

CITY OF WORTHINGTON, OHIO POPULAR ANNUAL FINANCIAL REPORT

2018



FOR THE YEAR ENDED DECEMBER 31, 2018

1

A Letter from
Director of
Finance

2

City
Government

3

Where Does
the Money
Come From?

4

What Are the
City's Funds
Used For?

5

General Fund
Analysis

6

A Look at the
City's Debt

A LETTER FROM DIRECTOR OF FINANCE



Dear Citizens of
the City of Worthington:

Through the efforts of the City of Worthington Finance Department, I am pleased to present the City's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2018. The purpose of this report is to provide residents and businesses with information pertinent to the City's fiscal operations in a user-friendly format.

The financial information for this report has been taken from the 2018 City of Worthington Comprehensive Annual Financial Report (CAFR). The CAFR consists of 192 pages of detailed financial statements, notes and schedules as well as very detailed statistical information. The CAFR was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by Julian & Grube, Inc., a CPA firm in Westerville, OH. The City received an unmodified opinion on the audit, which means that no significant deficiencies were identified that required modification. The City's CAFR can be obtained on the City's website at: <https://www.worthington.org/ArchiveCenter/ViewFile/Item/3072>.

Component units are legally separate organizations for which the City is financially accountable. The City has one discretely presented component unit, 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 in the revitalization and enhancement of property within the City, and its governing body is not the same as that of the City.

The City of Worthington's PAFR is unaudited and presented on a GAAP basis, unless otherwise noted.

The purpose of the PAFR is to provide our citizens with summarized financial data and as a means of increasing awareness and knowledge of the operations of the City. We feel that citizens deserve transparency when it comes to their tax dollars, and this report is designed to help assist you in gaining a better understanding of the City's resources and how we put your tax dollars to use.

Thank you for taking the time to read this year's report. As you review our 2018 PAFR, I invite you to contact me to share any suggestions, questions, or comments you may have at scott.bartter@worthington.org.

Scott Bartter



CONTACTING THE CITY

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CITY GOVERNMENT

BOARDS & COMMISSIONS

Worthington Arbor Advisory Committee

The Worthington Arbor Advisory Committee (WAAC) was established by Worthington City Council in 1988 to address problems associated with the redevelopment of the Village Green. Today this committee of volunteer members works closely with, and serves as, advisors to our Parks and Recreation and Service Departments.

Meetings: 3rd Thursday of each month at 5:00.

Architectural Review Board

The Architectural Review Board was established to review all structures to be altered, constructed, reconstructed, erected, enlarged, remodeled, removed or demolished within the Architectural Review District, which includes the area of the original village plat, known as Old Worthington.

Meetings: Second and fourth Thursdays January thru July, September and October; second Thursday only in November and December; no meetings in August

Bicycle and Pedestrian Advisory Board

The Worthington City Council recently established a Bicycle and Pedestrian Advisory Board to advise and consult with the City Council and City Administration on the implementation of bicycle and pedestrian plans.

Meetings: The Bicycle and Pedestrian Advisory Board meets the fourth Monday of every month at 6:00 p.m. at the Worthington Community Center, 345 E. Wilson Bridge Road.



CITY COUNCIL

Front (L–R): Rachael Dorothy, Bonnie Michael (President), Beth Kowalczyk

Back (L–R): Doug Foust, Scott Myers (President Pro-Tem), Doug Smith, David Robinson

Board of Zoning Appeals

The five-member Board of Zoning Appeals (BZA) hears requests for variance from the City’s Planning and Zoning Code as well as certain requests for variance from the City’s Building Code.

Meetings: First Thursday of each month

Community Relations Commission

The Community Relations Commission (CRC) works to promote an atmosphere of mutual understanding and cooperation among all members of the Worthington community. The Commission acts in an advisory capacity to Worthington City Council on community issues related to fair and equal treatment for all persons. The CRC annually sponsors the Good Neighbor Award, the Neighborhood Grant Program, and the Martin Luther King Community Celebration and many other programs of community interest.

Meetings: First Tuesday of each month

Municipal Planning Commission

The Municipal Planning Commission (MPC) performs a variety of functions related to planning and zoning activities in the City. The MPC hears applications for conditional use permits; makes recommendations to the City Council on rezoning, subdivision and development plan requests; recommends Master Plan updates and amendments to the zoning map and ordinances; and performs interpretations of the City’s Planning and Zoning Code.

Meetings: Second and fourth Thursdays January thru July, September and October; second Thursday only in November and December; no meetings in August

Parks and Recreation Commission

The Parks and Recreation Commission is made up of seven resident volunteers who are appointed by City Council. The purpose of the commission is to give input, guidance, and recommendations to the Parks and Recreation Staff concerning topics that affect the residents of the city.

Meetings: Third Tuesday of each month

Worthington International Friendship Association (WIFA)

The Worthington International Friendship Association (WIFA) fosters intercultural friendships through special events, delegation exchanges, and educational programming. In 2019, the Cities of Worthington and Sayama, Japan will celebrate their 20th anniversary as sister-cities.

Meetings: Fourth Tuesday of each month



CITY MANAGER
Matt Greeson

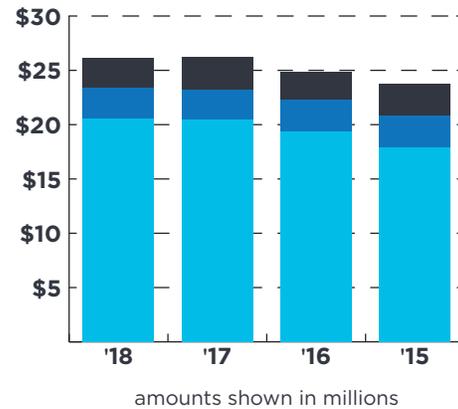
WHERE DOES THE MONEY COME FROM?

Primary sources of revenue come from income tax, property taxes, and charges for services.

MUNICIPAL INCOME TAXES

Income Tax represents the largest source of revenue for the City and is collected by the Regional Income Tax Agency (RITA). Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on the net-profits of businesses doing business within the City. Employer withholding payments have made up over 75% of the income tax revenue collected over the past 5 years.

TOTAL INCOME TAX REVENUE



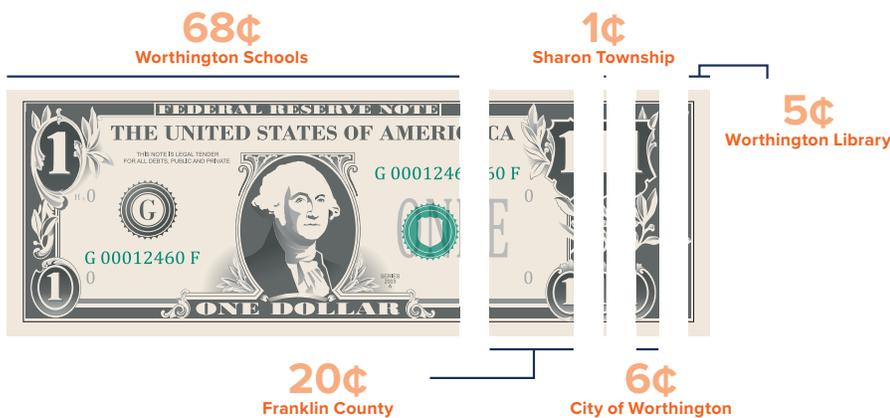
SOURCE OF INCOME TAX REVENUE (Last Four Years)

	WITHOLDING		INDIVIDUAL		NET-PROFIT		TOTAL
'18	\$20,508,652	79%	\$2,893,839	11%	\$2,662,644	10%	\$26,065,135
'17	\$20,444,184	78%	\$2,757,055	10%	\$3,056,963	12%	\$26,258,203
'16	\$19,358,989	78%	\$2,901,956	12%	\$2,623,030	11%	\$24,883,975
'15	\$17,925,917	76%	\$2,855,016	12%	\$2,960,948	12%	\$23,741,881

PROPERTY TAXES—WHERE IT GOES

Only a small portion of your property taxes support City operations. The City receives approximately \$0.06 of every dollar of property tax paid. The school district, Franklin County, the Worthington Library, and Sharon Township receive a portion of the property tax revenue.

WHERE YOUR PROPERTY TAX DOLLAR GOES



TAX IMPACT ON \$300,000 TAXABLE PROPERTY

Worthington Schools	\$5,845
Franklin County	\$1,768
Sharon Township	\$53
City of Worthington	\$525
Worthington Library	\$410
TOTAL	\$8,601

UNDERSTANDING PROPERTY TAXES

Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage.' The County Auditor's office handles the administration of property taxes in the state of Ohio, by collecting and distributing the taxes paid to the appropriate jurisdiction.

WHAT ARE THE CITY'S FUNDS USED FOR?

GOVERNMENT WIDE FINANCIAL STATEMENT EXPENSES

The security of persons and property (public safety) represents expenses related to the City's Police and Fire Division and accounts for 42% of all expenses. The majority of expenses in this category are related to personnel costs as the Police and Fire Divisions employ 54% of all full-time City staff.

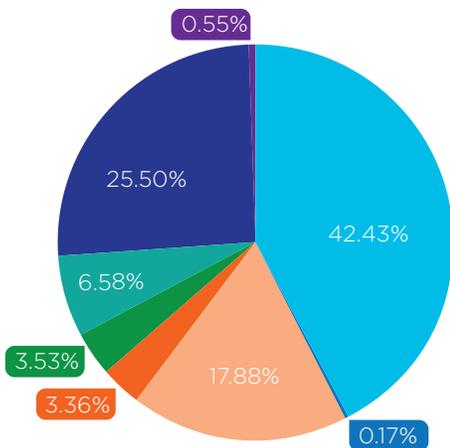
The General Government category is inclusive of a broad range of expenses related to the operations of the City. These expenses include Mayor's Court, Administration, the Finance Department including income tax administration, Law, Information Technology, Economic Development, Building Maintenance, contributions to various community groups including the McConnell Arts Center and land acquisition.

Leisure time activities reflect expenses related to the operation of the City's Parks and Recreation Department. These activities include the operation of a 72,000 square-foot Community Center, maintenance of more than 221 acres of developed and natural public areas, including 16 neighborhood parks and playgrounds, and operation of a stand-alone multi-purpose senior center.

TOTAL EXPENSES BY DEPARTMENT/FUNCTION

	'18	'17	'16	'15
Security of Persons and Property	\$16,168,159	\$14,453,396	\$13,827,841	\$12,601,769
Public Health and Welfare Services	\$63,000	\$73,770	\$42,559	\$54,045
Leisure Time Activities	\$6,814,845	\$6,474,760	\$6,019,675	\$5,681,219
Community Environment	\$1,281,355	\$1,028,043	\$1,098,121	\$844,283
Basic Utility Services	\$1,343,620	\$1,379,682	\$1,079,883	\$1,109,835
Transportation	\$2,505,597	\$2,709,083	\$2,457,842	\$2,075,204
General Government	\$9,716,823	\$8,187,827	\$7,620,278	\$7,068,167
Interest and Finance Charges	\$211,215	\$199,009	\$147,987	\$227,741
TOTAL	\$38,104,614	\$34,505,570	\$32,294,186	\$29,662,263

TOTAL EXPENSES 2018

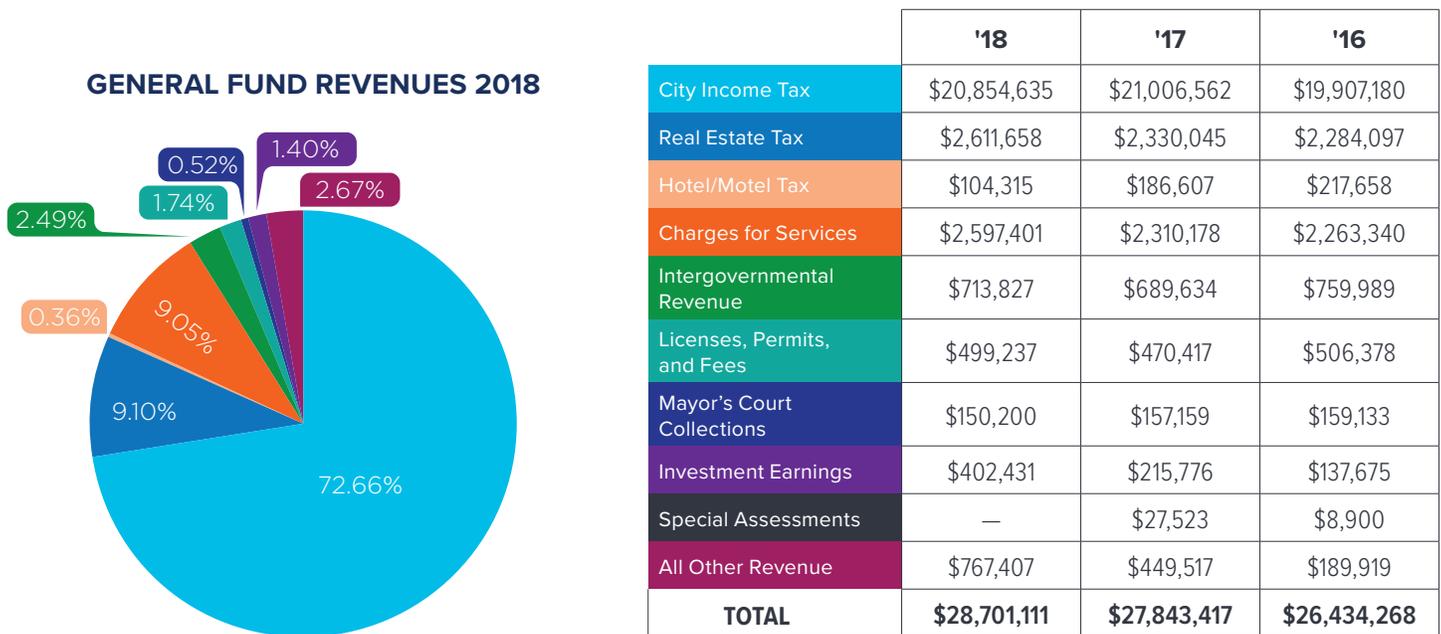


GENERAL FUND ANALYSIS

The General Fund is the City's primary operating fund. It accounts for the majority of the financial activity of the City including all the departments listed in the expense chart below. The Comprehensive Annual Financial Report (CAFR) reports the General Fund using a modified accrual basis of accounting. However, in order to break the numbers down to a more useable format, we have presented this information on a cash basis, which represents actual cash coming in and going out during 2018.

GENERAL FUND REVENUE BY SOURCE—3 YEAR COMPARISON

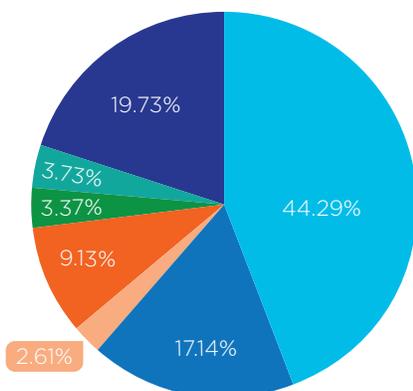
Over 90% of the City's General Fund revenue is derived from three sources: income tax (73% in 2018), property tax (9% in 2018) and charges for services (9% in 2018). Charges for services include Community Center and Griswold Center memberships, parks and recreation programming, Emergency Medical Services (EMS) charges, Riverlea police protection services, and Perry and Sharon Township fire protection services.



GENERAL FUND EXPENSE BY FUNCTION—3 YEAR COMPARISON

The General Fund is the main operating fund of the City and pays almost all of the personnel costs of City employees, as well as day-to-day operating expenditures. In 2018, Public Safety remained as the largest category of expenditures, which includes the City's Police and Fire Divisions. General Government is the second largest expenditure category and includes expenses related to: Administration, Mayor's Court, Finance, Economic Development, and Law.

GENERAL FUND EXPENSES 2018



	'18	'17	'16
Public Safety	\$12,190,040	\$11,781,404	\$11,352,842
Parks and Recreation	\$4,716,923	\$4,530,295	\$4,483,496
Planning and Zoning	\$717,357	\$693,196	\$692,505
Public Service	\$2,514,202	\$2,218,572	\$2,211,661
Refuse Collection	\$928,669	\$983,000	\$933,931
Transfers Out	\$1,028,000	\$1,122,470	\$1,225,000
General Government	\$5,430,509	\$4,651,011	\$5,156,717
TOTAL	\$27,525,700	\$25,979,947	\$26,056,152

A LOOK AT THE CITY'S DEBT

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.

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.

Also in 2015, the City secured a lower interest rate on previously issued debt to fund the Community Center addition and for the development of the Municipal Police Complex. These bonds have an interest rate of 1.62% and mature in 2021.

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

In 2018, the City issued \$4,460,000 in bond anticipation notes. These notes were issued to fund various capital projects, including: the Community Center roof replacement, energy efficiency projects at both the Community Center and Griswold Center, a new waterline on E. Wilson Bridge Rd, and multiple sewer projects. We anticipate that these notes will be rolled into a larger general obligation bond issuance in late 2020.



DEBT STATEMENT

ISSUANCE	PURPOSE	MATURITY	RATE	PRINCIPAL BALANCE
2015	2015 Refunding Bonds	December 2021	1.62%	\$2,300,000
2017	2017 Various Purpose Bonds	December 2032	2.21%	\$3,525,000
2008	OPWC 0% Loan—ADA Ramps	December 2028	0%	\$70,290
2015	OPWC 0% Loan—Kenyonbrook	December 2045	0%	\$531,108
2018	2018 Bond Anticipation Notes	September 2019	2.11%	\$4,460,000
Total Principal Debt Balance				\$10,896,611



City of Worthington

6550 North High Street
Worthington, Ohio 43085

COMMUNITY PROFILE

The City of Worthington, with a population of approximately 15,000, is located in the northern quadrant of Franklin County, on the I-270 outerbelt, adjacent to Columbus, Ohio, the Capital of the State of Ohio. The City encompasses 5.5 square miles. 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 U.S. 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.

