



Comprehensive Annual Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2019

FRANKLIN COUNTY, OHIO



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WORTHINGTON LIBRARIES
WORTHINGTON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

Issued by:
Worthington Libraries Finance Department

Chuck Gibson
Director/Deputy Fiscal Officer

Sam Kraly
Chief Fiscal Officer

WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019
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July 15, 2020

Citizens who reside in the Worthington City School District
Members of the Worthington Library Board of Trustees

We are very pleased to present the 2019 Comprehensive Annual Financial Report (CAFR) for Worthington Libraries. This report, for the calendar year ended December 31, 2019, has been prepared using generally accepted accounting principles for governments. It contains financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of Worthington Libraries (to be hereinafter referred to as "the Library," and also known as the Worthington Public Library and the Worthington City School District Public Library).

Ohio law requires that public offices reporting pursuant to Generally Accepted Accounting Principles shall file their reports with the Auditor of the State of Ohio and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Library's financial statements have been audited under contract by the Library's independent auditor, Keith Faber, Auditor of State. The State Auditor's Office has issued an unmodified ("clean") opinion on the Library's financial statements for the year ended December 31, 2019. 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 and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

LIBRARY OVERVIEW

The Library known as Worthington Libraries is located in the City of Worthington, Ohio, which is in central Ohio. It serves residents of the Worthington City School District. The Old Worthington Library is located downtown in the City of Worthington, the Northwest Library is located in northwest Columbus, Ohio, and the Worthington Park Library is located in northern Columbus, Ohio. All three locations are within the Worthington City School District.

Worthington Libraries is organized under Ohio State law as a school district public library. A seven-member board, one member appointed each year by the board of education for a seven-year term, governs the Library. Members belong to the community and typically have a history of avidly supporting the Library. Board members hold positions as educators, accountants, independent business owners, attorneys and a variety of other occupations. They come together to apply their knowledge and experience, and offer their insights to provide management guidance and oversight to the Library.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the Worthington City School District.

The Director is responsible for the administration of the Library, and the Fiscal Officer oversees the Library’s financial affairs. The Board of Trustees has appointed Chuck Gibson to serve as Director/CEO and Sam Kraly to serve as Fiscal Officer.

The taxing authority for the Library is the Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and two local property tax levies totaling 4.8 mills. The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The Library’s Board of Trustees independently determines whether to request approval of a tax levy and the role and purpose(s) of the levy. If a request is approved, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

HISTORY OF THE LIBRARY

The roots of Worthington Libraries can be traced to the small New England town of Granby, Connecticut. It was from Granby in 1803 that a group of 100 men, women and children set out to begin a new life in Worthington, Ohio. Among the possessions they brought with them were the books for what they would call the Stanbery Library, a subscription library named for its principal benefactor. This Library was the first in Franklin County and only the third in the State.

Throughout the next 100 years, library service in Worthington took on many forms—books were kept at the school, the local post office, etc.—but it was inevitably kept alive by groups of local citizens. They knew that if a community was to survive and grow, its residents must have a library to provide opportunities for enhanced education and continued learning.

In 1925, the Library was placed in control of the school board, establishing it as a school district public library. This assured the Library of much-needed financial support, but did not provide an actual building to house the collection. This changed in 1927 when Mary Elizabeth Jones Deshler donated money for a library building on the northeast corner of the Village Green, the area set aside by Worthington’s founders for the public pursuit of learning and education. Mrs. Deshler dedicated the building to the memory of her grandfather, Worthington founder James Kilbourne.

In 1973, the Library proposed moving less than a mile north on land it had purchased for this possibility. The community was outraged at the prospect of the Library being located anywhere but the Village Green and defeated levy issues to build a new facility in 1973 and 1974. Library staff persevered in their cramped conditions until a final solution was found in 1976 when the school board agreed to a property swap with the Library. Groundbreaking for the new facility was held on July 4, 1978, and it was dedicated October 21, 1979. The new Library was within sight of the old Village Green location (put to use as a school administration office).

Although the community supported the Library through its patronage, it had thus far refused to pay for it with local tax support. This finally changed in 1992, when the community voted to support a 2.2 mill property tax levy to maintain service at Old Worthington Library and fund a new library to provide service to the growing northwest-area population.

The Northwest Library, which opened in 1996, was made possible through a unique partnership agreement with the Columbus Metropolitan Library. The Columbus Metropolitan Library Board of Trustees agreed to buy the land for a future library and hold it until the Worthington Libraries levy passed in 1992. Northwest Library is jointly operated by Worthington Libraries and the Columbus Metropolitan Library and is managed by Worthington Libraries.

In the early 2000s, the Library was once again faced with an increase in use coupled with a decline in revenue. Thanks to a grassroots campaign led by members of the Friends of Worthington Libraries and the Board of Trustees, the Library was successful in passing a permanent 2.6 mill property tax levy in November 2005.

In 2008, Worthington Libraries opened its third location, the Worthington Park Library, in the Worthington Park Shopping Centre and was expanded into two additional store front units in 2014. This location was further expanded in 2019 and is now as large as a free-standing library.

In 2013, Worthington Libraries placed a 2.2 mill permanent replacement levy on the ballot in the Worthington School District. The issue passed with more than 70 percent of the vote, securing the library's financial future for many years.

Worthington Libraries is now one of the busiest library systems in Ohio, ranking eighth in terms of use (behind seven and ahead of one metropolitan library). It provides a wide array of information and services, including technology training, online access, a dynamic collection and programs for residents of the Worthington City School District, and maintains the pioneering spirit of the library's founders in looking for new and better ways to serve patrons.

COMMUNITY OUTLOOK

Worthington is located in the center of the state at Ohio's crossroads and affords easy access to all parts of Ohio and the nation. A suburb of Columbus, the state capital, Worthington offers all of the attractions and conveniences of a big city combined with the charm of small-town living.

Worthington was one of the Midwest's first planned communities, blending commerce, residential life, education and faith. Founded in 1803, Worthington reflects its dignified New England heritage with authentic brick sidewalks leading to the central Village Green where many of the City's original commercial buildings and churches still stand proudly. Today, as in ages past, people come to meet and greet on the Village Green and stroll the streets of downtown Worthington. Worthington's strong community spirit and excellent quality of life serve as the solid foundation for people of all ages, businesses, their employees and families.

Education, a founding tenet of the City, remains a hallmark of Worthington. Its school district serves over 9,000 students—and growing—and consistently earns the highest ratings on the State’s school district report cards. Its student-focused educational programs are continually recognized as some of the best in the State. This provides a perfect environment for a progressive, forward-looking, service-oriented library to identify and meet emerging needs and to thrive.

Collaboration is also an integral part of the Worthington community brand, and the Library often plays a key role in the development of major community projects and initiatives.

ECONOMIC CONDITIONS AND OUTLOOK

The operational revenue for the Library is based on two major sources of funding, the Public Library Fund (PLF) and two local property tax levies. The PLF is an amount which the State of Ohio appropriates in their biennium budget to support libraries throughout Ohio. The biennium budget was passed during 2019 for the 2019-2020 biennium. The first six months of 2019 were based on 1.68% of the State’s General Fund Revenues (GFR). As per the state’s budget for the 2019-2020 biennium effective July 2019, the PLF appropriation is currently based on 1.70% of the State’s General Fund Revenues (GFR). Each county receives a portion of this allocation, which is further allocated to the libraries in the county.

The second source of funding for the Library is through two property tax levies passed by the residents of the City of Worthington School District. The first continuing levy for 2.6 mills was passed in 2005 while a second continuing levy for 2.2 mills was passed in 2013, replacing an expiring levy of the same millage.

FINANCIAL TRENDS

During the state’s biennium budget for 2018-2019, PLF will be distributed in an amount equal to 1.68% of the state’s general revenues for the months of January through June. As per the state’s budget for the 2019-2020 biennium effective July 2019, the PLF appropriation is currently based on 1.70% of the State’s General Fund Revenues (GFR).

Both the 1992 and 2005 levies were collected through 2014, but the 1992 levy expired with 2014 being the final collection year. In November 2013, the Board of Trustees of the Worthington Public Library placed a 2.2 mill replacement levy on the ballot, which was passed by the voters of the Worthington School District to be collected starting in 2015. Since this replacement levy reset the collection rate to the levy rate, the effective rate of the two levies for residential and agricultural use increased from 3.54 to 4.33 mills.

Due to a change in the Ohio Revised Code, the Library can now deposit interim and inactive funds with a public depository to be redeposited with one or more federally insured banks, savings banks, or savings and loan associations located in the United States with the redeposited money insured by the Federal Deposit Insurance Corporation. A portion of the funds previously invested in STAROhio were transferred to be invested in insured Certificates of Deposit. This practice continued in 2013 with an increase in funds invested in this manner. Due to the number of Certificates of Deposit required for the amount of investment money available, in 2014 the Library also acquired permissible federal agency securities since the investments could be made in larger increments. This practice was continued in 2019.

FINANCIAL PLANNING AND POLICIES

All budgetary policies are established by Ohio law and/or the Library's Board of Trustees. All funds have annual appropriations approved by the Board. The budget process is as follows:

- A temporary appropriation budget is adopted and filed with the Franklin County Budget Commission by January 1.
- A permanent appropriation budget is adopted and filed with the Franklin County Budget Commission by March 31.
- For annual budgeting purposes, unused balances remain in the accounts where they were allocated.
- The level at which the Board of Trustees approves the budget becomes the legal level of control.
- Transfers of appropriations at this level require Board of Trustees' action.
- The permanent appropriations may be amended or supplemented, based on needs during the year.
- The Franklin County Budget Commission provides an annual certificate of estimated resources. The Library's maximum annual appropriations are controlled by this document. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer.
- Fines, fees, and charges are established by the Board of Trustees.
- Library cash is pooled for investment.

The Library's long-range financial plan, which provides projections through 2032, is reviewed in conjunction with every major operating decision that is made.

The Director/CEO and Fiscal Officer regularly meet with the Administrative Team to discuss problems, new initiatives and potential opportunities. New initiatives or reactions to emerging needs and/or problems are discussed by the group. If disbursements are required, plans are developed to establish reasonable cost estimates. If an action appears to be viable, a presentation is prepared to share with the Finance/Operations Committee of the Board of Trustees. Once the Committee understands the proposal and its financial implications on the long-range financial picture, it determines if it should support taking the recommendation to the full Board of Trustees for approval. If the action is supported, the Committee Chair proposes the resolution at the Board meeting. This Committee meets three or four times per year, or as needed in special situations.

In addition to special situations, normal operating disbursements are continuously monitored. Annual budgets are developed based on projections in the long-range plan. Managers review actual monthly disbursements against budget allocations and recommend adjustments as needed. Funds not required for operating disbursements are invested to obtain the best return available with the least amount of risk. STAROhio, administered by the Treasurer of the State of Ohio, was used exclusively in recent years through 2011. The passage of Sub. H.B. 209 by the 129th General Assembly with an effective date of March 22, 2012, expanded state and political subdivision investment authority. The Library now has money deposited with Fifth Third Bank for the purpose of depositing the funds in Certificates of Deposit at federally-insured financial institutions. Beginning in 2015, the Library also has invested in Federal Agency Securities, which are approved by the Library's Investment Policy. STAROhio is still utilized for investment of a portion of interim funds due to its liquidity.

The Board of Trustees receives a monthly update from the Fiscal Officer and copies of financial statements so that they are aware of the financial condition of the Library in any given month.

MAJOR INITIATIVES FOR 2019

In 2019, Worthington Libraries was recognized as one of only eight libraries in the country to have achieved a five-star rating in every edition of the Index of Public Library Service published by *Library Journal*. The rating is based on key service indicators such as circulation, program attendance, community engagement and computer use.

The library's summer reading program, "Kicking it Old School" was a look back at the fun had by previous generations and enjoyed record participation with registration topping 10,000 people. Participation in the adult portion of the program increased 50 percent thanks to a partnership with Experience Worthington that provided people who completed the program with coupons to downtown businesses.

For the first time ever, the library hosted an outdoor film series at its Northwest Library location. Held on three Friday evenings in the summer, each event brought nearly 200 people to the library's backyard. The movie events also featured family games and food supplied by a local food truck.

The library presented an exhibit on Immigration: Then and Now, which brought nearly 900 people to Old Worthington Library.

Finishing touches were complete on a major research initiative between the Library and OCLC to determine how library patrons perceive and use the Library. We anticipate this research will be the topic of conference presentations and journal articles in the coming months.

The staff worked with the community to research and write the library's 2020-2022 Strategic Plan, which was approved by the library board in January 2020. It focuses on the areas of Individual Empowerment, Community Building and Organizational Strength.

For the first time ever, the library partnered with eight other libraries in central Ohio to present an evening with travel writer and PBS host Rick Steves in December. The idea for the joint event originated with Worthington Libraries staff and led to the creation of a formal agreement on behalf of all Central Library Consortium members to work together on author events in the future. The Rick Steves event sold out—selling all 950 available seats in less than two hours and netted over \$40,000 which will serve as seed money for future collaborations.

Worthington Libraries is fortunate to have a dedicated and sizable group of Volunteens and adult volunteers. Each summer, dozens of middle and high school students volunteer their time to staff the summer reading program registration table, and to assist with programs and other tasks. Over 100 adult volunteers support the staff at the Libraries, in Technical Services and in Outreach. Volunteers donated more than 8,000 hours of time in 2019.

Worthington Libraries circulated 4.1 million items in 2019.

Planning for the Future

Worthington Libraries worked with DesignGroup Architects to conduct a comprehensive facilities review. This included documentation of all library facilities, furnishings and physical plant. A staff survey was part of the analysis. The survey, together with meetings with every library department at each location, helped to further define areas for improvement throughout the system.

This plan included an expansion of our Worthington Park Library to meet the growing demand for service in this location. First opened in 2008 in 5,280 square feet of space in the Worthington Shopping Center, the expanded space, complete in 2019, makes use of an additional 10,000 square feet of space and provide the community with more resources, such as computers, study areas and meeting room.

OTHER INFORMATION

Independent Audit

The Basic Financial Statement of the Library is audited by the Library's independent auditor, Keith Faber, Auditor of State. The results of the audit are presented in the Independent Auditors' Report.

Awards

In 2007, Worthington Libraries was selected as the national Library of the Year by *Library Journal* and Thomson-Gale.

In 2011, Worthington Libraries received the John Cotton Dana Award for outstanding public relations for its "Find **yourself** here." promotional campaign.

In 2019, Worthington Libraries became one of only eight libraries in the country to receive a five-star rating in each Index of Public Library Service published by *Library Journal*.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Worthington Libraries for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Library was pleased to also receive the Certificate of Achievement for our CAFR for the years 2007 through 2018.

A Certificate of Achievement is valid for a period of one year only. The Library believes that the 2019 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for a 14th certificate.

In addition to the Certificate of Achievement, the Library also received the "Making Your Tax Dollars Count" Award from State Auditor Mary Taylor for fiscal years 2006 through 2009. It is presented for excellence in financial accounting and states, "You are a trustworthy guardian of taxpayer dollars and deserve the highest amount of recognition for your vigilance. You are truly a model for government entities throughout the state of Ohio." Under State Auditor Dave Yost/Keith Faber, the Library received the "Ohio Auditor of State Award with Distinction" for 2010 through 2018 which was awarded for excellence in financial reporting as evidenced by the award-winning CAFR and a clean audit. The award states, "Clean and accurate record-keeping is the foundation for good government, and the taxpayers can take pride in your commitment to accountability."

Acknowledgements

Appreciation is extended to the Board of Trustees of Worthington Libraries and the employees responsible for contributing to the sound financial position of the Library, especially Finance Manager Sabra Lowe and Finance Specialist Barbara Burkholder. Contributions of information from Director of Community Engagement Lisa Fuller, Deputy Director Monica Baughman, Director of Technology Services Susan Allen and Human Resources Manager Phyllis Winfield were vital in preparing this transmittal letter. Special acknowledgment is extended to Kennedy Cottrell Richards for their guidance in the preparation of this report.



Chuck Gibson
Director/Deputy Fiscal Officer



Samuel Kraly
Chief Fiscal Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Worthington Libraries
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

Worthington Libraries
List of Principal Officials
December 31, 2019

Board of Trustees

President	Adam Smith	2021
Vice President	Rochelle Wilkerson	2020
Secretary	Lauren Fromme	2022
Member	Linda Mercadante	2019
Member	Michele Bair	2023
Member	Gary Sandefur	2024
Member	Kim Anderson	2025

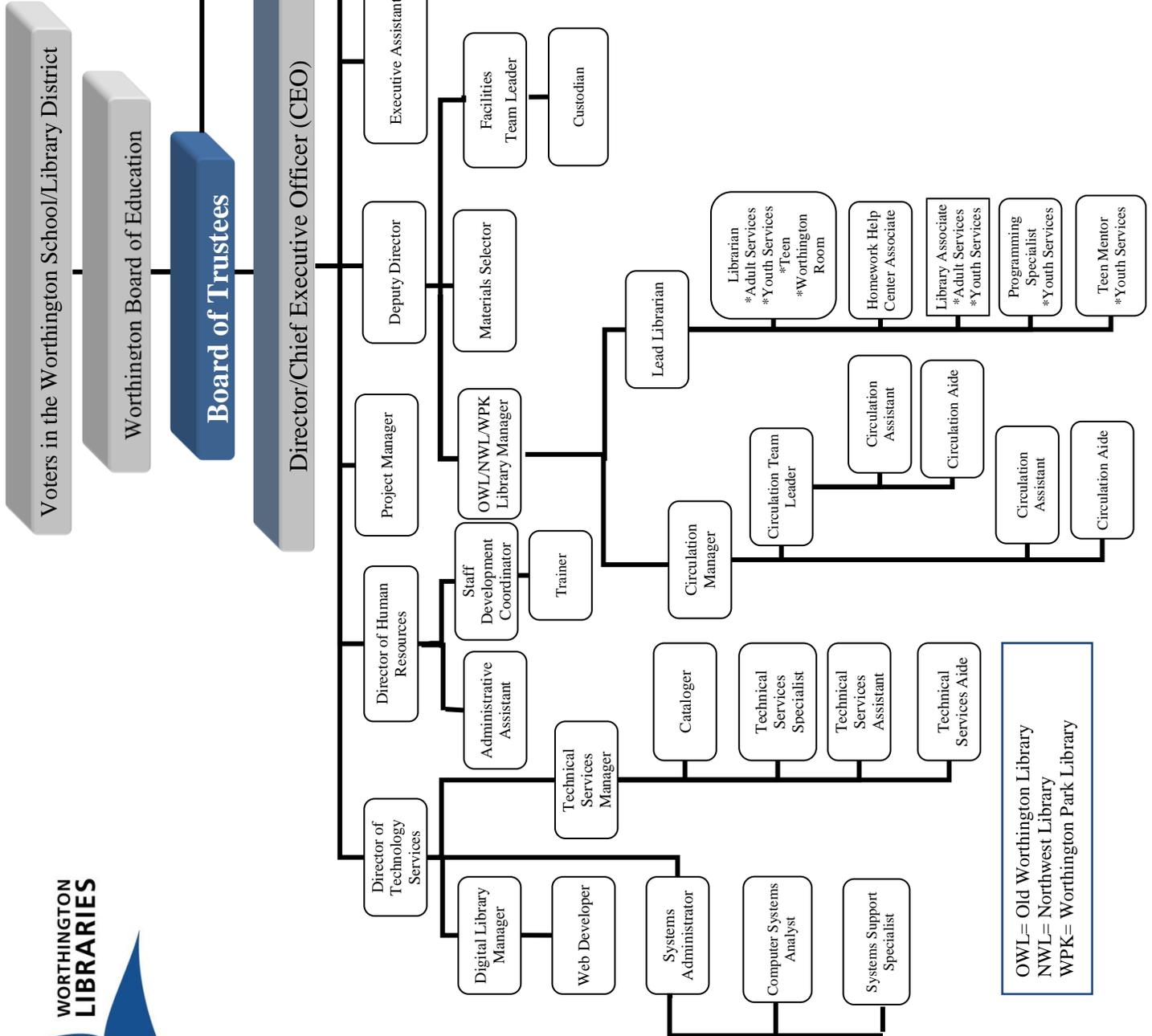
Worthington City School Board Liaison Jennifer Best 2019

Administration

Director/CEO/Deputy Fiscal Officer	Chuck Gibson
Deputy Director	Monica Baughman
Director of Community Engagement	Lisa Fuller
Human Resources Manager	Phyllis Winfield
Director of Technology Services	Susan Allen
Chief Fiscal Officer	Sam Kraly



**Worthington Libraries
Table of Organization
Effective 12/11/2019**



OWL= Old Worthington Library
NWL= Northwest Library
WPK= Worthington Park Library

*Denotes subject specialists within a position description.

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FINANCIAL SECTION

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Worthington Libraries
Franklin County
820 High Street
Worthington, Ohio 43085

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Worthington Libraries, Franklin County, Ohio (the Library), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Worthington Libraries, Franklin County, Ohio, as of December 31, 2019, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Library's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report date July 15, 2020, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

July 15, 2020

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WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

This discussion and analysis of the Worthington Libraries (Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to explain the Library's financial performance as a whole.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24.9 million (net position). Of this amount, \$15.5 million represents unrestricted net position, which may be used to meet the Library's ongoing obligations to citizens.
- The Library's total net position decreased by \$1,379,812 during the year.
- At the close of the current year, the Library's governmental funds reported combined fund balances of \$24.9 million, a decrease of \$49,726 in comparison with the prior year. Of this amount, \$20.3 million is available for spending at the Library's discretion (unassigned fund balance).
- The Library has no outstanding long-term debt.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Library's financial position.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Library, the major funds are the General Fund and Building Fund.

Reporting the Library as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2019. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

These two statements report the Library's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Library as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, and other factors.

In the Statement of Net Position and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

Reporting the Library's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are classified as governmental.

Governmental Funds

All of the Library's activities are reported in the governmental funds. The Library's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the Library's basic services are reported in these funds and focus on how money flows into and out of the funds, as well as the balances available for spending at year-end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the short-term impact of the Library's financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.

WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2019 compared to 2018:

Table 1 Net Position			
	2019	2018	Change
Assets:			
Current Assets	\$34,273,866	\$34,697,245	(\$423,379)
Long-Term Assets			
Capital Assets, Net	9,415,665	9,034,029	381,636
Net Pension Asset	146,497	189,454	(42,957)
Total Assets	43,836,028	43,920,728	(84,700)
Deferred Outflows of Resources:			
Pension	2,845,394	1,397,988	1,447,406
OPEB	362,668	286,248	76,420
Total Deferred Outflows of Resources	3,208,062	1,684,236	1,523,826
Liabilities:			
Current Liabilities	862,978	1,278,796	(415,818)
Long-Term Liabilities			
Net Pension Liability	8,611,874	4,980,803	3,631,071
Net OPEB Liability	4,624,451	3,889,788	734,663
Other Amounts	160,772	160,280	492
Total Liabilities	14,260,075	10,309,667	3,950,408
Deferred Inflows of Resources:			
Property Taxes	7,600,037	7,390,318	209,719
Pension	230,420	1,298,613	(1,068,193)
OPEB	61,253	334,249	(272,996)
Total Deferred Inflows of Resources	7,891,710	9,023,180	(1,131,470)
Net Position:			
Net Investment in Capital Assets	9,409,357	9,034,029	375,328
Restricted	23,550	27,959	(4,409)
Unrestricted	15,459,398	17,210,129	(1,750,731)
Total Net Position	\$24,892,305	\$26,272,117	(\$1,379,812)

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The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily caused by the lower than expected returns on pension plan investments.

Net investment in capital assets increased significantly in comparison with the prior year. This increase primarily represents the increases in capital asset acquisitions.

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WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Management's Discussion and Analysis
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(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2019 compared to 2018.

Table 2
Changes in Net Position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$1,049,332	\$1,060,166	(\$10,834)
Operating Grants and Contributions	33,250	52,281	(19,031)
Total Program Revenues	<u>1,082,582</u>	<u>1,112,447</u>	<u>(29,865)</u>
General Revenues:			
Property Taxes	7,817,992	7,954,028	(136,036)
Intergovernmental	2,985,903	2,954,976	30,927
Unrestricted Gifts and Contributions	9,231	9,506	(275)
Earnings on Investments	671,969	466,785	205,184
Miscellaneous	49,843	47,118	2,725
Total General Revenues	<u>11,534,938</u>	<u>11,432,413</u>	<u>102,525</u>
Total Revenues	<u>12,617,520</u>	<u>12,544,860</u>	<u>72,660</u>
Program Expenses			
Library Services:			
Public Services and Programs	6,252,674	4,888,338	1,364,336
Collection Development and Processing	2,378,583	2,295,172	83,411
Support Services:			
Facilities Operations and Maintenance	1,774,437	1,277,119	497,318
Information Services Support	1,170,129	1,153,153	16,976
Business Administration	2,421,509	2,159,576	261,933
Total Expenses	<u>13,997,332</u>	<u>11,773,358</u>	<u>\$2,223,974</u>
Increase in Net Position	(1,379,812)	771,502	
Net Position at Beginning of Year	<u>26,272,117</u>	<u>25,500,615</u>	
Net Position at End of Year	<u>\$24,892,305</u>	<u>\$26,272,117</u>	

WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Governmental Activities

The Library's general revenues are primarily property taxes and grants and entitlements not restricted to specific programs. These revenues represent 62 and 24 percent, respectively, of the total revenue received for the Library's activities during the year.

Overall, revenues were consistent with the prior year.

Total expenses increased \$2,223,974, mostly in Library Services. This increase was primarily the result of the increase in public services and programs expenses.

If you look at the Statement of Activities on page 16, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program expenses for governmental activities are for public services and programs. The next column of the statement entitled Program Revenues identifies amounts of revenues that are directly charged for the service provided by the Library. The Net (Expense) Revenue column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money primarily provided by local taxpayers. These net costs are paid from the general revenues which are presented at the bottom of the statement.

The Library's Funds

Information about the Library's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. The major funds the Library has are the General Fund and the Building Fund. Overall, fund balance in the General Fund increased \$199,449 in comparison with the prior year. Expenses increased significantly compared to the prior year, increasing by 10.8 percent. Revenues remained fairly consistent with the prior year, increasing 2.2 percent.

During 2005, the Library passed a 2.6 mill property tax levy which has stabilized the Library's budget as well as provided funding for renovation and remodeling projects. As part of the levy passage, the Library promised that fund balance would remain positive through 2019. This promise is subject to change due to decreased funding, such as reduced income from the Public Library Fund. In November 2013, the Library passed a 2.2 mill replacement property tax levy that has further assisted with the stabilization of the budget.

The Building Fund decreased \$251,816 primarily as a result of current year expenditures exceeding revenues.

General Fund Budgeting Highlights

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

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The variance between actual and final budgeted revenues and other financing sources was insignificant. Actual expenditures were \$2.05 million less than final budgeted expenditures. The variance between the actual and final budgeted revenues and expenditures was the result of conservative budgeting. The variance between original and final budgeted revenues and expenditures was insignificant.

Capital Assets

The Library's investment in capital assets at year-end was \$9.4 million, an increase of \$381,636 in comparison with the prior year. This increase represents the amount in which current year acquisitions (\$809,665) exceeded current year depreciation (\$409,829).

Table 3 shows 2019 balances compared to 2018.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Change
	2019	2018	
Land	\$ 698,891	\$ 698,891	\$ -
Construction in Progress	-	1,246,236	(1,246,236)
Buildings and Improvements	8,035,199	6,388,787	1,646,412
Machinery and Equipment	646,363	700,115	(53,752)
Vehicles	35,212	-	35,212
Totals	\$ 9,415,665	\$ 9,034,029	\$ 381,636

See Note 9 of the Notes to the Basic Financial Statements for more detailed information.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sam Kraly, Chief Fiscal Officer, Worthington Libraries, 820 High Street, Worthington, OH 43085.

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WORTHINGTON LIBRARIES

Worthington, Ohio
Statement of Net Position
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 24,576,352
Receivables:	
Property Taxes	8,186,217
Intergovernmental	1,309,093
Interest	28,262
Prepaid Items	173,942
Capital Assets:	
Nondepreciable	698,891
Depreciable, Net	8,716,774
Net Pension Asset	146,497
Total Assets	<u>43,836,028</u>
Deferred Outflows of Resources	
Pension	2,845,394
OPEB	362,668
Total Deferred Outflows of Resources	<u>3,208,062</u>
Liabilities	
Accounts Payable	111,481
Accrued Wages and Benefits	291,767
Intergovernmental Payable	87,719
Retainage Payable	6,308
Long-Term Liabilities:	
Due Within One Year	365,703
Due In More Than One Year:	
Net Pension Liability	8,611,874
Net OPEB Liability	4,624,451
Other Amounts Due in More Than One Year	160,772
Total Liabilities	<u>14,260,075</u>
Deferred Inflows of Resources:	
Property Taxes	7,600,037
Pension	230,420
OPEB	61,253
Total Deferred Inflows of Resources	<u>7,891,710</u>
Net Position	
Net Investment in Capital Assets	9,409,357
Restricted for:	
Public Services and Programs	23,550
Unrestricted	15,459,398
Total Net Position	<u>\$ 24,892,305</u>

See accompanying notes to the basic financial statements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Statement of Activities
For the Year Ended December 31, 2019

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	
Governmental Activities:				
Library Services:				
Public Services and Programs	\$ 6,252,674	\$ 1,049,332	\$ 33,250	\$ (5,170,092)
Collection Development and Processing	2,378,583	-	-	(2,378,583)
Support Services:				
Facilities Operation and Maintenance	1,774,437	-	-	(1,774,437)
Information Services Support	1,170,129	-	-	(1,170,129)
Business Administration	2,421,509	-	-	(2,421,509)
Total Governmental Activities	<u>\$ 13,997,332</u>	<u>\$ 1,049,332</u>	<u>\$ 33,250</u>	<u>(12,914,750)</u>
		General Revenues:		
		Property Taxes-Levied for Library Services	7,817,992	
		Intergovernmental	2,985,903	
		Unrestricted Gifts and Donations	9,231	
		Investment Earnings	671,969	
		Miscellaneous	49,843	
		Total General Revenues	<u>11,534,938</u>	
		Change in Net Position		(1,379,812)
		Net Position at Beginning of Year		26,272,117
		Net Position at End of Year		<u>\$ 24,892,305</u>

See accompanying notes to the basic financial statements.

WORTHINGTON LIBRARIES

Worthington, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 23,215,690	\$ 1,194,736	\$ 165,926	\$ 24,576,352
Receivables:				
Property Taxes	8,186,217	-	-	8,186,217
Intergovernmental	1,309,093	-	-	1,309,093
Interest	28,262	-	-	28,262
Prepaid Items	145,059	-	28,883	173,942
Total Assets	<u>\$ 32,884,321</u>	<u>\$ 1,194,736</u>	<u>\$ 194,809</u>	<u>\$ 34,273,866</u>
Liabilities:				
Accounts Payable	\$ 110,587	\$ 95	\$ 799	\$ 111,481
Accrued Wages and Benefits	291,767	-	-	291,767
Intergovernmental Payable	87,719	-	-	87,719
Retainage Payable	-	6,308	-	6,308
Total Liabilities	<u>490,073</u>	<u>6,403</u>	<u>799</u>	<u>497,275</u>
Deferred Inflows of Resources:				
Property Taxes	7,600,037	-	-	7,600,037
Unavailable Revenue	1,305,156	-	-	1,305,156
Total Deferred Inflows of Resources	<u>8,905,193</u>	<u>-</u>	<u>-</u>	<u>8,905,193</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	145,059	-	28,883	173,942
Restricted for:				
Public Services and Programs	-	-	23,550	23,550
Committed for:				
Compensated Absences	256,380	-	-	256,380
Future Facility Expansion	-	377,883	-	377,883
Assigned for:				
Capital Outlays	21,926	810,450	141,577	973,953
Library Services	303,869	-	-	303,869
Support Services	89,075	-	-	89,075
Future Appropriations	2,353,205	-	-	2,353,205
Unassigned	20,319,541	-	-	20,319,541
Total Fund Balances	<u>23,489,055</u>	<u>1,188,333</u>	<u>194,010</u>	<u>24,871,398</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,884,321</u>	<u>\$ 1,194,736</u>	<u>\$ 194,809</u>	<u>\$ 34,273,866</u>

See accompanying notes to the basic financial statements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
December 31, 2019

Total Governmental Fund Balances	\$ 24,871,398
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	9,415,665
The net pension asset is not a financial resource and therefore is not reported in the funds.	146,497
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.	
Property Taxes Receivable	166,165
Intergovernmental Receivable	1,119,254
Interest Receivable	19,737
Long-Term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable, including vacation leave payable	(526,475)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	2,845,394
Deferred Outflows - OPEB	362,668
Deferred Inflows - Pension	(230,420)
Deferred Inflows - OPEB	(61,253)
Net Pension Liability	(8,611,874)
Net OPEB Liability	(4,624,451)
Net Position of Governmental Activities	<u>\$ 24,892,305</u>

See accompanying notes to the basic financial statements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 7,871,695	\$ -	\$ -	\$ 7,871,695
Intergovernmental	2,914,400	129,368	-	3,043,768
Patron Fines and Fees	141,810	-	-	141,810
Investment Earnings	672,832	-	-	672,832
Services Provided to Other Entities	907,522	-	-	907,522
Contributions, Gifts and Donations	9,231	-	33,250	42,481
Miscellaneous	49,843	-	-	49,843
Total Revenues	<u>12,567,333</u>	<u>129,368</u>	<u>33,250</u>	<u>12,729,951</u>
Expenditures:				
Current:				
Library Services:				
Public Services and Programs	4,982,285	-	37,659	5,019,944
Collection Development and Processing	2,254,392	-	-	2,254,392
Support Services:				
Facilities Operation and Maintenance	1,198,392	-	-	1,198,392
Information Services Support	866,846	-	99,908	966,754
Business Administration	2,091,645	-	-	2,091,645
Capital Outlay	39,088	1,017,564	191,898	1,248,550
Total Expenditures	<u>11,432,648</u>	<u>1,017,564</u>	<u>329,465</u>	<u>12,779,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,134,685	(888,196)	(296,215)	(49,726)
Other Financing Sources (Uses):				
Transfers In	-	636,380	298,856	935,236
Transfers Out	(935,236)	-	-	(935,236)
Total Other Financing Sources (Uses)	<u>(935,236)</u>	<u>636,380</u>	<u>298,856</u>	<u>-</u>
Net Change in Fund Balances	199,449	(251,816)	2,641	(49,726)
Fund Balance at Beginning of Year	23,289,606	1,440,149	191,369	24,921,124
Fund Balance at End of Year	<u>\$ 23,489,055</u>	<u>\$ 1,188,333</u>	<u>\$ 194,010</u>	<u>\$ 24,871,398</u>

See accompanying notes to the basic financial statements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (49,726)

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.

Capital Outlays	809,665
Depreciation Expense	(409,829)

The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position. (18,200)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (112,431)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 844,662

Pension	844,662
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Except for amounts reported as deferred inflows/outflows, changes in the net pension asset and net pension liability are reported as pension expense in the statement of activities. (2,003,091)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. (385,247)

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 governmental funds.

Compensated Absences including Vacation Leave	<u>(55,615)</u>
---	-----------------

Change in Net Position of Governmental Activities \$ (1,379,812)

WORTHINGTON LIBRARIES
Worthington, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Property Taxes	\$ 7,851,821	\$ 7,914,228	\$ 7,975,590	\$ 61,362
Intergovernmental	2,824,708	2,786,821	2,909,913	123,092
Patron Fines and Fees	108,000	108,000	141,810	33,810
Investment Earnings	201,751	251,276	536,981	285,705
Services Provided to Other Entities	902,000	907,522	907,522	-
Contributions, Gifts and Donations	-	-	9,231	9,231
Miscellaneous	-	-	49,843	49,843
Total Revenues	<u>11,888,280</u>	<u>11,967,847</u>	<u>12,530,890</u>	<u>563,043</u>
Expenditures				
Current:				
Library Services:				
Public Services and Programs	5,511,530	5,565,778	4,963,118	602,660
Collection Development and Processing	2,849,212	2,875,354	2,600,134	275,220
Support Services:				
Facilities Operation and Maintenance	1,605,442	1,630,927	1,284,779	346,148
Information Services Support	947,366	956,704	873,289	83,415
Business Administration	2,645,844	2,670,880	2,158,137	512,743
Capital Outlay	132,870	136,370	61,014	75,356
Contingency	150,000	150,000	-	150,000
Total Expenditures	<u>13,842,264</u>	<u>13,986,013</u>	<u>11,940,471</u>	<u>2,045,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,953,984)	(2,018,166)	590,419	2,608,585
Other Financing Sources (Uses)				
Transfers Out	(1,560,385)	(977,643)	(977,643)	-
Total Other Financing Sources (Uses)	<u>(1,560,385)</u>	<u>(977,643)</u>	<u>(977,643)</u>	<u>-</u>
Net Change in Fund Balance	(3,514,369)	(2,995,809)	(387,224)	2,608,585
Fund Balances at Beginning of Year	22,289,937	22,289,937	22,289,937	-
Prior Year Encumbrances Appropriated	481,731	481,731	481,731	-
Fund Balances at End of Year	<u>\$ 19,257,299</u>	<u>\$ 19,775,859</u>	<u>\$ 22,384,444</u>	<u>\$ 2,608,585</u>

See accompanying notes to the basic financial statements.

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WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

Worthington Libraries, Franklin County, Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Worthington City School District Board of Education. The Library provides the community with various educational and literary resources. Currently Worthington Libraries consists of three branches, Old Worthington Library, Worthington Park Library, and the Northwest Library.

The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy and the role and purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 14, “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and Statement No. 61, “Omnibus-an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Worthington City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization’s governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization’s resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of Presentation

The Library’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Library as a whole. The Statement of Net Position presents the financial condition of the governmental activities of the Library at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues which are not classified as program revenues are presented as general revenues of the Library, 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 Library.

Fund Financial Statements - During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

b. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds consist of governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the Library's major funds:

General Fund: This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund: This fund accounts for and reports expenditures related to building projects, including improvements to the Library and construction of new facilities which are financed by transfers from the General Fund.

The other governmental funds of the Library account for expenditures related to technology upgrades funded by transfers from the general fund and support to children, teen, and adult programming funded by the Friends Foundation Fund.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Library are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

d. Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources are collectible within the current year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. 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 Library must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, entitlements and earnings on investments are considered to be both measurable and available at year end.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Library, unavailable revenue includes delinquent property taxes, homestead and rollback reimbursements, public library funding, and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. (See Notes 11 and 12).

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

e. Cash and Investments

To improve cash management, cash received by the Library is pooled. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

During 2019, the Library invested in negotiable certificates of deposits, federal agency securities, a U.S. government money market account and the State Treasury Asset Reserve of Ohio (STAROhio). 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, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures their investment in

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fiscal year 2019, there were no limitations or restrictions on STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Trustees specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during 2019 were \$672,832, including \$43,329 assigned from other Library funds.

f. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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/expense is reported in the year in which services are consumed.

g. Capital Assets

The Library’s only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement costs back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Library maintains a capitalization threshold of \$5,000. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. In addition, library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	30-100 years
Machinery and Equipment	5-20 years
Vehicles	8 years

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Compensated Absences

Vacation benefits 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 Library will compensate the employees for the benefits through paid time off or some other means. The Library records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the Library's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

i. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.

Committed – The committed classification includes amounts that can be used for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. The committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Trustees. In the General Fund, assigned amounts represent intended uses established by the Board of Trustees, or a library official delegated that authority by State statute. State statute authorizes the Chief Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Library applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position are available. The Library considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

j. Net Position

Net position represents the difference between all other elements in a statement of financial position. 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; however, the Library has no debt. The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

k. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses 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/expenses to the funds that initially paid for them are not presented on the financial statements.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The budget documents prepared by the Library are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control for the Friend's Foundation Fund is at the fund level. The legal level of control has been established at the fund, program, and object code level for all other Library funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the budgetary statements and schedules as final budgeted amounts represent amounts from the amended certificate in force at the time final appropriations were passed by the Board of Trustees.

m. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension asset, net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. The pension/OPEB plans report investments at fair value.

n. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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, compensated absences, including vacation leave payable, and net pension liability that will be paid from the 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.

o. Estimates

The preparation of the 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.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) is presented for the General Fund to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
- Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
- Some funds are included in the general fund (GAAP basis), but have legally adopted budgets, (budget basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance	
	General Fund
GAAP Basis	\$199,449
Revenue Accruals	(36,443)
Expenditure Accruals	17,839
Adjustment for Encumbrances	(559,282)
Funds Budgeted Elsewhere	(8,787)
Budget Basis	(\$387,224)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the termination benefits fund.

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Library into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Library Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Library may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits:

At December 31, 2019, the carrying amount of the Library’s deposits was \$109,772 and the bank balance was \$156,806. The Library’s entire bank balance was covered by Federal Deposit Insurance. The Library’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. In addition, the Library had petty cash/change funds totaling \$3,576 at year-end.

Custodial credit risk is the risk that, in the event of bank failure, the Library’s deposits may not be returned. The Library has no investment policy dealing with investment custodial risk beyond the requirement in State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the District 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
2. 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.

Investments

As of December 31, 2019, the Library had the following investments:

	Amount	Credit Rating	Maturity in Years		
			less than 1	1-3	3-5
FHLM	\$ 1,548,729	AA+	\$ 548,719	\$ 1,000,010	\$ -
FHLB	599,172	AA+	599,172	-	-
Negotiable Certificates of Deposit	6,615,358	NR	2,421,136	3,948,021	246,201
Money Market Fund	2,025,505	NR	2,025,505	-	-
STAR Ohio	13,674,240	AAA _m	13,674,240	-	-
Total	<u>\$ 24,463,004</u>		<u>\$ 19,268,772</u>	<u>\$ 4,948,031</u>	<u>\$ 246,201</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

The Library 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. The Library measures all other investments at fair value. The Library 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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Library's investments reported at fair value are valued using Level 2 inputs, except for the money market fund, which was valued using Level 1 inputs. Institutional bond quotes and evaluations based on various market and industry inputs are used in the valuation of the District's level 2 investments.

Interest Rate Risk - The Library's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library and that an investment must be purchased with the expectation that it will be held to maturity. The Library's policy also states that, to the extent possible and prudent, the Library will attempt to match its investment maturities with anticipated cash flow requirements.

Credit Risk - Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The Library's investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist.

Custodial Credit Risk - Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Library's securities are either insured and registered in the name of the Library or at least registered in the name of the Library. The Library has no investment policy dealing with investment custodial risk beyond the requirement in State statute the prohibits the payments for investment prior to the delivery of the securities representing such investments to the Fiscal Officer/CEO or qualified trustee.

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Library district. Property tax revenues received during 2019 for real and public utility property taxes represents collections of the 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020 operations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 5 – PROPERTY TAXES (continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2019, was \$4.80 per \$1,000 of assessed value. The assessed values of real property and public utility property, upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$2,017,431,680
Public Utility Personal	56,303,390
Totals	\$2,073,735,070

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 6 – GRANTS-IN-AID

A major source of revenue for Ohio public libraries is the Public Library Fund (PLF). The source of money for this fund comes from a percentage of the State taxes collected in Ohio including State income tax and sales tax. During 2019, the PLF distribution was based on 1.68 percent of the State’s General Revenue Fund tax revenue for the first and 1.70 percent for the second half of the year. The Franklin County Budget Commission allocates these funds to the Library based on a formula that was negotiated and agreed to by the seven public libraries located in the county. The County Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

NOTE 7 – RECEIVABLES

Receivables at December 31, 2019, consisted of property taxes, intergovernmental, and interest receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 – RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Public Library Fund	\$1,077,327
Homestead and Rollback	231,766
Total	<u><u>\$1,309,093</u></u>

NOTE 8 – TAX ABATEMENTS

Under tax abatement agreements entered into by other governments, the Library’s property tax revenues were reduced as follows:

<u>Government with Tax Abatement Agreement</u>	<u>Amount of Property Taxes Abated</u>
City of Columbus	\$ 32,412
City of Worthington	89,048
Total	<u><u>\$ 121,460</u></u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 9 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended December 31, 2019, was as follows:

	Balance at 12/31/2018	Additions	Deletions	Transfers	Balance At 12/31/2019
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 698,891	\$ -	\$ -	\$ -	\$ 698,891
Construction in Progress	1,246,236	700,425	-	(1,946,661)	-
Total Capital Assets, Not Being Depreciated	<u>1,945,127</u>	<u>700,425</u>	<u>-</u>	<u>(1,946,661)</u>	<u>698,891</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	10,829,390	7,978	(5,600)	1,946,661	12,778,429
Machinery and Equipment	1,330,713	65,875	(42,326)	-	1,354,262
Vehicles	18,300	35,387	(18,300)	-	35,387
Total Capital Assets, Being Depreciated	<u>12,178,403</u>	<u>109,240</u>	<u>(66,226)</u>	<u>1,946,661</u>	<u>14,168,078</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(4,440,603)	(308,227)	5,600	-	(4,743,230)
Machinery and Equipment	(630,598)	(101,427)	24,126	-	(707,899)
Vehicles	(18,300)	(175)	18,300	-	(175)
Total Accumulated Depreciation	<u>(5,089,501)</u>	<u>(409,829)</u>	<u>48,026</u>	<u>-</u>	<u>(5,451,304)</u>
Capital Assets, Being Depreciated, Net	<u>7,088,902</u>	<u>(300,589)</u>	<u>(18,200)</u>	<u>1,946,661</u>	<u>8,716,774</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,034,029</u>	<u>\$ 399,836</u>	<u>\$ (18,200)</u>	<u>\$ -</u>	<u>\$ 9,415,665</u>

Depreciation expense was charged to governmental programs as follows:

Library Services:	
Public Services and Programs	\$214,953
Collection Development and Processing	4,134
Support Services:	
Facilities Operations and Maintenance	77,618
Information Services Support	85,538
Business Administration	27,586
Total Depreciation Expense	<u>\$409,829</u>

NOTE 10 – RISK MANAGEMENT

Property and Liability - The Library 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 2019, the Library contracted with the Lauterbach & Eilber Company. The commercial package policy includes coverage for commercial property, commercial inland marine, commercial general liability, commercial crime, commercial automobile, and a commercial umbrella through Liberty Mutual.

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NOTE 10 – RISK MANAGEMENT (continued)

Commercial property consists of a \$16,373,700 blanket policy that covers buildings, business personal property, property of others, and equipment breakdown. It includes earthquake damage with sublimits of \$4,000,000 at Old Worthington Library and \$5,000,000 at Northwest Library and is a replacement cost valuation. Water backup from sewers and drains is covered with a \$100,000 limit at Old Worthington Library and a \$25,000 limit at Northwest Library, with a \$2,500 deductible per occurrence.

A commercial inland marine policy covers valuable papers and records. It has a \$5,000,000 limit on books, \$2,500,000 limit on audio/visual equipment with a \$250 deductible, and \$350,000 limit on fine arts with a \$1,000 deductible. It covers all risk of direct physical loss at a cash value valuation.

Commercial general liability coverage provides \$2,000,000 general aggregate coverage for bodily injury and property damage, with a \$1,000,000 limit for each occurrence. Claims coverage for products and completed operations aggregate is in place for \$2,000,000, \$1,000,000 for personal and advertising injury, \$300,000 fire damage limit, and \$15,000 medical expense limit for any one person. A \$2,000,000 policy is in place for aggregate Employer Liability (Ohio Stop Gap) with Intentional Tort coverage, with a \$500,000 limit for each accident, each employee and aggregate limit. There is also a \$2,000,000 commercial umbrella policy.

The commercial automobile policy has a \$500 comprehensive deductible and a \$500 collision deductible. This insurance includes a bodily injury and property damage combined single limit of \$1,000,000 bodily injury and property damage limit, with a \$1,000,000 non-owned and hired auto liability, a \$50,000 hired car physical damage, \$1,000,000 uninsured/underinsured motorist, \$5,000 medical payments, and a \$1,000 rental reimbursement.

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

Directors and Officers - A directors' and officers' insurance policy through the Philadelphia Insurance Company is in place providing a \$1,000,000 limit per loss, \$1,000,000 employment practices liability limit, \$1,000,000 aggregate for each policy period, and a \$5,000 deductible.

Cyber Security - Cyber Security is written through Philadelphia Insurance. The limits are \$500,000 security events costs; \$1,000,000 each for network security and privacy liability; employer privacy liability; electronic media liability. There is an annual aggregate of \$1,000,000 and a \$10,000 deductible for each coverage.

Public Official Bonds - The fiscal officer and two deputy fiscal officers have public official bonds written through Cincinnati Insurance in the amount of \$100,000 each.

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Worthington, Ohio
Notes to the Basic Financial Statements
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NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Asset/Liability

The net pension asset and net pension liability reported on the Statement of Net Position represent an asset/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 asset and net pension liability represent the Library’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 asset/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 Library’s rights to/obligation for this asset/liability to annually required payments. The Library cannot control benefit terms or the manner in which pensions are financed; however, the Library does receive the benefit of employees’ services in exchange for compensation including pension.

GASB Statement No. 68 assumes the net pension asset solely belongs to the employer and the net pension 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 overfunded assets and 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 asset/liability. Resulting adjustments to the net pension asset/liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s over/under funded benefits is presented as a long-term net pension asset or 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 – The Library employees 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 that has the elements of both a defined benefit and defined contribution plan.

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 Worthington, Ohio
 Notes to the Basic Financial Statements
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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. 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 as per the reduced benefits adopted by SB 343 (see OPERS financial report referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. For members retiring under the Combined Plan, an annual COLA will be provided on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Postemployment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library’s contractually required contribution was \$844,662 for 2019. Of this amount, \$80,041 is reported as an intergovernmental payable.

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

The net pension asset and net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset/liability was based on the Library'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:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportionate Share of the Net Pension (Asset)/Liability	\$ 8,611,874	\$ (146,497)	\$ 8,465,377
Proportion of the Net Pension Liability/(Asset)			
Current Measurement Date	0.031444%	0.131009%	
Prior Measurement Date	0.031749%	0.139169%	
Change in Proportionate Share	-0.000305%	-0.008160%	
Pension Expense	\$ 1,988,259	\$ 14,832	\$ 2,003,091

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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 396	\$ -	\$ 396
Changes of assumptions	749,680	32,719	\$ 782,399
Net difference between projected and actual earnings on pension plan investments	1,168,878	31,558	1,200,436
Change in proportionate share	3,371	14,130.00	17,501
City contributions subsequent to the measurement date	784,303	60,359	844,662
Total Deferred Outflows of Resources	<u>\$ 2,706,628</u>	<u>\$ 138,766</u>	<u>\$ 2,845,394</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 113,081	\$ 59,832	\$ 172,913
Change in proportionate share	55,799	1,708	57,507
Total Deferred Inflows of Resources	<u>\$ 168,880</u>	<u>\$ 61,540</u>	<u>\$ 230,420</u>

A total of \$844,662 reported as deferred outflows of resources related to pension resulting from the Library contributions subsequent to the measurement date will be recognized as pension expense in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Year Ending December 31:			
2020	\$ 740,834	\$ 6,572	\$ 747,406
2021	360,556	265	360,821
2022	108,444	932	109,376
2023	543,612	10,813	554,425
2024	-	(2,157)	(2,157)
Thereafter	-	442	442
Total	<u>\$ 1,753,446</u>	<u>\$ 16,867</u>	<u>\$ 1,770,313</u>

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Worthington, Ohio
Notes to the Basic Financial Statements
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NOTE 11 – DEFINED BENEFIT PENSION 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 (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 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

	Traditional Plan	Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, Including Inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	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.

Discount Rate

The discount rate used to measure the total pension asset/liability was 7.2%. 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 asset/liability.

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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the Library’s Proportionate Share of the Net Pension Asset and Net Pension Liability to Changes in the Discount Rate

The following table presents the Library’s proportionate share of the net pension asset/liability calculated using the current period discount rate assumption of 7.2%, as well as what the Library’s proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is one percentage point lower (6.2%) or one percentage point higher (8.2%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
The Library's proportionate share of the net pension liability/(asset)			
Traditional Plan	\$12,722,242	\$8,611,874	\$5,196,121
Combined Plan	(\$48,473)	(\$146,497)	(\$217,475)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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 following table displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	<u>100.00 %</u>	<u>5.95 %</u>

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.

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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

NOTE 12 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which OPEB are financed; however, the Library 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 health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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Worthington, Ohio
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NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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.

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Worthington, Ohio
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NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2018. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library’s contractually required contribution was \$0 for 2019.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Library’s proportion of the net OPEB liability was based on the Library'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:

	OPERS
Proportionate Share of the Net OPEB Liability	\$ 4,624,451
Proportion of the Net OPEB Liability	
Current Measurement Date	0.035470%
Prior Measurement Date	0.035820%
Change in Proportionate Share	-0.000350%
OPEB Expense	\$ 385,247

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Notes to the Basic Financial Statements
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NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 1,565
Net difference between projected and actual earnings on pension plan investments	212,003
Changes of assumptions	149,100
Total Deferred Outflows of Resources	\$ 362,668
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 12,547
Changes in proportionate share	48,706
Total Deferred Inflows of Resources	\$ 61,253

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Fiscal Year Ending June 30:	OPERS OPEB Plan
	2020	\$ 131,930
	2021	28,145
	2022	34,541
	2023	106,799
Total		\$ 301,415

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.

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Notes to the Basic Financial Statements
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NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

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, 2017, rolled forward to the measurement date of December 31, 2018. 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%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Single Discount Rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.0% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual entry age normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is a loss of 5.60 percent for 2018.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

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 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
REITs	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the Library’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the Library’s proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.96 percent, as well as what the Library’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
The Library's proportionate share of the net OPEB liability	\$ 5,916,396	\$ 4,624,451	\$ 3,597,013

Sensitivity of the Library’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
WPL's proportionate share of the net OPEB liability	\$ 4,445,100	\$ 4,624,451	\$ 4,831,014

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 13 – OTHER EMPLOYEE BENEFITS

Insurance Benefits

The Library provides health and vision coverage to all employees with designated position hours of at least 20 hours per week through Anthem and Vision Service Plan, respectively. The Library provides dental coverage to all employees with designated position hours of at least 20 hours per week through Delta Dental. An Employee Assistance Program through MATRIX is also available.

Compensated Absences

Accumulated Unpaid Vacation

Library employees earn vacation leave at varying rates based upon length of service and position hours. Vacation can accumulate to a maximum of one and one-half times the employee's current annual accrual calculated on the designated position hours. Vacation hours earned in excess of that amount are forfeited. If an employee with at least one year of service terminates employment, 100 percent of unused vacation leave is paid. Employees who leave with less than one year of service forfeit any accumulated unused vacation time. Any vacation time used in the first year must be repaid if an employee resigns with less than one year of service.

Accumulated Unpaid Sick Leave

Library employees earn sick leave at the rate of four and six tenths hours per 74 hours of service. Sick leave is cumulative up to 25.9 times the designated position's number of hours worked per week (i.e., 37 hours times 25.9 = 960). Hours earned in excess of the maximum are forfeited. Employees who voluntarily terminate employment after 10 years of service with the Library will be paid 25 percent of their accumulated sick leave balance, up to a maximum payment of 240 hours. In the case of death, an employee's estate is paid 50 percent of accumulated available sick leave hours if the employee had 10 years of service with the Library.

Accumulated Unpaid Floating Holidays

Library employees earn floating holiday pay based on position hours for Martin Luther King, Jr. Day, Presidents' Day and Veterans' Day, holidays in which the Library is open. These hours can be scheduled as time off with pay much like vacation and must be used before vacation time is used.

An employee may accumulate no more than three floating holidays. If an employee terminates employment, 100 percent of unused floating holiday leave is paid.

Deferred Compensation

Library employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 – LONG-TERM OBLIGATIONS

The changes in the Library’s long-term obligations during 2019 were as follows:

	Restated Amount Outstanding 12/31/2018	Additions	Deletions	Amount Outstanding 12/31/2019	Amounts Due in One Year
Net Pension Liability	4,980,803	3,631,071	-	8,611,874	-
OPEB Liability	3,889,788	734,663	-	4,624,451	-
Compensated Absences	160,280	38,100	(27,255)	171,125	10,353
	<u>9,030,871</u>	<u>4,403,834</u>	<u>(27,255)</u>	<u>13,407,450</u>	<u>10,353</u>

The net pension liability, net OPEB liability, and compensated absences will be paid from General Fund.

NOTE 15 – INTERFUND TRANSFERS

Interfund transfers at December 31, 2019 were as follows:

	Transfers-In	Transfers-Out
General Fund	\$ -	\$ 935,236
Building Fund	636,380	-
Nonmajor Governmental Funds	298,856	-
Total Transfers	<u>\$ 935,236</u>	<u>\$ 935,236</u>

The Library transferred cash from the General Fund to the Building Fund and Nonmajor Governmental Funds to cover miscellaneous capital projects, maintenance and repairs. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 16 – CONTINGENCIES

Grants

The Library receives financial assistance from State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2019 will not have a material adverse effect on the Library.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 16 – CONTINGENCIES (Continued)

Litigation

The Library may be a defendant in several lawsuits, the outcome of which cannot be determined. Any judgment against the Library would not have a material adverse effect on the Library’s financial position.

NOTE 17– OPERATING LEASES

On December 12, 2007, the Library entered into an agreement with Worthington Park LLC to lease a storefront unit in the Worthington Park Shopping Center for the purpose of the operation of the Library. The original term of the lease was a five-year term with an option to extend for an additional five-year term. The annual rent for the original and operational renewal terms was \$42,240 and \$47,520, respectively.

In accordance with terms of the lease agreement, the Library also had to share in common area maintenance, real estate taxes and insurance expenses of the Worthington Park Shopping Center.

During 2013, the lease was amended in order to expand the leased facilities to add two more units, with amended lease payments beginning in 2014. The amended lease was for a ten-year term with an option to extend for an additional five-year term. The annual rent for the initial ten-year was \$88,320 for first five years and \$104,160 for the remaining five years. The annual rent for the renewal term was \$117,180.

During 2018, the lease was amended in order to expand the leased facilities to add one more unit, with amended lease payments beginning in 2019. The amended lease is for a five-year term with an option to extend for an additional five-year term. The annual rent for the initial five-year is \$176,160. The annual rent for the renewal term is \$198,180. In accordance with terms of the amended lease agreement, the Library will continue to share in common area maintenance, real estate taxes and insurance expenses of the Worthington Park Shopping Center.

During 2019, lease payments, excluding the share in common area maintenance, real estate taxes, and insurance expenses totaled \$176,160 and future minimum lease payments, excluding the optional renewal term, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 176,160
2021	176,160
2022	176,160
2023	176,160
Total	<u>\$ 704,640</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 18 – SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$ 559,282
Building Fund	65,400
Other Governmental Funds	<u>12,246</u>
Total	<u>\$ 636,928</u>

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES

For 2019, the Library implemented the following accounting standards:

For 2019, the Library implemented GASB Statement No. 83, Certain Asset Retirement Obligations. This statement enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. The implementation of this statement did not have an effect on the financial statements of the Library.

For 2019, the Library implemented GASB Statement No. 84, Fiduciary Activities. This statement enhances consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The implementation of this statement did not have an effect on the financial statements of the Library.

For 2019, the Library implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of this statement did not have an effect on the financial statements of the Library.

For 2019, the Library implemented GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14, and No. 61. This statement improves consistency and comparability of reporting a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not have an effect on the financial statements of the Library.

WORTHINGTON LIBRARIES
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 20 – SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic, which resulted in the closure of all the Library locations for the safety of customers and employees. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods. The Library cannot currently estimate the full effects, but the State of Ohio expects its revenue to decrease significantly, which will lead to a decline in the Library's PLF revenue. The Library also anticipates a reduction in property tax receipts caused by potential delinquencies in collections. The Library has taken steps to mitigate these expected shortfalls and secure its economic future, including adjusting staffing levels, cancelling or delaying planned projects, and reducing overall expenditures. As of the date of this report, the Library is executing a plan for the gradual reopening of all locations, but has yet to resume normal operations.

Worthington Libraries
Required Supplementary Information
Schedule of Library's Proportionate Share of the Net Pension (Asset)/Liability
Ohio Public Employees Retirement System

Last Six Years (1)

	2019	2018	2017	2016	2015	2014
Library's Proportion of the Net Pension (Asset)/Liability						
Traditional Plan	0.031444%	0.031749%	0.032158%	0.031191%	0.0300039%	0.0300039%
Combined Plan	0.131009%	0.139169%	0.154685%	0.14933%	0.1568350%	0.1568350%
Library's Proportionate Share of the Net Pension (Asset)/Liability						
Traditional Plan	\$ 8,611,874	\$ 4,980,803	\$ 7,302,535	\$ 5,402,675	\$ 3,618,806	\$ 3,537,069
Combined Plan	\$ (146,497)	\$ (189,454)	\$ (86,093)	\$ (72,667)	\$ (60,385)	\$ (16,457)
Library's Covered Payroll	\$ 5,157,516	\$ 5,020,995	\$ 4,880,214	\$ 4,725,332	\$ 4,268,292	\$ 4,263,223
Library's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	164.14%	95.43%	147.87%	112.80%	83.37%	82.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability						
Traditional Plan	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%

(1) Information prior to 2014 is not available. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented as of the Library's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information

Worthington Libraries
Required Supplementary Information
Schedule of Library Pension Contributions
Ohio Public Employees Retirement System

Last Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 844,662	\$ 722,052	\$ 652,729	\$ 585,626	\$ 567,040	\$ 512,195	\$ 554,219
Contributions in Relation to the Contractually Required Contribution	<u>\$ 844,662</u>	<u>\$ 722,052</u>	<u>\$ 652,729</u>	<u>\$ 585,626</u>	<u>\$ 567,040</u>	<u>\$ 512,195</u>	<u>\$ 554,219</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
Covered Payroll	\$ 6,033,302	\$ 5,157,516	\$ 5,020,995	\$ 4,880,214	\$ 4,725,332	\$ 4,268,292	\$ 4,263,223
Contributions as a Percentage of Covered-Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes the required supplementary information

Worthington Libraries
Required Supplementary Information
Schedule of Library's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System

Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Library's Proportion of the Net OPEB Liability	0.0354700%	0.0358200%	0.0364710%
Library's Proportionate Share of the Net OPEB Liability	\$ 4,624,451	\$ 3,889,788	\$ 3,683,697
Library's Covered Payroll	\$ 5,157,516	\$ 5,020,995	\$ 4,880,214
Library's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.66%	77.47%	75.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented as of the Library's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information

Worthington Libraries
Required Supplementary Information
Schedule of Library OPEB Contributions
Ohio Public Employees Retirement System

Last Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ -	\$ -	\$ 50,210	\$ 97,604	\$ 94,507	\$ 85,366	\$ 42,632
Contributions in Relation to the Contractually Required Contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,210</u>	<u>\$ 97,604</u>	<u>\$ 94,507</u>	<u>\$ 85,366</u>	<u>\$ 42,632</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,033,302	\$ 5,157,516	\$ 5,020,995	\$ 4,880,214	\$ 4,725,332	\$ 4,268,292	\$ 4,263,223
Contributions as a Percentage of Covered-Payroll	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

(1) Information prior to 2013 is not available. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes the required supplementary information

Worthington Public Library
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Ohio Public Employees Retirement System

Net Pension Liability

Changes of benefit terms. There were no significant changes of benefit terms in 2019.

Changes of assumptions. Amounts reported in 2019 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.5% down to 7.2%, for the defined benefit investments.

Net OPEB Liability

Changes of benefit terms. There were no significant changes of benefit terms in 2019.

Changes of assumptions. For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. There was also a reduction in the actuarial assumed rate of return from 6.50 percent down to 6.00 percent.

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COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

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**WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Nonmajor Fund Descriptions**

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Nonmajor Special Revenue Fund

Friends Foundation Fund

This fund is used to account for monies that are restricted and received from the Friends Foundation of Worthington Libraries to support children, teen, and adult programming, along with staff support.

The following fund is included in the General Fund (GAAP basis), but has a separate legally adopted budget (budget basis):

Termination Benefits Fund

This fund used to account for monies that are set aside for 27th payroll and payments to employees upon separation from employment.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets.

Nonmajor Capital Projects Funds

Technology Fund

To account for and report expenditures related to purchases of computing and network technology as well as other office equipment which are financed by transfers from the General Fund.

WORTHINGTON LIBRARIES
Worthington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Totals
Assets:			
Equity in Pooled Cash and Investments	\$ 23,550	\$ 142,376	\$ 165,926
Prepaid Items	-	28,883	28,883
Total Assets	<u>\$ 23,550</u>	<u>\$ 171,259</u>	<u>\$ 194,809</u>
Liabilities:			
Accounts Payable	\$ -	\$ 799	\$ 799
Total Liabilities	<u>-</u>	<u>799</u>	<u>799</u>
Fund Balances:			
Nonspendable:			
Prepaid Items	-	28,883	28,883
Restricted for:			
Public Services and Programs	23,550	-	23,550
Assigned for:			
Capital Outlays	-	141,577	141,577
Total Fund Balances	<u>23,550</u>	<u>170,460</u>	<u>194,010</u>
Total Liabilities and Fund Balance	<u>\$ 23,550</u>	<u>\$ 171,259</u>	<u>\$ 194,809</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Totals
Revenues:			
Contributions, Gifts and Donations	\$ 33,250	\$ -	\$ 33,250
Total Revenues	<u>33,250</u>	<u>-</u>	<u>33,250</u>
Expenditures:			
Current:			
Library Services:			
Public Services and Programs	37,659	-	37,659
Support Services:			
Information Services Support	-	99,908	99,908
Capital Outlay	-	191,898	191,898
Total Expenditures	<u>37,659</u>	<u>291,806</u>	<u>329,465</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,409)	(291,806)	(296,215)
Other Financing Sources:			
Transfers In	-	298,856	298,856
Total Other Financing Sources	<u>-</u>	<u>298,856</u>	<u>298,856</u>
Net Change in Fund Balances	(4,409)	7,050	2,641
Fund Balance at Beginning of Year	27,959	163,410	191,369
Fund Balance at End of Year	<u>\$ 23,550</u>	<u>\$ 170,460</u>	<u>\$ 194,010</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Intergovernmental	\$ -	\$ 129,369	\$ 129,368	\$ (1)
Total Revenues	<u>-</u>	<u>129,369</u>	<u>129,368</u>	<u>(1)</u>
Expenditures				
Capital Outlay	2,311,294	2,591,294	1,591,326	999,968
Total Expenditures	<u>2,311,294</u>	<u>2,591,294</u>	<u>1,591,326</u>	<u>999,968</u>
Excess of Revenues Over (Under) Expenditures	(2,311,294)	(2,461,925)	(1,461,958)	999,967
Other Financing Sources				
Transfers In	908,000	636,380	636,380	-
Total Other Financing Sources	<u>908,000</u>	<u>636,380</u>	<u>636,380</u>	<u>-</u>
Net Change in Fund Balance	(1,403,294)	(1,825,545)	(825,578)	999,967
Fund Balances at Beginning of Year	551,620	551,620	551,620	-
Prior Year Encumbrances Appropriated	1,403,294	1,403,294	1,403,294	-
Fund Balances at End of Year	<u>\$ 551,620</u>	<u>\$ 129,369</u>	<u>\$ 1,129,336</u>	<u>\$ 999,967</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Friend's Foundation Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Contributions, Gifts, and Donations	\$ 61,885	\$ 33,250	\$ 33,250	\$ -
Total Revenues	<u>61,885</u>	<u>33,250</u>	<u>33,250</u>	<u>-</u>
Expenditures				
Library Services:				
Public Services and Programs				
Materials and Supplies	36,152	35,595	28,513	7,082
Contractual Services	23,479	23,114	8,480	14,634
Other	2,539	2,500	2,116	384
Total Public Services and Programs	<u>62,170</u>	<u>61,209</u>	<u>39,109</u>	<u>22,100</u>
Net Change in Fund Balance	(285)	(27,959)	(5,859)	22,100
Fund Balances at Beginning of Year	27,674	27,674	27,674	-
Prior Year Encumbrances Appropriated	285	285	285	-
Fund Balances at End of Year	<u>\$ 27,674</u>	<u>\$ -</u>	<u>\$ 22,100</u>	<u>\$ 22,100</u>

WORTHINGTON LIBRARIES
Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Library Services:				
Public Services and Programs				
Personal Services	290,000	290,000	32,294	257,706
Total Public Services and Programs	290,000	290,000	32,294	257,706
Excess of Revenues				
Over (Under) Expenditures	(290,000)	(290,000)	(32,294)	257,706
Other Financing Sources				
Transfers In	290,000	42,407	42,407	-
Total Other Financing Sources	290,000	42,407	42,407	-
Net Change in Fund Balance	-	(247,593)	10,113	257,706
Fund Balances at Beginning of Year	247,593	247,593	247,593	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balances at End of Year	\$ 247,593	\$ -	\$ 257,706	\$ 257,706

WORTHINGTON LIBRARIES
Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Technology Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Information Services Support				
Contractual Services	174,250	175,284	94,639	80,645
Total Information Services Support	174,250	175,284	94,639	80,645
Capital Outlay	245,771	249,037	198,101	50,936
Total Expenditures	420,021	424,321	292,740	131,581
Excess of Revenues Over (Under) Expenditures	(420,021)	(424,321)	(292,740)	131,581
Other Financing Sources				
Transfers In	362,385	298,856	298,856	-
Total Other Financing Sources	362,385	298,856	298,856	-
Net Change in Fund Balance	(57,636)	(125,465)	6,116	131,581
Fund Balances at Beginning of Year	67,829	67,829	67,829	-
Prior Year Encumbrances Appropriated	57,636	57,636	57,636	-
Fund Balances at End of Year	\$ 67,829	\$ -	\$ 131,581	\$ 131,581

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STATISTICAL SECTION

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WORTHINGTON LIBRARIES
WORTHINGTON, OHIO
Statistical Section

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S4-S11
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
Revenue Capacity	S12-S17
These schedules contain information to help the reader assess the Library's most significant local revenue source, property taxes.	
Debt Capacity	S18-S19
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
Demographic and Economic Information	S20-S23
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place.	
Operating information	S24-S27
These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Worthington Libraries
Worthington, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2010	2011	2012	2013
Governmental Activities:				
Investment in Capital Assets	\$8,774,284	\$8,572,236	\$8,417,136	\$8,724,364
Restricted	6,882	9,380	9,775	15,096
Unrestricted	15,956,351	17,692,236	19,211,984	19,667,762
<i>Total Governmental</i>				
<i>Activities Net Position</i>	<u>\$24,737,517</u>	<u>\$26,273,852</u>	<u>\$27,638,895</u>	<u>\$28,407,222</u>

(1): Restatement for implementation of GASB 68

(2): Restatement for implementation of GASB 75

Restated (1) 2014	2015	2016	Restated (2) 2017	2018	2019
\$8,691,518	\$8,444,400	\$8,258,812	\$8,098,465	\$9,034,029	\$9,409,357
10,827	5,740	17,950	9,794	27,959	23,550
16,910,640	19,014,868	20,748,634	17,392,356	17,210,129	15,459,398
<u>\$25,612,985</u>	<u>\$27,465,008</u>	<u>\$29,025,396</u>	<u>\$25,500,615</u>	<u>\$26,272,117</u>	<u>\$24,892,305</u>

Worthington Libraries
Worthington, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2010	2011	2012	2013
Expenses:				
Library Services:				
Public Services and Programs	\$3,564,762	\$3,703,955	\$3,750,218	\$3,836,827
Collection Development and Processing	2,033,738	1,925,179	1,943,464	1,910,823
Support Services:				
Facilities Operations and Maintenance	762,761	1,049,211	977,008	1,068,275
Information Services Support	970,701	802,472	931,896	1,071,654
Business Administration	1,385,264	1,307,710	1,372,469	1,416,663
<i>Total Expenses</i>	8,717,226	8,788,527	8,975,055	9,304,242
Program Revenues:				
Charges for Services:				
Library Services:				
Public Services and Programs	1,011,213	1,277,288	1,282,481	1,215,716
Operating Grants, Contributions, and Interest	26,965	32,079	43,552	53,509
<i>Total Program Revenues</i>	1,038,178	1,309,367	1,326,033	1,269,225
<i>Net Expenses</i>	(7,679,048)	(7,479,160)	(7,649,022)	(8,035,017)
General Revenues:				
Governmental Activities:				
Property Taxes	6,149,886	6,071,068	6,134,283	6,039,306
Intergovernmental	4,276,501	2,916,271	2,817,570	2,685,043
Unrestricted Gifts and Donations	2,582	8,062	30,588	32,197
Earnings on Investments	15,674	9,405	23,717	24,795
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	77,609	10,689	7,907	22,003
<i>Total General Revenues</i>	10,522,252	9,015,495	9,014,065	8,803,344
<i>Change in Net Position</i>	\$2,843,204	\$1,536,335	\$1,365,043	\$768,327

2014	2015	2016	2017	2018	2019
\$3,910,711	\$3,989,685	\$4,309,204	\$5,013,412	\$4,888,338	\$6,252,674
2,300,663	2,270,992	2,265,023	2,340,821	2,295,172	2,378,583
1,242,306	1,190,404	1,178,978	1,218,568	1,277,119	1,774,437
895,868	854,888	1,010,847	1,088,613	1,153,153	1,170,129
1,532,428	1,683,163	1,825,217	2,130,588	2,159,576	2,421,509
9,881,976	9,989,132	10,589,269	11,792,002	11,773,358	13,997,332
1,256,972	1,237,886	1,193,779	1,126,298	1,060,166	1,049,332
42,300	35,245	56,244	47,882	52,281	33,250
1,299,272	1,273,131	1,250,023	1,174,180	1,112,447	1,082,582
(8,582,704)	(8,716,001)	(9,339,246)	(10,617,822)	(10,660,911)	(12,914,750)
5,988,639	7,647,050	7,882,190	7,742,737	7,954,028	7,817,992
2,655,969	2,799,018	2,721,475	2,713,341	2,954,976	2,985,903
6,645	7,086	5,729	8,626	9,506	9,231
68,908	93,863	109,036	244,900	466,785	671,969
-	-	173,197	-	-	-
76,723	21,007	8,007	16,924	47,118	49,843
8,796,884	10,568,024	10,899,634	10,726,528	11,432,413	11,534,938
\$214,180	\$1,852,023	\$1,560,388	\$108,706	\$771,502	(\$1,379,812)

Worthington Libraries
Worthington, Ohio
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$75,903	\$60,723	\$74,236	\$84,066
Committed	36,047	30,422	28,222	38,598
Assigned	151,805	211,559	207,060	289,860
Unassigned	<u>13,884,037</u>	<u>15,790,758</u>	<u>17,328,046</u>	<u>18,013,767</u>
<i>Total General Fund</i>	<u>14,147,792</u>	<u>16,093,462</u>	<u>17,637,564</u>	<u>18,426,291</u>
All Other Governmental Funds				
Nonspendable	-	18,475	19,024	10,864
Restricted	6,882	9,380	9,775	15,096
Committed	-	-	-	-
Assigned	<u>565,043</u>	<u>502,510</u>	<u>431,978</u>	<u>204,213</u>
<i>Total All Other Governmental Funds</i>	<u>571,925</u>	<u>530,365</u>	<u>460,777</u>	<u>230,173</u>
<i>Total Governmental Funds</i>	<u><u>\$14,719,717</u></u>	<u><u>\$16,623,827</u></u>	<u><u>\$18,098,341</u></u>	<u><u>\$18,656,464</u></u>

2014	2015	2016	2017	2018	2019
\$78,990	\$67,151	\$86,482	\$133,171	\$122,190	\$145,059
87,436	126,489	119,676	242,224	247,593	256,380
229,171	227,394	217,279	822,980	3,840,084	2,768,075
18,386,091	20,295,478	21,782,210	21,643,495	19,079,739	20,319,541
18,781,688	20,716,512	22,205,647	22,841,870	23,289,606	23,489,055
18,870	24,230	28,470	59,855	43,357	28,883
10,827	5,740	13,950	9,794	27,959	23,550
-	-	377,883	377,883	991,916	377,883
222,705	253,821	260,128	1,000,769	568,286	952,027
252,402	283,791	680,431	1,448,301	1,631,518	1,382,343
\$19,034,090	\$21,000,303	\$22,886,078	\$24,290,171	\$24,921,124	\$24,871,398

Worthington Libraries
Worthington, Ohio
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues:				
Property Taxes	\$6,183,063	\$6,113,964	\$6,114,780	\$6,088,379
Intergovernmental	4,110,971	3,025,083	2,782,995	2,703,995
Patron Fines and Fees	311,105	295,878	262,858	223,001
Investment Earnings	15,674	9,405	23,717	24,795
Services Provided to Other Entities	700,108	981,410	1,019,623	992,715
Contributions, Gifts, and Donations	29,547	40,141	74,140	85,706
Miscellaneous	77,609	10,689	7,907	22,003
<i>Total Revenues</i>	<u>11,428,077</u>	<u>10,476,570</u>	<u>10,286,020</u>	<u>10,140,594</u>
Expenditures:				
Current:				
Library Services:				
Public Services and Programs	3,428,167	3,578,784	3,618,414	3,671,463
Collection Development and Processing	2,030,005	1,920,779	1,941,337	1,907,258
Support Services:				
Facilities Operations and Maintenance	718,718	709,612	722,816	1,021,383
Information Services Support	902,607	740,572	868,779	1,012,244
Business Administration	1,381,822	1,271,048	1,348,101	1,399,449
Capital Outlay	63,703	351,665	312,059	570,674
<i>Total Expenditures</i>	<u>8,525,022</u>	<u>8,572,460</u>	<u>8,811,506</u>	<u>9,582,471</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,903,055</u>	<u>1,904,110</u>	<u>1,474,514</u>	<u>558,123</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	-	-	-	-
Transfers - In	31,483	330,912	237,915	695,516
Transfers - Out	(31,483)	(330,912)	(237,915)	(695,516)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u><u>\$2,903,055</u></u>	<u><u>\$1,904,110</u></u>	<u><u>\$1,474,514</u></u>	<u><u>\$558,123</u></u>

2014	2015	2016	2017	2018	2019
\$6,063,442	\$7,679,165	\$7,831,784	\$7,755,427	\$7,930,428	\$7,871,695
2,692,035	2,741,190	2,709,140	2,707,421	2,979,717	3,043,768
224,929	185,450	153,672	113,103	122,497	141,810
59,124	95,084	106,181	239,366	463,137	672,832
1,032,043	1,052,436	1,040,107	1,013,195	937,669	907,522
48,945	42,331	61,973	56,508	61,787	42,481
33,382	19,007	8,007	16,924	46,918	49,843
<u>10,153,900</u>	<u>11,814,663</u>	<u>11,910,864</u>	<u>11,901,944</u>	<u>12,542,153</u>	<u>12,729,951</u>
3,747,951	3,883,496	3,936,281	4,160,061	4,239,093	5,019,944
2,286,637	2,261,148	2,253,948	2,251,634	2,231,153	2,254,392
820,597	895,192	956,310	950,580	1,003,593	1,198,392
825,556	774,190	936,408	896,875	991,247	966,754
1,504,000	1,689,898	1,813,322	1,903,481	1,974,059	2,091,645
643,994	346,526	509,120	335,220	1,472,255	1,248,550
<u>9,828,735</u>	<u>9,850,450</u>	<u>10,405,389</u>	<u>10,497,851</u>	<u>11,911,400</u>	<u>12,779,677</u>
<u>325,165</u>	<u>1,964,213</u>	<u>1,505,475</u>	<u>1,404,093</u>	<u>630,753</u>	<u>(49,726)</u>
52,461	2,000	380,300	-	200	-
668,219	391,695	932,630	1,120,143	1,531,300	935,236
(668,219)	(391,695)	(932,630)	(1,120,143)	(1,531,300)	(935,236)
<u>52,461</u>	<u>2,000</u>	<u>380,300</u>	<u>-</u>	<u>200</u>	<u>-</u>
<u>\$377,626</u>	<u>\$1,966,213</u>	<u>\$1,885,775</u>	<u>\$1,404,093</u>	<u>\$630,953</u>	<u>(\$49,726)</u>

Worthington Libraries
Worthington, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property			
	Assessed Value			Public Utility		General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$ 1,365,780,710	\$ 439,688,670	\$ 5,158,483,943	\$ 30,224,580	\$ 34,346,114	\$ 4,296,663	\$ 17,186,652
2011	1,372,120,560	433,783,410	5,159,725,629	34,228,570	38,896,102	-	-
2012	1,325,524,970	415,586,560	4,974,604,371	37,985,760	43,165,636	-	-
2013	1,333,230,330	414,567,350	4,993,707,657	37,884,090	43,050,102	-	-
2014	1,336,091,930	408,558,320	4,984,715,000	35,896,610	40,791,602	-	-
2015	1,390,188,880	397,473,620	5,107,607,143	38,964,780	44,278,159	-	-
2016	1,396,134,530	403,130,660	5,140,757,686	42,594,160	48,402,455	-	-
2017	1,399,228,110	411,207,900	5,172,674,314	44,365,290	50,415,102	-	-
2018	1,557,509,640	446,204,640	5,724,897,943	43,171,320	49,058,318	-	-
2019	1,557,364,990	460,066,690	5,764,090,514	56,303,390	63,981,125	-	-

The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was 2010.)

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollbacks and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation, Franklin County Auditor

Totals			Weighted Average Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Ratio	
\$ 1,839,990,623	\$ 5,210,016,709	35.32%	3.68
1,840,132,540	5,198,621,731	35.40%	3.81
1,779,097,290	5,017,770,007	35.46%	3.81
1,785,681,770	5,036,757,759	35.45%	3.82
1,780,546,860	5,025,506,602	35.43%	4.43
1,826,627,280	5,151,885,302	35.46%	4.44
1,841,859,350	5,189,160,141	35.49%	3.64
1,854,801,300	5,223,089,416	35.51%	4.34
2,046,885,600	5,773,956,261	35.45%	4.44
2,073,735,070	5,828,071,639	35.58%	4.45

Worthington Libraries
Worthington, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2010	\$ 6,803,660	\$ 6,596,945	96.96%	\$ 202,942	\$ 6,799,887	99.94%
2011	6,799,383	6,581,360	96.79%	171,390	6,752,750	99.31%
2012	6,841,073	6,621,483	96.79%	148,906	6,770,389	98.97%
2013	6,840,662	6,588,689	96.32%	157,802	6,746,491	98.62%
2014	6,833,017	6,511,978	95.30%	133,330	6,645,308	97.25%
2015	8,119,979	7,890,529	97.17%	141,959	8,032,488	98.92%
2016	8,192,677	8,002,496	97.68%	128,177	8,130,673	99.24%
2017	8,252,459	8,088,758	98.02%	154,821	8,243,579	99.89%
2018	8,296,208	8,210,204	98.96%	122,857	8,333,061	100.44%
2019	8,438,936	8,299,624	98.35%	148,623	8,448,247	100.11%

Source: Franklin County Auditor

- (1) Includes Homestead/Rollback exemptions assessed locally, but distributed through the State and reported as intergovernmental revenue.
- (2) The Franklin County Auditor's Office confirmed the Percent of Total Collections to Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes. The Auditor's Office is unable to track delinquent taxes collected by year levied. Therefore, Worthington Libraries has elected to show delinquent taxes by collection year. This presentation will be updated as new information becomes available.

Worthington Libraries
Worthington, Ohio
Principal Property Taxpayers
2010 and 2019

2010			2019		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Public Utilities			Public Utilities		
1 Columbus Southern Power Company	\$25,718,770	1.40%	1 Ohio Power Company	\$41,938,670	2.02%
			2 American Municipal Power	9,008,870	0.43%
Real Estate			Real Estate		
1 Anheuser-Busch Inc	19,176,160	1.04%	1 Anheuser-Busch Inc	17,989,880	0.87%
2 EOP-Community Corporate	8,610,000	0.47%	2 District Two LLC	12,215,010	0.59%
3 Eastrich No 167 Corp	8,434,400	0.46%	3 Communications Realty Investments	11,655,000	0.56%
4 Fieldstone Trace Partnership	7,805,010	0.42%	4 Worthington Meadows	9,190,750	0.44%
5 Worthington Meadows	7,665,040	0.42%	5 Worthington Industries Inc	8,861,900	0.43%
6 Worthington Industries Inc	6,664,540	0.36%	6 Fieldstone Trace Partnership	6,918,140	0.33%
7 General Electric Credit	6,302,490	0.34%	7 445 Hutchinson LP	6,755,010	0.33%
8 Corporate Hill LLC	6,006,040	0.33%	8 Stratford Chase Apartments	6,136,970	0.30%
9 Braveheart Columbus	5,670,010	0.31%	9 United Methodist Children Home	5,940,620	0.29%
10 Schottenstein Stores Corp.	5,486,280	0.30%	10 BRG Liberty Crossing LLC	5,687,510	0.27%
All Others	<u>1,732,451,883</u>	94.16%	All Others	<u>1,931,436,740</u>	93.14%
Total Assessed Valuation	<u><u>\$1,839,990,623</u></u>	<u><u>100.00%</u></u>	Total Assessed Valuation	<u><u>\$2,073,735,070</u></u>	<u><u>100.00%</u></u>

Source: Office of the Auditor, Franklin County, Ohio

Worthington Libraries
Worthington, Ohio
Direct and Overlapping Property Tax Rates
 (Per \$1,000 of Assessed Value)
Last Ten Years

	2010	2011	2012	2013
Voted Millage - By Levy				
1992 Current Expense				
Residential/Agricultural Real	\$1.20	\$1.25	\$1.25	\$1.25
Commercial/Industrial and Public Utility Real	1.88	2.00	2.00	2.06
General Business and Public Utility Personal	2.20	2.20	2.20	2.20
2005 Current Expense				
Residential/Agricultural Real	2.19	2.28	2.28	2.28
Commercial/Industrial and Public Utility Real	2.60	2.60	2.60	2.60
General Business and Public Utility Personal	2.60	2.60	2.60	2.60
Total Voted Millage By Type of Property				
Residential/Agricultural Real	3.39	3.53	3.53	3.53
Commercial/Industrial and Public Utility Real	4.48	4.60	4.60	4.66
General Business and Public Utility Personal	4.80	4.80	4.80	4.80
Overlapping Rates By Taxing District				
Franklin County				
General Fund	1.47	1.47	1.47	1.47
Children Services	5.00	5.00	5.00	5.00
ADAMH Board	2.20	2.20	2.20	2.20
MRDD	7.00	7.00	7.00	7.00
Metro Park	0.75	0.75	0.75	0.75
Zoological Park	0.75	0.75	0.75	0.75
Office on Aging	0.90	0.90	1.30	1.30
Total Franklin County	18.07	18.07	18.47	18.47
School District				
Worthington City School District	87.04	88.54	94.94	95.94
Townships				
Sharon Township	23.50	23.50	23.50	23.50
Perry Township	17.60	18.10	21.60	21.60
Cities				
City of Worthington	5.00	5.00	5.00	5.00
City of Columbus	1.57	3.14	3.14	3.14

Source: Ohio Department of Taxation, County Auditor, Franklin County

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

2014	2015	2016	2017	2018	2019
\$2.13	\$2.12	\$2.12	\$2.12	\$2.12	\$2.12
2.20	2.20	2.20	2.20	2.20	2.20
2.20	2.20	2.20	2.20	2.20	2.20
2.21	2.21	2.21	2.21	2.21	2.21
2.60	2.60	2.60	2.60	2.60	2.60
2.60	2.60	2.60	2.60	2.60	2.60
4.34	4.33	4.33	4.33	4.33	4.33
4.80	4.80	4.80	4.80	4.80	4.80
4.80	4.80	4.80	4.80	4.80	4.80
1.47	1.47	1.47	1.47	1.47	1.47
5.00	5.00	5.00	5.00	5.00	5.00
2.20	2.20	2.20	2.20	2.20	2.20
7.00	7.00	7.00	7.00	7.00	7.00
0.75	0.75	0.75	0.75	0.75	0.95
0.75	0.75	0.75	0.75	0.75	0.75
1.30	1.30	1.30	1.75	1.75	1.75
18.47	18.47	18.47	18.92	18.92	19.12
96.94	96.94	96.94	96.94	102.09	104.09
1.57	1.57	23.50	27.50	27.50	27.50
21.60	21.60	23.10	25.10	25.10	25.02
5.00	5.00	5.00	5.00	5.00	5.00
3.14	3.14	3.14	3.14	3.14	3.14

Worthington Libraries
Worthington, Ohio
Computation of Direct and Overlapping Governmental Debt
December 31, 2019

	Net Long-term Debt Outstanding	(1) Estimated Percentage Applicable	Amount Applicable to Library
Direct:			
Worthington Libraries	\$0	100.00%	\$0
Overlapping:			
Worthington City School District			
General Obligation Bonds and Notes	148,544,218	100.00%	148,544,218
Energy Conservation Notes	2,164,369	100.00%	2,164,369
City of Worthington			
General Obligation Bonds and Notes	5,825,000	100.00%	5,825,000
Franklin County (2)			
General Obligation Bonds	211,504,000	6.80%	14,392,019
Special Obligation Bonds & Notes	270,595,000	6.80%	18,412,930
OPWC Loans	3,040,000	6.80%	206,860
City of Columbus (3)			
Revenue Obligations	1,622,100,000	7.51%	121,797,438
General Obligation Bonds	3,047,194,000	7.51%	228,802,430
RiverSouth Lease Revenue Bonds (Component Unit)	60,035,000	7.51%	4,507,804
Total Overlapping Debt	<u>5,371,001,587</u>		<u>544,653,068</u>
Total Direct and Overlapping Debt	<u>\$5,371,001,587</u>		<u>\$544,653,068</u>

Source: Office of the Auditor, Franklin County, Ohio, and Financial Statements for the respective subdivision.

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2018 collection year.
- (2) The debt outstanding for Worthington School District is at June 30, 2018.
- (3) The debt outstanding for City of Columbus is at June 30, 2018.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Library. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Library. This process recognizes that, when considering the Library's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

Worthington Libraries
Worthington, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (4)	Unemployment Rate (3)
2010	59,374	\$ 2,169,229,090	\$ 36,535	9.2%
2011	59,501	2,197,193,427	36,927	7.6%
2012	59,529	2,335,560,786	39,234	6.1%
2013	59,689	2,456,560,484	41,156	6.2%
2014	59,978	2,609,402,868	43,506	4.8%
2015	60,012	2,845,769,040	47,420	4.0%
2016	60,725	2,956,578,800	48,688	4.0%
2017	64,886	3,178,051,394	48,979	4.4%
2018	65,359	3,269,322,539	50,021	4.5%
2019	66,384	3,320,594,064	50,021	3.7%

Sources: (1) Mid Ohio Regional Planning Commission
(2) Calculated based on per capita income and population
(3) Ohio Bureau of Employment Services, not available for Worthington
Public Libraries. Figures presented are for Franklin County.
(4) MORPC through 2013, Ohio Department of Education 2014 - 2019

Worthington Libraries
Worthington, Ohio
Principal Employers
2010 and 2019

Employer	Nature of Business	2010		2019	
		Number of Employees	Rank	Number of Employees	Rank
Worthington Industries Inc	Steel Industry	1,100	3	1,350	1
Worthington School District	Education	1,169	1	1,205	2
Emerson Network Power (formerly Liebert Corporation)	Energy/Power	1,000	4	1,000	3
Anthem Blue Cross	Insurance	1,103	2	825	4
Anheuser-Busch Inc	Production Plant	776	5	621	5
Huntington Bank	Mortgage/Banking	535	6	510	6
Sandvik Hyperion (formerly Diamond Innovations)	Diamond Products	368	7	400	7
Medvet Medical Center	Animal Care	239	10	365	8
The Laurels Healthcare	Healthcare	270	8	240	9
American Automobile Association	Automotive	267	9	240	10

Source: Chamber of Commerce and Individual employer records

Note: Above figures are estimates based on Chamber of Commerce information and employer data provided to the Library. Actual information was not available. Percentage of total employment is not available.

Worthington Libraries
Worthington, Ohio
Library Employees by Function/Program
Last Ten Years

Function/Program	2010	2011	2012	2013
Governmental Activities:				
Library Services:				
Public Services and Programs	117	117	119	123
Collection Development and Processing	9	9	9	9
Support Services:				
Facilities Operations and Maintenance	1	1	1	1
Information Services Support	5	5	5	5
Business Administration	14	13	14	14
<i>Total Number of Employees</i>	<u>146</u>	<u>145</u>	<u>148</u>	<u>152</u>

Note: Figures include both full and part time employees.

Source: Worthington Public Library Records

2014	2015	2016	2017	2018	2019
120	121	121	116	112	137
9	9	9	9	9	9
1	1	1	1	5	6
5	5	7	6	6	7
15	16	16	15	15	18
150	152	154	147	147	177

Worthington Libraries
Worthington, Ohio
Operating Indicators By Function/Program
Last Ten Years

Function/Program	2010	2011	2012	2013
Library Services:				
Public Services and Programs				
Number of Materials Circulated	3,554,451	3,417,074	3,308,392	3,397,947
Number of Registered Borrowers	83,784	89,368	89,247	93,047
Collection Development and Processing				
Number of Materials Owned	502,685	491,733	468,667	548,598
Support Services:				
Facilities Operations and Maintenance				
Square footage of Facility Maintained:				
Old Worthington Library	42,446	42,446	42,446	42,446
Northwest Library	25,481	25,481	25,481	25,481
Worthington Park Library	5,280	5,280	5,280	8,680
Information Services Support				
Number of Computers	356	359	368	410
Number of Web Site Visits	1,451,305	1,071,611	1,049,421	1,055,779

Source: Worthington Public Libraries Information and Public Library Data Service (PLDS)

2014	2015	2016	2017	2018	2019
3,657,979	4,024,184	3,963,942	4,060,329	4,299,536	4,143,528
97,839	79,522	75,794	78,081	79,960	83,765
556,636	808,739	808,122	1,203,198	1,298,442	1,714,808
42,446	42,446	42,446	42,446	42,446	42,446
25,481	25,481	25,481	25,481	25,481	25,481
8,680	8,680	8,680	8,680	8,680	14,680
408	443	456	478	479	534
1,047,878	1,136,306	1,016,310	1,052,929	1,154,759	1,150,665

Worthington Libraries
Worthington, Ohio
Capital Assets Statistics by Function/Class
Last Ten Years

Function/Class	2010	2011	2012	2013
Library Services:				
Public Services and Programs				
Land	\$697,350	\$697,350	\$697,350	\$697,350
Construction in Progress	-	-	66,655	23,771
Buildings and Improvements	7,533,449	7,564,905	7,564,905	7,942,335
Machinery and Equipment	471,025	492,346	492,346	492,346
Collection Development and Processing				
Land	17,206	17,206	17,206	17,206
Construction in Progress	-	-	-	-
Buildings and Improvements	185,754	185,754	185,754	185,754
Support Services:				
Facilities Operations and Maintenance				
Land	120,443	120,443	120,443	120,443
Construction in Progress	21,674	-	-	-
Buildings and Improvements	1,604,209	1,604,209	1,620,250	1,620,250
Machinery and Equipment	24,847	24,847	31,609	31,609
Information Services Support				
Land	8,558	8,558	8,558	8,558
Construction in Progress	-	-	-	138,874
Buildings and Improvements	92,386	92,386	92,386	115,672
Machinery and Equipment	149,088	174,085	187,274	250,986
Business Administration				
Land	66,822	66,822	66,822	66,822
Construction in Progress	-	-	-	-
Buildings and Improvements	721,394	721,394	721,394	721,394
Machinery and Equipment	204,462	204,462	204,462	214,718
Vehicles	18,300	18,300	18,300	18,300
<i>Total Governmental Activities</i>	<u>\$11,936,967</u>	<u>\$11,993,067</u>	<u>\$12,095,714</u>	<u>\$12,666,388</u>

Source: Library capital assets records.

Amounts presented are actual costs of assets.

2014	2015	2016	2017	2018	2019
\$693,992	\$693,992	\$535,372	\$535,372	\$535,372	\$535,372
-	30,800	52,480	-	682,902	0
8,228,692	8,228,692	8,228,692	8,228,691	8,228,691	10,012,137
505,499	533,156	592,817	641,827	641,826	629,797
17,123	17,123	13,164	13,164	13,164	13,164
-	-	-	-	-	0
135,314	135,314	135,314	135,314	135,314	135,314
119,863	119,863	92,440	92,440	92,440	92,440
-	21,149	-	-	544,188	0
1,436,958	1,436,958	1,524,729	1,537,089	1,537,089	1,702,682
243,277	243,277	313,926	330,139	351,953	368,277
8,516	8,516	6,582	6,582	6,582	6,582
-	-	-	-	19,146	0
400,617	400,617	400,617	400,617	400,617	400,617
251,508	251,508	266,601	158,392	166,500	185,755
66,500	66,500	51,333	51,333	51,333	51,333
-	-	62,000	-	-	0
527,679	527,679	527,679	527,679	527,679	527,679
215,199	66,041	86,744	170,434	170,434	170,434
18,300	18,300	18,300	18,300	18,300	35,387
<u>\$12,869,037</u>	<u>\$12,799,485</u>	<u>\$12,908,790</u>	<u>\$12,847,373</u>	<u>\$14,123,530</u>	<u>\$14,866,970</u>