497	1,193,606	475,072	149,981	-	187
Revenue Shortfalls **	(328,771)	170,553	293,811	480,337	149,892	(118,763)	(289,631)	706,813	843,491	1,795,586	686,002	(59,069)	53,422
Net Operating Expenditures	18,496,649	19,133,353	19,949,860	20,847,939	21,194,877	21,206,313	22,411,354	23,042,647	23,939,972	23,598,788	23,872,680	24,524,678	26,056,152
Salaries & Wages	10,759,250	11,169,640	11,254,892	11,823,909	12,223,274	12,272,011	12,630,745	12,752,695	12,846,360	11,901,930	12,227,377	12,607,447	13,023,916
Fringe Benefits	4,193,736	4,403,632	4,593,494	4,529,136	4,668,849	4,964,833	5,349,376	5,244,730	6,145,049	5,031,917	5,072,875	5,426,693	5,691,640
Operating Deficit	(1,364,260)	(385,154)	(465,625)	646,964	555,525	(245,061)	(659,192)	1,252,356	2,128,826	3,561,209	1,614,132	1,004,349	378,116
Fund Balance	2,241,748	1,856,594	1,390,969	2,037,933	2,593,458	2,348,397	1,689,206	2,941,562	5,070,388	8,631,597	10,245,729	11,250,077	11,628,193
Net Long-term Debt	9,524,564	9,844,709	9,424,855	8,980,000	8,647,296	8,134,486	7,746,162	8,643,866	8,326,056	7,703,246	6,960,436	6,870,228	6,011,991
Assessed Valuation	550,416,354	545,193,632	600,897,843	592,446,185	569,495,597	567,176,800	570,440,610	567,869,150	553,320,080	554,681,810	551,623,570	577,576,190	582,514,270

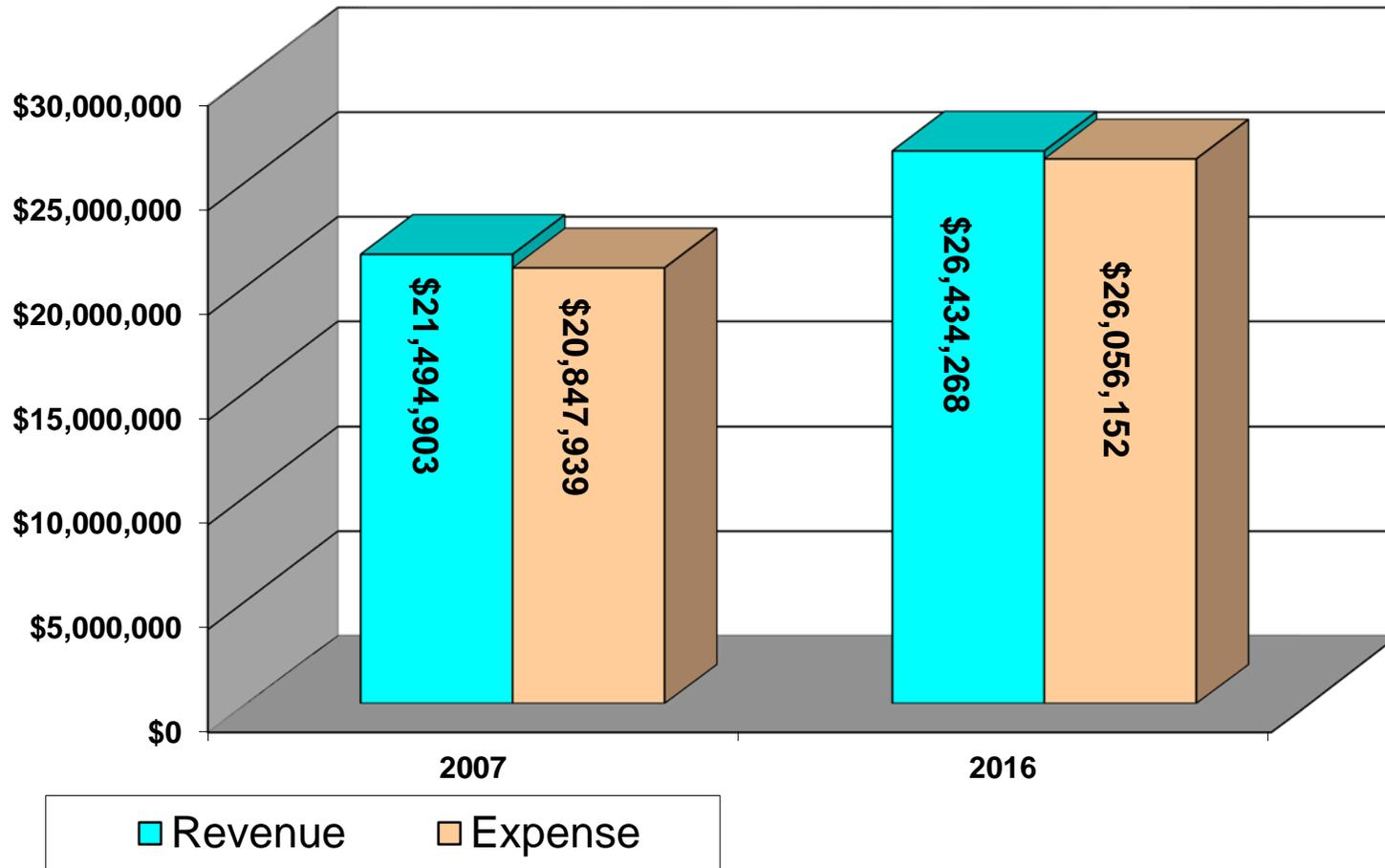
* Revenue susceptible to economic changes (Income Tax, Personal Property Tax, Local Gov't)

** Budgeted Net Operating Revenue less Actual Net Operating Revenue

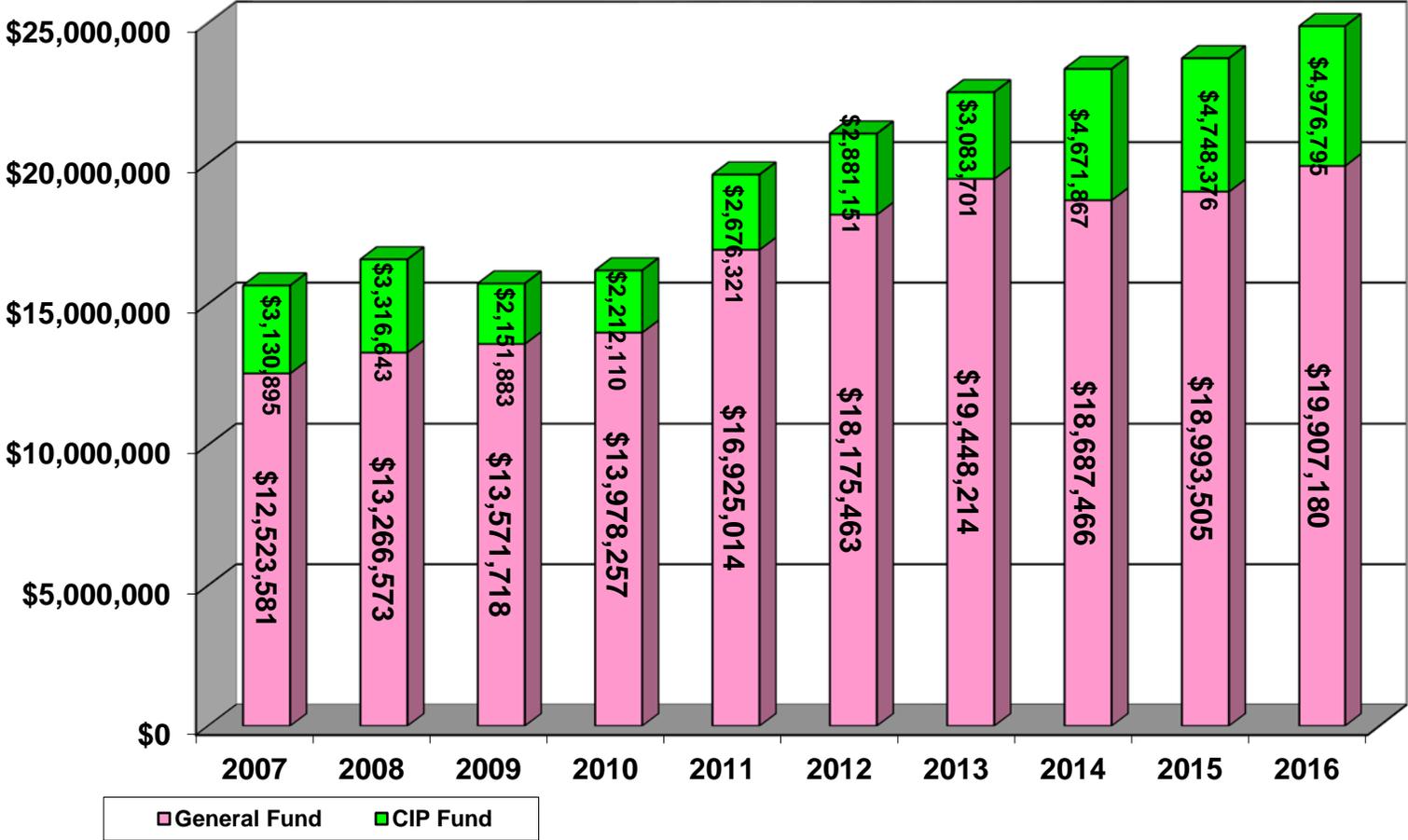
*** Includes Operating Reserve allocation of \$1,025,963 for 2010.

**** 2010 US Census Estimates

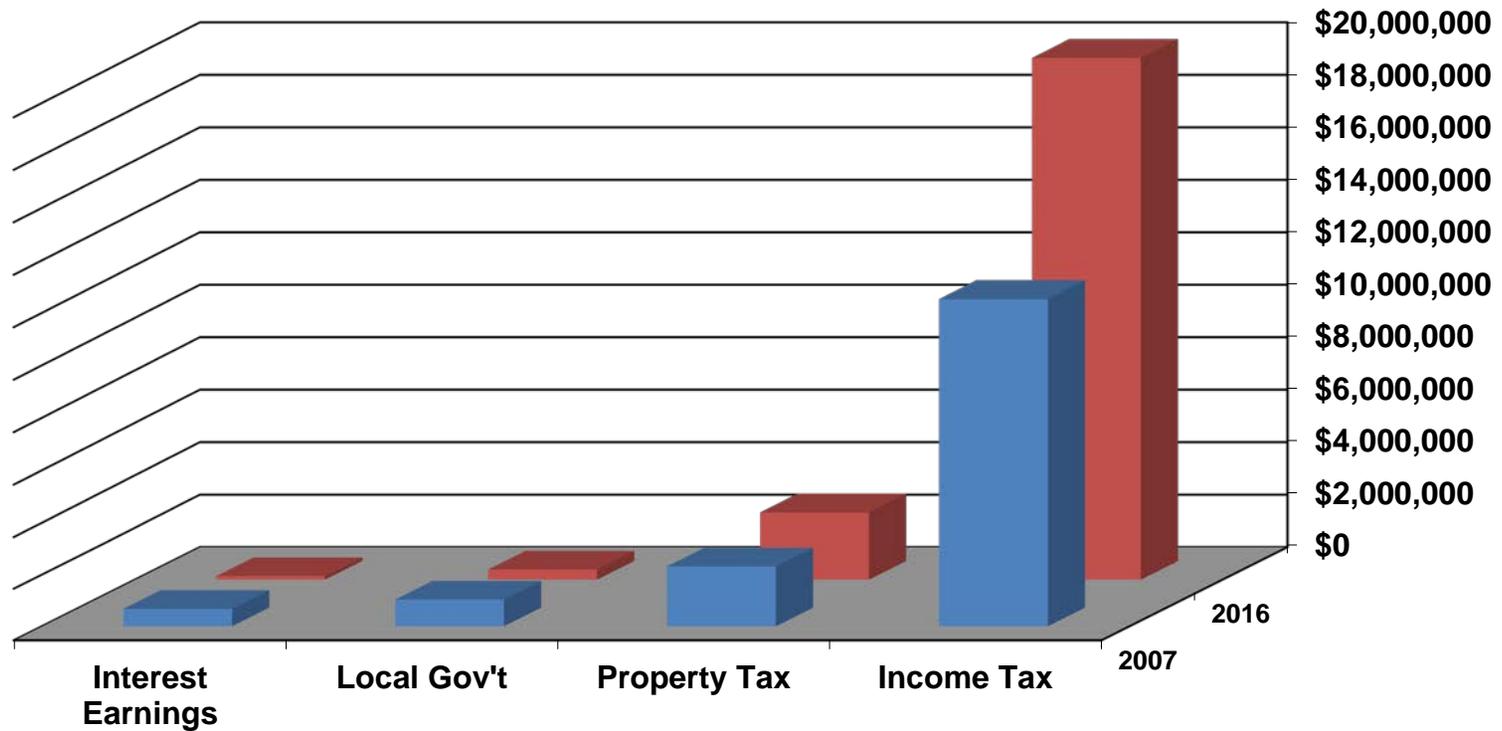
City of Worthington General Fund: 2007 vs 2016



City of Worthington Income Tax Revenue



City of Worthington Selected Revenues: 2007 vs 2016



City of Worthington Selected Expenditures: 2007 vs 2016

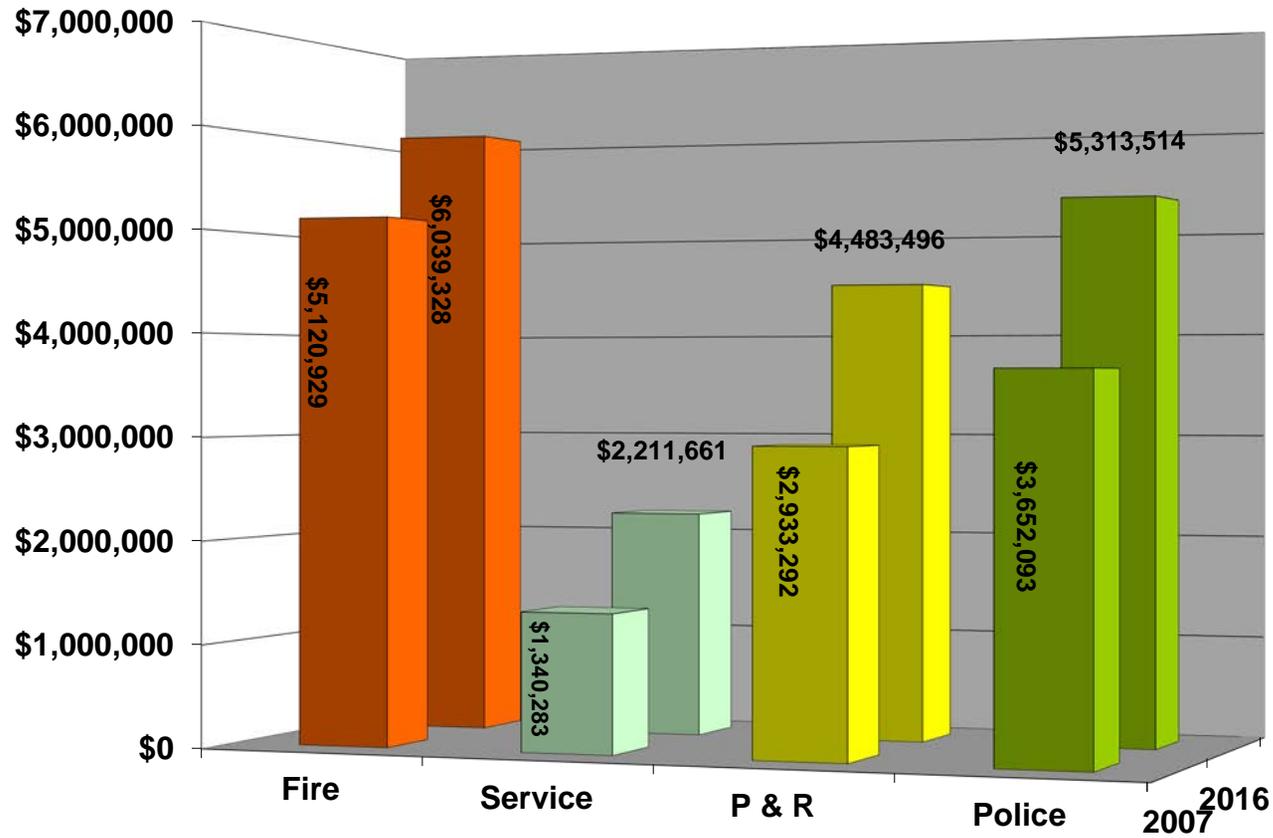


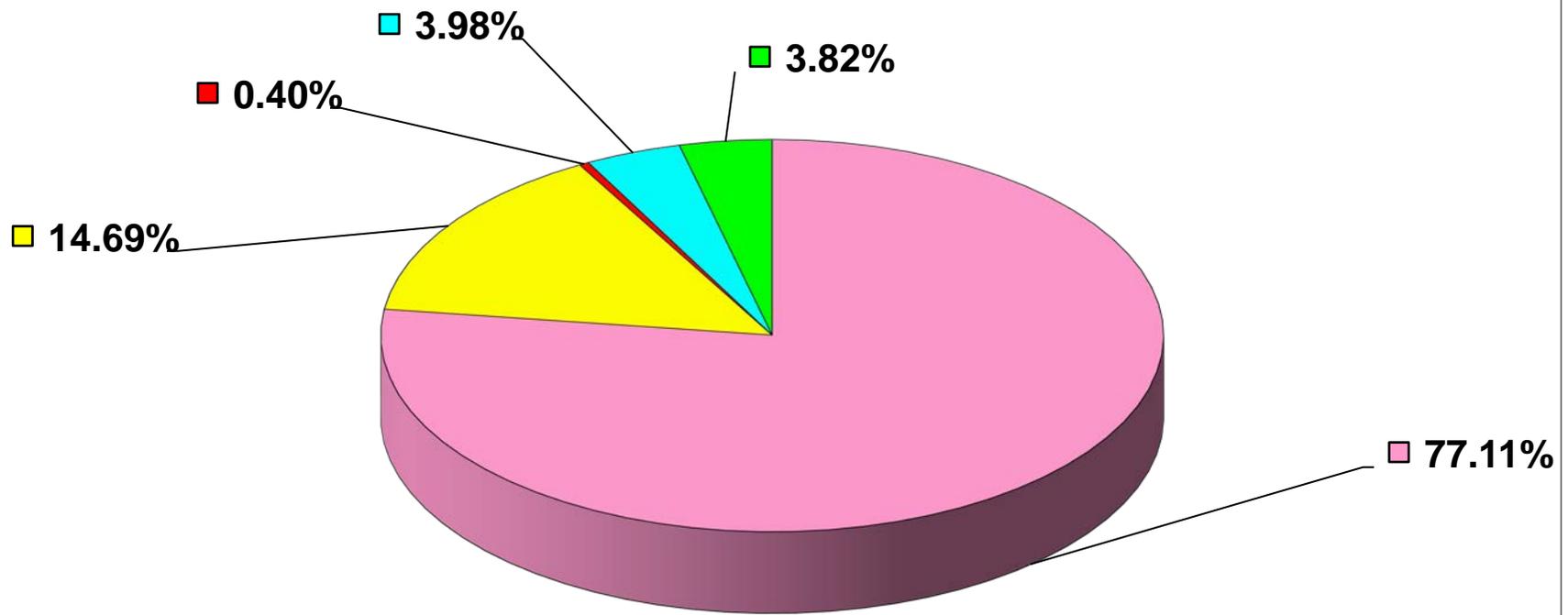
Table #29

City of Worthington

Gross Property Tax Rates

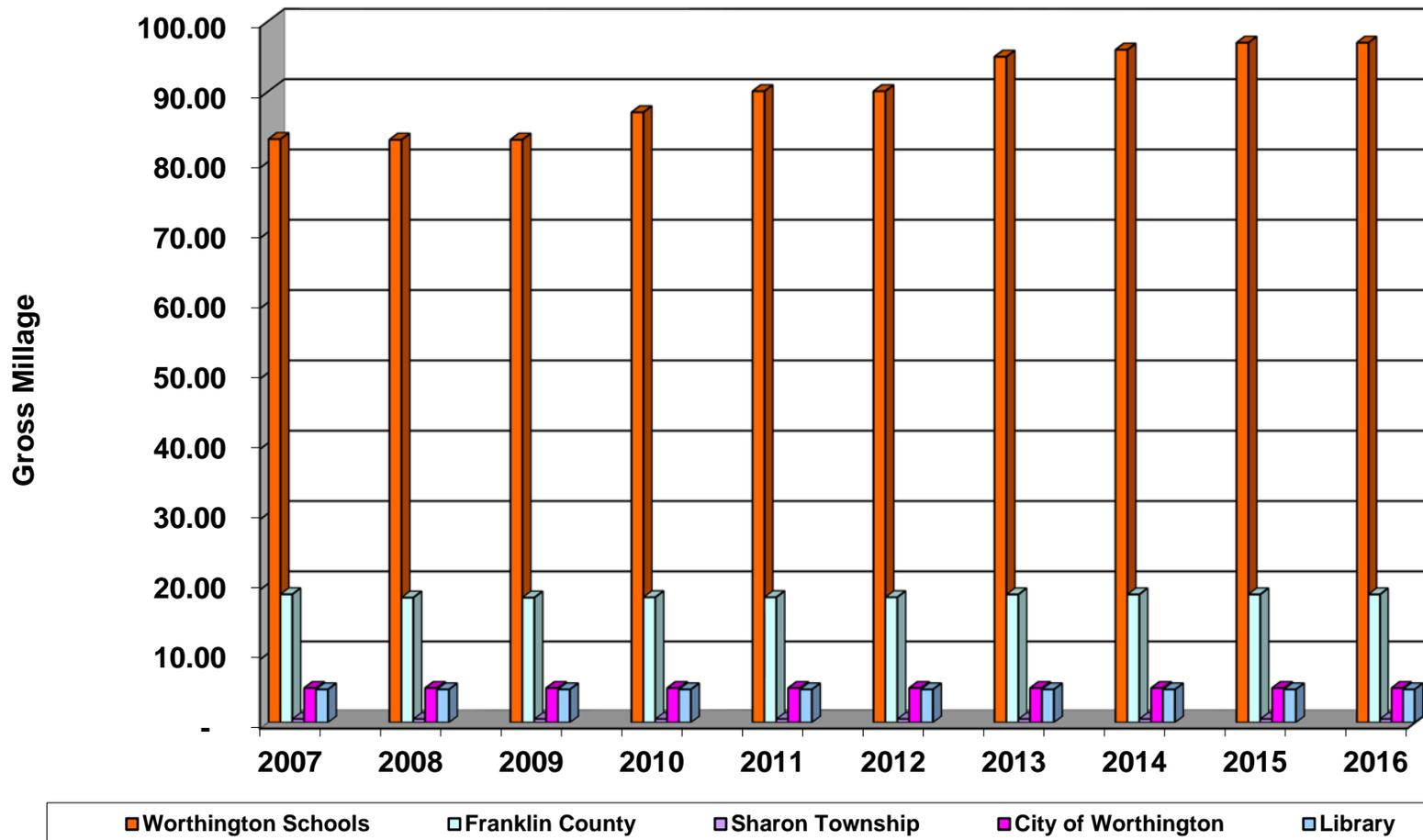
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Schools	83.23	83.14	83.14	87.04	90.04	90.04	94.94	95.94	96.94	96.94
County	18.49	18.02	18.02	18.07	18.07	18.07	18.47	18.47	18.47	18.47
Township	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
City	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Library	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80

City of Worthington Who Receives The Property Tax?

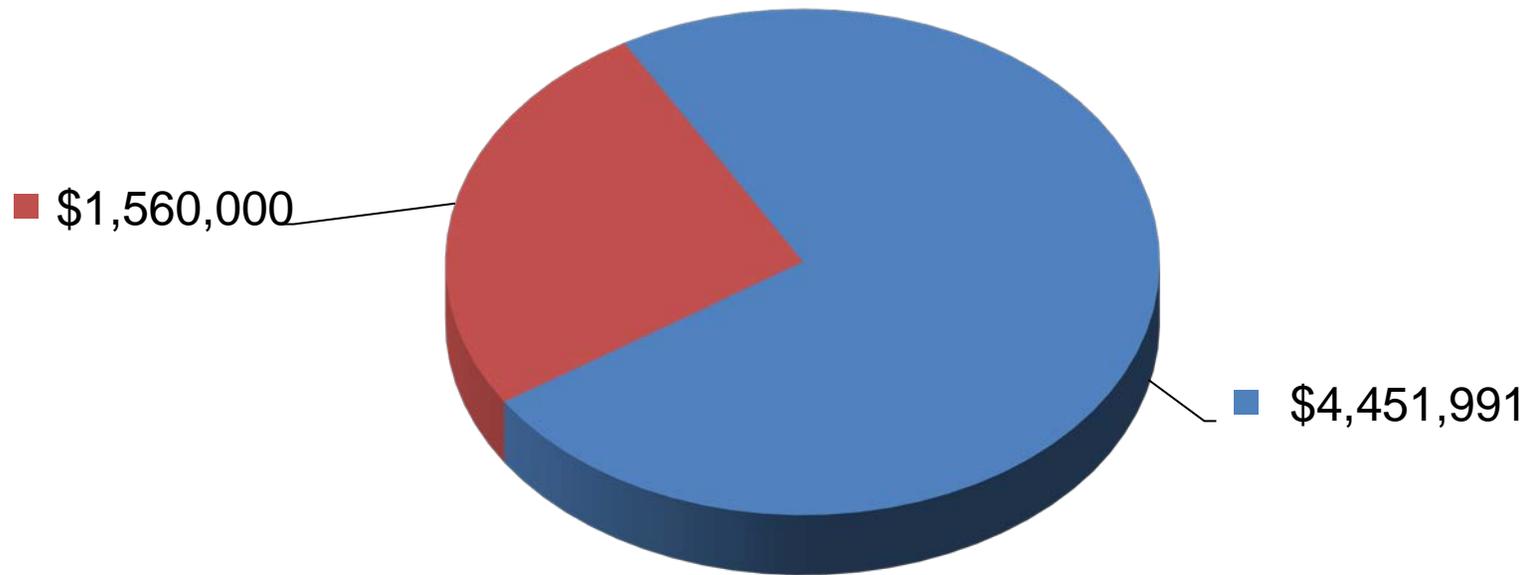


■ Worthington Schools ■ Franklin County ■ Sharon Township ■ City of Worthington ■ Library

City of Worthington Real Estate Tax Information



City of Worthington Schedule of Indebtedness as of 12/31/2016

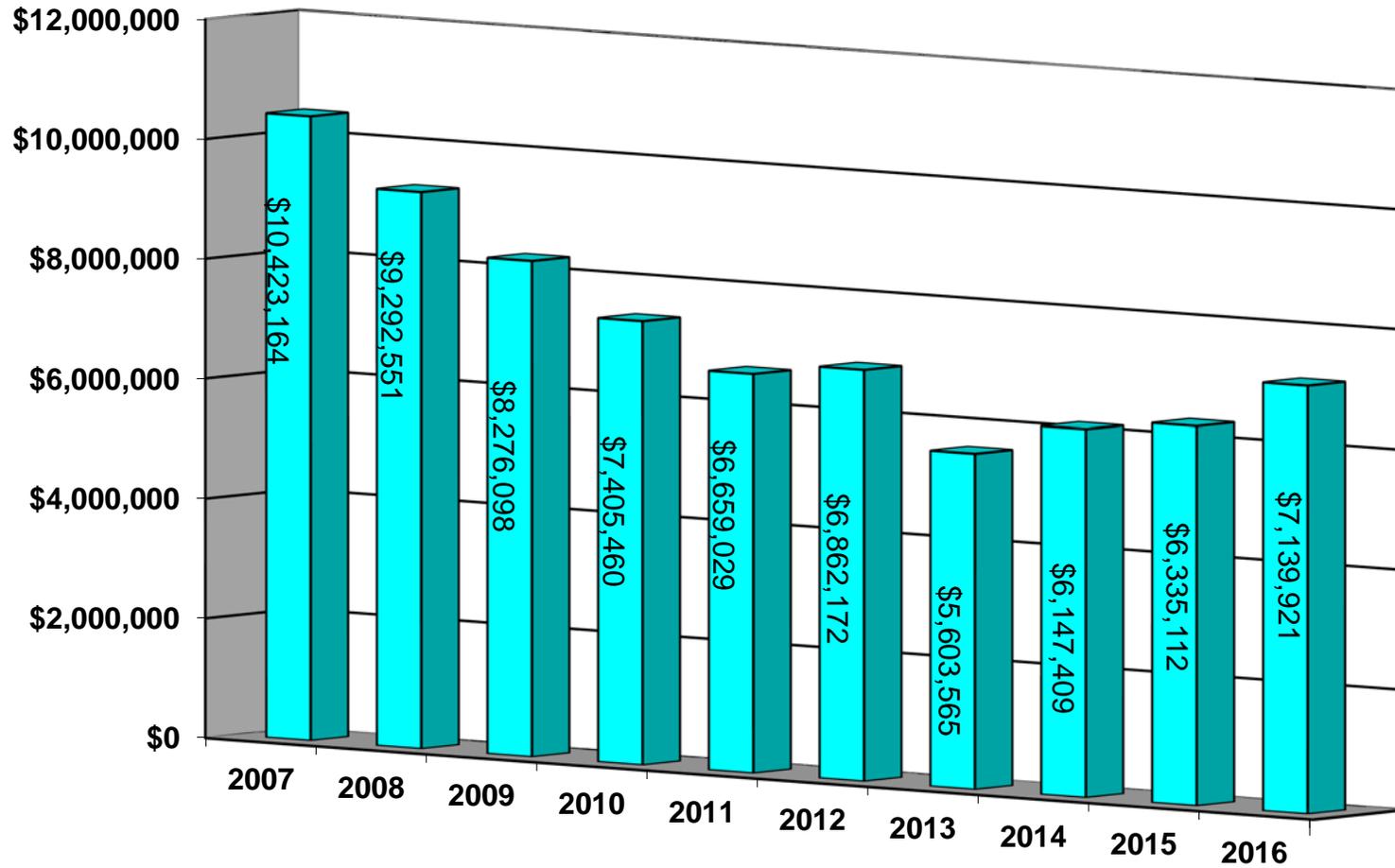


■ G.O. Bonds ■ Bond Anticipation Notes

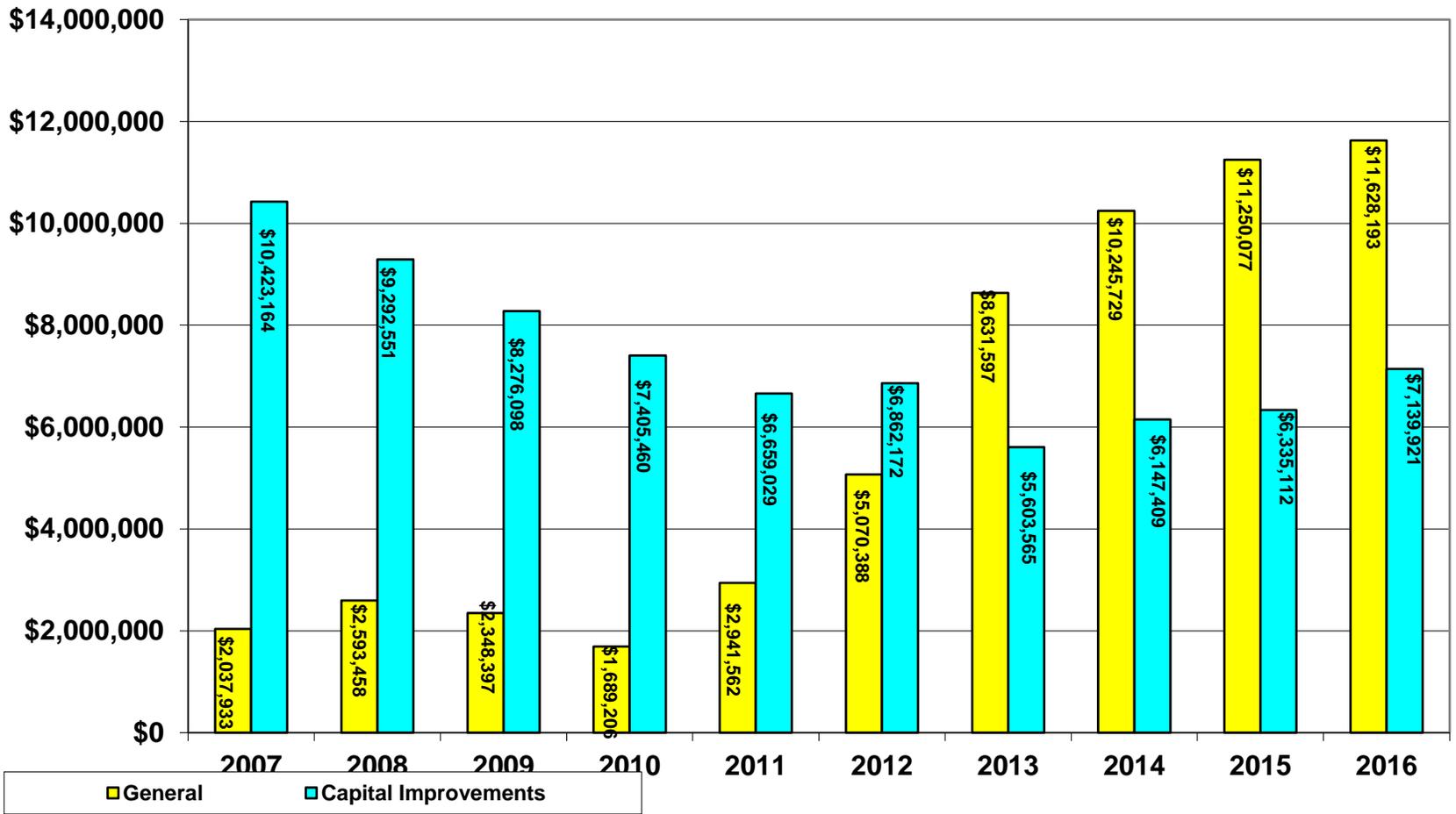
City of Worthington
Cash Position Statement - All Funds
December 31, 2016

	<u>Cash Balance 1/1/2016</u>	<u>Revenue</u>	<u>Expense</u>	<u>Cash Balance 12/31/2016</u>
General	\$ 11,250,077	\$ 26,434,268	\$ 26,056,152	\$ 11,628,193
Street M & R	37,238	878,327	905,178	10,387
State Highway	7,939	105,186	100,027	13,098
Water	22,076	156,435	75,548	102,963
Sewer	9,287	155,466	69,269	95,484
Police Pension	262,773	746,176	582,691	426,258
Law Enforcement	40,090	28,464	10,848	57,706
MMVLT	212,417	134,009	150,000	196,427
Enforcement & Education	45,301	2,571	-	47,872
Community Technology	80,000	-	-	80,000
Court Clerk Computer	222,378	12,684	6,611	228,451
Economic Development	505,047	413,478	316,353	602,172
FEMA Grant	-	8,935	-	8,935
P & R Revolving	176,963	987,544	874,911	289,596
Special Parks	108,961	24,529	110,743	22,746
Bicentennial	71,023	-	-	71,023
Trunk Sewer	375,149	-	-	375,149
Capital Improvements	6,335,112	5,410,470	4,605,661	7,139,921
Permissive Tax	-	-	-	-
General Bond Retirement	1,213,530	2,614,952	2,480,441	1,348,041
Special Assessment Bond	278,448	-	-	278,448
Accrued Acreage	5,020	53,781	-	58,801
OBBS	2,027	4,155	4,079	2,103
Petty Cash	1,530	-	-	1,530
Worthington Station TIF Fund	707	29,824	30,491	40
350 W Wilson Urban Redev TIF		-	-	-
Worthington Place MP TIF Fund		381,535	241,256	140,279
Total All Funds	<u>\$ 21,263,095</u>	<u>\$ 38,582,789</u>	<u>\$ 36,620,261</u>	<u>\$ 23,225,623</u>

City of Worthington Capital Improvements Fund Balance



City of Worthington General & Capital Improvements Fund



Notes