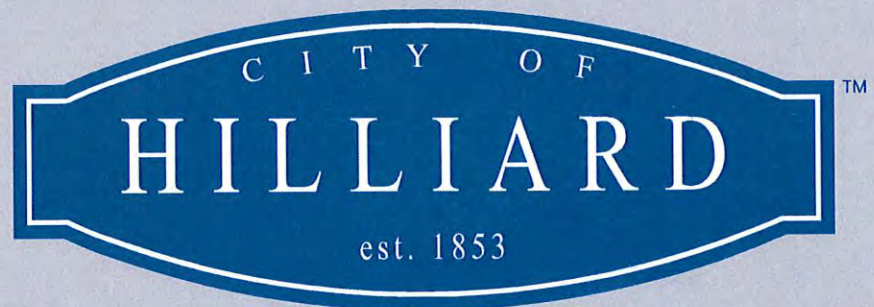
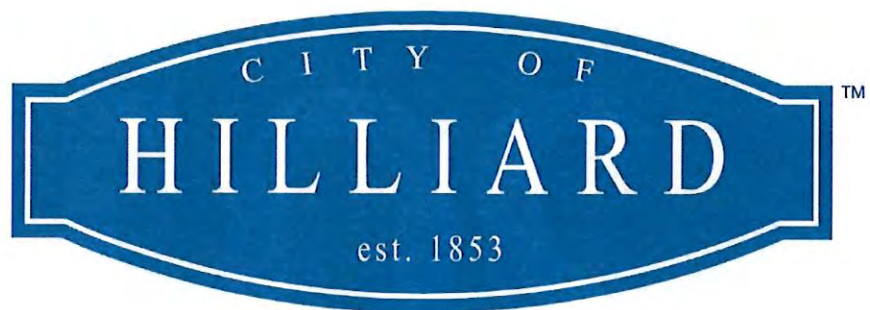




COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Michelle Crandall, City Manager



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2019



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City of Hilliard, Ohio
Franklin County

Comprehensive Annual Financial Report
For the Year Ended December 31, 2019

Issued by:
Department of Finance

David D. Delande - Director
Gregory A. Tantari - Deputy Director

CITY OF HILLIARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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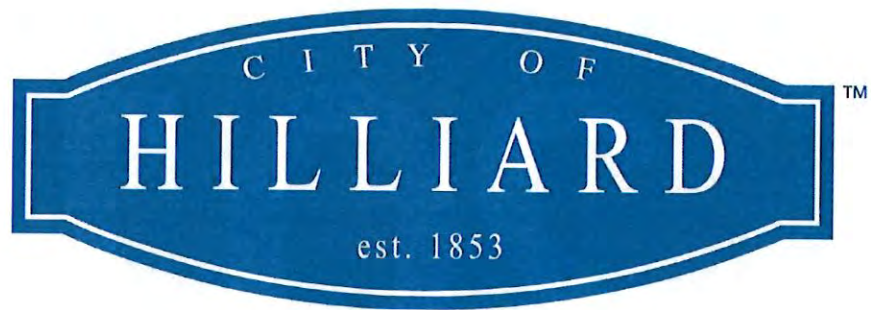


INTRODUCTORY SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT

Issued by the Department of Finance
David D. Delande, Director

**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2019**



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Finance Department

June 29, 2020

To The Council and The Citizens of the City of Hilliard, Ohio

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Hilliard (the City) for the year ended December 31, 2019. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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.

Wilson, Shannon & Snow, Inc. has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2019. The Independent Auditor's 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City lies in the western half of Franklin County in portions of Norwich, Washington and Brown Townships and is located approximately ten miles northwest of downtown Columbus, the capital of the State of Ohio. The City encompasses an area of approximately 13 square miles. Rail service is provided by CSX and private air service is available five miles to the north and south by Don Scott Field and Bolton Field, respectively. The City is 20 miles from Port Columbus International Airport and has direct access to interstate highways 1-70 and 1-270 via three major interchanges. The City is situated 833 feet above sea level and experiences mean temperatures of 72 degrees during the summer and 30 degrees during the winter.

The Hilliard area was settled in the early 1800's and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950's when residential growth boomed. By December 12, 1960 the population had reached 5,000 and the Village of Hilliard became a City. The Mid-Ohio Regional Planning Commission estimates the population for the City to be 38,106 for 2019.

The City is serviced by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates that 39.48 percent of its students reside in the City.

The City operates under a Charter first adopted by the voters in 1963 and most recently changed by voter approval November 3, 2009 effective January 1, 2010. The most notable changes eliminated term limits and provided for Council to utilize Executive Session to discuss employment issues, real estate purchases, pending court action, and employee contract negotiations. The laws of the State of Ohio prevail when conflicts exist between Charter and State Constitution and in matters where the Charter is silent. The Charter provides for a Mayor Council form of government. The legislative body of the City consists of a seven-member Council, all elected at-large for four year overlapping terms. The Mayor is elected for a four year term and serves as the Chief Executive Officer of the City. The Council fixes compensation levels of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, licensing of regulated business and trades and other municipal purposes.

The Mayor serves full-time and appoints the following directors: Safety, Economic Development, Public Service, Human Resources, Parks and Recreation and Public Lands and Buildings who serve as department heads and report directly to the Mayor. The Director of Finance and the Director of Law are appointed by the Mayor with the advice and consent of the Council and serve both the Mayor and Council. The Director of Finance is the Chief Fiscal and Accounting Officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

The reporting entity is comprised of the primary government. The primary government consists of all the funds and departments which provide various services including police, recreation and parks, engineering, water services, sewer services, street maintenance and repair, zoning, municipal court, income tax collection and support services (i.e. payroll processing and accounts payable). The Mayor has direct responsibility for these activities.

Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organizations resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

The City's charter requires the Mayor to submit to Council on or before November 15th of each year a budget for the following year. Council sets the date and place of a public hearing on the budget and gives notice of the meeting time and place in a newspaper of general circulation at least five days prior to the hearing date. The budget is on file with the City Clerk and available for inspection prior to the hearing date. Council adopts the budget either as submitted or amended after the public hearing but no later than January 31. This budget serves as the appropriation ordinance and is filed with the Franklin County Auditor's office.

This annual budget serves as the foundation for the City of Hilliard's financial planning and control. The 2019 budget was prepared by fund and department and object level. Department heads may transfer resources within the object as they see fit. The budget was approved by Council as required by the City's Charter.

Local Economy and Long-term Financial Planning

The City is included in the Columbus Metropolitan Statistical Area (MSA) which is ranked 32nd in the nation by population. This MSA had an annual average unemployment rate at the end of 2019 of 3.3 percent while the State of Ohio was at an annual average 4.7 percent unemployment rate at the end of 2019 according to the Ohio Labor Market Information site for the Ohio Department of Jobs and Family Services. Our employment mix insulates us somewhat from what is happening elsewhere in the state. One of our largest employers is the Hilliard City School District which is the eighth largest district in the state according to the Ohio Department of Education. The list of our ten largest employers can be found in our statistical section and includes telecommunications, financial services, technology, marketing, insurance and manufacturing businesses.

The City's ability to provide opportunities for expansion of its residential, commercial, and industrial tax base is greatly influenced by its aggressive development strategy, excellent school system, recreational programs, police department, city services, and probably, most importantly, the annual five year Capital Improvement Program. The Capital Improvement Program provides the City with the framework to upgrade the infrastructure to make it possible to handle a growing and prosperous city. The Capital Improvement Program is a comprehensive five-year plan that is updated every year to prioritize projects and provide improvements to everything from streets and sewer and waterlines to ball fields, traffic signals, and the municipal complex.

Relevant financial policies

Income tax remains the primary source of revenue for the City and supports the five-year Capital Improvement Program. Income tax revenue is divided among the General Fund, Street Improvement Municipal Tax Special Revenue Fund, and Capital Improvement Municipal Tax Capital Projects Fund. The Street Improvement Municipal Tax Special Revenue Fund and the Capital Improvement Municipal Tax Capital Projects Fund provide funding for the City's capital needs by paying debt service or cash funding projects. The City issues debt for capital projects only.

The City uses historical revenue and expenditure trends in the budget process and provides monthly revenue and expenditure reports, income tax collections and projections reports and detailed quarterly reviews that include budget to actual year-to-date information to Council.

During 2014, Council adopted a General Fund balance policy that targets the fund reserve to be twenty five percent of annual operating expenditures on a budget basis.

The City adheres to the Uniform Depository Act of the State of Ohio to determine eligible investments for City funds. The City further limits investments to maturities of a maximum of two years. Cash flow forecasting and the use of short-term investments, such as repurchase agreements and the State Treasurer's Asset Reserve account (STAROhio), allow the City to earn interest on all funds.

Major initiatives

Development

2019 was a strong year for new development and company expansions in the City of Hilliard. Four companies proposed projects that will create or retain 323 jobs. Low vacancy rates for office, industrial and retail properties led to more than \$49.8 million in new commercial building permits.

Businesses continue to see the benefit of locating to or expanding in the City of Hilliard, Granite Inliner completed construction on a new \$5.4 million, 35,000 square foot manufacturing plant on Weaver Court North that will support 59 jobs with \$4.9 million in payroll. American Regent is nearing completion on its \$34 million pharmaceutical packaging expansion. Trilogy Health Services commenced construction on a \$15 million continuum of care facility on Davidson Road that will add \$4.23 million in new annual payroll. Avid Hotel and Marriott TownePlace Suites broke ground on new construction projects that will add 178 new rooms for visitors to our community.

The City of Hilliard approved the construction of a \$3.14 million fiber optic infrastructure project that will help the community to attract new investments in technology and advanced manufacturing. Converge Technologies will be one of the first companies to utilize the city fiber network called, HiFiO. Converge will create 116 new direct jobs and will help startups commercialize new inventions. Four high-technology companies have already located to the facility.

As a result of the City's investments in the Old Hilliard area, several new private redevelopment projects have helped transform Old Hilliard into a destination for our community. Most recently, the Center Street market anchored by Crooked Can Brewery completed construction on a \$3 million, 16,000 square foot brewery, multi-vendor market and event space. This project serves as an amenity for Hilliard families and draws people into the community from across the Columbus Region. With the goal of continuing new investment and redevelopment, the City commenced a major street reconstruction and beautification project on Franklin Street. This project is anchored by an \$18 million mixed-use development called Landmark Lofts.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

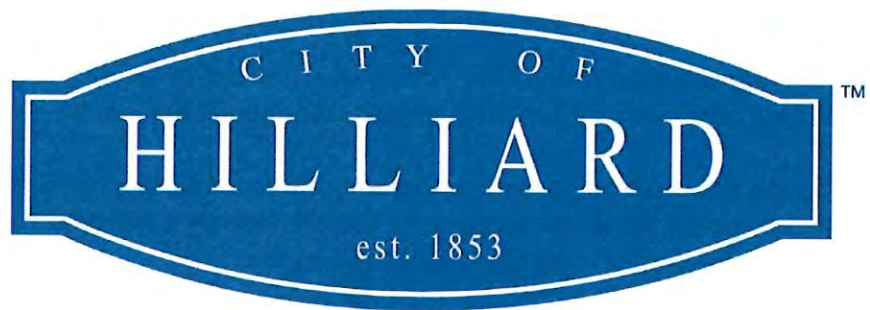
We wish to convey our appreciation to the City Administration and to the City Council for their support and for providing the necessary funds to prepare and publish this report.

The entire Finance Department played a part in preparing this report; they worked with extreme dedication to the project. Special thanks to Gregory A. Tantari, Deputy Finance Director and Karrie M. Martin, Fiscal Officer, for their special attention to the project.

Respectfully submitted,



David D. Delande
Finance Director



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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Hilliard
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

City of Hilliard, Ohio
Principal Officials
December 31, 2019

Elected Officials

Name	Title	Term Expires	Service
Don Schonhardt	Mayor	12/31/2019	18
Nathan Painter	Council	12/31/2019	8
Les Carrier	Council	12/31/2021	6
Tom Baker	Council	12/31/2021	6
Omar Tarazi	Council	12/31/2019	1
Kelly McGivern	President of Council	12/31/2021	12
Andy Teater	Council	12/31/2021	2
Pete Marsh	Council	12/31/2019	2

Appointed Officials

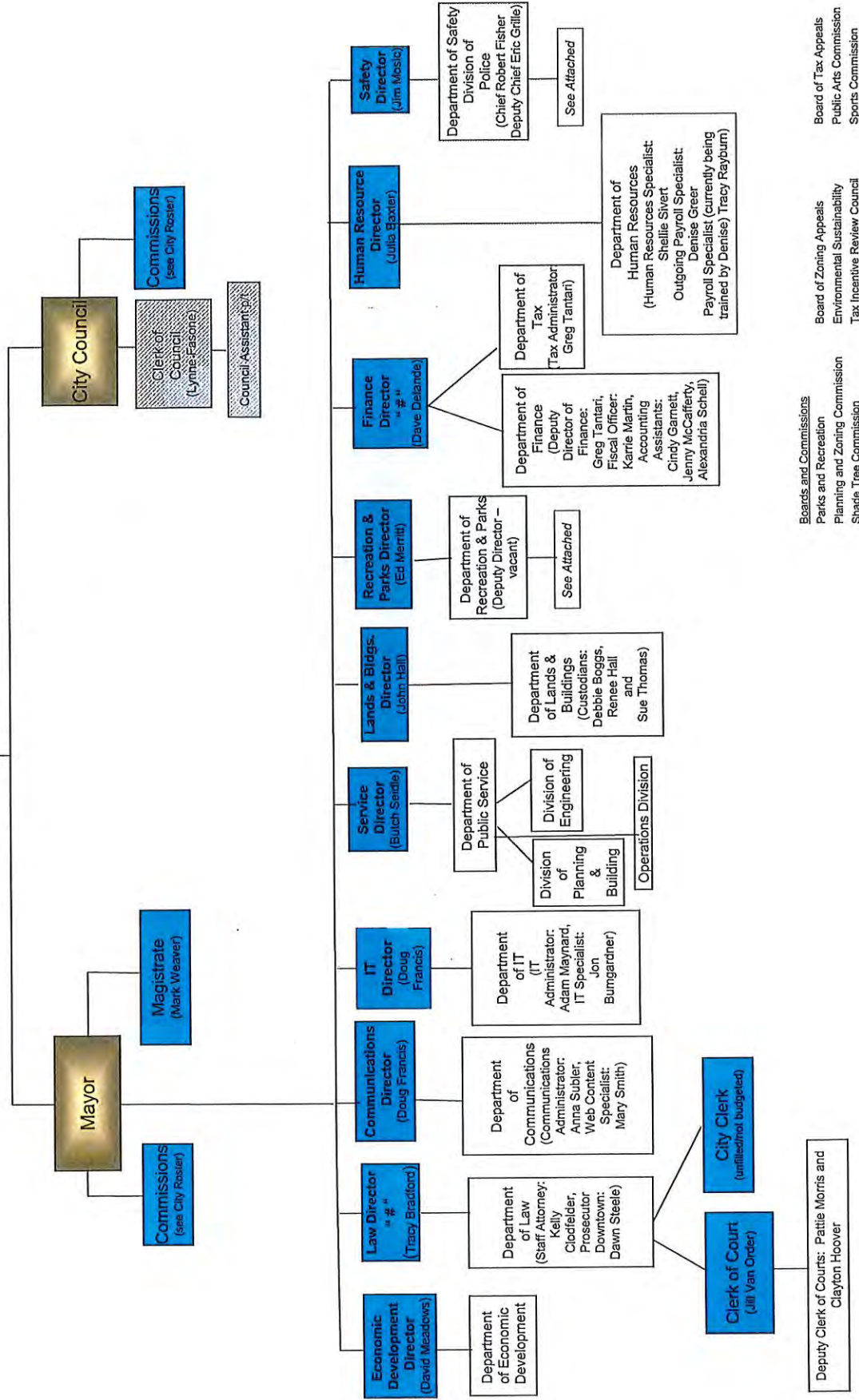
Name	Title	Term Expires	Service
David D. Delande	Director of Finance	Indefinite	25
Frost Brown Todd LLC	Director of Law	Indefinite	1
James R. Mosaic	Director of Safety	Indefinite	2
Albert Iosue	Director of Service	Indefinite	1
Ed Merritt	Director of Parks and Recreation	Indefinite	2
David Meadows	Director of Economic Development	Indefinite	3
Julia Baxter	Director of Human Resource	Indefinite	3
John F. Hall, III	Director of Land & Bldgs.	Indefinite	15
Duane Powell	Director of Information Technology	Indefinite	1
David B. Ball	Director of Communications	Indefinite	2
Robert Fisher	Chief of Police	Indefinite	8
Lynn Fasone	Clerk of Council	Indefinite	15

City Address:

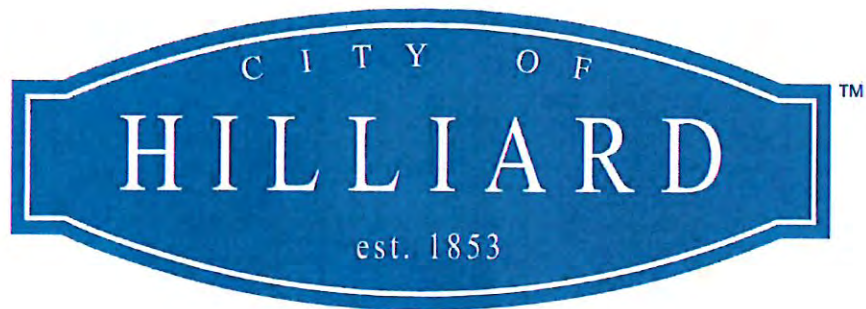
City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

The City of Hilliard, Ohio Organizational Chart

The Citizens of Hilliard



Elected Officials
 Appointed by the Mayor
 Appointed by Council
 Consent by Council



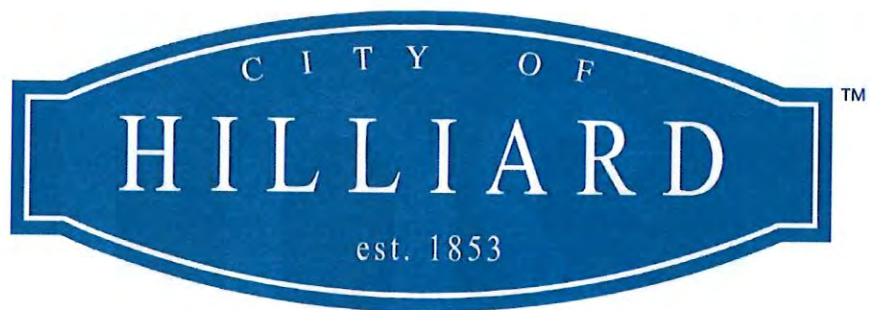
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FINANCIAL SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT

CITY OF HILLIARD, OHIO



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City of Hilliard
Franklin County
3800 Municipal Way
Hilliard, Ohio 43026

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

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 City of Hilliard, Franklin County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for 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 City'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 City'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.

City of Hilliard
Franklin County
Independent Auditor's Report

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 City of Hilliard, Franklin County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and TIF Funds 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 22 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. 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 City'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 we 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.

City of Hilliard
Franklin County
Independent Auditor's Report

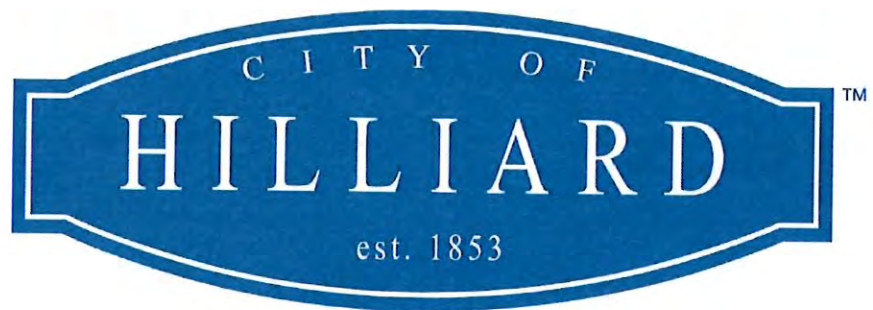
We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the City'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 City's internal control over financial reporting and compliance.

Wilson, Shuman & Sons, Inc.

Newark, Ohio
June 29, 2020



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CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The management's discussion and analysis of the City of Hilliard (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements, transmittal letter and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$206.2 million (net position), an increase of approximately \$16.5 million in comparison with the prior year.
- General revenues accounted for approximately \$43.9 million, or 67.7 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 32.3 percent, or approximately \$20.9 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$46.9 million, an approximately \$9.8 million increase in comparison with the prior year. Of this amount:
 - \$79,073 represents non-spendable balances for prepayments.
 - \$25.2 million is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
 - \$4.9 million is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts.
 - \$2.3 million is categorized as assigned. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed.
 - \$14.4 million is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned. This represents 54.9 percent of the general fund expenditures.

The Comprehensive Annual Financial Report

This annual report consists of a transmittal letter, series of financial statements, notes to these statements and statistical section. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City'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 City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows/outflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in that position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's tax base and the condition of capital assets.

The City's statement of net position and statement of activities can be found on pages 30-31 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

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 in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the General Fund, TIF Fund, and Capital Improvement Municipal Tax Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 32-38 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. The Internal Service Fund is used to report medical, dental, and vision activities that provide services to the City's other funds and departments; therefore, it has been included in the governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 39-41 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City's fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 42 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements start on page 43 of this report.

Government-Wide Financial Analysis

Statement of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$206.2 million.

CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented approximately 79.2 percent of total assets. Capital assets include buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, and infrastructure. Net investment in capital assets at December 31, 2019, was approximately \$186.2 million. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

The table below provides a comparative summary of the City's net position at December 31, 2019 and December 31, 2018:

	<u>Net Position</u>	
	2019	2018
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
<u>Assets</u>		
Current and other assets	\$ 66,568,939	\$ 57,507,302
Capital assets, net	<u>253,640,210</u>	<u>246,022,438</u>
Total assets	<u>320,209,149</u>	<u>303,529,740</u>
<u>Deferred Outflows of Resources</u>		
Total deferred outflows of resources	<u>15,533,458</u>	<u>8,333,514</u>
<u>Liabilities</u>		
Current and other liabilities	3,758,034	3,871,812
Long-term liabilities:		
Net pension liability	33,667,800	20,940,581
Net OPEB liability	8,891,763	17,285,765
Other amounts	<u>70,444,533</u>	<u>64,464,960</u>
Total liabilities	<u>116,762,130</u>	<u>106,563,118</u>
<u>Deferred Inflows of Resources</u>		
Total deferred inflows of resources	<u>12,800,947</u>	<u>15,633,176</u>
<u>Net Position</u>		
Net investment in capital assets	186,151,971	185,358,515
Restricted	27,784,019	19,791,069
Unrestricted	<u>(7,756,460)</u>	<u>(15,482,624)</u>
Total net position	<u>\$ 206,179,530</u>	<u>\$ 189,666,960</u>

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Current and other assets increased significantly in comparison with the prior year. This increase is primarily due to an increase in equity in pooled cash and cash equivalents in the General Fund and TIF Fund.

Capital assets increased significantly in comparison with the prior year. This increase represents the amount in which capital asset additions, consisting mostly of infrastructure construction and donations, exceeded current year depreciation and current year disposals.

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

Other long-term liabilities increased significantly in comparison with the prior year. This increase is primarily the result of the City issuing \$9.2 million in general obligation bonds during the year for the purpose of constructing, improving, and reconstructing various improvements to parks and recreation facilities and land.

Restricted net position increased significantly during 2019. For the most part, this increase represents the amount in which municipal income taxes, new bond proceeds and transfers in in the Capital Improvement Municipal Tax Fund exceeded capital outlays and debt service. Approximately \$27.8 million of the City's net position, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2019 and 2018:

	<u>Change in Net Position</u>	
<u>Revenues</u>	<u>2019</u>	<u>2018</u>
Program revenues:		
Charges for services	\$ 8,906,875	\$ 9,113,290
Operating grants and contributions	2,831,895	1,933,005
Capital grants and contributions	9,200,710	5,758,043
Total program revenues	20,939,480	16,804,338
General revenues:		
Property taxes	1,560,782	1,484,966
Payments in lieu of taxes	10,095,391	6,211,070
Income taxes	30,004,276	28,126,257
Unrestricted grants and entitlements	831,774	989,732
Investment earnings	1,008,576	728,040
Miscellaneous	417,249	416,458
Total general revenues	43,918,048	37,956,523
Total revenues	64,857,528	54,760,861
<u>Expenses</u>		
General government	11,057,514	9,598,793
Security of persons and property	3,196,562	13,265,766
Public health	383,820	261,020
Leisure time activities	5,304,673	6,432,175
Community environment	5,185,444	4,324,565
Basic utility services	7,691,113	9,165,715
Transportation	13,371,260	14,286,519
Interest and fiscal charges	2,154,572	1,999,922
Total expenses	48,344,958	59,334,475
Change in net position	16,512,570	(4,573,614)
Net position at beginning of year	189,666,960	194,240,574
Net position at end of year	\$ 206,179,530	\$ 189,666,960

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Capital grants and contributions increased significantly in comparison with the prior fiscal year. This increase is the result of an increase in donated infrastructure received from developers and donated buildings in 2019.

Payments in lieu of taxes increased significantly in comparison with the prior fiscal year. This increase is the result of the start of new tax increment financing (TIF) districts as well as an increase in receipts related to the continuing TIF districts.

Security of persons and property expenditures decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in OPEB expense related to the City's employees enrolled in the Ohio Police and Fire pension system from \$986,951 in 2018 to negative \$10.1 million in 2019. This decrease is the result of the Ohio Police and Fire pension system changing its retiree healthcare model and discontinuing the current self-insured health care plan, effective January 1, 2019.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as payments in lieu of taxes to support its governmental activities.

Program expenses	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
General government	\$ 11,057,514	\$ 10,028,373	\$ 9,598,793	\$ 8,562,401
Security of persons and property	3,196,562	1,739,003	13,265,766	12,167,998
Public health	383,820	324,371	261,020	261,020
Leisure time activity	5,304,673	4,266,173	6,432,175	5,295,067
Community environment	5,185,444	1,897,310	4,324,565	1,274,598
Basic utility services	7,691,113	(78,062)	9,165,715	4,670,217
Transportation	13,371,260	7,073,738	14,286,519	8,298,914
Interest and fiscal charges	2,154,572	2,154,572	1,999,922	1,999,922
Total program expenses	<u>\$ 48,344,958</u>	<u>\$ 27,405,478</u>	<u>\$ 59,334,475</u>	<u>\$ 42,530,137</u>

The total costs of services covered by program revenues was 43.3 percent. As shown by the net cost of \$27.4 million, the majority of the City's costs are funded by general revenues, consisting primarily of income taxes, property taxes and payments in lieu of taxes.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$46.9 million, an approximately \$9.8 million increase in comparison with the prior year. Of this amount, approximately \$14.4 million is available for spending at the City's discretion (unassigned fund balance).

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2019 and December 31, 2018 for all major and nonmajor governmental funds.

	Fund Balance 12/31/2019	Fund Balance 12/31/2018	Increase (Decrease)
General	\$ 16,776,538	\$ 14,483,673	\$ 2,292,865
TIF	3,108,937	5,058,338	(1,949,401)
Capital Improvement Municipal Tax	18,913,650	10,082,737	8,830,913
Other governmental	8,077,788	7,454,668	623,120
Total	<u>\$ 46,876,913</u>	<u>\$ 37,079,416</u>	<u>\$ 9,797,497</u>

The General Fund is the chief operating fund of the City. At the close of the current fiscal year, unassigned fund balance for the general fund was approximately \$14.4 million, or 54.9 percent of general fund expenditures.

The table that follows assists in illustrating the revenues of the general fund:

<u>Revenues by Source</u>	2019 Amount	2018 Amount
Property and other taxes	\$ 1,563,190	\$ 1,486,272
Municipal income taxes	19,636,288	18,535,192
Charges for services	4,072,410	4,348,469
Licenses and permits	1,067,894	1,085,015
Fines and forfeitures	236,798	249,216
Intergovernmental	666,245	629,977
Investment earnings	1,002,086	639,727
Miscellaneous	308,006	496,181
Total revenues - general fund	<u>\$ 28,552,917</u>	<u>\$ 27,470,049</u>

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Tax revenue represents 74.2 percent of all general fund revenue. Tax revenue increased significantly in comparison with the prior fiscal year. This increase is primarily related to an increase in income tax revenue.

The table that follows assists in illustrating the expenditures of the general fund:

<u>Expenditures by Function</u>	<u>2019 Amount</u>	<u>2018 Amount</u>
General government	\$ 7,310,649	\$ 6,074,543
Security of persons and property	10,809,735	10,454,343
Public health	330,680	261,020
Leisure time activities	3,561,221	3,122,913
Community environment	4,207,967	3,699,841
Total expenditures - general fund	<u>\$ 26,220,252</u>	<u>\$ 23,612,660</u>

General government and security of persons and property expenditures account for approximately \$18.1 million, or 69.1 percent, of total expenditures. General government expenditures increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in payments related to tax incentives.

The Tax Increment Financing (TIF) Fund was established to account for payments in lieu of taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property. At year-end, fund balance in the TIF Fund was approximately \$3.1 million, a decrease of approximately \$1.9 million. This decrease represents the amount in which capital outlays, debt service and transfers to the Capital Improvement Municipal Tax Fund exceeded receipts from payments in lieu of taxes.

The Capital Improvement Municipal Tax Fund was established to account for 25 percent of the City's income tax collections and impact fees which are used for various capital improvements. At year-end, fund balance in the Capital Improvement Municipal Tax Fund was approximately \$18.9 million, an increase of approximately \$8.8 million. This increase represents the amount in which receipts for municipal income taxes, transfers in from the TIF Fund, and proceeds from the issuance of bonds and loans exceeded expenditures for various capital improvements and debt service.

The fund balance of the City's Other Governmental Funds increased \$623,120 during the year. This increase is primarily the result of municipal income taxes and charges for services

Budgeting Highlights - General Fund

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, cash disbursements and encumbrances. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council as provided for in the City's charter. The legal level of control has been established by Council at the object level.

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The most significant fund for which budgetary information is presented is the general fund. The original and final budgeted revenues and other financing sources in the general fund were the same. The actual revenues and other financing sources of approximately \$27.9 million came in \$13,938 higher than the final budgeted amounts.

Final appropriations were only slightly higher than original appropriations. Actual expenditures and other financing uses of approximately \$28.2 million came in approximately \$2.4 million lower than the final budgeted amounts of approximately \$30.6 million. The variance is primarily due to conservative budgeting.

Capital Assets

At the end of 2019, the City had approximately \$253.6 million (net of accumulated depreciation) invested in land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, and infrastructure, an increase of approximately \$7.6 million in comparison with the prior year. This increase represents the amount in which capital outlays and contributions, totaling approximately \$21.2 million, exceeded net disposals of \$447,079 and depreciation expense of \$13.2 million.

See Note 10 in the notes to the financial statements for more detail on the City's capital assets.

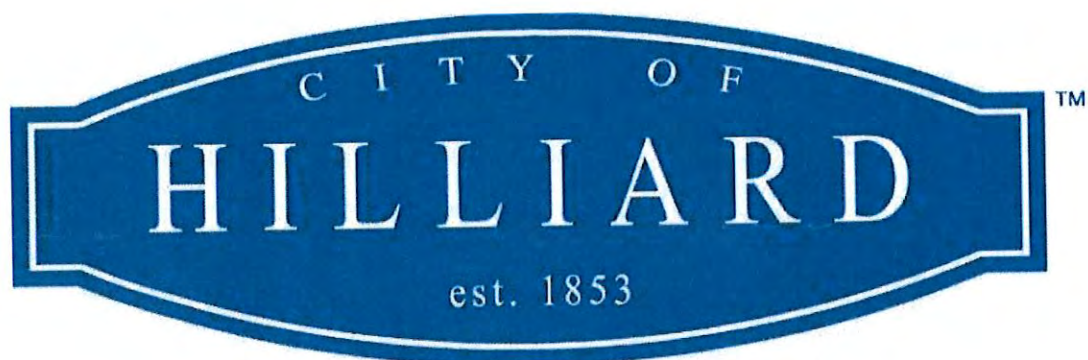
Debt Administration

At the end of 2019, the City had approximately \$68.0 million in long-term debt outstanding, an increase of approximately \$5.6 million in comparison with the prior year. This increase represents the amount in which new bonds and loans, totaling approximately \$10.8 million, exceeded principal reduction payments and premium amortization of approximately \$5.2 million.

See Note 11 in the notes to the financial statements for more detail on the City's long-term obligations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact David Delande, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.



BASIC FINANCIAL STATEMENTS

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019**

	Governmental Activities
Assets	
Equity in pooled cash and investments	\$ 45,660,764
Cash and cash equivalents with fiscal agent	327,554
Receivables (net of allowances for uncollectibles):	
Property and other local taxes	1,582,853
Payment in lieu of taxes	10,259,921
Municipal income taxes	6,841,871
Accounts	260,017
Accrued interest	34,045
Due from other governments	1,522,841
Prepayments	79,073
Capital assets:	
Non-depreciable	15,939,316
Depreciable	237,700,894
Total assets	<u>320,209,149</u>
Deferred Outflows of Resources	
Deferred amount on refunding	1,494,363
Pension	11,016,857
OPEB	3,022,238
Total deferred outflows of resources	<u>15,533,458</u>
Liabilities	
Accounts payable	1,872,775
Accrued wages and benefits	387,995
Due to other governments	73,174
Matured Compensated Absences	361,686
Claims payable	238,752
Unearned revenue	364,862
Retainage payable	276,998
Accrued interest payable	181,792
Long-term liabilities:	
Due within one year	6,577,313
Due in more than one year:	
Other amounts due in more than one year	63,867,220
Net pension liability	33,667,800
Net OPEB liability	8,891,763
Total liabilities	<u>116,762,130</u>
Deferred Inflows of Resources	
Property and other local taxes	11,734,613
Pension	412,087
OPEB	654,247
Total deferred inflows of resources	<u>12,800,947</u>
Net Position	
Net investment in capital assets	186,151,971
Restricted for:	
Capital projects	20,560,791
Streets and transportation	6,982,463
Other purposes	240,765
Unrestricted	(7,756,460)
Total net position	<u>\$ 206,179,530</u>

See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 11,057,514	\$ 820,258	\$ -	\$ 208,883	\$ (10,028,373)
Security of persons and property	3,196,562	1,168,877	-	288,682	(1,739,003)
Public health	383,820	-	59,449	-	(324,371)
Leisure time activities	5,304,673	898,527	-	139,973	(4,266,173)
Community environment	5,185,444	2,982,479	211,546	94,109	(1,897,310)
Basic utility services	7,691,113	3,036,734	-	4,732,441	78,062
Transportation	13,371,260	-	2,560,900	3,736,622	(7,073,738)
Interest and fiscal charges	2,154,572	-	-	-	(2,154,572)
Total governmental activities	48,344,958	8,906,875	2,831,895	9,200,710	(27,405,478)
General Revenues:					
Property taxes					1,560,782
Municipal income taxes levied for:					
General purposes					19,747,028
Transportation					2,930,642
Capital outlay					7,326,606
Payments in lieu of taxes					10,095,391
Unrestricted grants and entitlements					831,774
Investment earnings					1,008,576
Miscellaneous					417,249
Total general revenues					43,918,048
Change in net position					16,512,570
Net position at beginning of year					189,666,960
Net position at end of year					<u>\$ 206,179,530</u>

See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2019**

	General	TIF	Capital Improvement Municipal Tax	Other Governmental	Total Governmental
Assets:					
Equity in pooled cash and cash equivalents	\$ 15,771,564	\$ 3,108,937	\$ 18,927,073	\$ 7,522,203	\$ 45,329,777
Cash and cash equivalents with fiscal agent	-	-	139,181	188,373	327,554
Receivables:					
Property and other local taxes	1,582,853	-	-	-	1,582,853
Payment in lieu of taxes	-	10,259,921	-	-	10,259,921
Municipal income taxes	4,447,216	-	1,710,468	684,187	6,841,871
Accounts	155,554	-	-	104,463	260,017
Accrued interest	34,045	-	-	-	34,045
Due from other governments	287,965	81,967	-	1,152,909	1,522,841
Prepaid items	55,314	-	16,046	7,713	79,073
Total assets	<u>\$ 22,334,511</u>	<u>\$ 13,450,825</u>	<u>\$ 20,792,768</u>	<u>\$ 9,659,848</u>	<u>\$ 66,237,952</u>
Liabilities:					
Accounts payable	\$ 711,886	\$ -	\$ 917,537	\$ 243,352	\$ 1,872,775
Accrued wages and benefits	336,960	-	-	51,035	387,995
Due to other governments	65,139	-	-	8,035	73,174
Matured compensated absences	340,670	-	-	21,016	361,686
Retainage payable	-	-	276,998	-	276,998
Uncamed revenue	364,862	-	-	-	364,862
Due to other funds	161,264	-	-	77,488	238,752
Total liabilities	<u>1,980,781</u>	<u>-</u>	<u>1,194,535</u>	<u>400,926</u>	<u>3,576,242</u>
Deferred Inflows of Resources					
Property and Other Local Taxes	1,474,692	10,259,921	-	-	11,734,613
Unavailable Revenue	2,102,500	81,967	684,583	1,181,134	4,050,184
Total deferred inflows of resources	<u>3,577,192</u>	<u>10,341,888</u>	<u>684,583</u>	<u>1,181,134</u>	<u>15,784,797</u>
Fund Balances:					
Nonspendable					
Prepays	55,314	-	16,046	7,713	79,073
Restricted					
Infrastructure improvements	-	3,108,937	-	2,883,799	5,992,736
Public safety programs	-	-	-	245,872	245,872
Capital outlay	-	-	18,897,604	-	18,897,604
Other	-	-	-	28,799	28,799
Justice	-	-	-	46,309	46,309
Committed					
Utility operations	-	-	-	1,901,761	1,901,761
Infrastructure improvements	-	-	-	2,863,253	2,863,253
Park maintenance	-	-	-	100,282	100,282
Assigned					
Public safety	307,277	-	-	-	307,277
Public health	7,336	-	-	-	7,336
Leisure time activities	304,290	-	-	-	304,290
Community environment	316,636	-	-	-	316,636
General government	1,401,554	-	-	-	1,401,554
Unassigned	14,384,131	-	-	-	14,384,131
Total fund balances	<u>16,776,538</u>	<u>3,108,937</u>	<u>18,913,650</u>	<u>8,077,788</u>	<u>46,876,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,334,511</u>	<u>\$ 13,450,825</u>	<u>\$ 20,792,768</u>	<u>\$ 9,659,848</u>	<u>\$ 66,237,952</u>

See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Total Governmental Fund Balances	\$ 46,876,913
<i>Amounts reported for governmental activities in the statement of net position are different due to the following:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	253,640,210
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
	Income taxes receivable 27,218
	Property taxes receivable 2,738,330
	Intergovernmental receivable 1,185,440
	Accounts receivable 89,584
	Interest receivable 9,612
In the statement of activities interest is accrued on outstanding loans payable, whereas in governmental funds, interest expenditures are reported when due.	(181,792)
The net pension liability and net OPEB liability are 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 11,016,857
	Deferred outflows - OPEB 3,022,238
	Net pension liability (33,667,800)
	Net OPEB liability (8,891,763)
	Deferred inflows - pension (412,087)
	Deferred inflows - OPEB (654,247)
Long-Term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds:	
	Accrued vacation and sick leave (2,455,708)
	Bonds and loans payable (63,852,619)
	Deferred outflows - bond refundings, net 1,494,363
	Premium on bonds, net (4,136,206)
Internal service fund activity is used to account for insurance cost on a reimbursement basis activity by fund and department. The assets and liabilities are recorded in the governmental activities in the statement of net position.	330,987
Net Position of Governmental Activities	<u><u>\$ 206,179,530</u></u>

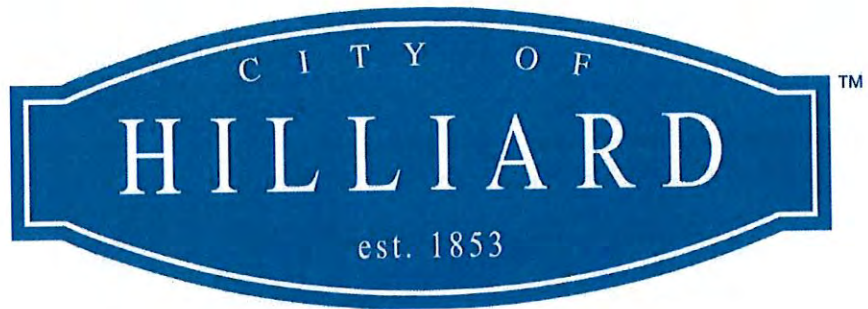
See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	TIF	Capital Improvement Municipal Tax	Other Governmental	Total Governmental
Revenues:					
Property and other taxes	\$ 1,563,190	\$ -	\$ -	\$ -	\$ 1,563,190
Municipal income taxes	19,636,288	-	7,284,014	2,913,606	29,833,908
Payments in lieu of taxes	-	10,095,391	-	-	10,095,391
Charges for services	4,072,410	-	-	3,330,515	7,402,925
Licenses and permits	1,067,894	-	10,000	1,500	1,079,394
Fines and forfeitures	236,798	-	-	117,843	354,641
Intergovernmental	666,245	390,824	103,372	2,397,756	3,558,197
Investment earnings	1,002,086	-	181	48,301	1,050,568
Miscellaneous	308,006	-	69,833	102,344	480,183
Total revenues	<u>28,552,917</u>	<u>10,486,215</u>	<u>7,467,400</u>	<u>8,911,865</u>	<u>55,418,397</u>
Expenditures:					
Current:					
General government	7,310,649	1,976,465	1,283,773	245,289	10,816,176
Security of persons and property	10,809,735	-	173,995	39,808	11,023,538
Public health	330,680	-	-	53,140	383,820
Leisure time activities	3,561,221	-	3,363,013	265,259	7,189,493
Community environment	4,207,967	-	450,237	-	4,658,204
Basic utility services	-	-	81,147	2,696,635	2,777,782
Transportation	-	3,979,096	4,229,258	4,285,244	12,493,598
Debt service:					
Principal retirement	-	1,165,850	3,048,232	555,206	4,769,288
Interest and fiscal charges	-	287,388	1,648,132	188,164	2,123,684
Bond issuance costs	-	-	167,401	-	167,401
Total expenditures	<u>26,220,252</u>	<u>7,408,799</u>	<u>14,445,188</u>	<u>8,328,745</u>	<u>56,402,984</u>
Excess (deficiency) of revenues over (under) expenditures	2,332,665	3,077,416	(6,977,788)	583,120	(984,587)
Other Financing Sources (Uses):					
Sale of capital assets	200	-	-	-	200
Issuance of Loans	-	-	1,022,964	-	1,022,964
Issuance of Bonds	-	-	9,155,000	-	9,155,000
Premium on issuance of bonds	-	-	603,920	-	603,920
Transfers in	-	-	5,026,817	40,000	5,066,817
Transfers out	(40,000)	(5,026,817)	-	-	(5,066,817)
Total other financing sources (uses)	<u>(39,800)</u>	<u>(5,026,817)</u>	<u>15,808,701</u>	<u>40,000</u>	<u>10,782,084</u>
Net change in fund balances	2,292,865	(1,949,401)	8,830,913	623,120	9,797,497
Fund balance at beginning of year	14,483,673	5,058,338	10,082,737	7,454,668	37,079,416
Fund balance at end of year	<u>\$ 16,776,538</u>	<u>\$ 3,108,937</u>	<u>\$ 18,913,650</u>	<u>\$ 8,077,788</u>	<u>\$ 46,876,913</u>

See accompanying notes to the basic financial statements



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**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ 9,797,497
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	12,021,679
	Depreciation expense	(13,157,538)
The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position.		
	Loss on disposal	(447,079)
	Contributions, donations, and transfers of construction in progress	9,200,710
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		238,221
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amount as deferred outflows.		
	Pension	2,287,640
	OPEB	30,174
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense on the statement of activities.		
	Pension	(6,503,624)
	OPEB	9,333,492
The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
	Repayment of debt	4,769,288
	Issuance of debt	(10,177,964)
	Premium on issuance of debt	(603,920)
	Accretion and amortization of premiums and deferred amount on refunding, etc.	182,057
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	(371,170)
	Accrued interest	(45,544)
The net revenue (expense) of the internal service funds, including the internal balance, is allocated among governmental activities.		
		(41,349)
Change in Net Position of Governmental Activities		\$ 16,512,570

See accompanying notes to the basic financial statements

CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Property and other taxes	\$ 1,687,951	\$ 1,687,951	\$ 1,482,247	\$ (205,704)
Municipal income taxes	18,213,156	18,213,156	18,932,077	718,921
Charges for services	4,545,941	4,545,941	3,899,089	(646,852)
Licenses and permits	1,202,900	1,202,900	1,069,186	(133,714)
Fines and forfeitures	350,000	350,000	236,798	(113,202)
Intergovernmental	598,038	598,038	641,518	43,480
Investment earnings	443,000	443,000	997,510	554,510
Miscellaneous	123,000	123,000	282,475	159,475
Total revenues	<u>27,163,986</u>	<u>27,163,986</u>	<u>27,540,900</u>	<u>376,914</u>
<u>Expenditures:</u>				
Current:				
General government	9,852,826	10,163,701	8,968,613	1,195,088
Security of persons and property	11,805,248	11,766,248	11,149,844	616,404
Public health	384,000	384,000	349,113	34,887
Leisure time activities	4,057,317	4,057,317	3,859,045	198,272
Community environment	3,832,632	3,864,847	3,529,258	335,589
Total Expenditures	<u>29,932,023</u>	<u>30,236,113</u>	<u>27,855,873</u>	<u>2,380,240</u>
Excess (deficiency) of revenues over (under) expenditures	(2,768,037)	(3,072,127)	(314,973)	2,757,154
<u>Other Financing Sources (Uses):</u>				
Sale of capital assets	10,000	10,000	200	(9,800)
Transfers in	683,451	683,451	330,275	(353,176)
Transfers out	(330,275)	(370,275)	(370,275)	-
Total Other Financing Sources (Uses)	<u>363,176</u>	<u>323,176</u>	<u>(39,800)</u>	<u>(362,976)</u>
Net Change in Fund Balance	(2,404,861)	(2,748,951)	(354,773)	2,394,178
Fund Balances at Beginning of Year	10,315,025	10,315,025	10,315,025	-
Prior Year Encumbrances Appropriated	<u>2,873,028</u>	<u>2,873,028</u>	<u>2,873,028</u>	-
Fund Balance at End of Year	<u>\$ 10,783,192</u>	<u>\$ 10,439,102</u>	<u>\$ 12,833,280</u>	<u>\$ 2,394,178</u>

CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Payments in lieu of taxes	\$ 4,060,000	\$ 9,851,000	\$ 10,095,391	\$ 244,391
Intergovernmental	227,000	477,000	390,824	(86,176)
Total revenues	<u>4,287,000</u>	<u>10,328,000</u>	<u>10,486,215</u>	<u>158,215</u>
<u>Expenditures:</u>				
Current:				
General government	-	2,000,350	1,976,465	23,885
Transportation	-	4,352,000	3,979,096	372,904
Debt service:				
Principal retirement	-	1,304,315	1,165,850	138,465
Interest and fiscal charges	-	305,685	287,388	18,297
Total Expenditures	<u>-</u>	<u>7,962,350</u>	<u>7,408,799</u>	<u>553,551</u>
Excess (deficiency) of revenues over (under) expenditures	4,287,000	2,365,650	3,077,416	711,766
<u>Other Financing Sources (Uses):</u>				
Transfers out	-	(5,040,000)	(5,026,817)	(13,183)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,040,000)</u>	<u>(5,026,817)</u>	<u>(13,183)</u>
Net Change in Fund Balance	4,287,000	(2,674,350)	(1,949,401)	724,949
Fund Balances at Beginning of Year	5,058,337	5,058,337	5,058,337	-
Fund Balance at End of Year	<u>\$ 9,345,337</u>	<u>\$ 2,383,987</u>	<u>\$ 3,108,936</u>	<u>\$ 724,949</u>

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AS OF DECEMBER 31, 2019**

	<u>Insurance Trust</u>
Assets:	
Current assets:	
Cash, cash equivalents and investments	\$ 330,987
Due from other funds	<u>238,752</u>
Total current assets	<u>569,739</u>
 Total assets	 <u>569,739</u>
 Liabilities:	
Current liabilities:	
Claims payable	<u>238,752</u>
Total current liabilities	<u>238,752</u>
 Total liabilities	 <u>238,752</u>
 Net Position:	
Unrestricted	<u>330,987</u>
Total net position	<u><u>\$ 330,987</u></u>

See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Insurance Trust
Operating Revenues:	
Charges for services	\$ 2,318,252
Total operating revenues	<u>2,318,252</u>
Operating Expenses:	
Claims	<u>2,359,601</u>
Total operating expenses	<u>2,359,601</u>
Change in net position	(41,349)
Net position at beginning of year	372,336
Net position at end of year	<u>\$ 330,987</u>

See accompanying notes to the basic financial statements

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Insurance Trust
Cash flow from Operating Activities	
Receipts from customers	\$ 2,178,500
Payments for claims	(2,219,849)
Net cash used by operating activities	<u>(41,349)</u>
 Net decrease in cash and cash equivalents	 (41,349)
 Cash and cash equivalents, January 1	 <u>372,336</u>
Cash and cash equivalents, December 31	<u><u>\$ 330,987</u></u>
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (41,349)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in due from other funds	(139,752)
Increase in claims payable	<u>139,752</u>
Total adjustments	<u>-</u>
Net cash used by operating activities	<u><u>\$ (41,349)</u></u>

See accompanying notes to the basic financial statements

CITY OF HILLIARD, OHIO
FRANKLIN COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
AS OF DECEMBER 31, 2019

	Agency Funds
Assets:	
Equity in pooled cash and investments	\$ 579,743
Cash and cash equivalents in segregated accounts	16,953
Accounts Receivable	22,023
Total assets	<u>\$ 618,719</u>
Liabilities:	
Accounts payable	\$ 198,703
Due to other governments	363,317
Deposits held and due to others	56,699
Total liabilities	<u>\$ 618,719</u>

See accompanying notes to the basic financial statements

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 1 – REPORTING ENTITY

The City of Hilliard (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted January 1, 1963, and was most recently amended November 3, 2009, effective January 1, 2010.

(a) Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments which comprise the legal entity of the City. The City provides various services including police protection, parks and recreation, planning, zoning, engineering, street maintenance, snow removal, refuse collection, and other governmental services. Water and sewer services are provided by the City of Columbus, although the City of Hilliard maintains the water and sewer lines. Norwich Township provides fire protection.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the levying of its taxes or the issuance of its debt. The City has no component units.

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

The City is associated with the Hilliard Arts Council Corporation which is defined as a related organization. In addition, in 2007 the City entered into agreement with Norwich Township, a legally separate organization, to construct and operate a facility to house the police protection services of the City and the fire protection services of Norwich Township. Finally, the City entered into an agreement to become a member of the Central Ohio Interoperable Radio System, a jointly governed organization. Information about the related organization, the joint venture, and the jointly governed organization is presented in Note 19 to the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hilliard 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 principles. The most significant of the City's accounting policies are described below.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Presentation

The City'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.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements usually distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities; however, the City has no activities which are reported as business-type.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City 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 City 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. The internal service fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

(b) Fund Accounting

The City 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. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions of the City typically 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 purpose 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 governmental fund deferred inflows of resources and liabilities is reported as fund balance.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following are the City's major governmental funds:

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

Tax Increment Financing (TIF) Fund – This fund is used to account for payments in lieu of taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property.

Capital Improvement Municipal Tax Fund – This fund is used to account for 25 percent of the City's income tax collections and impact fees which are used for various capital improvements.

The other governmental funds of the City account for grants and other resources whose use is restricted or committed for a particular purpose.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary fund is an internal service fund:

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's internal service fund accounts for the payment of all City employees' medical, dental, and vision claims.

Fiduciary Funds - Fiduciary fund reporting focuses on assets and liabilities and changes in assets and liabilities. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has two agency funds which are used to account for the collection and distribution of court fines and forfeitures and for the collection and distribution of charges for inspections provided by other governments and entities along with capacity charges for another city.

(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 City 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Like the government-wide statements, the proprietary fund type is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activity.

(d) Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the internal service and agency funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and 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 Nonexchange 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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “Available” means that the resources will be collected 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 City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, payments in lieu of taxes, grants, entitlements, shared revenues, and donations. On the accrual basis, revenue from property taxes and payments in lieu of taxes are recognized in the year for which the taxes are levied (See Note 7). Revenue from municipal income taxes is recognized in the year in which the income is earned (See Note 8). Revenue from grants, entitlements, shared revenues, 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, charges for services, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, permissive tax, and local government assistance), and grants.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements 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(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pensions, and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 15 and 16.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue, pensions, and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide Statement of Net Position and 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 City, unavailable revenue includes delinquent property taxes, income taxes, grants and entitlements, and other revenues. 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 15 and 16).

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 cost, such as depreciation and amortization, are not recognized in governmental funds.

(e) Unearned Revenue

Unearned revenue recorded in the General Fund represents resources that have been received, but not yet earned as of December 31, 2019.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared 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 Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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 estimates from the amended certificate in force at the time final appropriations were passed by Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

(g) Cash and Cash Equivalents

To improve cash management, cash received by the City, except cash held by a fiscal or escrow agent and cash held in a segregated account, is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. Monies held by the Franklin County Engineer and monies held by Signature Bank for the Municipal Park LED Retrofit Project are presented in the financial statements as "Cash and Cash Equivalents with Fiscal Agent". Cash and cash equivalents that are held separately for Mayor's Court and not held in the City treasury are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During 2019, the City invested in negotiable certificates of deposit, a money market account, and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that 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 GASB Statement No 79, Certain External Investment Pools and Pool Participants. Investments in STAR Ohio are valued 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2019 amounted to \$1,002,086, which includes \$618,615 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported on the financial statements as cash equivalents.

(h) Capital Assets

The City's only capital assets are general capital assets and contributions of capital assets from developers. General capital assets usually result from expenditures in 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 cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition value on the date received. The City maintains a capitalization threshold of one thousand dollars, except for infrastructure which has a threshold of five thousand dollars. 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 expensed.

All capital assets except for land, road right of way, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Improvements Other Than Buildings	15-30 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	7-20 years
Vehicles	5-20 years
Infrastructure	10-60 years

The City's infrastructure consists of curbs, streets, bridges, traffic signals, sidewalks, water lines, sewer lines, storm sewers, and streetlights.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Compensated Absences

Vacation and compensatory time 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 City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees will be paid.

(j) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, loans, bonds, and capital leases are recognized as liabilities on the governmental fund financial statements when due.

(k) Bond Premium, Deferred Charges on Refunding, and Debt Issuance Costs

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

The deferred charges on refunding bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. It is reported as deferred outflows of resources.

Debt issuance costs are expensed when incurred.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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 purchase and expenditure is reported in the year in which services are consumed.

(m) Interfund Activity

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 and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

(n) Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows and deferred inflows of resources related 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

(o) Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is “bound to honor constraints on the specific purposes for which amounts in the fund can be spent” in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The components for reporting the City’s fund balance are nonspendable, restricted, committed, assigned and unassigned. Restricted fund balance includes those amounts that are restricted by parties outside of the City and pursuant to enabling legislation. Committed fund balance describes the portion of fund balance that has been limited by use by approval of City Council. City Council is the City’s highest level of decision making. Fund balance commitments are established, modified, or rescinded by City Council action through passage of an ordinance. Assigned fund balance includes amounts that have an intended use by City, 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 amounts that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council. The City Council has authorized the Finance Director to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The unassigned fund balance represents the residual net resources.

The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in the governmental funds other than the General Fund, if expenditures exceed the amounts that are restricted, committed, or assigned to other purposes, it may be necessary to report a negative unassigned fund balance in that fund.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City does not have a formal policy for its use of unrestricted fund balance amounts; therefore, it considers committed amounts used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy - On December 16, 2013, the City adopted an ordinance establishing a reserve fund to maintain a target fund balance of 25% of the City's annual budgeted expenditures in the General Fund for that budget year. This amount is intended to minimize volatility in providing City programs, projects, and levels of service to its citizens. Use of funds must be authorized by passage of an ordinance by City Council and be replenished no later than December 31st of the following year.

(p) Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

(q) Contributed Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as program revenue in the statement of activities.

(r) Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the City, these revenues are charges for services for employees' health claims. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

(s) Extraordinary and Special Items

Extraordinary items or transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and are either unusual in nature or infrequent in occurrence.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Net Position

Net position represents the difference of assets and deferred outflow of resources, less liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, and the operation of police programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (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 Balances – Budget and Actual – Budget (Non-GAAP) Basis, are presented for the General and TIF Major Special Revenue Funds to provide a meaningful comparison of actual results with the budget.

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis).
4. Advances-In and Advances-Out when applicable, are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Funds budgeted separately.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	<u>Net Change in Fund Balances</u>	
	<u>General Fund</u>	<u>TIF</u>
GAAP Basis:	\$ 2,292,865	\$ (1,949,401)
Revenue Accruals	(780,066)	-
Expenditure Accruals	163,924	-
Other Financing Sources/Uses	330,275	-
Encumbrances	(2,591,872)	-
Funds Reclassified	230,101	-
GAAP Basis	<u>\$ (354,773)</u>	<u>\$ (1,949,401)</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City 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 City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City Council 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 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;

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within a ten year from the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in division (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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to extend one hundred eighty and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one period;
8. Time certificates of deposits or savings or deposit accounts including, but not limited to, passbook accounts.

The City may also invest any monies not required to be used for a period of six months or more in (1) Bonds of the State of Ohio; (2) Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest or coupons; and, (3) Obligations of the City.

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.

(a) Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all City deposits was \$19,847,395 and the bank balance was \$20,390,594. Of the City's bank balance, \$639,181 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's 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) participate 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 required the market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the City's financial institution was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. The City 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.

(b) Investments

As of December 31, 2019, the City had the following investments. All investments are in an internal investment pool.

Investment Type	Amount	Credit Rating*	Investment Maturities	
			1 year or Less	1 to 3 years
STAR Ohio	\$ 15,565,408	AAAm	\$ 15,565,408	\$ -
Money Market Fund	4,839,572	AAAm	4,839,572	-
Negotiable CD's	6,332,639	Not Rated	4,109,364	2,223,275
Total	<u>\$ 26,737,619</u>		<u>\$ 24,514,344</u>	<u>\$ 2,223,275</u>

* - Standard & Poor

Interest Rate Risk – The City's investment policy requires that an investment mature within two years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. The City's policy states that all investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated.

Credit Risk – Under normal circumstances, the government money market fund invests at least 80 percent of its assets in U.S. Government securities, repurchase agreements collateralized by these securities, and shares of money market investment companies that invest exclusively in these securities. The City's investment policy limits investments to those authorized by State statute.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer; however, investments are limited to low risk securities with the expectation of earning market rate of return. The following table includes the percentage of each investment type held by the City at December 31, 2019:

<u>Investment Type</u>	<u>Amount</u>	<u>% of Total</u>
STAR Ohio	\$ 15,565,408	58.22%
Money Market Fund	4,839,572	18.10%
Negotiable CD's	6,332,639	23.68%
Total	<u>\$ 26,737,619</u>	<u>100%</u>

Fair Value Measurement – The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. The City measures all other investments at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments reported at fair value are valued using significant other observable inputs (Level 2 inputs).

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

(a) Interfund Transfers

A schedule of interfund transfers during the year is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 40,000
Hilliard Recovery Court Fund	40,000	-
TIF Fund	-	5,026,817
Capital Improvement Municipal Tax Fund	5,026,817	-
Total Transfers	<u>\$ 5,066,817</u>	<u>\$ 5,066,817</u>

Transfers are used to move revenues from one fund that statute or budget requires to collect them to the fund that statute or budget required to expend them. During 2019, the City transferred \$5,026,817 from the TIF Fund to the Capital Improvement Municipal Tax Fund to finance various capital projects. The City also transferred \$40,000 from the General Fund to the Hilliard Recovery Court Fund (other governmental funds) to finance the new program.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 6 – RECEIVABLES

Receivables at December 31, 2019, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, intergovernmental receivables arising from grants, entitlements and shared revenues, and interest receivables. Receivables have been separately identified on the face of the basic financial statements. All receivables are considered fully collectible.

NOTE 7 – PROPERTY TAXES

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

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 2019 with real property taxes.

Real property taxes are payable annually or semi-annually. If paid annually, the 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 later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2019, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been included in deferred inflows of resources, since the current taxes were not levied to finance 2019 operations and the outstanding delinquencies were unavailable. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is reported as deferred inflows of resources since the current taxes were levied to finance a future period.

The full tax rate for all City operations for the year ended December 31, 2019 was \$1.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 1,016,785,410
Public Utility Property	41,337,640
Totals	<u>\$ 1,058,123,050</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 8 – MUNICIPAL INCOME TAXES

The City levies a municipal income tax of 2.0 percent on all salaries, wages, commissions, other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are distributed to the General Fund, Capital Improvement Municipal Tax Fund, and other governmental funds as required by City Administrative Code, and totaled \$19,636,288, \$7,284,014, and \$2,913,606 in 2019, respectively.

NOTE 9 – TAX ABATEMENTS

The City uses income tax abatement agreements with local businesses under the Jobs Creation Tax Incentive Program, structured in accordance with Ohio Revised Code Section 718.15. Under the Program, the City may grant income tax incentives on local payroll withholding taxes paid to the City for the purpose of attracting or retaining businesses within its jurisdiction.

For the year ended December 31, 2019, the City abated income taxes totaling \$1,050,156 under the Program as follows:

- An annual incentive of 50% of actual local payroll withholding taxes paid to the City in excess of \$1,440,000 each year, from 2014 to 2023 with Verizon Wireless for a commitment to create jobs and make leasehold improvements. The abatement amounted to \$666,759.
- An annual incentive of 36% of actual local payroll withholding taxes paid to the City from 2006 to 2017 with BMW Financial Services for a commitment to create jobs. The abatement amounted to \$383,397.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 10 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Governmental Activities					
Nondepreciable Capital Assets					
Land	\$ 10,498,303	\$ 1,775,620	\$ -	\$ -	\$ 12,273,923
Construction in Progress	8,406,646	7,391,395	(372,545)	(11,760,103)	3,665,393
Total Nondepreciable Assets	<u>18,904,949</u>	<u>9,167,015</u>	<u>(372,545)</u>	<u>(11,760,103)</u>	<u>15,939,316</u>
Depreciable Capital Assets					
Buildings	11,700,865	-	(9,553)	-	11,691,312
Improvements other than buildings	17,478,070	502,970	(26,812)	-	17,954,228
Machinery and equipment	6,986,369	274,322	(36,119)	-	7,224,572
Furniture and fixtures	755,937	37,735	(92,918)	-	700,754
Vehicles	4,090,303	196,418	(120,681)	-	4,166,040
Infrastructure	431,994,400	11,043,929	(197,012)	11,760,103	454,601,420
Total Depreciable Assets	<u>473,005,944</u>	<u>12,055,374</u>	<u>(483,095)</u>	<u>11,760,103</u>	<u>496,338,326</u>
Less accumulated depreciation					
Buildings	(5,753,807)	(325,372)	5,234	-	(6,073,945)
Improvements other than buildings	(5,776,723)	(617,129)	6,090	-	(6,387,762)
Machinery and equipment	(5,274,573)	(519,487)	34,594	-	(5,759,466)
Furniture and fixtures	(589,530)	(25,494)	88,376	-	(526,648)
Vehicles	(2,850,935)	(338,286)	120,681	-	(3,068,540)
Infrastructure	(225,642,887)	(11,331,770)	153,586	-	(236,821,071)
Total accumulated depreciation	<u>(245,888,455)</u>	<u>(13,157,538)</u>	<u>408,561</u>	<u>-</u>	<u>(258,637,432)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>227,117,489</u>	<u>(1,102,164)</u>	<u>(74,534)</u>	<u>11,760,103</u>	<u>237,700,894</u>
Total Capital Assets, Net	<u>\$ 246,022,438</u>	<u>\$ 8,064,851</u>	<u>\$ (447,079)</u>	<u>\$ -</u>	<u>\$ 253,640,210</u>

For the year ended December 31, 2019, the value of the assets donated to the City was \$9,200,710.

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 212,681
Security of persons and property	524,147
Leisure time activities	673,293
Community environment	237,707
Basic utility services	5,891,385
Transportation	5,618,325
Total depreciation expense	<u>\$ 13,157,538</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 11 – LONG TERM LIABILITIES

(a) Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities of the governmental activities for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans:					
2005 OWDA Loan 3% \$2,234,466	\$ 501,641	\$ -	\$ (247,087)	\$ 254,554	\$ 254,554
2012 OPWC Loan \$2,730,423	2,129,730	-	(109,217)	2,020,513	109,217
2017 OPWC Loan \$5,407,500	4,857,608	208,266	-	5,065,874	-
Total loans	7,488,979	208,266	(356,304)	7,340,941	363,771
General Obligation Bonds:					
2009 Various Purpose					
2.25-5.0% \$15,540,000	710,000	-	(710,000)	-	-
Bond premium	30,796	-	(30,796)	-	-
2011 Various Purpose					
2.25-4.25% \$8,020,000	5,085,000	-	(375,000)	4,710,000	390,000
Bond premium	4,358	-	(1,453)	2,905	-
2012 Various Purpose					
2.0-5.0% \$11,085,000	6,685,000	-	(925,000)	5,760,000	975,000
Bond premium	682,204	-	(97,459)	584,745	-
2013 Refunding					
1.0-3.5% \$8,905,000	5,825,000	-	(850,000)	4,975,000	870,000
Bond premium	242,076	-	(40,346)	201,730	-
2014 Refunding					
2.0-4.0% \$5,160,000	4,460,000	-	(440,000)	4,020,000	450,000
Bond premium	279,898	-	(31,100)	248,798	-
2015 Various Purpose and Refunding					
4.0% \$8,745,000	7,820,000	-	(215,000)	7,605,000	225,000
Bond premium	981,741	-	(57,755)	923,986	-
2016A Various Purpose and Refunding					
2.0-4.0% \$8,205,000	7,365,000	-	(250,000)	7,115,000	1,010,000
Bond premium	861,286	-	(82,027)	779,259	-
2016B Various Purpose					
2.0-4.0% \$3,855,000	3,580,000	-	(145,000)	3,435,000	145,000
Bond premium	445,823	-	(25,476)	420,347	-
2017 Various Purpose					
2.0-4.0% \$4,655,000	4,270,000	-	(170,000)	4,100,000	175,000
Bond premium	408,297	-	(22,683)	385,614	-
2019A Various Purpose					
3.0-5.0% \$8,570,000	-	8,570,000	-	8,570,000	300,000
Bond premium	-	603,920	(15,098)	588,822	-
2019B Various Purpose					
3.75% \$585,000	-	585,000	-	585,000	-
Total bonds	49,736,479	9,758,920	(4,484,193)	55,011,206	4,540,000

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 11 – LONG TERM LIABILITIES (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans from Direct Borrowings:					
Signature Bank Loan					
3.94% \$814,698	\$ -	\$ 814,698	\$ (148,721)	\$ 665,977	\$ 123,105
Safety Building Loan					
4.5% \$6,168,684	5,103,540	-	(161,820)	4,941,720	169,184
Wheel Loader Loan					
2.89% \$109,903	51,424	-	(22,443)	28,981	23,100
Total Loans from Direct Borrowings	5,154,964	814,698	(332,984)	5,636,678	315,389
Other Long-Term Obligations:					
Net Pension Liability					
OPERS	7,918,774	6,980,009	-	14,898,783	-
OP&F	13,021,807	5,747,210	-	18,769,017	-
Net OPEB Liability					
OPERS	5,264,532	1,533,293	-	6,797,825	-
OP&F	12,021,233	-	(9,927,295)	2,093,938	-
Compensated Absences	2,084,538	1,332,475	(961,305)	2,455,708	1,358,153
Total Long Term Liabilities	\$ 102,691,306	\$ 26,374,871	\$ (16,062,081)	\$ 113,004,096	\$ 6,577,313

OPWC loans - The City has entered into two debt financing arrangements through the Ohio Public Works Commission (OPWC). The 2012 OPWC loan is to fund the Hilliard Triangle improvement. The \$2,730,423 loan is a zero-interest, 25-year loan.

In 2017, the City was approved to receive \$1,750,000 in grant funding and \$5,407,500 in a zero-interest, 20-year loan from OPWC for Scioto Darby and Leppert road improvements. As of December 31, 2019, all of the grant funds have been drawn down and \$5,065,874 in loan proceeds have been drawn down. Since the loan hasn't been completely drawn and finalized, the loan is not included in the principal and interest schedule.

The OPWC loans will be paid from the Capital Improvement Municipal Tax Capital Projects Fund.

OWDA loan – The City has entered into a loan with the Ohio Water Development Authority (OWDA) for the purpose of sewer construction for BMW. The loan is for 15 years and carries an interest rate of 3.0 percent. The OWDA loan will be paid from the Capital Improvement Municipal Tax Capital Projects Fund.

General Obligation bonds - Generally, all voted and unvoted general obligation bonds issued will be paid through the Street Improvement Municipal Tax, Water and Sewer Revenue, TIF Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund.

Compensated absences, Net pension liability, and OPEB liability - Compensated Absences and employer contributions, one of many components that impact net position and OPEB liabilities, are generally paid from the General, Street Maintenance and Repair, Water and Sewer Revenue, and Storm Water Utility Special Revenue Funds.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 11 – LONG TERM LIABILITIES (Continued)

Safety Building Loan - On June 25, 2007, the City entered into an agreement with the Board of Trustees of Norwich Township (the "Township") for the joint construction and management of a public safety building. The building was constructed and is owned and managed by the township. Initially, the Township paid the entire cost of the building construction. The City entered into a 30-year agreement with the township under which the City will pay its allocated portion of the construction cost which totaled \$6,417,386. The agreement began upon completion of the building and the first payment was made on June 1, 2009. Payments of principal and interest are recorded as disbursements of the Capital Improvements Municipal Tax Capital Projects Fund.

Per the agreement, the building is considered the collateral for the debt payments. In the event of default, the Township may exercise the following rights and remedies:

1. The Township can immediately re-enter and take possession of the building.
2. All rights of the City and all duties of the Township shall immediately cease and terminate.
3. The Township may possess and enjoy the building as though the agreement had never been made, without prejudice, however, to any and all rights of action against the City the Township may have to the debt payments, damages, or breach of covenant.
4. The Township can re-let the building as it determines for and on behalf of the City for the highest rental reasonably obtainable in judgment of the Township (this is not considered as a surrender or acceptance back of the building or termination of the agreement).
5. The Township can recover from the City any deficiency between the amount of the debt payments and all other charges payable under the agreement plus any expenses in connection with reletting, redecorating, repairs, alterations, brokerage commissions, and attorney fees.
6. If the Township makes any repairs or carries insurance, the City may be required to immediately pay the Township for the expenses plus any accrued interest at the rate of 4.5 percent.

Wheel Loader Loan: April 15, 2016, the City entered into a loan with Caterpillar Financial Services Corporation for the purchase of a wheel loader. The loan has an interest rate of 2.89 percent and will be repaid in full in 2021. The loan is being paid from the City's Street Maintenance and Repair Fund and Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Caterpillar Financial Services Corporation, the City pledged the wheel loader purchased as collateral for the debt. In the event of default, Caterpillar Financial Services Corporation shall have all rights and remedies under law. Also, in the event of default, Caterpillar Financial Services Corporation may exercise the following rights and remedies:

1. Caterpillar Financial Services Corporation may require the City to pay all the payments outstanding in the year of default.
2. Caterpillar Financial Services Corporation may enter the premises of the City to take repossession of the wheel loader
3. Caterpillar Financial Services Corporation may cancel the extended warranty agreement for the wheel loader on behalf of the City and receive the refund for the warranty.

First Security Finance, Inc. Loan - On April 24, 2019, the City entered into a loan agreement with First Security Finance, Inc. for \$814,698 for the purpose of retrofitting a LED lighting system at the Roger A. Reynolds Municipal Park. The loan was entered for a six-year period with final maturity at May 1, 2024. Payments of principal and interest are recorded as disbursements of the Park Maintenance Fund.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 11 – LONG TERM LIABILITIES (Continued)

The City has pledged the equipment as collateral for the debt. In the event of default, First Security Finance, Inc. may exercise the following rights and remedies:

1. The City may be required to pay the entire unpaid balance.
2. First Security Finance, Inc. may enter the premises of the City and take possession of the equipment.
3. The City may be required to pay all costs (including reasonable attorney's fees and court costs) incurred in disposing of the equipment.

(b) Future Debt Service Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

	OPWC Loans		General Obligation Bonds		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 109,217	\$ -	\$ 4,540,000	\$ 1,895,817	\$ 315,389	\$ 247,268
2021	109,217	-	4,630,000	1,767,729	310,719	234,213
2022	109,217	-	4,800,000	1,606,339	317,930	221,095
2023	109,217	-	4,990,000	1,436,514	331,585	212,679
2024	109,217	-	4,860,000	1,234,639	345,830	198,641
2025-2029	546,085	-	15,295,000	3,797,302	1,157,380	791,016
2030-2034	546,085	-	7,305,000	1,548,936	1,445,805	502,595
2035-2039	382,258	-	4,455,000	365,426	1,412,040	146,678
Total	<u>\$ 2,020,513</u>	<u>\$ -</u>	<u>\$ 50,875,000</u>	<u>\$ 13,652,702</u>	<u>\$ 5,636,678</u>	<u>\$ 2,554,185</u>

	OWDA Loans	
	Principal	Interest
2020	\$ 254,554	\$ 5,741
Total	<u>\$ 254,554</u>	<u>\$ 5,741</u>

(c) Debt Limitation

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 11 – LONG TERM LIABILITIES (Continued)

In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. At December 31, 2019, the City's total and unvoted debt limits based on the tax year 2019, collection year 2020 assessed valuations were \$113,163,799 and \$59,276,276, respectively. The City's debt was within these limits.

NOTE 12 – CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued industrial revenue development bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there were no series of industrial revenue development bonds outstanding.

NOTE 13 – OTHER EMPLOYEE BENEFITS

(a) *Compensated Absences*

Accumulated Unpaid Vacation - City employees earn vacation leave at varying rates based upon length of service. Vacation can accumulate to a maximum of 400 hours. When an employee terminates employment, he/she is paid for 100 percent of their unused vacation leave. City employees can also earn compensatory time. Compensatory time is paid at one and one-half times an employee's regular rate. Employees with time remaining upon termination of their employment will be paid for any unused compensatory time.

Accumulated Unpaid Sick Leave - City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his/her estate) is paid 50 percent of accumulated sick leave up to a maximum payment of 500 hours.

(b) *Deferred Compensation*

City employees may participate in Mass Mutual, ING or Ohio Public Employees Deferred Compensation Plans. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 14 – RISK MANAGEMENT

(a) Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2019, the City contracted with several different insurance providers for property, liability, and automobile insurance.

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in the level of coverage from the prior year.

(b) Health Insurance

The City maintains a self-funded health insurance program with claims processed by Central Benefits on behalf of the City. The Insurance Trust Fund (an internal service fund) was created in 1989 to account for and finance the health insurance program. As an integral part of the health insurance program, stop loss coverage has been purchased covering claims in excess of \$75,000 per individual and \$1,000,000 per occurrence.

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. Total contributions to the program during 2019 were \$2,318,252. The claims liability of \$238,752 reported in the Insurance Trust Fund at December 31, 2019, is based on the requirements of GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by GASB Statement No. 30, Risk Management Omnibus, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Insurance Trust Fund's claims liability amount for 2017, 2018, and 2019 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2017	\$ 128,000	\$ 2,353,581	\$ (2,029,581)	\$ 452,000
2018	452,000	1,849,313	(2,202,313)	99,000
2019	99,000	2,359,601	(2,219,849)	238,752

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 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.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,141,017 for 2019. Of this amount, \$28,378 is reported as due to other governments.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced.

Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	<u>Police</u>
2019 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2019 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Postemployment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
 Employee	 <u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,146,623 for 2019. Of this amount \$35,206 is reported as a due to other governments.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05440%	0.22994%	
Prior Measurement Date	0.05048%	0.21217%	
Change in Proportionate Share	0.00392%	0.01777%	
Proportionate Share of the Net Pension Liability	\$ 14,898,783	\$ 18,769,017	\$ 33,667,800
Pension Expense	\$ 3,728,678	\$ 2,774,946	\$ 6,503,624

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

	OPERS Traditional Plan	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 688	\$ 771,144	\$ 771,832
Changes of assumptions	1,296,979	497,591	1,794,570
Net difference between projected and actual earnings on pension plan investments	2,022,181	2,312,326	4,334,507
Change in proportionate share	597,384	1,230,924	1,828,308
City contributions subsequent to the measurement date	1,141,017	1,146,623	2,287,640
Total Deferred Outflows of Resources	<u>\$ 5,058,249</u>	<u>\$ 5,958,608</u>	<u>\$ 11,016,857</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 195,626	\$ 17,526	\$ 213,152
Change in proportionate share	-	198,935	198,935
Total Deferred Inflows of Resources	<u>\$ 195,626</u>	<u>\$ 216,461</u>	<u>\$ 412,087</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

\$2,287,640 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		Total
	Traditional Plan	OP&F	
2020	\$ 1,729,507	\$ 1,388,037	\$ 3,117,544
2021	864,039	811,810	1,675,849
2022	187,598	981,764	1,169,362
2023	940,462	1,308,289	2,248,751
2024	-	279,184	279,184
Thereafter	-	(173,560)	(173,560)
Total	<u>\$ 3,721,606</u>	<u>\$ 4,595,524</u>	<u>\$ 8,317,130</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. 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:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

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 liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using a discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
City's proportionate share of the net pension liability			
Traditional Plan	\$ 22,009,835	\$ 14,898,783	\$ 8,989,435

The allocation of investment assets within 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

The following table displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	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.

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.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation Date	January 1, 2018 with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption	
Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00 percent
Cost of Living Increases (COLA)	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3.00 percent
Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates as follows, and projected with the Conduit Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For ages 67 or less, the rate for police is 77 percent. For ages 68 to 77, the rate for police is 105 percent. For ages 78 and up, the rate for police is 115 percent. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the following rates and projected with the Conduit Modified 2016 Improvement Scale. The rate for ages 59 or less for police is 35 percent. The rate for ages 60 to 69 for police is 60 percent. The rate for ages 70 to 79 for police is 75 percent. The rate for ages 80 and up for police is 100 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
US Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 15 – DEFINED BENEFIT PENSION PLANS (Continued)

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 24,670,579	\$ 18,769,017	\$ 13,837,409

NOTE 16 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – 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 OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2019, health care is not being funded.

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 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

With the assistance of OPERS' actuary and OPERS Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2019. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2019 was 4.0 percent.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent of covered payroll for police employer units. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$30,174 for 2019.

Net OPEB Liability

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 payments, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability			
Current Measurement Date	0.05214%	0.22994%	
Prior Measurement Date	0.04848%	0.21217%	
Change in Proportionate Share	0.00366%	0.01777%	
Proportionate Share of the Net OPEB Liability	\$ 6,797,825	\$ 2,093,938	\$ 8,891,763
OPEB Expense	\$ 811,827	\$ (10,145,319)	\$ (9,333,492)

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 2,303	\$ -	\$ 2,303
Changes of assumptions	219,170	1,085,396	1,304,566
Net difference between projected and actual earnings on pension plan investments	311,641	70,881	382,522
Change in proportionate share	337,001	965,672	1,302,673
City contributions subsequent to the measurement date	-	30,174	30,174
Total Deferred Outflows of Resources	<u>\$ 870,115</u>	<u>\$ 2,152,123</u>	<u>\$ 3,022,238</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 18,444	\$ 56,102	\$ 74,546
Changes of assumptions	-	579,701	579,701
Total Deferred Inflows of Resources	<u>\$ 18,444</u>	<u>\$ 635,803</u>	<u>\$ 654,247</u>

\$30,174 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2020	\$ 439,457	\$ 253,396	\$ 692,853
2021	199,881	253,396	453,277
2022	55,338	253,396	308,734
2023	156,995	543,333	700,328
2024	-	110,694	110,694
Thereafter	-	71,931	71,931
Total	<u>\$ 851,671</u>	<u>\$ 1,486,146</u>	<u>\$ 2,337,817</u>

Actuarial Assumptions - OPERS

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – 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 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent (including wage inflation at 3.25 percent)
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

The most recent experience study was completed for the five-year period ended December 31, 2015.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

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. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 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.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$ 8,696,952	\$ 6,797,825	\$ 2,093,938

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

	Current Health Care		
	1% Decrease	Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 6,534,185	\$ 6,797,825	\$ 7,101,468

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:

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

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 5.6 percent for 2018.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

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

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates as follows, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

For ages 67 or less, the rate for police is 77 percent. For ages 68 to 77, the rate for police is 105 percent. For ages 78 and up, the rate for police is 115 percent.

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the following rates and projected with the Conduit Modified 2016 Improvement Scale. The rate for ages 59 or less for police is 35 percent. The rate for ages 60 to 69 for police is 60 percent. The rate for ages 70 to 79 for police and fire is 75 percent. The rate for ages 80 and up for police is 100 percent.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
US Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

* levered 2x

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 16 – DEFINED BENEFIT OPEB PLANS (Continued)

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

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 2,550,988	\$ 2,093,938	\$ 1,710,284

Changes to Retiree Health Care Model Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changes from the current health care model to the stipend-based health care model, OP&F expects that it will be able to provide stipends to eligible participants for the next 15 years.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 17 – CONTRACTUAL AND OTHER COMMITMENTS

(a) Contractual Commitments

As of December 31, 2019, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expensed	Balance 12/31/2019
2K Generation Company	\$ 2,000,000	\$ 1,747,837	\$ 252,163
American Structurepoint	322,650	210,098	112,552
Arcadis US, Inc.	379,800	195,365	184,435
Boss Excavating & Grading, Inc.	485,600	17,165	468,435
Burgess & Nipple	304,000	176,934	127,066
Carpenter Marty Transp., Inc.	150,000	-	150,000
CDM Smith	133,000	81,192	51,808
Complete General Construction	655,195	497,176	158,019
CT Consultants	60,800	-	60,800
DLZ Ohio, Inc.	108,306	67,064	41,242
Elite Excavating Co.	1,535,000	-	1,535,000
E.P. Ferris & Associates, Inc.	115,900	19,986	95,914
Evans, Mechwart, Hambleton & Tilton	93,500	87,230	6,270
Franklin County Engineer	690,000	-	690,000
Hatch Company	30,000	9,015	20,985
Hilliard City Inspection & Planning Staff	11,235	-	11,235
Insight Pipe Contracting, LLC	167,700	70,000	97,700
Janco LLC	17,000	-	17,000
McDaniel's Construction	214,087	-	214,087
MLW Darby LLC	80,530	-	80,530
MS Consultants, Inc.	982,537	147,189	835,348
Prime AE Group, Inc.	208,800	56,413	152,387
Sphere Electrical Contracting	34,600	33,180	1,420
Stantec Consulting Services	161,500	147,189	14,311
Strawser Paving Co.	3,296,343	2,538,387	757,956
Taplin Group, LLC	240,030	-	240,030
Thayer Power & Communication	2,704,444	29,400	2,675,044
The Kleingers Grorp	393,000	256,021	136,979
Trans Assoc. Eng. Consultants	25,000	20,607	4,393
Urban Park Development, LLC	10,000	6,000	4,000
URS Corporation	166,300	107,056	59,244
W. Erie Realty Solutions, LTD.	44,550	10,045	34,505
Woolpert	76,000	31,937	44,063
	<u>\$ 15,897,407</u>	<u>\$ 6,562,486</u>	<u>\$ 9,334,921</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 17 – CONTRACTUAL AND OTHER COMMITMENTS (Continued)

(b) Other Commitments

As of December 31, 2019, the City had outstanding cash basis encumbrances in the governmental funds as follows:

	Governmental Funds
General Fund	\$ 2,867,891
Capital Improvement Municipal Tax Fund	10,324,092
Other Governmental Funds	2,474,907
Total	<u>\$ 15,666,890</u>

NOTE 18 – CONTINGENCIES

(a) Grants - For the year ended December 31, 2019, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

(b) Litigation - The City is a party to various legal proceedings. The City is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 19 – RELATED AND JOINTLY GOVERNED ORGANIZATIONS

Hilliard Arts Council Corporation - The Hilliard Arts Council Corporation (the Corporation) is a separately created nonprofit (501(c)(3)) organization. The Corporation is governed by an eleven-member Board of Trustees appointed as follows: four members appointed by the Hilliard City Council, one member appointed by the Hilliard Area Chamber of Commerce, one member appointed by the Hilliard Recreation and Parks Director, one member appointed by the Hilliard City School District, and four members appointed by the Mayor of the City of Hilliard. The Trustees adopt their own budget, hire and fire their own staff, authorize expenditures, and do not rely on the City to finance deficits. The City cannot influence the Corporation's operations, nor does the Corporation represent a potential financial benefit or burden to the City.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 19 – RELATED AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

Norwich Township - The City and Norwich Township entered into a Joint Construction and Management Agreement which provides for the renovation, construction, management and use of a combined fire and police facility. Renovation was completed in December of 2008 and the City moved to the new facility in early 2009. The facility houses Township administration offices, City of Hilliard Mayor's Court, City of Hilliard Police Department, City of Hilliard Communications and Norwich Township Fire Department. In addition to the joint agreement, the City provides police services to the unincorporated areas of the Township through a separate agreement and dispatching services for the fire department under a separate agreement. The Township provides fire protection and emergency medical services to the incorporated and unincorporated areas of the Township.

Central Ohio Interoperable Radio System - The Central Ohio Interoperable Radio System (COIRS) is a jointly governed organization between the City of Dublin, City of Worthington and Delaware County (the "members"). The intent of the COIRS is for the members to share in providing the financial resources and infrastructure needed to operate a digital 800MHZ public safety radio system used for dispatching emergency response and law enforcement services across the member jurisdictions. The COIRS is contracted by a Governing Board consisting of the County Administrator and the city managers for each city, or their representative. Each member's ability to influence the operations of COIRS is limited to its representation on the Governing Board. Appropriations are adopted by the Governing Board who exercised control over the operation and maintenance of COIRS. Each member initially contributed radio system infrastructure assets, and annually, are assessed a required contribution based on its utilization of the system and related operating costs. In April 2014, the City of Hilliard made a one-time, lump sum cash contribution of \$2,006,865 to become a member of COIRS. The City of Dublin serves as the fiscal agent. Financial information may be obtained from the City of Dublin, 5200 Emerald Parkway, Dublin, Ohio 43017.

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the City implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*" which 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 statements did not have an effect on the financial statements of the City.

For fiscal year 2019, the City implemented GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" which 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 a significant effect on the financial statements of the City.

For fiscal year 2019, the City implemented GASB Statement No. 89 "*Accounting for Interest Cost Incurred before the End of a Construction Period*" which addresses capitalizing interest. The implementation of this statement did not have an effect on the financial statements of the City.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES (Continued)

For fiscal year 2019, the City implemented GASB Statement No. 90, “*Majority Equity Interests-an amendment of GASB Statements No. 14, and No. 61*” which 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 City.

GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. This statement had no effect on beginning net position/fund balance.

NOTE 21 – FUND RECLASSIFICATIONS

The Street Maintenance and Repair Fund, Street Improvement Municipal Tax Fund, and Water and Sewer Revenue Fund did not meet the definition of a major fund during 2019. Therefore, these funds were reclassified as Other Governmental Funds. The effect of this reclassification on fund balance is as follows:

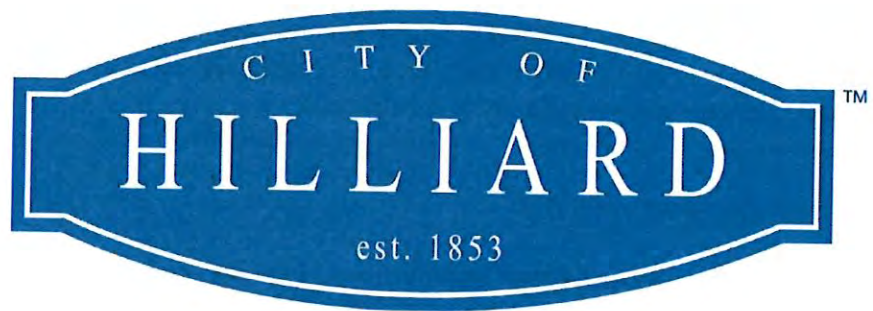
	Street Maintenance and Repair Fund	Street Improvement Municipal Tax Fund	Water and Sewer Revenue Fund	Other Governmental Funds
Fund Balances, December 31, 2018	\$ 1,852,359	\$ 2,948,861	\$ 971,017	\$ 1,682,431
Major Fund Reclassifications	(1,852,359)	(2,948,861)	(971,017)	5,772,237
Fund Balances, January 1, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,454,668</u>

NOTE 22 – SUBSEQUENT EVENTS

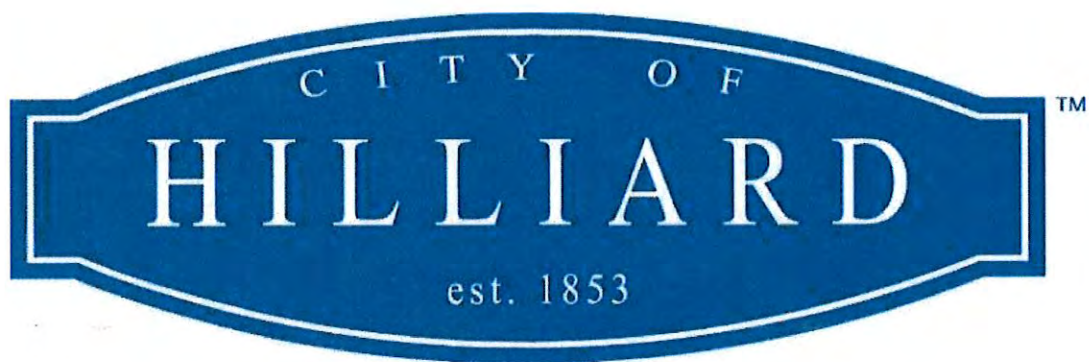
In 2018, voters approved Issue 33, to transition the City from a “Mayor-City Council” form of government to a “City Council-Manager” form of government. This change took effect on January 1, 2020.

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

On April 30, 2020, the City issued \$3,839,000 in General Obligation Various Purpose Road Improvement Bond Anticipation Notes for the purpose of designing, engineering, constructing, and reconstruction various road improvements. The notes carry an interest rate of 2.625 percent.



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REQUIRED SUPPLEMENTARY INFORMATION

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System

Last Six Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.0543990%	0.0504760%	0.047571%	0.047377%	0.043891%	0.043891%
City's Proportionate Share of the Net Pension Liability	\$ 14,898,783	\$ 7,918,774	\$ 10,802,655	\$ 8,206,216	\$ 5,293,745	\$ 5,174,177
City's Covered Payroll	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	200.60%	118.84%	174.15%	139.19%	98.38%	99.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund

Last Six Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.22993800%	0.21217000%	0.206897%	0.215574%	0.2066320%	0.2663200%
City's Proportionate Share of the Net Pension Liability	\$ 18,769,017	\$ 13,021,807	\$ 13,104,630	\$ 13,868,027	\$ 10,704,384	\$ 10,063,612
City's Covered Payroll	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	324.14%	251.37%	263.45%	285.53%	235.20%	236.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City Pension Contributions
Ohio Public Employees Retirement System

Last Nine Years (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ 1,141,017	\$ 1,039,787	\$ 866,257	\$ 744,385	\$ 707,505	\$ 645,723	\$ 678,785	\$ 678,683	\$ 577,815
Contributions in Relation to the									
Contractually Required Contribution	\$ 1,141,017	\$ 1,039,787	\$ 866,257	\$ 744,385	\$ 707,505	\$ 645,723	\$ 678,785	\$ 678,683	\$ 577,815
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,150,121	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423	\$ 6,786,830	\$ 5,778,150
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City Pension Contributions
Ohio Police and Fire Pension Fund

Last Nine Years (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ 1,146,623	\$ 1,100,169	\$ 984,253	\$ 945,104	\$ 922,811	\$ 864,740	\$ 674,834	\$ 544,150	\$ 511,223
Contributions in Relation to the Contractually Required Contribution	\$ 1,146,623	\$ 1,100,169	\$ 984,253	\$ 945,104	\$ 922,811	\$ 864,740	\$ 674,834	\$ 544,150	\$ 511,223
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,034,857	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693	\$ 4,267,843	\$ 4,009,592
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	15.88%	12.75%	12.75%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City'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>
City's Proportion of the Net OPEB Liability	0.0521400%	0.0484800%	0.0464640%
City's Proportionate Share of the Net OPEB Liability	\$ 6,797,825	\$ 5,264,532	\$ 4,692,977
City's Covered Payroll	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.53%	79.01%	75.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund

Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.22993800%	0.21217000%	0.20689700%
City's Proportionate Share of the Net OPEB Liability	\$ 2,093,938	\$ 12,021,233	\$ 9,820,922
City's Covered Payroll	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.16%	232.06%	197.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	18.96%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Public Employees Retirement System

Last Nine Years (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ -	\$ -	\$ 68,314	\$ 124,064	\$ 117,918	\$ 107,621	\$ 52,214	\$ 274,473	\$ 231,126
Contributions in Relation to the Contractually Required Contribution	\$ -	\$ -	\$ 68,314	\$ 124,064	\$ 117,918	\$ 107,621	\$ 52,214	\$ 274,473	\$ 231,126
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,150,121	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423	\$ 6,786,830	\$ 5,778,150
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.04%	4.00%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.

City of Hilliard, Ohio
Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Police and Fire Pension Fund

Last Nine Years (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ 30,174	\$ 28,952	\$ 25,813	\$ 24,871	\$ 24,285	\$ 22,756	\$ 153,803	\$ 288,079	\$ 270,647
Contributions in Relation to the Contractually Required Contribution	\$ 30,174	\$ 28,952	\$ 25,813	\$ 24,871	\$ 24,285	\$ 22,756	\$ 153,803	\$ 288,079	\$ 270,647
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,034,857	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693	\$ 4,267,843	\$ 4,009,592
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.

CITY OF HILLIARD, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL 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.

Ohio Police and Fire Pension System

Net Pension Liability

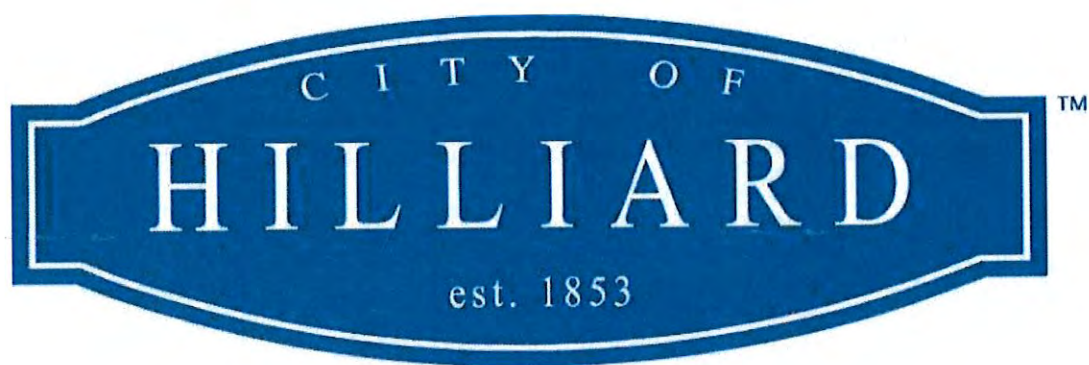
Changes of benefit terms. There were no significant changes of benefit terms in 2019.

Changes of assumptions. There were no significant changes of assumptions in 2019.

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 3.24 percent to 4.66 percent.



SUPPLEMENTARY INFORMATION

CITY OF HILLIARD, OHIO
MAJOR FUND DESCRIPTIONS

The **General Fund** is the operating fund and is used to account for all financial resources except for those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue Funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds:

The **Construction Inspection Fund** accounts for the construction inspection fees paid by developers. Expenditures are payments to the inspectors.

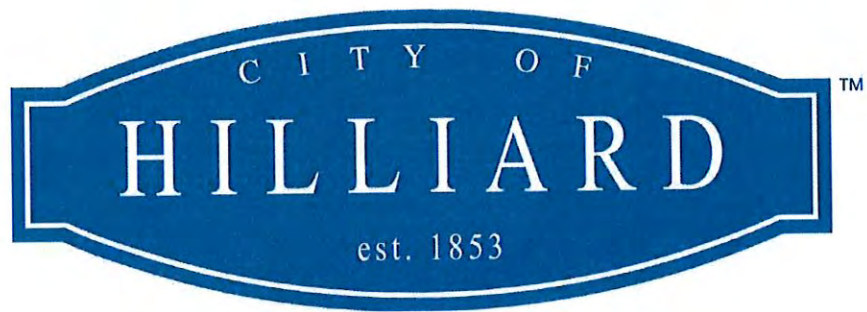
The **Police Benevolent Fund** accounts for various donations and fees received by the City for police-related programs that include Safety Town, DARE, and Police K-9.

Major Special Revenue Funds:

The **Tax Increment Financing Fund** accounts for real estate taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property.

Major Capital Project Fund:

The **Capital Improvement Municipal Tax Fund** accounts for 25 percent of the City's income tax collections and impact fees which are used for various capital improvements.



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CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL MAJOR FUNDS - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Property and other taxes	\$ 1,687,951	\$ 1,482,247	\$ (205,704)
Municipal income taxes	18,213,156	18,932,077	718,921
Charges for services	4,545,941	3,899,089	(646,852)
Licenses and permits	1,202,900	1,069,186	(133,714)
Fines and forfeitures	350,000	236,798	(113,202)
Intergovernmental	598,038	641,518	43,480
Investment earnings	443,000	997,510	554,510
Miscellaneous	123,000	282,475	159,475
Total Revenues	<u>27,163,986</u>	<u>27,540,900</u>	<u>376,914</u>
Expenditures:			
Current:			
<u>General Government</u>			
Mayor:			
Personal Services	207,661	202,475	5,186
Contractual Services	7,400	7,400	-
Materials and Supplies	2,270	1,063	1,207
Total Mayor	<u>217,331</u>	<u>210,938</u>	<u>6,393</u>
City Council:			
Personal Services	385,904	312,691	73,213
Contractual Services	536,766	395,917	140,849
Materials and Supplies	123,394	67,952	55,442
Total City Council	<u>1,046,064</u>	<u>776,560</u>	<u>269,504</u>
Clerk of Courts:			
Personal Services	235,014	229,664	5,350
Contractual Services	142,178	81,291	60,887
Materials and Supplies	20,310	18,846	1,464
Total Clerk of Courts:	<u>397,502</u>	<u>329,801</u>	<u>67,701</u>
Law:			
Personal Services	393,469	342,280	51,189
Contractual Services	241,750	111,549	130,201
Materials and Supplies	9,940	7,123	2,817
Total Law	<u>645,159</u>	<u>460,952</u>	<u>184,207</u>
Finance:			
Personal Services	761,379	748,014	13,365
Contractual Services	147,574	109,196	38,378
Materials and Supplies	60,375	33,967	26,408
Other Expenditures	115,147	78,281	36,866
Total Finance	<u>1,084,475</u>	<u>969,458</u>	<u>115,017</u>
Economic Development:			
Personal Services	142,597	135,402	7,195
Contractual Services	75,895	57,092	18,803
Materials and Supplies	26,035	17,381	8,654
Total Economic Development	<u>244,527</u>	<u>209,875</u>	<u>34,652</u>
City Clerk:			
Contractual Services	3,560	500	3,060
Materials and Supplies	12,700	12,700	-
Total City Clerk	<u>16,260</u>	<u>13,200</u>	<u>3,060</u>
Human Resources:			
Personal Services	395,748	389,008	6,740
Contractual Services	99,594	83,275	16,319
Materials and Supplies	24,473	6,407	18,066
Total Human Resources	<u>519,815</u>	<u>478,690</u>	<u>41,125</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL MAJOR FUNDS - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Public Building and Land:			
Personal Services	379,439	346,269	33,170
Contractual Services	106,805	101,835	4,970
Materials and Supplies	50,319	31,696	18,623
Utilities	600,738	589,914	10,824
Total Public Building and Land	1,137,301	1,069,714	67,587
Information Technology:			
Personal Services	382,244	380,421	1,823
Contractual Services	704,334	599,900	104,434
Materials and Supplies	29,780	23,163	6,617
Total Information Technology	1,116,358	1,003,484	112,874
Communications:			
Personal Services	319,744	290,001	29,743
Contractual Services	38,500	38,500	-
Materials and Supplies	35,000	34,961	39
Total Communications	393,244	363,462	29,782
Boards and Commissions:			
Personal Services	115,581	105,062	10,519
Materials and Supplies	13,535	9,924	3,611
Total Boards and Commissions	129,116	114,986	14,130
General Administration:			
Personal Services	92,679	85,294	7,385
Contractual Services	976,643	898,675	77,968
Materials and Supplies	35,000	31,454	3,546
Other Expenditures	2,112,227	1,952,070	160,157
Total General Administration	3,216,549	2,967,493	249,056
Total General Government	10,163,701	8,968,613	1,195,088
<u>Security of Persons and Property:</u>			
Police:			
Personal Services	10,441,038	9,827,990	613,048
Contractual Services	1,019,361	1,016,939	2,422
Materials and Supplies	305,392	304,596	796
Other Expenditures	457	319	138
Total Police	11,766,248	11,149,844	616,404
Total Security of Persons and Property	11,766,248	11,149,844	616,404
<u>Public Health:</u>			
County Public Health:			
Contractual Services	384,000	349,113	34,887
Total County Public Health	384,000	349,113	34,887
Total Public Health	384,000	349,113	34,887
<u>Leisure Time Activities</u>			
Recreation:			
Personal Services	2,750,201	2,607,794	142,407
Contractual Services	513,611	473,258	40,353
Materials and Supplies	484,398	471,023	13,375
Utilities	303,542	302,345	1,197
Other Expenditures	5,565	4,625	940
Total Recreation	4,057,317	3,859,045	198,272
Total Leisure Time Activities	4,057,317	3,859,045	198,272

(Continued)

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
MAJOR FUNDS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
<u>Community Environment:</u>			
Service/Engineer:			
Personal Services	598,639	560,408	38,231
Contractual Services	2,243,983	2,175,383	68,600
Materials and Supplies	48,122	18,268	29,854
Total Service/Engineer	<u>2,890,744</u>	<u>2,754,059</u>	<u>136,685</u>
Building Inspection:			
Personal Services	899,348	721,025	178,323
Contractual Services	34,510	24,700	9,810
Materials and Supplies	31,838	29,474	2,364
Other Expenditures	8,407	-	8,407
Total Building Inspection	<u>974,103</u>	<u>775,199</u>	<u>198,904</u>
Total Community Environment	<u>3,864,847</u>	<u>3,529,258</u>	<u>335,589</u>
Total Expenditures	<u>30,236,113</u>	<u>27,855,873</u>	<u>2,380,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,072,127)	(314,973)	2,757,154
<u>Other Financing Sources (Uses):</u>			
Sale of Capital Assets	10,000	200	(9,800)
Transfers In	683,451	330,275	(353,176)
Transfers Out	(370,275)	(370,275)	-
Total Other Financing Sources (Uses)	<u>323,176</u>	<u>(39,800)</u>	<u>(362,976)</u>
Net Change in Fund Balances	(2,748,951)	(354,773)	2,394,178
Fund Balance, Beginning of Year	10,315,025	10,315,025	-
Prior Year Encumbrances Appropriated	2,873,028	2,873,028	-
Fund Balance, End of Year	<u>\$ 10,439,102</u>	<u>\$ 12,833,280</u>	<u>\$ 2,394,178</u>

(Concluded)

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL CONSTRUCTION INSPECTION FUND (1) FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 550,000	\$ 173,630	\$ (376,370)
Miscellaneous	10,000	3,772	(6,228)
Total Revenues	<u>560,000</u>	<u>177,402</u>	<u>(382,598)</u>
Expenditures:			
Current:			
Community Environment:			
Personal Services	376,346	323,591	52,755
Contractual Services	920,565	754,682	165,883
Materials and Supplies	19,927	1,772	18,155
Other Expenditures	15,000	-	15,000
Total Expenditures	<u>1,331,838</u>	<u>1,080,045</u>	<u>251,793</u>
Net Change in Fund Balances	(771,838)	(902,643)	(130,805)
Fund Balance, Beginning of Year	496,327	496,327	-
Prior Year Encumbrances Appropriated	407,630	407,630	-
Fund Balance, End of Year	<u>\$ 132,119</u>	<u>\$ 1,314</u>	<u>\$ (130,805)</u>

(1) For GAAP reporting, this fund is combined with the General Fund.

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
POLICE BENEVOLENT FUND (1)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 10,000	\$ 14,513	\$ 4,513
Miscellaneous	10,000	9,493	(507)
Total Revenues	<u>20,000</u>	<u>24,006</u>	<u>4,006</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Contractual Services	11,180	5,000	6,180
Materials and Supplies	16,032	15,302	730
Total Expenditures	<u>27,212</u>	<u>20,302</u>	<u>6,910</u>
Net Change in Fund Balances	(7,212)	3,704	10,916
Fund Balance, Beginning of Year	17,547	17,547	-
Prior Year Encumbrances Appropriated	1,712	1,712	-
Fund Balance, End of Year	<u>\$ 12,047</u>	<u>\$ 22,963</u>	<u>\$ 10,916</u>

(1) For GAAP reporting, this fund is combined with the General Fund.

CITY OF HILLIARD, OHIO

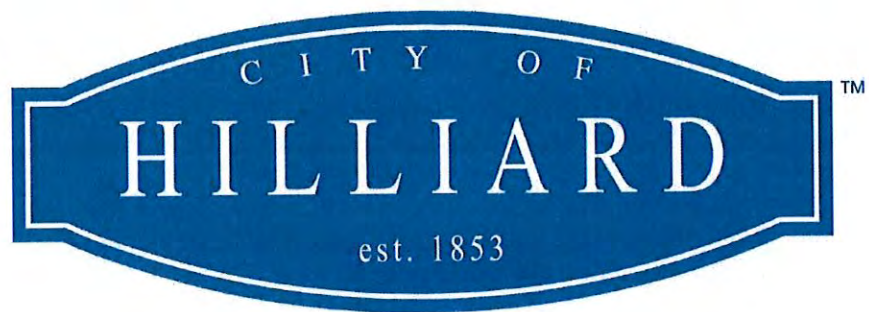
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL MAJOR FUNDS - TIF FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Payments in lieu of taxes	\$ 9,851,000	\$ 10,095,391	\$ 244,391
Intergovernmental	477,000	390,824	(86,176)
Total Revenues	<u>10,328,000</u>	<u>10,486,215</u>	<u>158,215</u>
Expenditures:			
Current:			
General Government:			
Other Expenditures	2,000,350	1,976,465	23,885
Total General Government	<u>2,000,350</u>	<u>1,976,465</u>	<u>23,885</u>
Transportation:			
Other Expenditures	4,352,000	3,979,096	372,904
Total Transportation	<u>4,352,000</u>	<u>3,979,096</u>	<u>372,904</u>
Debt Service:			
Principal retirement	1,304,315	1,165,850	138,465
Interest and fiscal charges	305,685	287,388	18,297
Total Debt Service	<u>1,610,000</u>	<u>1,453,238</u>	<u>156,762</u>
Total Expenditures	<u>7,962,350</u>	<u>7,408,799</u>	<u>553,551</u>
Excess of Revenues Over Expenditures	2,365,650	3,077,416	711,766
Other Financing Uses:			
Transfers Out	(5,040,000)	(5,026,817)	13,183
Total Other Financing Uses	<u>(5,040,000)</u>	<u>(5,026,817)</u>	<u>13,183</u>
Net Change in Fund Balances	(2,674,350)	(1,949,401)	724,949
Fund Balance, Beginning of Year	5,058,337	5,058,337	-
Fund Balance, End of Year	<u>\$ 2,383,987</u>	<u>\$ 3,108,936</u>	<u>\$ 724,949</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL MAJOR FUNDS - CAPITAL IMPROVEMENT MUNICIPAL TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Municipal income taxes	\$ 7,005,060	\$ 7,024,927	\$ 19,867
Licenses and permits	50,000	10,000	(40,000)
Intergovernmental	500,000	409,781	(90,219)
Investment earnings	-	181	181
Miscellaneous	32,000	69,833	37,833
Total Revenues	<u>7,587,060</u>	<u>7,514,722</u>	<u>(72,338)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	340,215	303,602	36,613
Other Expenditures	292,604	291,445	1,159
Capital Outlay	4,269,248	3,731,595	537,653
Total General Government	4,902,067	4,326,642	575,425
Security of Persons and Property:			
Capital Outlay	530,391	508,239	22,152
Total Security of Persons and Property	530,391	508,239	22,152
Leisure Time Activities:			
Capital Outlay	5,321,584	4,461,887	859,697
Total Leisure Time Activities	5,321,584	4,461,887	859,697
Community Environment:			
Capital Outlay	2,201,399	2,201,399	-
Total Community Environment	2,201,399	2,201,399	-
Basic Utility Services:			
Contractual Services	95,725	95,725	-
Capital Outlay	1,688,139	825,350	862,789
Total Basic Utility Services	1,783,864	921,075	862,789
Transportation:			
Contractual Services	1,064,448	1,059,164	5,284
Capital Outlay	7,136,687	6,527,502	609,185
Total Transportation	8,201,135	7,586,666	614,469
Debt Service:			
Principal retirement	3,256,484	3,256,484	-
Interest and fiscal charges	1,543,516	1,420,273	123,243
Bond issuance costs	167,401	167,401	-
Total Debt Service	4,967,401	4,844,158	123,243
Total Expenditures	<u>27,907,841</u>	<u>24,850,066</u>	<u>3,057,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,320,781)	(17,335,344)	2,985,437
Other Financing Sources:			
Sale of capital assets	-	2,295	2,295
Issuance of loans	-	1,022,964	1,022,964
Sale of bonds	9,155,000	9,155,000	-
Premium on issuance of bonds	603,920	603,920	-
Transfers in	5,100,000	5,026,817	(73,183)
Total Other Financing Sources	<u>14,858,920</u>	<u>15,810,996</u>	<u>952,076</u>
Net Change in Fund Balances	(5,461,861)	(1,524,348)	3,937,513
Fund Balance, Beginning of Year	2,365,920	2,365,920	-
Prior Year Encumbrances Appropriated	7,900,590	7,900,590	-
Fund Balance, End of Year	<u>\$ 4,804,649</u>	<u>\$ 8,742,162</u>	<u>\$ 3,937,513</u>



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CITY OF HILLIARD, OHIO
NONMAJOR FUND DESCRIPTIONS – SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The following are descriptions of each Special Revenue Fund:

The **Street Maintenance and Repair Fund** accounts for the portion of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

The **County Municipal Motor Vehicle Tax Fund** accounts for funds received from the City's permissive motor vehicle license tax and from the County's permissive motor vehicle license tax restricted for use of maintaining certain roadways within the City.

The **Street Improvement Municipal Tax Fund** accounts for a portion of the City's income tax collections to be used for repair and improvement of streets and highways. In 2018, 3% of income tax collections were deposited into the fund.

The **Park Maintenance Fund** accounts for public use fees collected on all lots developed in the City and the expenditures for all park maintenance, repair, and upkeep.

The **Police Fund** accounts for financial resources used to educate and treat persons with alcohol-related problems, to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol, to account for mandatory drug fines, and to account for proceeds received from the sale of property received as a result of the Safety Department's participation in drug investigations or confiscated during drug-related arrests.

The **Mayor's Court Computer Fund** accounts for financial resources used to address the needs of defendants with substance abuse disorders who face criminal charges by establishing effective treatment as an alternative to incarceration.

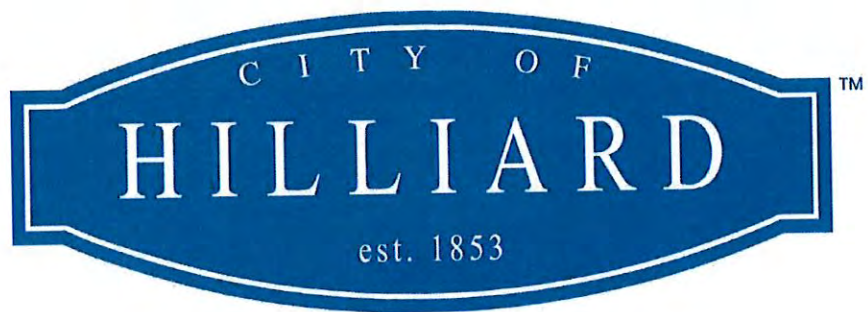
The **Hilliard Recovery Court Fund** accounts for court fees to be used to maintain and upgrade the computer system in the Mayor's Court.

The **General Government Grants Fund** accounts for revenue and expenditures related to grants received from various sources.

The **Heritage Trail Dog Park Fund** accounts for the receipt and expenditure of donations for the construction of the Heritage Trail Dog Park.

The **Water and Sewer Revenue Fund** is used to account for water and sewer tap fees and water and sewer surcharge revenues collected by the City of Columbus for the City of Hilliard. These revenues are used for upgrading and making minor repairs to water and sewer lines.

The **Storm Water Utility Fund** accounts for storm water utility fees which are used to maintain and upgrade the storm water drainage systems.



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CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2019

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police	Mayor's Court Computer
Assets:						
Equity in pooled cash and cash equivalents	\$ 1,934,772	\$ 618,696	\$ 2,529,410	\$ 121,076	\$ 194,456	\$ 51,416
Cash and cash equivalents with fiscal agent	-	188,373	-	-	-	-
Receivables:						
Municipal income taxes	-	-	684,187	-	-	-
Accounts	6,298	-	-	-	-	-
Due from other governments	1,034,217	118,692	-	-	-	-
Prepaid items	459	-	-	-	-	5,877
Total assets	<u>\$ 2,975,746</u>	<u>\$ 925,761</u>	<u>\$ 3,213,597</u>	<u>\$ 121,076</u>	<u>\$ 194,456</u>	<u>\$ 57,293</u>
Liabilities:						
Accounts payable	\$ 55,643	\$ 14,765	\$ 76,511	\$ 20,894	\$ -	\$ -
Accrued wages and benefits	12,877	-	-	-	-	-
Due to other governments	2,037	-	-	-	-	-
Matured compensated absences	5,254	-	-	-	-	-
Due to other funds	19,372	-	-	-	-	-
Total liabilities	<u>95,183</u>	<u>14,765</u>	<u>76,511</u>	<u>20,894</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable Revenue	677,918	229,383	273,833	-	-	-
Total deferred inflows of resources	<u>677,918</u>	<u>229,383</u>	<u>273,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:						
Nonspendable						
Prepays	459	-	-	-	-	5,877
Restricted						
Infrastructure improvements	2,202,186	681,613	-	-	-	-
Public safety programs	-	-	-	-	194,456	51,416
Other	-	-	-	-	-	-
Justice	-	-	-	-	-	-
Committed						
Utility operations	-	-	-	-	-	-
Infrastructure improvements	-	-	2,863,253	-	-	-
Park maintenance	-	-	-	100,182	-	-
Total fund balances	<u>2,202,645</u>	<u>681,613</u>	<u>2,863,253</u>	<u>100,182</u>	<u>194,456</u>	<u>57,293</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,975,746</u>	<u>\$ 925,761</u>	<u>\$ 3,213,597</u>	<u>\$ 121,076</u>	<u>\$ 194,456</u>	<u>\$ 57,293</u>

Hilliard Recovery Court	General Government Grants	Heritage Trail Dog Park	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ 55,776	\$ 28,799	\$ 100	\$ 758,249	\$ 1,229,453	\$ 7,522,203
-	-	-	-	-	188,373
-	-	-	-	-	684,187
-	-	-	53,065	45,100	104,463
-	-	-	-	-	1,152,909
-	-	-	918	459	7,713
<u>\$ 55,776</u>	<u>\$ 28,799</u>	<u>\$ 100</u>	<u>\$ 812,232</u>	<u>\$ 1,275,012</u>	<u>\$ 9,659,848</u>
\$ 9,467	\$ -	\$ -	\$ 47,480	\$ 18,592	\$ 243,352
-	-	-	25,646	12,512	51,035
-	-	-	4,064	1,934	8,035
-	-	-	10,508	5,254	21,016
-	-	-	38,744	19,372	77,488
<u>9,467</u>	<u>-</u>	<u>-</u>	<u>126,442</u>	<u>57,664</u>	<u>400,926</u>
-	-	-	-	-	1,181,134
-	-	-	-	-	1,181,134
-	-	-	918	459	7,713
-	-	-	-	-	2,883,799
-	-	-	-	-	245,872
-	28,799	-	-	-	28,799
46,309	-	-	-	-	46,309
-	-	-	684,872	1,216,889	1,901,761
-	-	-	-	-	2,863,253
-	-	100	-	-	100,282
<u>46,309</u>	<u>28,799</u>	<u>100</u>	<u>685,790</u>	<u>1,217,348</u>	<u>8,077,788</u>
<u>\$ 55,776</u>	<u>\$ 28,799</u>	<u>\$ 100</u>	<u>\$ 812,232</u>	<u>\$ 1,275,012</u>	<u>\$ 9,659,848</u>

(Concluded)

CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police	Mayor's Court Computer
Revenues:						
Municipal income taxes	\$ -	\$ -	\$ 2,913,606	\$ -	\$ -	\$ -
Charges for services	-	-	-	303,781	-	-
Licenses and permits	-	-	-	1,500	-	-
Fines and forfeitures	-	-	-	-	100,481	17,362
Intergovernmental	1,846,667	267,628	-	-	-	-
Investment earnings	35,714	12,587	-	-	-	-
Miscellaneous	44,230	-	-	50,000	-	-
Total revenues	<u>1,926,611</u>	<u>280,215</u>	<u>2,913,606</u>	<u>355,281</u>	<u>100,481</u>	<u>17,362</u>
Expenditures:						
Current:						
General government	-	-	232,283	-	-	13,006
Security of persons and property	-	-	-	-	39,808	-
Public health	-	-	-	-	-	-
Leisure time activities	-	-	-	265,259	-	-
Basic utility services	-	-	-	-	-	-
Transportation	1,572,300	238,813	2,466,931	-	-	-
Debt service:						
Principal retirement	2,835	-	224,575	148,721	-	-
Interest and fiscal charges	1,190	-	75,425	624	-	-
Total expenditures	<u>1,576,325</u>	<u>238,813</u>	<u>2,999,214</u>	<u>414,604</u>	<u>39,808</u>	<u>13,006</u>
Excess (deficiency) of revenues over (under) expenditures	350,286	41,402	(85,608)	(59,323)	60,673	4,356
Other Financing Sources:						
Transfers in	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	350,286	41,402	(85,608)	(59,323)	60,673	4,356
Fund balance at beginning of year	1,852,359	640,211	2,948,861	159,505	133,783	52,937
Fund balance at end of year	<u>\$ 2,202,645</u>	<u>\$ 681,613</u>	<u>\$ 2,863,253</u>	<u>\$ 100,182</u>	<u>\$ 194,456</u>	<u>\$ 57,293</u>

Hilliard Recovery Court	General Government Grants	Heritage Trail Dog Park	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,913,606
-	-	-	1,883,461	1,143,273	3,330,515
-	-	-	-	-	1,500
-	-	-	-	-	117,843
59,449	224,012	-	-	-	2,397,756
-	-	-	-	-	48,301
-	-	-	8,114	-	102,344
59,449	224,012	-	1,891,575	1,143,273	8,911,865
-	-	-	-	-	245,289
-	-	-	-	-	39,808
53,140	-	-	-	-	53,140
-	-	-	-	-	265,259
-	-	-	1,886,802	809,833	2,696,635
-	7,200	-	-	-	4,285,244
-	-	-	179,075	-	555,206
-	-	-	110,925	-	188,164
53,140	7,200	-	2,176,802	809,833	8,328,745
6,309	216,812	-	(285,227)	333,440	583,120
40,000	-	-	-	-	40,000
40,000	-	-	-	-	40,000
46,309	216,812	-	(285,227)	333,440	623,120
-	(188,013)	100	971,017	883,908	7,454,668
\$ 46,309	\$ 28,799	\$ 100	\$ 685,790	\$ 1,217,348	\$ 8,077,788

(Concluded)

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

STREET MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 1,484,000	\$ 1,730,050	\$ 246,050
Investment earnings	16,000	35,714	19,714
Miscellaneous	50,000	51,676	1,676
Total Revenues	<u>1,550,000</u>	<u>1,817,440</u>	<u>267,440</u>
Expenditures:			
Current:			
Transportation:			
Personal Services	855,733	730,979	124,754
Contractual Services	511,168	429,764	81,404
Materials and Supplies	906,323	868,190	38,133
Total Expenditures	<u>2,273,224</u>	<u>2,028,933</u>	<u>244,291</u>
Net Change in Fund Balances	(723,224)	(211,493)	511,731
Fund Balance, Beginning of Year	1,310,308	1,310,308	-
Prior Year Encumbrances Appropriated	347,694	347,694	-
Fund Balance, End of Year	<u>\$ 934,778</u>	<u>\$ 1,446,509</u>	<u>\$ 511,731</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

COUNTY MUNICIPAL MOTOR VEHICLE TAX FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 240,000	\$ 235,360	\$ (4,640)
Investment earnings	5,000	12,587	7,587
Total Revenues	<u>245,000</u>	<u>247,947</u>	<u>2,947</u>
Expenditures:			
Current:			
Transportation:			
Contractual Services	258,253	239,502	18,751
Materials and Supplies	76,448	66,898	9,550
Total Expenditures	<u>334,701</u>	<u>306,400</u>	<u>28,301</u>
Net Change in Fund Balances	(89,701)	(58,453)	31,248
Fund Balance, Beginning of Year	547,203	547,203	-
Prior Year Encumbrances Appropriated	74,701	74,701	-
Fund Balance, End of Year	<u>\$ 532,203</u>	<u>\$ 563,451</u>	<u>\$ 31,248</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

STREET IMPROVEMENT MUNICIPAL TAX FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Municipal income taxes	\$ 2,802,024	\$ 2,809,971	\$ 7,947
Total Revenues	<u>2,802,024</u>	<u>2,809,971</u>	<u>7,947</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	105,942	63,676	42,266
Other Expenditures	146,302	145,473	829
Total General Government	<u>252,244</u>	<u>209,149</u>	<u>43,095</u>
Transportation:			
Contractual Services	633,967	623,822	10,145
Capital Outlay	3,028,084	2,774,151	253,933
Total Transportation	<u>3,662,051</u>	<u>3,397,973</u>	<u>264,078</u>
Debt Service:			
Principal retirement	224,575	224,575	-
Interest and fiscal charges	75,425	75,425	-
Total Debt Service	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Expenditures	<u>4,214,295</u>	<u>3,907,122</u>	<u>307,173</u>
Net Change in Fund Balances	(1,412,271)	(1,097,151)	315,120
Fund Balance, Beginning of Year	1,591,705	1,591,705	-
Prior Year Encumbrances Appropriated	1,063,920	1,063,920	-
Fund Balance, End of Year	<u>\$ 1,243,354</u>	<u>\$ 1,558,474</u>	<u>\$ 315,120</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

PARK MAINTENANCE

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 446,000	\$ 303,781	\$ (142,219)
Licenses and permits	100,000	1,500	(98,500)
Miscellaneous	50,000	50,000	-
Total Revenues	596,000	355,281	(240,719)
Expenditures:			
Current:			
Leisure Time Activities:			
Contractual Services	71,518	70,023	1,495
Materials and Supplies	20,073	13,624	6,449
Capital Outlay	493,916	274,349	219,567
Total General Government	585,507	357,996	227,511
Transportation:			
Capital Outlay	6,350	-	6,350
Total Transportation	6,350	-	6,350
Debt Service:			
Principal retirement	148,721	148,721	-
Interest and fiscal charges	624	624	-
Total Debt Service	149,345	149,345	-
Total Expenditures	741,202	507,341	233,861
Net Change in Fund Balances	(145,202)	(152,060)	(6,858)
Fund Balance, Beginning of Year	51,385	51,385	-
Prior Year Encumbrances Appropriated	112,202	112,202	-
Fund Balance, End of Year	\$ 18,385	\$ 11,527	\$ (6,858)

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

POLICE FUND 1

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Fines and forfeitures	\$ 98,050	\$ 100,631	\$ 2,581
Total Revenues	<u>98,050</u>	<u>100,631</u>	<u>2,581</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Materials and Supplies	3,000	2,975	25
Other Expenditures	37,811	36,897	914
Total Expenditures	<u>40,811</u>	<u>39,872</u>	<u>939</u>
Net Change in Fund Balances	57,239	60,759	3,520
Fund Balance, Beginning of Year	133,441	133,441	-
Prior Year Encumbrances Appropriated	161	161	-
Fund Balance, End of Year	<u>\$ 190,841</u>	<u>\$ 194,361</u>	<u>\$ 3,520</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

HILLIARD RECOVERY COURT FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 49,449	\$ 59,449	\$ 10,000
Total Revenues	49,449	59,449	10,000
Expenditures:			
Current:			
Public Health:			
Materials and Supplies	89,449	63,220	26,229
Total Expenditures	89,449	63,220	26,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,000)	(3,771)	36,229
Other Financing Sources:			
Transfers In	40,000	40,000	-
Total Other Financing Sources	40,000	40,000	-
Net Change in Fund Balances	-	36,229	36,229
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ 36,229	\$ 36,229

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

MAYOR'S COURT COMPUTER FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Fines and forfeitures	\$ 20,000	\$ 17,362	\$ (2,638)
Total Revenues	<u>20,000</u>	<u>17,362</u>	<u>(2,638)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	20,209	7,000	13,209
Materials and Supplies	12,200	10,842	1,358
Capital Outlay	20,000	879	19,121
Total Expenditures	<u>52,409</u>	<u>18,721</u>	<u>33,688</u>
Net Change in Fund Balances	(32,409)	(1,359)	31,050
Fund Balance, Beginning of Year	49,524	49,524	-
Prior Year Encumbrances Appropriated	2,209	2,209	-
Fund Balance, End of Year	<u>\$ 19,324</u>	<u>\$ 50,374</u>	<u>\$ 31,050</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

GENERAL GOVERNMENT GRANTS FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 200,000	\$ 224,012	\$ 24,012
Total Revenues	<u>200,000</u>	<u>224,012</u>	<u>24,012</u>
Expenditures:			
Current:			
Transportation:			
Contractual Services	7,500	7,200	300
Total Expenditures	<u>7,500</u>	<u>7,200</u>	<u>300</u>
Net Change in Fund Balances	192,500	216,812	24,312
Fund Balance, Beginning of Year	(188,013)	(188,013)	-
Fund Balance, End of Year	<u>\$ 4,487</u>	<u>\$ 28,799</u>	<u>\$ 24,312</u>

CITY OF HILLIARD, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

HERITAGE TRAIL DOG PARK FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Revenues:			
Miscellaneous	\$ 1,000	\$ -	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
 Net Change in Fund Balances	 1,000	 -	 (1,000)
 Fund Balance, Beginning of Year	 100	 100	 -
Fund Balance, End of Year	<u>\$ 1,100</u>	<u>\$ 100</u>	<u>\$ (1,000)</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

WATER AND SEWER REVENUE FUND

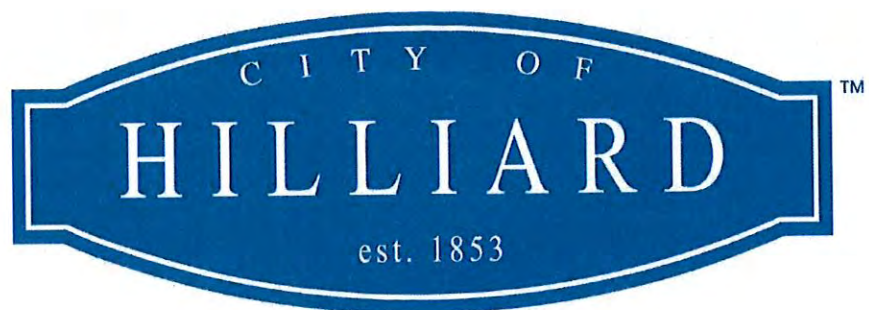
	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 2,335,000	\$ 1,885,958	\$ (449,042)
Miscellaneous	420,000	8,114	(411,886)
Total Revenues	<u>2,755,000</u>	<u>1,894,072</u>	<u>(860,928)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	1,393,912	1,360,853	33,059
Contractual Services	417,665	278,486	139,179
Materials and Supplies	169,141	149,150	19,991
Utilities	109,891	103,862	6,029
Other Expenditures	10,000	-	10,000
Capital Outlay	1,096,799	661,719	435,080
Total Basic Utility Services	<u>3,197,408</u>	<u>2,554,070</u>	<u>643,338</u>
Debt Service:			
Principal retirement	179,075	179,075	-
Interest and fiscal charges	110,925	110,925	-
Total Debt Service	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Total Expenditures	<u>3,487,408</u>	<u>2,844,070</u>	<u>643,338</u>
Net Change in Fund Balances	(732,408)	(949,998)	(217,590)
Fund Balance, Beginning of Year	534,322	534,322	-
Prior Year Encumbrances Appropriated	652,626	652,626	-
Fund Balance, End of Year	<u>\$ 454,540</u>	<u>\$ 236,950</u>	<u>\$ (217,590)</u>

CITY OF HILLIARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

STORM WATER UTILITY FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 1,200,000	\$ 1,159,349	\$ (40,651)
Miscellaneous	50,000	-	(50,000)
Total Revenues	<u>1,250,000</u>	<u>1,159,349</u>	<u>(90,651)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	694,806	677,676	17,130
Contractual Services	587,252	359,915	227,337
Materials and Supplies	32,043	7,304	24,739
Capital Outlay	189,395	59,007	130,388
Total Expenditures	<u>1,503,496</u>	<u>1,103,902</u>	<u>399,594</u>
Net Change in Fund Balances	(253,496)	55,447	308,943
Fund Balance, Beginning of Year	818,877	818,877	-
Prior Year Encumbrances Appropriated	45,105	45,105	-
Fund Balance, End of Year	<u>\$ 610,486</u>	<u>\$ 919,429</u>	<u>\$ 308,943</u>



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CITY OF HILLIARD, OHIO
NONMAJOR FUND DESCRIPTIONS – AGENCY FUNDS

Agency funds are used to account for assets held in a custodial capacity for individuals, private organizations, and other governmental units.

The **Public Art Fund** accounts for the acquisition of public art by the City, including the selection, acquisition, installation, maintenance, management, conservation, and commissioning of public art.

The **Mayor's Court Fund** accounts for the collection and distribution of court fines and forfeitures.

The **Escrow Fund** accounts for the collection and distribution of charges for plumbing and electrical inspections provided by the City of Columbus, Franklin County Board of Health, and electrical contractors. This fund also accounts for the collection and remittance of sewer capacity charges and public service department deposits.

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

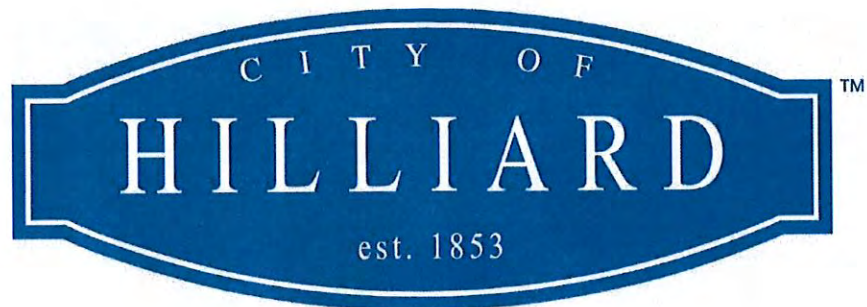
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2019**

	Public Art Fund	Mayor's Court Fund	Escrow	Total Agency Funds
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 150	\$ -	\$ 579,593	\$ 579,743
Cash and cash equivalents in segregated accounts	-	16,953	-	16,953
Accounts Receivable	-	-	22,023	22,023
Total assets	<u>\$ 150</u>	<u>\$ 16,953</u>	<u>\$ 601,616</u>	<u>\$ 618,719</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ 198,703	\$ 198,703
Due to other governments	-	-	363,317	363,317
Deposits held and due to others	150	16,953	39,596	56,699
Total liabilities	<u>\$ 150</u>	<u>\$ 16,953</u>	<u>\$ 601,616</u>	<u>\$ 618,719</u>

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Public Art Fund				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ -	\$ 150	\$ -	\$ 150
Total assets	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 150</u>
<u>Liabilities:</u>				
Deposits held and due to others	\$ -	\$ 150	\$ -	\$ 150
Total liabilities	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 150</u>
Mayor's Court Fund				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 21,451	\$ 25,673	\$ 30,171	\$ 16,953
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities:</u>				
Deposits held and due to others	\$ 21,451	\$ 385,215	\$ 389,713	\$ 16,953
Total liabilities	<u>\$ 21,451</u>	<u>\$ 385,215</u>	<u>\$ 389,713</u>	<u>\$ 16,953</u>
Escrow Fund				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 456,460	\$ 123,133	\$ -	\$ 579,593
Cash and cash equivalents in segregated accounts	-	-	-	-
Accounts receivable	24,409	22,023	24,409	22,023
Total assets	<u>\$ 480,869</u>	<u>\$ 145,156</u>	<u>\$ 24,409</u>	<u>\$ 601,616</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 198,703	\$ -	\$ 198,703
Due to other governments	441,273	3,166,640	3,244,596	363,317
Deposits held and due to others	39,596	-	-	39,596
Total liabilities	<u>\$ 480,869</u>	<u>\$ 3,365,343</u>	<u>\$ 3,244,596</u>	<u>\$ 601,616</u>
Total - All Agency Funds				
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 456,460	\$ 123,283	\$ -	\$ 579,743
Cash and cash equivalents in segregated accounts	21,451	25,673	30,171	16,953
Accounts receivable	24,409	22,023	24,409	22,023
Total assets	<u>\$ 502,320</u>	<u>\$ 170,979</u>	<u>\$ 54,580</u>	<u>\$ 618,719</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 198,703	\$ -	\$ 198,703
Due to other governments	441,273	3,166,640	3,244,596	363,317
Deposits held and due to others	61,047	385,365	389,713	56,699
Total liabilities	<u>\$ 502,320</u>	<u>\$ 3,750,708</u>	<u>\$ 3,634,309</u>	<u>\$ 618,719</u>



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STATISTICAL SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT

CITY OF HILLIARD, OHIO

CITY OF HILLIARD, OHIO

STATISTICAL SECTION

The statistical section of the City of Hilliard's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City of Grandview Heights's financial performance and well-being have changed over time.	138-143
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	144-150
Debt Capacity These schedules contain information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	151-154
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155-156
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	157-159

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

CITY OF HILLIARD, OHIO

Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)

	Restated (1)		2012	2013	Restated (2)		2015	2016	Restated (3)		2018	2019
	2010	2011			2014				2017			
Governmental activities:												
Net investment in capital assets	\$ 193,490,449	\$ 191,936,312	\$ 184,681,665	\$ 178,545,386	\$ 174,263,501	\$ 177,988,978	\$ 185,589,498	\$ 187,490,079	\$ 185,358,515	\$ 186,151,971		
Restricted	14,458,902	9,067,789	8,746,450	13,239,396	19,459,624	18,372,505	16,230,358	16,913,151	19,791,069	27,784,019		
Unrestricted	2,940,978	6,906,732	10,226,730	13,720,226	1,985,909	1,882,523	4,325,531	(10,162,656)	(15,482,624)	(7,756,460)		
Total governmental activities net position	<u>\$ 210,890,329</u>	<u>\$ 207,910,833</u>	<u>\$ 203,654,845</u>	<u>\$ 205,505,008</u>	<u>\$ 195,709,034</u>	<u>\$ 198,244,006</u>	<u>\$ 206,145,387</u>	<u>\$ 194,240,374</u>	<u>\$ 189,666,960</u>	<u>\$ 206,179,530</u>		

(1) Net Position at December 31, 2011 has been restated for a prior period adjustment and adoption of GASB Statement No. 65.

(2) Net Position at December 31, 2014 has been restated for adoption of GASB Statement No. 68

(3) Net Position at December 31, 2017 has been restated for adoption of GASB Statement No. 75.

City of Hilliard, Ohio

**Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues:										
Governmental activities										
Charges for services:										
General government	\$ 698,795	\$ 718,663	\$ 779,745	\$ 817,496	\$ 743,059	\$ 913,842	\$ 880,295	\$ 847,633	\$ 1,036,392	\$ 820,258
Security of persons and property	1,032,105	974,688	1,009,245	978,586	895,958	900,810	922,948	1,068,701	1,015,084	1,168,877
Leisure time activity	942,536	1,033,362	1,109,563	1,453,629	1,037,505	1,046,213	1,309,531	1,152,698	1,137,108	898,527
Community Environment	1,540,679	1,459,453	1,920,796	2,901,063	2,797,942	2,784,666	3,105,178	3,165,149	3,049,967	2,982,479
Basic Utility Services	1,466,740	2,069,699	1,954,915	2,951,504	3,421,040	3,159,736	4,830,460	3,278,450	2,874,739	3,036,734
Operating grants & contributions	1,312,293	1,287,341	1,483,970	1,782,427	2,246,982	2,383,121	2,195,900	2,538,885	1,933,005	2,831,895
Capital grants & contributions	4,106,822	6,544,552	415,449	2,120,629	6,087,335	4,500,410	8,713,838	7,242,347	5,758,043	9,200,710
Total governmental activities program revenues	11,099,970	14,087,758	8,675,683	13,005,334	17,229,821	15,688,798	21,958,150	19,293,863	16,804,338	20,939,480
Expenses:										
Governmental activities										
General government	4,820,699	5,889,987	5,881,654	4,396,977	6,234,614	6,449,722	12,247,477	11,597,782	9,598,793	11,057,514
Security of persons and property	8,553,689	8,440,519	8,228,460	8,377,988	11,406,237	9,746,509	10,955,413	10,957,889	13,265,766	3,196,562
Public health	171,913	165,311	182,270	186,809	194,357	225,000	237,546	256,406	261,020	383,820
Leisure time activity	2,911,718	3,272,969	3,252,501	3,282,870	3,347,217	3,706,740	4,442,567	6,421,668	6,432,175	5,304,673
Community Environment	3,091,413	2,621,951	3,491,170	3,571,243	3,437,303	3,846,005	3,856,330	4,365,272	4,324,565	5,185,444
Basic Utility Services	7,254,778	6,604,081	7,407,870	8,804,498	7,407,729	8,337,911	8,242,381	8,563,635	9,165,715	7,691,113
Transportation	8,404,994	7,940,453	7,490,224	8,523,821	11,946,188	10,363,941	8,759,098	11,985,105	14,286,319	13,371,260
Interest & fiscal charges	2,599,540	2,639,621	2,775,651	2,326,249	1,774,916	1,861,659	2,094,479	1,875,982	1,999,922	2,154,572
Total governmental activities expenses	37,808,744	37,574,892	38,709,800	39,470,455	45,748,561	44,537,487	50,835,291	56,023,739	59,334,475	48,344,958
Total net revenue (expense)	(26,708,774)	(23,487,134)	(30,036,117)	(26,465,121)	(28,518,740)	(28,848,689)	(28,877,141)	(36,729,876)	(42,530,137)	(27,405,478)

(Continued)

General Revenues:										
Governmental activities										
Property Taxes Levied for General Purposes	\$ 1,682,554	\$ 1,924,547	\$ 1,978,442	\$ 1,490,038	\$ 1,483,891	\$ 1,418,846	\$ 1,429,888	\$ 1,526,373	\$ 1,484,966	\$ 1,560,782
Municipal Income Tax Levied for General Purposes	11,470,507	10,996,978	12,292,843	14,350,910	14,337,297	15,172,841	18,445,021	18,729,749	18,295,358	19,747,028
Municipal Income Tax Levied for Transportation	747,888	384,371	885,947	466,492	1,212,529	1,536,470	2,458,263	3,170,538	2,797,729	2,930,642
Municipal Income Tax Levied for Capital Outlay	4,072,798	3,946,978	4,392,930	4,939,135	5,160,611	5,585,976	6,967,455	7,297,194	7,033,170	7,326,606
Payments in Lieu of Taxes	1,846,750	2,391,513	1,243,970	3,008,635	5,038,316	7,383,674	6,238,064	7,201,942	6,211,070	10,095,391
Grants and entitlements not restricted to specific programs	1,099,064	1,695,078	2,301,949	1,105,845	693,035	770,008	706,750	731,344	989,732	831,774
Unrestricted Investment Earnings	156,648	141,361	60,420	57,494	33,531	73,377	199,018	332,676	728,040	1,008,576
Miscellaneous	376,594	455,810	581,217	361,580	356,074	508,900	334,063	255,019	416,458	417,249
Total governmental activities	<u>21,452,803</u>	<u>21,936,736</u>	<u>23,737,718</u>	<u>25,780,129</u>	<u>28,315,284</u>	<u>32,450,092</u>	<u>36,778,522</u>	<u>39,244,835</u>	<u>37,956,523</u>	<u>43,918,048</u>
Total primary government change in net position	<u>\$ (5,255,971)</u>	<u>\$ (1,550,398)</u>	<u>\$ (6,298,399)</u>	<u>\$ (684,992)</u>	<u>\$ (203,456)</u>	<u>\$ 3,601,403</u>	<u>\$ 7,901,381</u>	<u>\$ 2,514,959</u>	<u>\$ (4,573,614)</u>	<u>\$ 16,512,570</u>

Source: City financial records.

CITY OF HILLIARD, OHIO

Program Revenues by Function/Program Last Ten Years (Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function / Program:										
Governmental Activities										
General Government	\$ 698,795	\$ 718,663	\$ 990,070	\$ 828,746	\$ 747,058	\$ 932,505	\$ 880,295	\$ 1,340,133	\$ 1,036,392	\$ 1,029,141
Security of Persons and Property	1,052,600	974,688	1,009,245	1,006,477	967,999	972,845	1,012,271	1,152,659	1,097,768	1,457,559
Public Health	-	-	-	-	-	-	-	-	-	59,449
Leisure Time Activities	992,536	1,053,018	1,109,563	1,483,629	1,037,505	1,255,051	1,493,030	1,154,048	1,137,108	1,038,500
Community Environment	1,540,679	1,459,453	2,089,648	2,901,063	2,797,942	2,784,666	3,105,178	3,165,149	3,049,967	3,288,134
Basic Utility Services	2,436,329	5,214,730	2,036,875	4,053,801	7,738,258	7,586,211	10,519,988	8,151,546	4,495,498	7,769,175
Transportation	4,379,031	4,667,206	1,438,282	2,731,618	3,941,159	2,157,520	4,947,388	4,330,328	5,987,605	6,297,522
Total Governmental Activities Program Revenues	\$ 11,099,970	\$ 14,087,758	\$ 8,673,683	\$ 13,005,334	\$ 17,229,821	\$ 15,688,798	\$ 21,958,150	\$ 19,293,863	\$ 16,804,338	\$ 20,939,480

Source: City financial records.

City of Hilliard, Ohio

Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ -	\$ 28,179	\$ 26,723	\$ 25,268	\$ 26,774	\$ 40,817	\$ 40,542	\$ 71,894	\$ 81,675	\$ 55,314
Committed	-	204,888	186,706	224,637	221,970	86,232	150,297	83,789	464,683	-
Assigned	-	520,519	300,101	113,892	189,754	344,930	1,412,497	7,046,953	2,515,773	2,337,093
Unassigned	-	3,055,755	5,132,224	9,146,578	10,340,785	11,937,982	14,144,814	9,023,648	11,421,542	14,384,131
Reserved	188,231	-	-	-	-	-	-	-	-	-
Unreserved	3,161,504	-	-	-	-	-	-	-	-	-
Total general fund	3,349,735	3,809,341	5,645,754	9,510,375	10,779,283	12,409,961	15,748,150	16,226,284	14,483,673	16,776,538
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	-	-	23,759
Restricted	-	8,287,493	10,453,741	16,177,842	20,434,858	19,509,382	17,168,002	15,310,227	17,820,365	25,211,320
Committed	-	5,773,016	4,961,934	4,566,178	4,157,852	3,851,332	4,764,514	5,073,581	4,963,391	4,865,296
Unassigned	-	(12,904)	(12,904)	-	(14,663)	(4,161)	(637,643)	(199,713)	(188,013)	-
Reserved	6,622,551	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Special revenue funds	6,615,484	-	-	-	-	-	-	-	-	-
Debt service funds	(12,904)	-	-	-	-	-	-	-	-	-
Capital project funds	434,163	-	-	-	-	-	-	-	-	-
Total all other governmental funds	13,659,294	14,047,605	15,402,771	20,744,020	24,578,047	23,356,553	21,294,873	20,184,095	22,595,743	30,100,375
Total governmental funds	\$ 17,009,029	\$ 17,856,946	\$ 21,048,525	\$ 30,254,395	\$ 35,357,330	\$ 35,766,514	\$ 37,043,023	\$ 36,410,379	\$ 37,079,416	\$ 46,876,913

Source: City financial records.

City of Hilliard, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property and other taxes	\$ 1,936,497	\$ 1,981,224	\$ 1,489,345	\$ 1,559,706	\$ 1,441,796	\$ 1,462,509	\$ 1,429,658	\$ 1,528,261	\$ 1,486,272	\$ 1,563,190
Municipal income tax	16,050,554	17,436,327	18,739,268	20,843,443	20,227,766	25,790,575	27,615,153	27,941,266	28,495,230	29,833,908
Payment in lieu of taxes	2,331,405	2,333,600	3,008,635	5,038,316	7,383,674	5,319,823	6,238,064	7,201,942	6,211,070	10,095,391
Intergovernmental	7,464,964	7,103,146	2,765,621	3,021,748	4,550,308	3,198,900	3,471,002	5,401,377	5,052,647	3,558,197
Charges for services	4,278,597	4,741,570	5,474,971	6,372,169	6,755,577	6,878,488	7,667,567	7,192,206	7,505,612	7,402,925
Licenses and Permits	1,745,589	1,183,422	821,486	2,174,933	1,968,205	1,529,826	3,118,344	1,913,121	1,098,603	1,079,394
Fines and Forfeitures	292,669	330,873	397,752	389,424	337,475	307,757	261,398	403,899	322,883	354,641
Investment Income	141,361	60,420	57,494	33,531	73,377	48,070	199,018	332,676	676,436	1,050,568
Special Assessments	813	-	-	-	-	-	-	-	-	-
Other	390,760	552,819	358,221	355,886	882,453	217,020	318,819	248,424	619,115	480,183
Total revenues	34,633,209	35,723,401	33,118,793	39,789,156	43,620,631	44,752,968	50,319,023	52,163,172	51,467,868	55,418,397
Expenditures:										
Current:										
General government	4,857,636	5,821,506	5,022,196	4,828,215	6,881,917	9,293,320	14,623,801	10,343,125	8,477,699	10,816,176
Security of persons and property	8,282,776	7,943,336	8,022,112	8,436,061	11,635,340	9,198,922	10,147,658	9,893,769	10,940,277	11,023,538
Public health	171,913	165,311	182,270	186,809	194,357	225,000	237,546	256,406	261,020	383,820
Leisure time activity	4,456,087	2,803,019	2,852,567	3,256,275	4,412,240	7,723,557	6,390,159	7,110,569	5,707,429	7,189,493
Community Environment	5,357,924	3,301,309	3,373,556	3,444,028	3,326,671	4,247,432	3,677,582	3,876,683	3,851,931	4,658,204
Basic Utility Services	1,937,183	1,697,650	2,362,492	3,264,874	2,480,971	3,482,900	4,046,696	3,493,862	3,292,141	2,777,782
Transportation	8,544,315	10,472,973	3,893,437	5,171,459	10,158,186	6,915,067	7,562,237	9,739,304	16,396,168	12,493,598
Debt service:										
Principal retirement	2,629,411	2,945,653	3,580,068	4,016,158	8,515,167	15,269,704	11,506,452	11,026,242	4,555,635	4,769,288
Interest and fiscal charges	2,637,382	2,898,735	2,870,941	2,275,495	1,660,868	1,786,954	2,049,620	2,070,924	2,176,434	2,123,684
Insurance costs	-	-	-	153,222	147,271	182,912	247,705	104,753	-	167,401
Total expenditures	38,874,627	38,050,492	33,059,639	35,032,596	49,413,188	58,329,768	60,489,436	57,915,637	55,658,734	56,402,984
Excess (deficiency) of revenues over (under) expenditures	(4,241,418)	(2,327,091)	59,154	4,756,560	(5,792,557)	(13,576,800)	(10,170,413)	(5,752,465)	(4,190,866)	(984,587)
Other financing sources (uses):										
Proceeds from Sale of capital assets	65,050	28,398	3,359	18,785	1,848	1,500	298,393	11,152	2,295	200
Issuance of General Obligation Bonds	-	8,020,000	2,480,000	8,905,000	-	8,745,000	3,855,000	4,655,000	-	1,022,964
Issuance of Bond Anticipation Notes	5,300,000	-	-	4,285,000	10,785,000	7,275,000	6,500,000	-	-	9,155,000
OWDA and OPWC Loans Issued	-	17,689	413,790	484,152	435,398	1,260,402	1,609,604	-	4,857,608	-
Premium on Debt	49,873	15,982	1,364,417	-	5,160,000	-	8,205,000	-	-	-
Refunding Bonds issued	-	-	8,605,000	-	-	-	(9,130,978)	453,669	-	-
Payment on Refunded Bonds or Notes	-	(5,300,000)	(9,754,141)	(9,243,627)	(5,486,754)	(3,295,918)	109,903	-	-	-
Inception of Capital Lease	-	392,939	-	-	-	-	1,880,000	-	-	5,066,817
Transfers in	-	-	-	-	-	2,308,880	(1,880,000)	3,500,000	5,600,000	(5,066,817)
Transfers out	-	-	-	-	-	(2,308,880)	(1,880,000)	(3,500,000)	(5,600,000)	10,782,084
Total other financing sources (uses)	5,414,923	3,175,008	3,132,425	4,449,310	10,895,492	13,985,984	11,446,922	5,119,821	4,859,903	-
Net change in fund balances	\$ 1,173,505	\$ 847,917	\$ 3,191,579	\$ 9,203,870	\$ 5,102,935	\$ 409,184	\$ 1,276,509	\$ (632,644)	\$ 669,037	\$ 9,797,497
Debt service as a percentage of noncapital expenditures	17.70%	19.50%	21.00%	19.80%	23.90%	35.50%	27.90%	25.20%	14.10%	15.53%

Source: City financial records.

City of Hilliard, Ohio

Income Tax Revenue by Payer Type (1)

Last Ten Years

(cash basis of accounting)

Year	Individual						Business Accounts		
	Withholding	Percentage of Total	Percentage of Total		Total Individual	Percentage of Total	Business Accounts	Percentage of Total	Total
			Non-withholding						
2010	\$ 13,465,563	77%	\$ 1,847,800	11%	\$ 15,313,363	88%	\$ 2,090,483	12%	\$ 17,403,846
2011	14,006,015	79%	2,066,913	12%	16,072,928	91%	1,665,297	9%	17,738,225
2012	14,755,373	77%	2,041,808	11%	16,797,181	88%	2,286,614	12%	19,083,795
2013	15,349,860	74%	2,234,458	11%	17,584,318	85%	3,257,488	15%	20,841,806
2014	16,261,933	71%	2,343,605	10%	18,605,538	81%	4,188,367	19%	22,793,905
2015	18,483,631	72%	2,494,808	10%	20,978,439	82%	4,845,020	18%	25,823,459
2016	19,960,118	72%	2,747,844	10%	22,707,962	82%	5,140,096	18%	27,848,058
2017	20,891,108	71%	2,822,321	10%	23,713,429	81%	5,823,710	19%	29,537,139
2018	21,891,108	75%	2,751,650	9%	24,642,758	84%	4,453,629	16%	29,096,387
2019	22,558,805	78%	2,743,212	10%	25,302,017	88%	3,465,029	12%	28,767,046

Source: City Income Tax Division

(1) Amounts are reported gross and do not take into account tax refunds. The City levies a municipal income tax of 2.0 percent. This rate has been the same for all ten years presented.

City of Hilliard, Ohio
Income Tax Revenue Fund Distribution (1)
Last Ten Years
(cash basis of accounting)

Year	General Fund	Capital Improvement Municipal Tax Fund	Street Improvement Municipal Tax Fund	Total	Percentage Increase/ (Decrease)
2010	\$ 12,165,853	\$ 4,014,340	\$ 527,842	\$ 16,708,035	2.30%
2011	12,184,246	4,341,568	840,456	17,366,270	3.94%
2012	13,395,426	4,633,040	503,694	18,532,160	6.71%
2013	14,040,629	5,057,600	1,200,169	20,298,398	9.53%
2014	15,151,065	5,578,415	1,535,563	22,265,043	9.69%
2015	16,996,835	6,326,264	1,981,958	25,305,057	13.65%
2016	18,061,105	6,834,152	2,442,267	27,337,524	8.03%
2017	18,133,490	6,954,543	2,738,843	27,826,876	1.79%
2018	18,647,738	7,174,676	2,869,870	28,692,284	3.11%
2019	18,302,567	6,793,028	2,694,269	27,789,864	-3.15%

Source: City Income Tax Department

(1) Net of refunds. The City levies a municipal income tax of 2.0 percent. This rate has been the same for all ten years presented.

City of Hilliard, Ohio
Principal Income Taxpayers - Withholding Accounts
 2019 and 2010

Range of Withholding Amount	2019		2010	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	4	26.58%	3	23.68%
\$300,001 - 500,000	4	6.89%	2	4.91%
\$100,001 - 300,000	16	11.61%	13	14.29%
\$55,001 - 100,000	33	10.92%	18	9.98%
Total		56.00%		52.86%
All Others		44.00%		47.14%
Total Withholding Accounts		100.00%		100.00%

Source: City Income Tax Department

City of Hilliard, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Year	Real Property (1)					Personal Property (2)		Total	Estimated Actual Value of Taxable Property	Direct Tax Rate	
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Valuation				% Growth
2010	\$ 685,969,370	\$ 1,508,590	\$ 126,497,550	\$ 51,110,680	\$ 90,260	\$ 865,176,450	\$ 11,735,180	\$ 876,911,630	-1.09%	\$ 2,518,873,434	\$ 1.60
2011	648,863,550	220,850	133,992,270	49,254,890	95,680	832,427,240	12,894,340	845,321,580	-3.60%	2,429,940,903	1.60
2012	650,106,670	202,650	132,537,670	48,868,730	102,050	831,817,770	12,999,270	844,817,040	-0.06%	2,428,619,280	1.60
2013	653,620,850	202,650	125,794,790	48,969,180	108,720	828,696,190	13,663,980	842,360,170	-0.29%	2,422,359,320	1.60
2014	676,482,330	334,970	130,957,970	45,693,090	113,600	853,581,960	13,802,040	867,384,000	2.97%	2,494,013,760	1.60
2015	686,255,690	334,970	143,948,700	45,300,260	109,640	875,949,260	17,439,680	893,388,940	3.00%	2,572,470,891	1.60
2016	706,508,020	476,840	159,045,970	57,459,820	99,510	923,590,160	22,083,010	945,673,170	5.85%	2,727,161,069	1.60
2017	769,568,760	748,160	180,804,500	50,425,820	95,820	1,001,643,060	29,546,200	1,031,189,260	9.04%	2,980,022,114	1.60
2018	776,314,380	748,160	187,088,920	52,540,450	93,500	1,016,785,410	41,337,640	1,058,123,050	2.61%	3,070,451,731	1.60
2019	789,481,110	748,160	191,380,070	52,844,290	95,930	1,034,549,560	43,200,910	1,077,750,470	1.85%	3,079,287,057	1.60
Total											

Source: Franklin County Auditor

- (1) Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal.
(2) Prior to 2006, the assessed valuation for personal property was based on varying percentages of true value (2.5 percent was used in the assessed values above). House Bill 66 (the State's biennial budget f

City of Hilliard, Ohio
Direct and Overlapping Property Tax Rates
Last Ten Years
(Per \$1,000 of Assessed Valuation)

<u>Tax Year</u>	<u>City of Hilliard General Fund</u>	<u>Hilliard City School District</u>	<u>Franklin County</u>	<u>Metropolitan Library</u>	<u>Norwich Township</u>	<u>Vocational School</u>	<u>Total</u>
2010	\$ 1.60	\$ 82.95	\$ 18.07	\$ 2.80	\$ 17.50	\$ 1.30	\$ 124.22
2011	1.60	89.35	18.07	2.80	17.50	1.60	130.92
2012	1.60	89.45	18.47	2.80	17.50	1.60	131.42
2013	1.60	89.45	18.47	2.80	21.62	1.60	135.54
2014	1.60	89.55	18.47	2.80	21.62	1.60	135.64
2015	1.60	89.55	18.47	2.80	21.62	1.60	135.64
2016	1.60	94.35	18.47	2.80	21.62	1.60	140.44
2017	1.60	93.75	18.92	2.80	21.62	1.60	140.29
2018	1.60	93.75	18.92	2.80	21.62	1.60	140.29
2019	1.60	93.75	19.12	2.80	21.62	1.60	140.49

Source: Franklin County Auditor

City of Hilliard, Ohio
Principal Property Tax Payers - Real Property
2019 and 2010

Taxpayer	2019			2010		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Villages at Britton LTD	\$ 16,450,010	1	1.62%			
AEP Ohio Transmission Company	12,344,030	2	1.21%			
MCI International INC	10,758,830	3	1.06%			
Heritage Green Gardens	9,975,000	4	0.98%			
M-BM LLC	8,575,000	5	0.84%			
Heritage Preserve Apartments II LLC	6,565,900	6	0.65%			
One Mill Run LP	6,215,450	7	0.61%			
PPOS 17 LLC	5,670,010	8	0.56%			
Riggins Road LLC	5,215,010	9	0.51%			
Latham Apartments LLC	4,848,730	10	0.48%			
G&I VI Heritage Green LLC				\$ 7,234,150	1	0.83%
Columbus Campus LLC				7,013,410	2	0.80%
Ansmil LLC				4,813,640	3	0.55%
Trueman LP				4,151,560	4	0.47%
Talcott III Mill Run LLC				4,139,780	5	0.47%
CSE Hilliard LLC				3,436,090	6	0.39%
Crystal Lakes Apartments				3,160,620	7	0.36%
Rich Products Corp.				2,546,990	8	0.29%
First Industrial LP				2,529,180	9	0.29%
Cadlerocks Hilliard				2,285,500	10	0.26%
Total Top 10 Real Property	86,617,970		7.52%	41,310,920		4.72%
All Others	930,307,090		92.48%	834,833,973		95.28%
Total Real Property Assessed Valuation	<u>\$ 1,016,925,060</u>		<u>100.00%</u>	<u>\$ 876,144,893</u>		<u>100.00%</u>

Source: Franklin County Auditor

City of Hilliard, Ohio
Property Tax Levies and Collections (1) (2)
Last Ten Years

Collection Year	Total Tax Levy (1) (2)	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections
2010	\$ 1,473,382	\$ 1,456,360	98.84%	\$ 51,583	\$ 1,507,943
2011	1,463,918	1,443,836	98.63%	26,067	1,469,903
2012	1,417,184	1,401,052	98.86%	23,016	1,424,068
2013	1,449,224	1,199,654	82.78%	36,053	1,235,707
2014	1,365,550	1,466,149	107.37%	27,364	1,493,513
2015	1,387,814	1,295,817	93.37%	29,743	1,325,560
2016	1,429,422	1,523,391	106.57%	31,900	1,555,291
2017	1,481,320	1,433,243	96.75%	29,816	1,463,059
2018	1,649,903	1,684,742	102.11%	121,610	1,806,352
2019	1,692,997	1,542,639	91.12%	102,571	1,645,210

Source: Franklin County Auditor

(1) State reimbursement of rollback and homestead exemptions are included

(2) Amounts listed include penalties and interest

Note: The county does not identify delinquent collections by the year for which the tax was levied.

City of Hilliard, Ohio
Computation of All Direct and Overlapping Governmental Debt
December 31, 2019

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to the City of Hilliard (1)</u>	<u>Amount Applicable to the City of Hilliard</u>
Direct			
City of Hilliard			
Loans Payable	\$ 7,340,941		\$ 7,340,941
General Obligation Bonds	50,875,000		50,875,000
Loans from Direct Borrowings	<u>5,636,678</u>		<u>5,636,678</u>
Total Direct Debt	<u>63,852,619</u>	<u>100.00%</u>	<u>63,852,619</u>
Overlapping Subdivisions			
Dublin City School District	89,393,377	.06	53,636
Franklin County	195,735,000	3.42	6,694,137
Solid Waste Authority of Central Ohio	<u>48,140,000</u>	3.26	<u>1,569,364</u>
Total Overlapping Debt	<u>333,268,377</u>		<u>8,317,138</u>
Total Direct and Overlapping Debt	<u>\$ 397,120,996</u>		<u>\$ 72,169,757</u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

(1) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

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

City of Hilliard, Ohio
*Ratio of Net General Obligation Bonded Debt to Estimated
Actual Value and General Obligation Bonded Debt Per Capita
Last Ten Years*

Collection Year	Net Bonded Debt (3)	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2010	\$ 50,786,564	\$ 2,518,873,434	28,935	2.02%	1,755
2011	55,994,999	2,429,940,903	29,250	2.30%	1,914
2012	55,859,717	2,428,619,280	28,524	2.30%	1,958
2013	53,129,330	2,422,359,320	28,595	2.19%	1,858
2014	49,772,640	2,494,013,760	28,723	2.00%	1,733
2015	52,679,797	2,572,470,891	28,952	2.05%	1,820
2016	53,507,370	2,727,161,069	29,331	1.96%	1,824
2017	54,155,568	2,980,022,114	34,631	1.82%	1,564
2018	49,736,479	3,070,451,731	37,063	1.62%	1,342
2019	55,011,206	3,079,287,057	38,106	1.79%	1,444

(1) Source: "Population Estimates," published by the Mid Ohio Regional Planning Commission

(2) Source: Franklin County Auditor (shown in thousands)

(3) Includes all general obligation debt financed with general governmental resources less balance available in General Obligation Bond Retirement Fund

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Hilliard, Ohio
Ratios of Outstanding Debt by Type
Governmental Activities
Last Ten Years

Year	Notes Payable	Loans Payable	General Obligation Bonds	Loans from Direct Borrowings	Total Outstanding Debt	Population(1)	Personal Income(2*)	Debt Per Capita	Percentage of Personal Income
2010	\$ 5,300,000	\$2,216,777	\$ 50,786,564	\$ 6,168,683	\$ 64,472,024	28,935	\$1,112,464	\$ 2,228	5.80%
2011	-	2,127,163	55,994,999	6,448,272	64,570,434	29,250	1,175,499	2,208	5.49%
2012	-	4,569,580	55,859,717	6,256,210	66,685,507	28,524	1,218,773	2,338	5.47%
2013	4,285,000	4,308,312	53,129,330	6,056,320	67,778,962	28,595	1,254,377	2,370	5.40%
2014	10,785,000	3,986,189	49,772,640	5,848,276	70,392,105	28,723	1,289,720	2,451	5.46%
2015	7,275,000	3,603,022	52,679,797	5,631,739	69,189,558	28,952	1,348,295	2,390	5.13%
2016	6,500,000	3,322,443	53,507,370	5,500,769	68,830,582	29,331	1,399,822	2,347	4.92%
2017	-	2,980,425	54,155,568	5,331,545	62,467,538	34,631	1,719,221	1,804	3.63%
2018	-	7,488,979	49,736,479	5,154,964	62,380,422	37,063	1,896,328	1,683	3.29%
2019	-	7,340,941	55,011,206	5,636,678	67,988,825	38,106	N/A	1,784	N/A

- (1) "Population Estimates," published by the Mid-Ohio Regional Planning Commission
(2) Computation of per capita personal income from MORPC multiplied by population (in thousands)
N/A - Information not available

City of Hilliard, Ohio
Legal Debt Margin Information
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Assessed Valuation	\$ 1,077,750,470	\$ 1,058,123,050	\$ 1,031,189,260	\$ 945,673,170	\$ 893,388,940	\$ 867,384,000	\$ 842,360,170	\$ 844,817,040	\$ 845,321,580	\$ 876,911,630
Overall debt limitation - 10.5% of assessed valuation	113,163,799	111,102,920	108,274,872	99,295,683	93,805,839	91,075,320	88,447,818	88,705,789	88,758,766	92,075,721
Total Indebtedness as of 12/31	50,875,000	45,800,000	49,830,000	55,690,000	56,410,000	57,835,000	50,370,000	53,130,000	54,320,000	54,325,000
Less Exempt Debt:										
Self Supporting	254,555	-	-	-	1,123,200	1,567,800	1,994,850	5,569,200	62,400	120,900
2002 Various Purpose-Water portion(39%)	254,555	-	-	-	1,123,200	1,567,800	1,994,850	5,569,200	5,904,600	6,228,300
2005 Various Purpose-Water portion(39%)									5,967,000	6,348,200
Total Self Supporting										
Income Tax Supported										
2002 Various Purpose(61%)	-	-	-	-	-	-	-	-	97,600	189,100
2003 Various Purpose	-	-	-	-	-	-	-	245,000	3,655,000	3,880,000
2009 Various Purpose	-	710,000	1,430,000	2,130,000	8,220,000	11,645,000	12,470,000	13,270,000	14,055,000	14,810,000
2011 Various Purpose	4,710,000	5,085,000	5,445,000	5,795,000	6,135,000	6,585,000	7,020,000	7,445,000	7,865,000	-
2012 Various Purpose	5,760,000	6,685,000	7,585,000	8,460,000	9,310,000	10,135,000	10,920,000	7,445,000	-	-
2013 Various Purpose	4,976,000	5,825,000	6,680,000	7,555,000	8,465,000	8,585,000	8,705,000	-	-	-
2014 Various Purpose	4,020,000	4,460,000	4,890,000	4,940,000	4,950,000	5,040,000	-	-	-	-
2015 Various Purpose	7,605,000	7,820,000	8,030,000	8,230,000	8,425,000	-	-	-	-	-
2016 Various Purpose	10,550,000	10,945,000	11,335,000	11,715,000	-	-	-	-	-	-
2017 Various Purpose	4,100,000	4,270,000	4,435,000	-	-	-	-	-	-	-
2019 Various Purpose	8,855,000	-	-	-	-	-	-	-	-	-
Notes										
Total Income Tax Supported	50,576,000	45,800,000	49,830,000	55,325,000	52,820,000	52,775,000	43,400,000	28,405,000	25,672,600	5,300,000
Amount available in the debt service fund	-	-	-	-	-	-	-	-	-	-
Total Exempt Debt	50,830,555	45,800,000	49,830,000	55,325,000	53,943,200	54,342,800	45,394,850	33,974,200	31,639,600	30,528,300
Net Debt Subject to Limitation	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150	19,155,800	22,680,400	23,796,700
Legal debt margin within 10.5% limitation	\$ 113,119,354	\$ 111,102,920	\$ 108,274,872	\$ 98,930,683	\$ 91,339,039	\$ 87,583,120	\$ 83,472,668	\$ 69,549,989	\$ 66,078,366	\$ 68,279,021
Percentage of Net Debt to Assessed Value	0.00%	0.00%	0.00%	0.04%	0.28%	0.40%	0.59%	2.27%	2.68%	2.71%
Percentage of Legal Debt Limit	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Percentage of Legal Debt Margin	10.50%	10.50%	10.50%	10.46%	10.22%	10.10%	9.91%	8.23%	7.82%	7.79%
Unvoted debt limitation 5.5% of assessed valuation	\$ 59,276,276	\$ 58,196,768	\$ 56,715,409	\$ 52,012,024	\$ 49,136,392	\$ 47,706,120	\$ 46,329,809	\$ 46,464,937	\$ 46,492,687	\$ 48,230,140
Total Indebtedness as of 12/31	50,875,000	45,800,000	49,830,000	55,690,000	56,410,000	57,835,000	50,370,000	53,130,000	54,320,000	54,325,000
Less Total Exempt Debt	50,830,555	45,800,000	49,830,000	55,325,000	53,943,200	54,342,800	45,394,850	33,974,200	31,639,600	30,528,300
Net Debt Subject to Limitation	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150	19,155,800	22,680,400	23,796,700
Legal debt margin within 5.5% limitation	\$ 59,231,831	\$ 58,196,768	\$ 56,715,409	\$ 51,647,024	\$ 46,669,592	\$ 44,213,920	\$ 41,354,659	\$ 27,309,137	\$ 23,812,287	\$ 24,433,440
Percentage of Net Debt to Assessed Value	0.00%	0.00%	0.00%	0.04%	0.28%	0.40%	0.59%	2.27%	2.68%	2.71%
Percentage of Legal Debt Limit	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Percentage of Legal Debt Margin	5.50%	5.50%	5.50%	5.46%	5.22%	5.10%	4.91%	3.23%	2.82%	2.79%

Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

City of Hilliard, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Per Capita Income (5)	School Enrollment (6)	Unemployment Rate Franklin County Area (3)	Total Assessed Property Value (4)
2010	28,935	\$ 1,112,464	\$ 38,447	15,634	7.6%	\$ 876,911,630
2011	29,250	1,175,499	40,188	15,689	6.3%	845,321,580
2012	28,524	1,218,773	42,728	15,726	5.4%	844,817,040
2013	28,595	1,254,377	43,867	15,758	5.2%	842,360,170
2014	28,723	1,289,720	44,902	16,864	3.7%	867,384,000
2015	28,952	1,348,295	46,570	16,045	3.4%	893,388,940
2016	29,331	1,399,822	47,725	16,059	3.4%	945,673,170
2017	34,631	1,719,221	49,644	16,290	3.3%	1,031,189,260
2018	37,063	1,896,328	51,165	16,524	3.2%	1,058,123,050
2019	38,106	N/A	N/A	16,642	3.1%	1,077,750,470

Source: (1) "Population Estimates," published by the Mid Ohio Regional Planning Commission
(2) Computation of per capita personal income multiplied by population(in thousands)
(3) Ohio Labor Market Information
(4) Franklin County Auditor
(5) U.S. Department of Commerce, Bureau of Economic Analysis, Columbus MSA. Not available until 1999
(6) Hilliard City School District

City of Hilliard, Ohio

Principal Employers

2019 and 2010

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,880	1	7.37%	1,829	1	9.52%
Cellco Partnership dba Verizon	964	2	3.78%			
BMW Financial Services	857	3	3.36%	473	2	2.46%
Sedgwick Claims Mgmt Inc.	423	4	1.66%			
Micro Center Inc.	304	5	1.19%	257	6	1.34%
Echosphere LLC	234	6	0.92%	446	3	2.32%
R. E. Rich Family Holding Corp.	213	7	0.83%	270	5	1.40%
City of Hilliard	187	8	0.73%	227	7	1.18%
Advanced Drainage Systems	176	9	0.69%	97	10	0.50%
Armstrong World Industries	159	10	0.62%			
Verizon Business Network Services				326	4	1.70%
TALX UCM Services				225	8	1.17%
Redemtech Inc.				101	9	0.53%
Total Employees	5,397		21.16%	4,251		22.12%
All Other Employers	20,124		78.84%	14,967		77.88%
Total Employment within the City	25,521		100.00%	19,218		100.00%

Source: City Income Tax Department

City of Hilliard, Ohio
City Government Employees by Function/Program
Last Ten Years

Function/Program	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	45	45	47	47	45	45	44	44	40	40	45	54	41	41	51	53	41	81	40	79
Security of Persons and Property	48	48	48	48	47	47	40	40	44	44	54	54	49	50	58	58	70	74	76	79
Leisure Time Activities	19	29	18	28	18	28	18	28	18	28	15	25	19	48	16	30	19	40	19	36
Basic Utility Services	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Transportation	21	21	21	21	21	21	20	20	20	20	21	21	19	19	24	24	26	26	27	27
<i>Total Number of Employees</i>	<u>134</u>	<u>144</u>	<u>135</u>	<u>145</u>	<u>132</u>	<u>142</u>	<u>123</u>	<u>133</u>	<u>123</u>	<u>133</u>	<u>136</u>	<u>155</u>	<u>129</u>	<u>159</u>	<u>150</u>	<u>166</u>	<u>157</u>	<u>222</u>	<u>163</u>	<u>222</u>

Source: City Payroll Records

Note: Total number of employees does not include seasonal employees.

City of Hilliard, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Government Center	1	1	1	1	1	1	1	1	1	1
Security of Persons and Property:										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire/EMS Stations*	3	3	3	3	3	3	3	3	3	3
Leisure Time Activities (1):										
Number of Parks	22	23	23	24	24	25	26	26	26	26
Park Area (acres)	285.5	316	316	324	324	530,957	531	531	531	531.0
Number of Playgrounds	11	11	10	10	10	10	10	10	10	10
Number of Swimming Pools	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Basic Utility Services (2):										
Miles of Water Mains	130.1	131.9	131.9	132.4	133.5	135.1	137.7	140.1	140.8	143.9
Miles of Sanitary Sewers	142.7	144.7	145.3	146	147.5	150.7	154.4	155.8	156.8	159.2
Miles of Storm Sewers	123.4	126.7	126.8	127.6	128.6	130.5	133.0	134.8	136.1	143.3
Transportation (2)										
Miles of Streets	111.4	112.9	112.9	114.0	115.0	117.1	118.6	120.1	121.3	124.1
Number of Street Lights	1,739	1,805	1,805	1,897	1,917	1,940	1,954	1,955	1,993	2,082
Number of Traffic Signal Systems	34	36	36	36	36	36	36	36	36	0

*Fire Protection provided by Norwich Township
N/A - Information not available

Source: City capital asset records

(1) Provided by City Parks & Rec Dept.

(2) Provided by City Engineering Dept.

City of Hilliard, Ohio
Operating Indicators by Function/Program
Last Ten Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Active Income Tax Accounts										
Individual	16,654	16,901	18,397	17,734	17,788	16,923	17,816	17,584	17,577	21,406
Business	1,425	3,007	1,664	3,650	1,866	1,887	1,935	1,750	2,138	2,195
Withholding	1,708	4,427	2,546	5,339	2,842	3,057	3,228	3,237	3,397	3,487
Clerk of Courts:										
Traffic Court Cases	1,879	2,440	2,153	2,962	2,472	2,826	1,862	1,915	2,418	2,212
Security of Persons and Property:										
Police Calls	46,017	46,048	47,798	51,864	50,934	48,064	40,512	36,478	40,361	43,744
Physical Arrests	874	1,017	1,570	1,662	1,051	1,062	785	856	1,023	931
Citations	3,005	3,779	3,352	4,076	4,118	3,778	2,353	2,402	2,874	2,717
Parking Violations	65	44	38	207	374	66	179	369	344	262
Leisure Time Activities:										
Swimming Pool Revenue	611,778	656,037	724,922	709,491	608,941	561,749	554,069	565,007	838,335	893,909
Community Center Revenue	233,181	236,675	244,395	263,564	274,665	305,013	298,890	218,572	179,141	299,953
Senior Center Revenue	86,919	69,882	81,937	91,734	80,191	77,149	84,457	81,497	77,870	80,502

Source: Department annual reports

1 The Regional Income Tax Agency (RITA) changed how they reported the number of active income tax accounts for the business and withholding categories in 2011. The City joined RITA in July 2007. In 2009 and 2010 RITA counted businesses that were located in various cities in the city that had the largest amount of withholding and/or the highest amount of tax paid by the business. In 2011, every city that received a return from a business is included in the appropriate category.

