

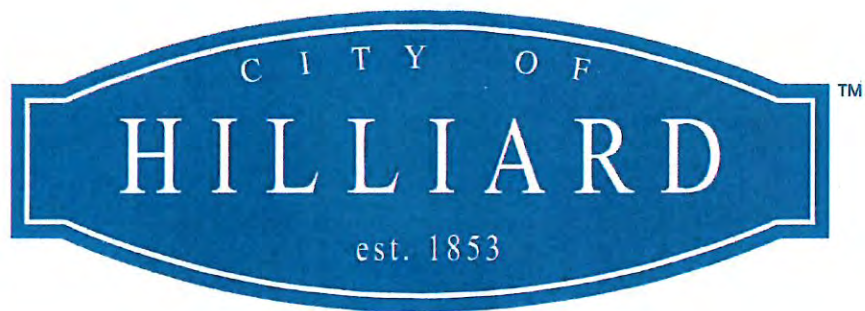


COMPREHENSIVE ANNUAL FINANCIAL REPORT

Michelle Crandall, City Manager



**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2020**



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City of Hilliard, Ohio
Franklin County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

Prepared by:
Department of Finance

David D. Delande
Director

Greg A. Tantari
Deputy Director

**CITY OF HILLIARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

TABLE OF CONTENTS

TITLE	PAGE
INTRODUCTORY SECTION	1
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	9
Principal Officials	10
City Organizational Chart	11
FINANCIAL SECTION	13
Independent Auditor's Report	15
Management's Discussion & Analysis	19
Basic Financial Statements:	29
Government-wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) - General Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) - TIF Fund	38
Statement of Net Position – Internal Service Fund	39
Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Fund	40
Statement of Cash Flows – Internal Service Fund	41
Statement of Fiduciary Net Position	42
Statement of Changes in Fiduciary Net Position	43

CITY OF HILLIARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

Notes to the Basic Financial Statements	45
REQUIRED SUPPLEMENTARY INFORMATION SECTION	93
Pension Trend Data	94
OPEB Trend Data	98
Notes to the Required Supplementary Information	102
SUPPLEMENTARY INFORMATION SECTION	105
Major Fund Descriptions	106
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual:	
General Fund	108
Construction Inspection Fund	111
Police Benevolent Fund	112
TIF Fund	113
Capital Improvement Municipal Tax Fund	114
Nonmajor Fund Descriptions - Special Revenue Funds	116
Combining Balance Sheet - Nonmajor Special Revenue Funds	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	120
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual:	
Street Maintenance and Repair Fund	122
County Municipal Motor Vehicle Tax Fund	123
Street Improvement Municipal Tax Fund	124
Park Maintenance Fund	125
Police Fund	126
Mayor's Court Computer Fund	127
Hilliard Recovery Court Fund	128
General Government Grants Fund	129
Heritage Trail Dog Park Fund	130
Local Coronavirus Relief Fund	131
Water and Sewer Revenue Fund	132
Storm Water Utility Fund	133
Nonmajor Fund Descriptions - Fiduciary Funds	134

CITY OF HILLIARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

Combining Financial Statements - Fiduciary Funds:

Combining Statement of Fiduciary Net Position - Fiduciary Funds	135
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	136

STATISTICAL SECTION 138

Description of Contents	139
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Financial Trends:

Net Position by Component – Last Ten Years	140
Changes in Net Position – Last Ten Years	141
Program Revenue by Function/Program - Last Ten Years	142
Fund Balances, Governmental Funds - Last Ten Years	143
Changes in Fund Balances, Governmental Funds – Last Ten Years	144

Revenue Capacity:

Income Tax Revenue by Payer Type - Last Ten Years	146
Income Tax Revenue Fund Distribution - Last Ten Years	147
Principal Income Taxpayers - Withholding Accounts 2020 and 2011	148
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	149
Direct and Overlapping Property Tax Rates - Last Ten Years	150
Principal Property Tax Payers - Real Property 2020 and 2011	151
Property Tax Levies and Collections – Last Ten Years	152

Debt Capacity:

Computation of All Direct and Overlapping Governmental Debt as of December 31, 2020	153
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and General Obligation Bonded Debt per Capita – Last Ten Years	154
Ratio of Outstanding Debt by Type - Governmental Activities - Last Ten Years	155
Legal Debt Margin Information - Last Ten Years	156

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Years	157
Principal Employers 2020 and 2011	158

Operating Information:

City Government Employees by Function/Program – Last Ten Years	159
Capital Asset Statistics by Function/Program – Last Ten Years	160
Operating Indicators by Function/Program – Last Ten Years	161



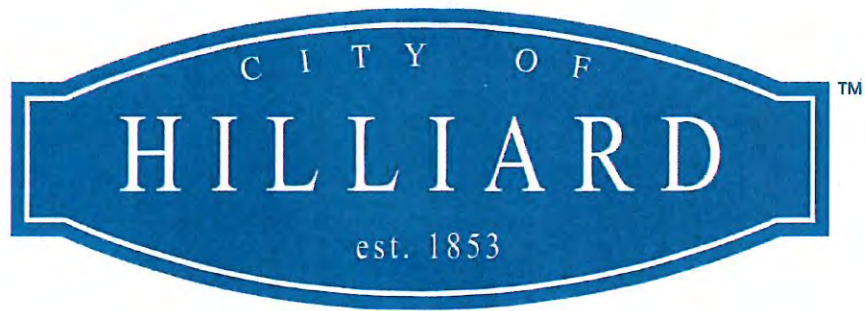
INTRODUCTORY SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT

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



**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2020**



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Finance Department

June 25, 2021

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

We are pleased to submit to you the Comprehensive Annual Financial Report (Annual Report) of the City of Hilliard (the City) for the year ended December 31, 2020. This Annual Report 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, 2020. 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 is in the western half of Franklin County in portions of Norwich, Washington and Brown Townships. It is 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 1800s and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950s, 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 36,411 for 2020.

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 5, 2020 effective January 1, 2020. The City charter lays out guidelines for city officials, businesses and residents. The city charter is revisited every 10 years by a review commission that evaluates the charter relative to current events and recommends any potential revisions. This approach ensures a balance between stability and flexibility.

Beginning Jan. 1, 2020, the City of Hilliard began operating under a Council/City Manager form of government.

City Council is composed of seven council members, each elected to a staggered four-year term. City Council members represent all residents living within Hilliard city boundaries. As Hilliard's legislative body, City Council sets policy, establishes goals, and oversees the municipal government's annual budget.

A City Manager is hired by City Council to oversee the departments and to manage the day-to-day operations of the city. The City Manager reports directly to City Council and implements the City's operating and capital budgets (as approved by City Council.) City Council directs the City Manager to enter into contracts and perform certain actions on the City's behalf.

City Council establishes various policies by enacting legislation. The City Manager implements those policies as directed by Council. As defined by the City of Hilliard's Charter, the City Manager oversees all departments and divisions of the municipal government, including hiring and firing of City employees.

The City's leadership team reports directly to the City Manager and includes directors for the following departments: Public Safety (Police), Finance and Taxation, Community Development (including Planning, Engineering, Transportation and Mobility, and Building Standards), Operations, Recreation and Parks, Economic Development, Human Resources, Community Relations, Law, and Information Technology.

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).

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 City Manager to submit to Council on or before October 15th of each year an operating 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 2020 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 2020 of 3.3 percent while the State of Ohio was at an annual average 4.7 percent unemployment rate at the end of 2020 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

Despite the impact of the COVID-19 pandemic, 2020 ended as strong year for new development and company expansions in the City of Hilliard. Low vacancy rates for office, industrial and retail properties led to more than \$11 million in new commercial construction permits.

Businesses continue to see the benefit of locating to or expanding in the City of Hilliard. Amazon Data Services purchased two sites, including a 104-acre site from the City of Hilliard for the construction of a new data center facilities. At full buildout, these projects are expected to create 280 jobs and more than \$480 million in new investment in our community, 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 completed construction of two new hotels that will add 178 new rooms for visitors to our community.

The City of Hilliard constructed a \$3.5 million fiber optic infrastructure project that will help the community to attract new investments in technology and advanced manufacturing. Converge Technologies is 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.

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 completed a major street reconstruction and beautification project on Franklin Street.

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 (Annual Report) for the fiscal year ended December 31, 2019. This was the twenty-eighth 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 Annual Report 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.

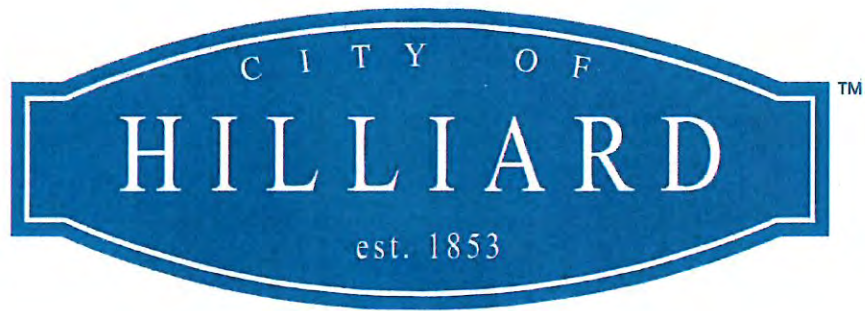
We wish to convey our appreciation to the City Administration and to the City Council for their support and for providing the necessary funds to prepare and publish this report.

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, 2019

Christopher P. Morill

Executive Director/CEO

City of Hilliard, Ohio

Principal Officials

December 31, 2020

Elected Officials

Name	Title	Term Expires	Service
Les Carrier	Council	12/31/2021	7
Tom Baker	Council	12/31/2021	7
Omar Tarazi	Council	12/31/2023	2
Kelly McGivern	Council	12/31/2021	13
Andy Teater	President of Council	12/31/2021	3
Pete Marsh	Council	12/31/2023	3
Cynthia Vermillion	Council	12/31/2023	1

Appointed Officials

Name	Title	Term Expires	Service
Michelle Crandall	City Manager	Contract	1
Vacant	Community Development Director	Indefinite	0
David D. Delande	Director of Finance	Indefinite	26
Frost Brown Todd LLC	Director of Law	Indefinite	2
Ed Merritt	Director of Recreation and Parks	Indefinite	3
David Meadows	Director of Economic Development	Indefinite	4
Julia Baxter	Director of Human Resource	Indefinite	4
Duane Powell	Director of Information Technology	Indefinite	2
David B. Ball	Director of Community Relations	Indefinite	3
Larry Lester	Operations Director	Indefinite	21
John Talentino	Planning Director	Indefinite	20
Ellette Schamp	Transportation/Mobility Director	Indefinite	23
Michael Hulsey	Building Standards Director	Indefinite	1
Robert Fisher	Police Chief	Indefinite	9
Diane Werbrich	Clerk of Council	Indefinite	1

City Address:

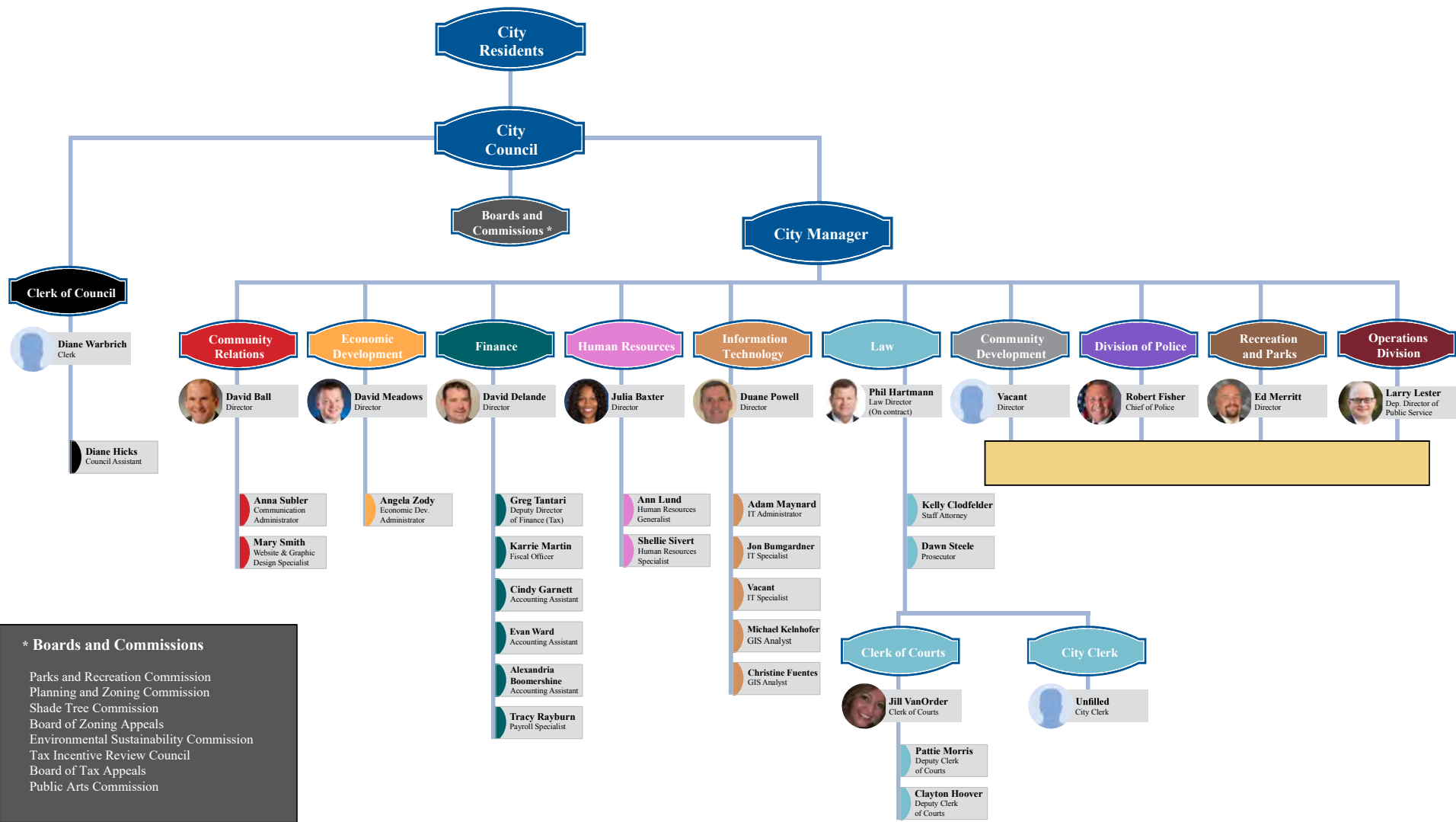
City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

CITY OF

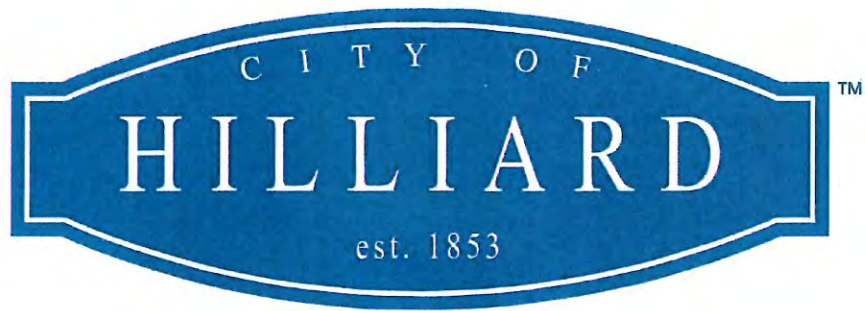
HILLIARD

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Organizational Chart (Departments / Divisions)



- * Boards and Commissions
- Parks and Recreation Commission
 Planning and Zoning Commission
 Shade Tree Commission
 Board of Zoning Appeals
 Environmental Sustainability Commission
 Tax Incentive Review Council
 Board of Tax Appeals
 Public Arts Commission



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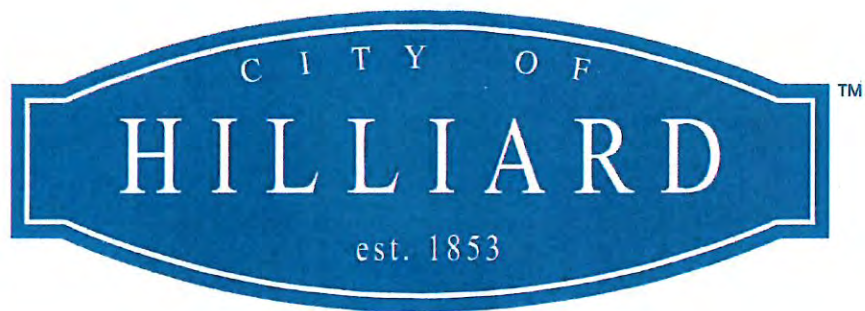


FINANCIAL SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT



**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2020**



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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, 2020, 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.

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, 2020, 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 21 to the financial statements, during 2020, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84 "*Fiduciary Activities*". As discussed in Note 22 to the financial statements, during 2020, 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 these matters.

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

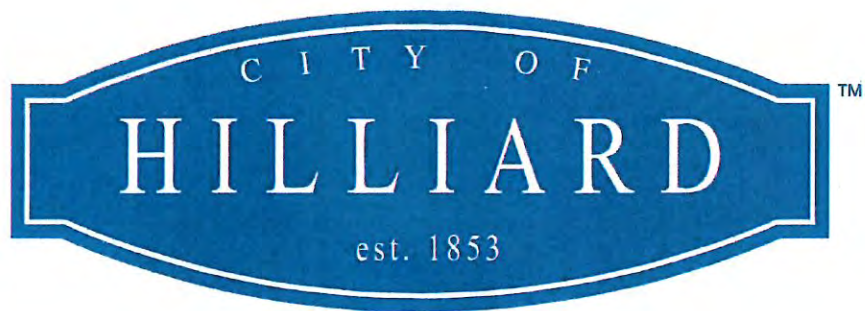
We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 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, Shannon & Son, Inc.

Newark, Ohio
June 25, 2021



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CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (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, 2020. 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 2020 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 \$217.8 million (net position), an increase of approximately \$11.2 million in comparison with the prior year.
- General revenues accounted for approximately \$54.5 million, or 76.5 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 23.5 percent, or approximately \$16.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$67.4 million, an approximately \$20.2 million increase in comparison with the prior year. Of this amount:
 - \$149,830 represents non-spendable balances for prepayments.
 - \$39.5 million is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
 - \$5.8 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.
 - \$2.8 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.
 - \$19.1 million is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned. This represents 74.6 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, 2020 (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 2020?" 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, 2020 (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 basic fiduciary fund financial statements can be found on pages 42-43 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 45 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 \$217.8 million.

CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (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 74.7 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, 2020, was approximately \$184.4 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, 2020 and December 31, 2019:

	<u>Net Position</u>	
	2020	Restated
	Governmental	2019
	<u>Activities</u>	<u>Governmental</u>
<u>Assets</u>		<u>Activities</u>
Current and other assets	\$ 84,933,771	\$ 67,170,555
Capital assets, net	<u>250,202,811</u>	<u>253,640,210</u>
Total assets	<u>335,136,582</u>	<u>320,810,765</u>
<u>Deferred Outflows of Resources</u>		
Total deferred outflows of resources	<u>9,901,671</u>	<u>15,533,458</u>
<u>Liabilities</u>		
Current and other liabilities	3,819,975	3,956,737
Long-term liabilities:		
Net pension liability	26,330,788	33,667,800
Net OPEB liability	9,694,222	8,891,763
Other amounts	<u>69,445,344</u>	<u>70,444,533</u>
Total liabilities	<u>109,290,329</u>	<u>116,960,833</u>
<u>Deferred Inflows of Resources</u>		
Total deferred inflows of resources	<u>17,971,894</u>	<u>12,800,947</u>
<u>Net Position</u>		
Net investment in capital assets	184,436,972	186,151,971
Restricted	40,445,382	27,784,019
Unrestricted	<u>(7,106,324)</u>	<u>(7,353,547)</u>
Total net position	<u>\$ 217,776,030</u>	<u>\$ 206,582,443</u>

CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (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 Capital Improvement Municipal Tax Fund. This increase is mainly due to the City selling land for approximately \$11.9 million during the fiscal year.

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

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 due to changes in the actuarial liabilities and related accruals that are passed through to the City's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and net pension/net OPEB liability are described in more detail in their respective notes.

Other long-term liabilities decreased significantly in comparison with the prior year. This decrease is primarily the result of the City reducing general obligation bonds outstanding at fiscal year-end by issuing general obligation refunding bonds as well as principal reduction payments made during the year.

Restricted net position increased significantly during 2020. This increase is primarily the result of the City selling land for approximately \$11.9 million during the fiscal year. Approximately \$40.4 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, 2020 (UNAUDITED)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2020 and 2019:

	<u>Change in Net Position</u>	
<u>Revenues</u>	<u>2020</u>	<u>2019</u>
Program revenues:		
Charges for services	\$ 9,055,893	\$ 8,906,875
Operating grants and contributions	5,170,521	2,831,895
Capital grants and contributions	2,479,926	9,200,710
Total program revenues	<u>16,706,340</u>	<u>20,939,480</u>
General revenues:		
Property taxes	1,572,343	1,560,782
Payments in lieu of taxes	10,175,566	10,095,391
Income taxes	32,978,704	30,004,276
Unrestricted grants and entitlements	970,935	831,774
Gain on sale of capital assets	7,437,475	-
Investment earnings	733,722	1,008,576
Miscellaneous	599,366	417,249
Total general revenues	<u>54,468,111</u>	<u>43,918,048</u>
Total revenues	<u>71,174,451</u>	<u>64,857,528</u>
<u>Expenses</u>		
General government	14,769,346	11,057,514
Security of persons and property	14,422,740	3,196,562
Public health	807,980	383,820
Leisure time activities	3,147,484	5,304,673
Community environment	4,299,354	5,185,444
Basic utility services	7,704,325	7,691,113
Transportation	12,637,519	13,371,260
Interest and fiscal charges	2,192,116	2,154,572
Total expenses	<u>59,980,864</u>	<u>48,344,958</u>
Change in net position	11,193,587	16,512,570
Net position at beginning of year, as restated	206,582,443	N/A
Net position at end of year	<u>\$ 217,776,030</u>	<u>\$ 206,582,443</u>

CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Capital grants and contributions decreased significantly in comparison with the prior fiscal year. This decrease is the result of a decrease in donated infrastructure received from developers in 2020. Operating grants increased significantly in comparison with the prior fiscal year. This increase is primarily the result of the City receiving CARES Act grant receipts during the fiscal year.

Gain on sale of capital assets increased significantly in comparison with the prior fiscal year. This increase is the result of the City selling land in 2020.

Security of persons and property expenditures increased significantly in comparison with the prior fiscal year. This increase is primarily the result of a change in net pension/OPEB liability. In 2019, OP&F changed its retiree health care model to a stipend-based health care model thus reducing its total OPEB liability. That change resulted in significantly lower net OPEB liability reported by the City in 2020.

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 2020 and 2019. 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.

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019*	Net Cost of Services 2019*
Program expenses				
General government	\$ 14,769,346	\$ 10,845,073	\$ 11,057,514	\$ 10,028,373
Security of persons and property	14,422,740	13,145,321	3,196,562	1,739,003
Public health	807,980	747,542	383,820	324,371
Leisure time activity	3,147,484	2,752,123	5,304,673	4,266,173
Community environment	4,299,354	1,729,147	5,185,444	1,897,310
Basic utility services	7,704,325	2,758,494	7,691,113	(78,062)
Transportation	12,637,519	9,104,708	13,371,260	7,073,738
Interest and fiscal charges	2,192,116	2,192,116	2,154,572	2,154,572
Total program expenses	<u>\$ 59,980,864</u>	<u>\$ 43,274,524</u>	<u>\$ 48,344,958</u>	<u>\$ 27,405,478</u>

* 2019 was not adjusted from the restatement. Any differences have been determined to be insignificant for analysis purposes.

The total costs of services covered by program revenues was 27.9 percent. As shown by the net cost of \$43.3 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, 2020 (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 \$67.4 million, an approximately \$20.2 million increase in comparison with the prior year. Of this amount, approximately \$19.1 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, 2020 and December 31, 2019 for all major and nonmajor governmental funds.

	Fund Balance 12/31/2020	Restated Fund Balance 12/31/2019	Increase
General	\$ 22,115,050	\$ 17,179,451	\$ 4,935,599
TIF	5,171,793	3,108,937	2,062,856
Capital Improvement Municipal Tax	30,456,496	18,913,650	11,542,846
Other governmental	9,704,493	8,077,788	1,626,705
Total	<u>\$ 67,447,832</u>	<u>\$ 47,279,826</u>	<u>\$ 20,168,006</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 \$19.1 million, or 74.6 percent of general fund expenditures.

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

<u>Revenues by Source</u>	<u>2020 Amount</u>	<u>2019 Amount*</u>
Property and other taxes	\$ 1,573,372	\$ 1,563,190
Municipal income taxes	22,949,736	19,636,288
Charges for services	3,603,995	4,072,410
Licenses and permits	2,212,320	1,067,894
Fines and forfeitures	137,939	236,798
Intergovernmental	924,680	666,245
Investment earnings	717,219	1,002,086
Miscellaneous	468,214	308,006
Total revenues - general fund	<u>\$ 32,587,475</u>	<u>\$ 28,552,917</u>

* 2019 was not adjusted from the restatement. Any differences have been determined to be insignificant for analysis purposes.

CITY OF HILLIARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Tax revenue represents 75.3 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>2020 Amount</u>	<u>2019 Amount*</u>
General government	\$ 7,397,313	\$ 7,310,649
Security of persons and property	11,036,663	10,809,735
Public health	445,984	330,680
Leisure time activities	2,343,809	3,561,221
Community environment	4,189,760	4,207,967
Basic Utility Service	215,000	-
Transportation	24,317	-
Total expenditures - general fund	<u>\$ 25,652,846</u>	<u>\$ 26,220,252</u>

* 2019 was not adjusted from the restatement. Any differences have been determined to be insignificant for analysis purposes.

General government and security of persons and property expenditures account for approximately \$18.4 million, or 71.9 percent, of total expenditures. Security of persons and property and general government expenditures remained constant in comparison with the prior fiscal year.

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 \$5.2 million, an increase of approximately \$2.1 million. This increase represents the amount in which receipts from payments in of taxes exceeded capital outlays, debt service and transfers to the Capital Improvement Municipal Tax Fund.

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 \$30.5 million, an increase of approximately \$11.5 million. This increase represents the amount in which receipts for municipal income taxes, transfers in from the TIF Fund and General Fund, proceeds from the issuance of bonds and loans, and proceeds from the sale of capital assets exceeded expenditures for various capital improvements and debt service.

The fund balance of the City's Other Governmental Funds increased approximately \$1.6 million during the year. This increase is primarily the result of municipal income taxes, charges for services, and CARES Act grant receipts.

CITY OF HILLIARD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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.

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 \$27.5 million came in approximately \$1.4 million lower than the final budgeted amounts.

The original budgeted expenditures of \$31.3 million came in approximately \$2.1 million lower than the final budgeted expenditures and other financing uses due to transfers to the Capital Improvement Municipal Tax fund. Final appropriations of approximately \$33.4 million were approximately \$4.9 million higher than actual expenditures and other financing uses of approximately \$28.4 million. The variance is primarily due to the City budgeting for salaries and benefits in the general fund that were covered by the local coronavirus relief fund through CARES Act grant revenue.

Capital Assets

At the end of 2020, the City had approximately \$250.2 million (net of accumulated depreciation) invested in land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, and construction in progress, a decrease of approximately \$3.4 million in comparison with the prior year. This decrease represents the amount in which net disposals of approximately \$4.9 million and depreciation expense of \$13.4 million exceeded capital outlays and contributions, totaling approximately \$14.8 million.

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

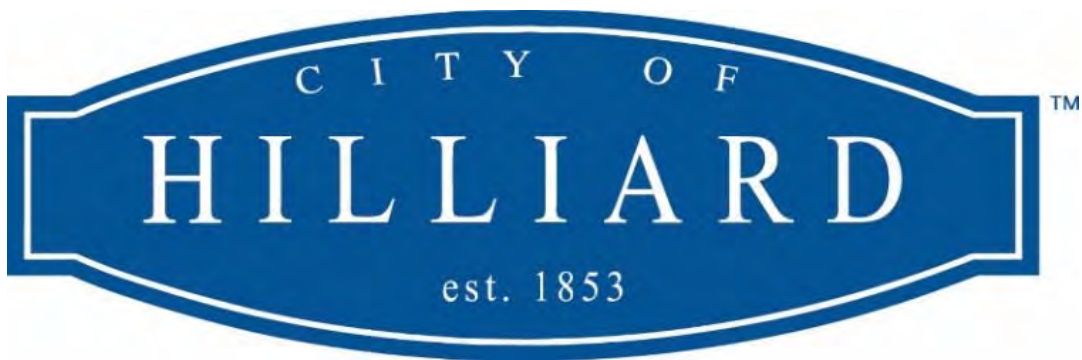
Debt Administration

At the end of 2020, the City had approximately \$66.9 million in long-term debt outstanding, a decrease of approximately \$1.1 million in comparison with the prior year. This decrease represents the amount in which principal reduction payments and premium amortization of approximately \$5.4 million exceeded new bonds and loans, totaling approximately \$8.8 million. In 2020, the City issued \$7.6 million in general obligation bonds for the purpose of refunding the Series 2011 general obligation bonds.

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
Franklin County, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 61,445,252
Cash and Cash Equivalents with Fiscal Agents	338,518
Property and Other Local Taxes Receivable	1,882,138
Payments in Lieu of Taxes Receivable	10,184,000
Municipal Income Taxes Receivable	9,039,486
Accounts Receivable	241,747
Accrued Interest Receivable	86,919
Due from Other Governments	1,565,881
Prepayments	149,830
Non-Depreciable Capital Assets	11,490,632
Depreciable Capital Assets, net	238,712,179
<i>Total Assets</i>	<u>335,136,582</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	1,272,228
Pension	5,024,399
OPEB	3,605,044
<i>Total Deferred Outflows of Resources</i>	<u>9,901,671</u>
Liabilities	
Accounts Payable	418,354
Accrued Wages and Benefits	484,693
Due to Other Governments	178,313
Matured Compensated Absences Payable	404,234
Claims Payable	93,906
Unearned Revenue	382,657
Retainage Payable	160,433
Accrued Interest Payable	197,385
Notes Payable	1,500,000
Long-Term Liabilities:	
Due Within One Year	6,800,881
Due In More Than One Year:	
Net Pension Liability	26,330,788
Net OPEB Liability	9,694,222
Other Amounts Due in More Than One Year	62,644,463
<i>Total Liabilities</i>	<u>109,290,329</u>
Deferred Inflows of Resources	
Property and Other Local Taxes	1,773,304
Payments in Lieu of Taxes	10,184,000
Pension	4,116,750
OPEB	1,897,840
<i>Total Deferred Inflows of Resources</i>	<u>17,971,894</u>
Net Position	
Net Investment in Capital Assets	184,436,972
Restricted for:	
Capital Outlay	30,491,177
Streets and Transportation	9,688,529
Other Purposes	265,676
Unrestricted (Deficit)	(7,106,324)
<i>Total Net Position</i>	<u>\$ 217,776,030</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 14,769,346	\$ 1,857,039	\$ 2,053,678	\$ 13,556	\$ (10,845,073)
Security of Persons and Property	14,422,740	877,772	397,150	2,497	(13,145,321)
Public Health	807,980	-	60,438	-	(747,542)
Leisure Time Activities	3,147,484	389,533	-	5,828	(2,752,123)
Community Environment	4,299,354	2,560,099	-	10,108	(1,729,147)
Basic Utility Service	7,704,325	3,366,039	-	1,579,792	(2,758,494)
Transportation	12,637,519	5,411	2,659,255	868,145	(9,104,708)
Interest and Fiscal Charges	2,192,116	-	-	-	(2,192,116)
<i>Total Governmental Activities</i>	<u>\$ 59,980,864</u>	<u>\$ 9,055,893</u>	<u>\$ 5,170,521</u>	<u>\$ 2,479,926</u>	<u>(43,274,524)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					1,572,343
Income Taxes Levied for:					
General Purposes					21,430,545
Transportation					3,299,402
Capital Outlay					8,248,757
Payments in Lieu of Taxes					10,175,566
Grants and Entitlements not Restricted to Specific Programs					970,935
Gain on Sale of Assets					7,437,475
Investment Earnings					733,722
Miscellaneous					599,366
<i>Total General Revenues</i>					<u>54,468,111</u>
<i>Change in Net Position</i>					11,193,587
<i>Net Position Beginning of Year, as Restated</i>					<u>206,582,443</u>
<i>Net Position End of Year</i>					<u>\$ 217,776,030</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	TIF	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 17,728,879	\$ 5,171,793	\$ 29,997,242	\$ 8,280,180	\$ 61,178,094
Cash and Cash Equivalents with Fiscal Agents	-	-	181	338,337	338,518
Property and Other Local Taxes Receivable	1,882,138	-	-	-	1,882,138
Payments in Lieu of Taxes Receivable	-	10,184,000	-	-	10,184,000
Income Taxes Receivable	5,875,666	-	2,259,871	903,949	9,039,486
Accounts Receivable	129,166	-	-	112,581	241,747
Accrued Interest Receivable	86,919	-	-	-	86,919
Due from Other Governments	353,199	83,640	-	1,129,042	1,565,881
Prepaid Items	126,900	-	15,352	7,578	149,830
<i>Total Assets</i>	<u>\$ 26,182,867</u>	<u>\$ 15,439,433</u>	<u>\$ 32,272,646</u>	<u>\$ 10,771,667</u>	<u>\$ 84,666,613</u>
Liabilities					
Accounts Payable	\$ 330,810	\$ -	\$ 55,917	\$ 31,627	\$ 418,354
Accrued Wages and Benefits	414,320	-	-	70,373	484,693
Due to Other Governments	158,197	-	-	20,116	178,313
Matured Compensated Absences Payable	371,286	-	-	32,948	404,234
Retainage Payable	-	-	158,397	2,036	160,433
Accrued Interest Payable	-	-	1,558	-	1,558
Unearned Revenue	382,657	-	-	-	382,657
Notes Payable	-	-	1,500,000	-	1,500,000
<i>Total Liabilities</i>	<u>1,657,270</u>	<u>-</u>	<u>1,715,872</u>	<u>157,100</u>	<u>3,530,242</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	1,773,304	-	-	-	1,773,304
Payments in Lieu of Taxes	-	10,184,000	-	-	10,184,000
Unavailable Revenue	637,243	83,640	100,278	910,074	1,731,235
<i>Total Deferred Inflows of Resources</i>	<u>2,410,547</u>	<u>10,267,640</u>	<u>100,278</u>	<u>910,074</u>	<u>13,688,539</u>
Fund Balances					
Nonspendable	126,900	-	15,352	7,578	149,830
Restricted	-	5,171,793	30,441,144	3,920,042	39,532,979
Committed	-	-	-	5,776,873	5,776,873
Assigned	2,843,460	-	-	-	2,843,460
Unassigned	19,144,690	-	-	-	19,144,690
<i>Total Fund Balance</i>	<u>22,115,050</u>	<u>5,171,793</u>	<u>30,456,496</u>	<u>9,704,493</u>	<u>67,447,832</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 26,182,867</u>	<u>\$ 15,439,433</u>	<u>\$ 32,272,646</u>	<u>\$ 10,771,667</u>	<u>\$ 84,666,613</u>

See accompanying notes to the basic financial statements.

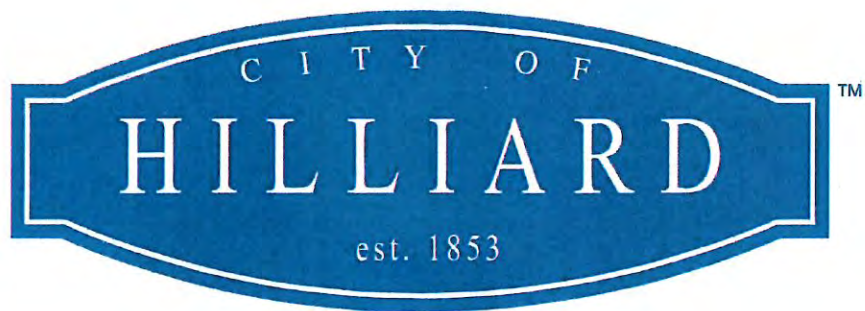
City of Hilliard
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020

Total Governmental Fund Balances		\$ 67,447,832
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		250,202,811
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Income Tax	\$ 401,112	
Property Tax	26,189	
Intergovernmental	1,196,030	
Accounts	81,789	
Interest	<u>26,115</u>	1,731,235
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		173,252
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(195,827)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		1,272,228
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	5,024,399	
Deferred Outflows - OPEB	3,605,044	
Net Pension Liability	(26,330,788)	
Net OPEB Liability	(9,694,222)	
Deferred Inflows - Pension	(4,116,750)	
Deferred Inflows - OPEB	<u>(1,897,840)</u>	(33,410,157)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(49,620,000)	
OPWC Loans	(7,373,405)	
Loans Payable	(5,323,243)	
Premium on bonds, net	(4,589,153)	
Compensated Absences	<u>(2,539,543)</u>	(69,445,344)
<i>Net Position of Governmental Activities</i>		<u><u>\$ 217,776,030</u></u>
See accompanying notes to the basic financial statements.		

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	General	TIF	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Taxes	\$ 1,573,372	\$ -	\$ -	\$ -	\$ 1,573,372
Municipal Income Taxes	22,949,736	-	8,833,062	3,533,124	35,315,922
Payments in Lieu of Taxes	-	10,175,566	-	-	10,175,566
Charges for Services	3,603,995	-	6,809	3,032,813	6,643,617
Licenses and Permits	2,212,320	-	25,704	-	2,238,024
Fines and Forfeitures	137,939	-	-	44,107	182,046
Intergovernmental	924,680	163,935	40,000	5,024,754	6,153,369
Investment Earnings	717,219	-	181	17,497	734,897
Miscellaneous	468,214	-	86,794	44,358	599,366
<i>Total Revenues</i>	<u>32,587,475</u>	<u>10,339,501</u>	<u>8,992,550</u>	<u>11,696,653</u>	<u>63,616,179</u>
Expenditures					
Current:					
General Government	7,397,313	2,875,484	3,303,180	2,201,091	15,777,068
Security of Persons and Property	11,036,663	-	616,725	412,623	12,066,011
Public Health	445,984	-	-	-	445,984
Leisure Time Activities	2,343,809	-	1,290,018	95,132	3,728,959
Community and Economic Development	4,189,760	-	2,496,335	-	6,686,095
Basic Utility Service	215,000	-	379,162	2,437,333	3,031,495
Transportation	24,317	4,498,256	1,626,464	4,409,311	10,558,348
Debt Service:					
Principal Retirement	-	235,000	4,577,176	350,421	5,162,597
Interest and Fiscal Charges	-	63,231	2,068,726	164,037	2,295,994
<i>Total Expenditures</i>	<u>25,652,846</u>	<u>7,671,971</u>	<u>16,357,786</u>	<u>10,069,948</u>	<u>59,752,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,934,629</u>	<u>2,667,530</u>	<u>(7,365,236)</u>	<u>1,626,705</u>	<u>3,863,628</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	971	-	11,883,786	-	11,884,757
Proceeds of Bonds	-	-	7,605,000	-	7,605,000
Proceeds of Loans	-	-	341,626	-	341,626
Premium on Debt Issued	-	-	876,550	-	876,550
Payment to Refunded Bond Escrow Agent	-	-	(4,403,555)	-	(4,403,555)
Transfers In	-	-	2,604,675	-	2,604,675
Transfers Out	(2,000,001)	(604,674)	-	-	(2,604,675)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,999,030)</u>	<u>(604,674)</u>	<u>18,908,082</u>	<u>-</u>	<u>16,304,378</u>
<i>Net Change in Fund Balances</i>	<u>4,935,599</u>	<u>2,062,856</u>	<u>11,542,846</u>	<u>1,626,705</u>	<u>20,168,006</u>
<i>Fund Balances Beginning of Year, as Restated</i>	<u>17,179,451</u>	<u>3,108,937</u>	<u>18,913,650</u>	<u>8,077,788</u>	<u>47,279,826</u>
<i>Fund Balances End of Year</i>	<u>\$ 22,115,050</u>	<u>\$ 5,171,793</u>	<u>\$ 30,456,496</u>	<u>\$ 9,704,493</u>	<u>\$ 67,447,832</u>

See accompanying notes to the basic financial statements.



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City of Hilliard
Franklin County, Ohio
*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, 2020*

Net Change in Fund Balances - Total Governmental Funds	\$ 20,168,006
<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 Asset Additions	\$ 14,849,787
Capital Asset Adjustments	(4,857,076)
Current Year Depreciation	<u>(13,430,110)</u>
	(3,437,399)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Income Tax	(2,337,218)
Property Tax	(1,029)
Intergovernmental	10,590
Accounts	(7,795)
Interest	<u>16,503</u>
	(2,318,949)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General Obligation Bonds	4,540,000
OPWC Loans	54,608
OWDA Loans	254,554
Loans Payable	<u>313,435</u>
	5,162,597
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term deferred outflows and liabilities.	
Payment to Refunded Bond Escrow Agent	4,403,555
Premium on Refunding Bonds	(876,550)
Proceeds of Refunding Bonds	<u>(7,605,000)</u>
	(4,077,995)
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.	
OPWC Loans	(341,626)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.	
Accrued Interest Payable	(14,035)
Amortization of Premium on Bonds	340,048
Amortization of Refunding Loss	<u>(222,135)</u>
	103,878
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	2,209,848
OPEB	<u>31,806</u>
	2,241,654
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(4,569,957)
OPEB	<u>(1,495,052)</u>
	(6,065,009)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	(157,735)
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	<u>(83,835)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 11,193,587</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property and Other Taxes	\$ 1,710,446	\$ 1,710,446	\$ 1,571,670	\$ (138,776)
Municipal Income Taxes	18,850,443	18,850,443	20,002,095	1,151,652
Charges for Services	4,728,040	4,728,040	3,019,541	(1,708,499)
Licenses and Permits	1,206,500	1,206,500	1,063,491	(143,009)
Fines and Forfeitures	350,000	350,000	137,939	(212,061)
Intergovernmental	638,212	638,212	688,469	50,257
Investment Earnings	1,203,000	1,203,000	767,762	(435,238)
Miscellaneous	153,000	153,000	231,298	78,298
<i>Total Revenues</i>	<u>28,839,641</u>	<u>28,839,641</u>	<u>27,482,265</u>	<u>(1,357,376)</u>
Expenditures				
Current:				
General Government	9,774,034	9,851,568	8,198,248	1,653,320
Security of Persons and Property	12,551,943	12,551,943	11,293,260	1,258,683
Public Health	367,836	367,836	362,681	5,155
Leisure Time Activities	4,265,645	4,241,065	2,690,278	1,550,787
Community Environment	4,339,877	4,262,703	3,851,552	411,151
Transportation	-	24,220	22,044	2,176
<i>Total Expenditures</i>	<u>31,299,335</u>	<u>31,299,335</u>	<u>26,418,063</u>	<u>4,881,272</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(2,459,694)</u>	<u>(2,459,694)</u>	<u>1,064,202</u>	<u>3,523,896</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	10,000	10,000	839	(9,161)
Transfers In/Out	350,000	(2,062,117)	(2,000,001)	62,116
<i>Total Other Financing Sources (Uses)</i>	<u>360,000</u>	<u>(2,052,117)</u>	<u>(1,999,162)</u>	<u>52,955</u>
<i>Net Change in Fund Balance</i>	<u>(2,099,694)</u>	<u>(4,511,811)</u>	<u>(934,960)</u>	<u>3,576,851</u>
<i>Fund Balance Beginning of Year</i>	<u>12,833,280</u>	<u>12,833,280</u>	<u>12,833,280</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>2,591,872</u>	<u>2,591,872</u>	<u>2,591,872</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,325,458</u>	<u>\$ 10,913,341</u>	<u>\$ 14,490,192</u>	<u>\$ 3,576,851</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in
Fund Balance - Budget and Actual (Budget Basis)
TIF Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Payments in Lieu of Taxes	\$ 10,184,000	\$ 10,184,000	\$ 10,175,566	\$ (8,434)
Intergovernmental	407,000	407,000	163,935	(243,065)
<i>Total Revenues</i>	<u>10,591,000</u>	<u>10,591,000</u>	<u>10,339,501</u>	<u>(251,499)</u>
Expenditures				
Current:				
General Government	-	2,909,700	2,875,484	34,216
Transportation	-	7,838,000	7,416,530	421,470
Debt Service:				
Principal Retirement	235,000	235,000	235,000	-
Interest and Fiscal Charges	65,000	65,000	63,231	1,769
<i>Total Expenditures</i>	<u>300,000</u>	<u>11,047,700</u>	<u>10,590,245</u>	<u>457,455</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>10,291,000</u>	<u>(456,700)</u>	<u>(250,744)</u>	<u>205,956</u>
Other Financing Sources (Uses)				
Transfers Out	-	(604,674)	(604,674)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(604,674)</u>	<u>(604,674)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	10,291,000	(1,061,374)	(855,418)	205,956
<i>Fund Balance Beginning of Year</i>	<u>3,108,936</u>	<u>3,108,936</u>	<u>3,108,936</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,399,936</u>	<u>\$ 2,047,562</u>	<u>\$ 2,253,518</u>	<u>\$ 205,956</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 267,158
<i>Total Current Assets</i>	267,158
<i>Total Assets</i>	267,158
Liabilities	
<i>Current Liabilities:</i>	
Claims Payable	93,906
<i>Total Current Liabilities</i>	93,906
<i>Total Liabilities</i>	93,906
Net Position	
Unrestricted	173,252
<i>Total Net Position</i>	\$ 173,252

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Governmental Activities
	<hr/>
	Internal Service Fund
	<hr/>
Operating Revenues	
Charges for Services	\$ 1,987,753
	<hr/>
<i>Total Operating Revenues</i>	<i>1,987,753</i>
	<hr/>
Operating Expenses	
Claims	2,145,488
	<hr/>
<i>Total Operating Expenses</i>	<i>2,145,488</i>
	<hr/>
<i>Change in Net Position</i>	<i>(157,735)</i>
	<hr/>
<i>Net Position Beginning of Year</i>	<i>330,987</i>
	<hr/>
<i>Net Position End of Year</i>	<i>\$ 173,252</i>
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,226,505
Cash Payments for Claims	(2,290,334)
<i>Net Cash Used for Operating Activities</i>	<u>(63,829)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(63,829)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>330,987</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 267,158</u></u>
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (157,735)
Decrease in Due from other governments	238,752
Decrease in Claims Payable	(144,846)
<i>Net Cash Used For Operating Activities</i>	<u><u>\$ (63,829)</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

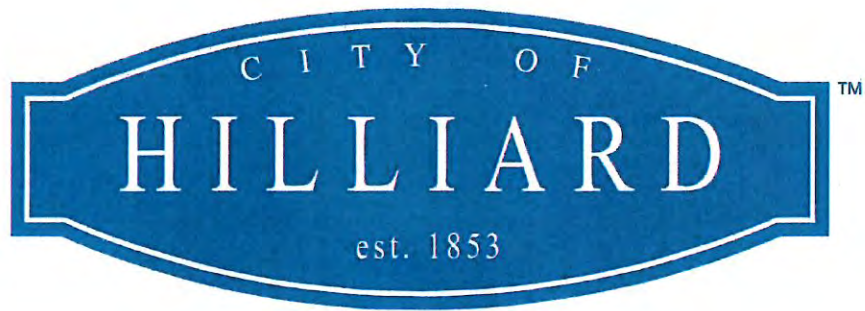
	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	\$ 39,847
Cash and Cash Equivalents in Segregated Accounts	<u>20,729</u>
<i>Total Assets</i>	<u>60,576</u>
Liabilities	
Due to Other Governments	<u>20,729</u>
<i>Total Liabilities</i>	<u>20,729</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>39,847</u>
<i>Total Net Position</i>	<u><u>\$ 39,847</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	<u>Custodial</u>
Additions	
Fines & Forfeitures for Other Governments	\$ 113,746
Other	<u>49,892</u>
<i>Total Additions</i>	<u>163,638</u>
 Deductions	
Fines & Forfeitures Distributions to Other Governments	113,746
Miscellaneous	<u>10,195</u>
<i>Total Deductions</i>	<u>123,941</u>
 <i>Change in Net Position</i>	 39,697
 <i>Net Position Beginning of Year, as Restated</i>	 <u>150</u>
 <i>Net Position End of Year</i>	 <u><u>\$ 39,847</u></u>

See accompanying notes to the basic financial statements.



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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 Charter was adopted January 1, 1963, and was most recently changed by voter approval on November 5, 2020. Beginning January 1, 2020, the City began operating under a Council/City Manager form of government.

(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.

(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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Non-major 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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

Custodial Funds - Custodial funds of the City are used to report fiduciary activities that are not required to be reported in a trust fund. The City currently does not have trust funds. The City's custodial funds account for various fees charged by the City and remitted to other government agencies and for deposits held pending compliance with established requirements. The City has the following fiduciary funds: Public Art Fund and Mayor's Court Fund.

(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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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, and 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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, but which were levied to finance year 2021 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, 2020.

(f) Budgetary Process

All funds, other than custodial 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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 2020, 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.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$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 2020 amounted to \$717,219, which includes \$484,364 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

(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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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.

(l) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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. No such transactions occurred in 2020.

(t) 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.

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Net Change in Fund Balances</u>	
	<u>General Fund</u>	<u>TIF</u>
GAAP Basis:	\$ 4,935,599	\$ 2,062,856
Revenue Accruals	(2,864,187)	-
Expenditure Accruals	(378,242)	-
Other Financing Sources/Uses	411,985	-
Encumbrances	(2,243,955)	(2,918,274)
Funds Reclassified	(796,160)	-
Budget Basis	<u>\$ (934,960)</u>	<u>\$ (855,418)</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;
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;

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, the carrying amount of all City deposits was \$24,466,304 and the bank balance was \$25,222,772. Of the City's bank balance, \$750,182 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. For 2020, the City's financial institution was approved for a collateral rate of 50 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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(b) Investments

As of December 31, 2020, the City had the following investments. All investments are in an internal investment pool.

Fair Value Measurement	Investment Type	Measurement Amount	Credit Rating*	Investment Securities		
				1 Year or Less	1 to 3 Years	Greater Than 3 Years
NAV	STAR Ohio	\$ 3,595,607	AAAm	\$ 3,595,607	\$ -	\$ -
Fair Value	Money Market Fund	5,509,242	AAAm	5,509,242	-	-
Fair Value	FFCB	4,236,309	AAA	-	1,535,425	2,700,884
Fair Value	FHLB	2,538,684	AAA	-	-	2,538,684
Fair Value	FHLMC	2,080,151	AAA	-	1,030,490	1,049,661
Fair Value	FNMA	2,982,965	AAA	-	908,312	2,074,653
Fair Value	US Treasury Bond	572,000	AAA	-	572,000	-
Fair Value	US Treasury Notes	2,775,222	AAA	1,219,577	1,033,145	522,500
Fair Value	Negotiable CD's	13,087,862	Not Rated	4,428,397	5,718,933	2,940,532
	Total	<u>\$ 37,378,042</u>		<u>\$ 14,752,823</u>	<u>\$ 10,798,305</u>	<u>\$ 11,826,914</u>

* - Moody's Investor Services

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.

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, 2020:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Investment Type</u>	<u>Amount</u>	<u>% of Total</u>
STAR Ohio	\$ 3,595,607	9.62%
Money Market Fund	5,509,242	14.74%
FFCB	4,236,309	11.33%
FHLB	2,538,684	6.79%
FHLMC	2,080,151	5.57%
FNMA	2,982,965	7.98%
US Treasury Bond	572,000	1.53%
US Treasury Notes	2,775,222	7.42%
Negotiable CD's	13,087,862	35.02%
	<u>\$ 37,378,042</u>	<u>100.00%</u>

Fair Value Measurement – 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. The above table identifies the City's recurring fair value measurements as of December 31, 2020. The City's investments measured at fair value are Level 2 since valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data.

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	\$ -	\$ 2,000,001
TIF Fund	-	604,674
Capital Improvement Municipal Tax Fund	2,604,675	-
Total Transfers	<u>\$ 2,604,675</u>	<u>\$ 2,604,675</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 2020, the City transferred \$604,674 from the TIF Fund to the Capital Improvement Municipal Tax Fund to finance various capital projects. The City also transferred \$2,000,001 from the General Fund to the Capital Improvement Tax Fund to finance various capital projects.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – RECEIVABLES

Receivables at December 31, 2020, 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 2020 for real and public utility property taxes represents collections of 2019 taxes.

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

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. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2020 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, 2020, 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 2020 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, 2020 was \$1.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 1,034,549,560
Public Utility Property	43,296,840
Totals	<u><u>\$ 1,077,846,400</u></u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 \$22,949,736, \$8,833,062, and \$3,533,124 in 2020, 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, 2020, the City abated income taxes totaling \$418,916 under the Program as follows:

- An annual incentive of 36% of actual local payroll withholding taxes paid to the City from 2006 to 2023 with BMW Financial Services for a commitment to create jobs.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Governmental Activities					
Nondepreciable Capital Assets					
Land	\$ 12,273,923	\$ 478,046	\$ (4,447,281)	\$ -	\$ 8,304,688
Construction in Progress	3,665,393	7,087,985	(274,721)	(7,292,713)	3,185,944
Total Nondepreciable Assets	15,939,316	7,566,031	(4,722,002)	(7,292,713)	11,490,632
Depreciable Capital Assets					
Buildings	11,691,312	1,408,756	-	1,782,448	14,882,516
Improvements other than buildings	17,954,228	431,021	(202,134)	1,794,276	19,977,391
Machinery and equipment	7,224,572	579,598	(232,774)	-	7,571,396
Furniture and fixtures	700,754	2,798	(10,350)	814,698	1,507,900
Vehicles	4,166,040	724,845	(293,477)	-	4,597,408
Infrastructure	454,601,420	4,136,738	(86,732)	2,901,291	461,552,717
Total Depreciable Assets	496,338,326	7,283,756	(825,467)	7,292,713	510,089,328
Less accumulated depreciation					
Buildings	(6,073,945)	(365,242)	-	-	(6,439,187)
Improvements other than buildings	(6,387,762)	(631,557)	78,448	-	(6,940,871)
Machinery and equipment	(5,759,466)	(486,322)	228,131	-	(6,017,657)
Furniture and fixtures	(526,648)	(59,142)	10,350	-	(575,440)
Vehicles	(3,068,540)	(370,640)	286,733	-	(3,152,447)
Infrastructure	(236,821,071)	(11,517,207)	86,731	-	(248,251,547)
Total accumulated depreciation	(258,637,432)	(13,430,110)	690,393	-	(271,377,149)
Depreciable Capital Assets, Net of accumulated depreciation	237,700,894	(6,146,354)	(135,074)	7,292,713	238,712,179
Total Capital Assets, Net	\$ 253,640,210	\$ 1,419,677	\$ (4,857,076)	\$ -	\$ 250,202,811

For the year ended December 31, 2020, the value of the assets donated to the City was \$2,439,745.

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 207,379
Security of persons and property	491,568
Leisure time activities	713,381
Community environment	268,628
Basic utility services	5,949,083
Transportation	5,800,071
Total depreciation expense	<u>\$ 13,430,110</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
2011 Various Purpose					
2.25-4.25% \$8,020,000	\$ 4,710,000	\$ -	\$ (4,710,000)	\$ -	\$ -
Bond premium	2,905	-	(2,905)	-	-
2012 Various Purpose					
2.0-5.0% \$11,085,000	5,760,000	-	(975,000)	4,785,000	1,005,000
Bond premium	584,745	-	(97,459)	487,286	-
2013 Refunding					
1.0-3.5% \$8,905,000	4,975,000	-	(870,000)	4,105,000	880,000
Bond premium	201,730	-	(40,346)	161,384	-
2014 Refunding					
2.0-4.0% \$5,160,000	4,020,000	-	(450,000)	3,570,000	460,000
Bond premium	248,798	-	(31,100)	217,698	-
2015 Various Purpose and Refunding					
4.0% \$8,745,000	7,605,000	-	(225,000)	7,380,000	240,000
Bond premium	923,986	-	(57,749)	866,237	-
2016A Various Purpose and Refunding					
2.0-4.0% \$8,205,000	7,115,000	-	(1,010,000)	6,105,000	1,030,000
Bond premium	779,259	-	(82,027)	697,232	-
2016B Various Purpose					
2.0-4.0% \$3,855,000	3,435,000	-	(145,000)	3,290,000	150,000
Bond premium	420,347	-	(25,476)	394,871	-
2017 Various Purpose					
2.0-4.0% \$4,655,000	4,100,000	-	(175,000)	3,925,000	180,000
Bond premium	385,614	-	(22,683)	362,931	-
2019A Various Purpose					
3.0-5.0% \$8,570,000	8,570,000	-	(300,000)	8,270,000	315,000
Bond premium	588,822	-	(30,196)	558,626	-
2019B Various Purpose					
3.75% \$585,000	585,000	-	-	585,000	-
2020 Various Purpose					
3.0% \$7,605,000	-	7,605,000	-	7,605,000	470,000
Bond premium	-	842,888	-	842,888	-
Total bonds	55,011,206	8,447,888	(9,249,941)	54,209,153	4,730,000

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans from Direct Borrowings:					
Signature Bank Loan 3.94% \$814,698	\$ 665,977	\$ -	\$ (123,105)	\$ 542,872	\$ 127,955
Safety Building Loan 4.5% \$6,168,684	4,941,720	-	(169,184)	4,772,536	176,883
Wheel Loader Loan 2.89% \$109,903	28,981	-	(21,146)	7,835	7,835
2005 OWDA Loan 3% \$2,234,466	254,554	-	(254,554)	-	-
2012 OPWC Loan \$2,730,423	2,020,513	-	(54,608)	1,965,905	109,217
2017 OPWC Loan \$5,407,500	5,065,874	341,626	-	5,407,500	270,375
Total Loans from Direct Borrowings	12,977,619	341,626	(622,597)	12,696,648	692,265
Other Long-Term Obligations:					
Net Pension Liability					
OPERS	14,898,783	-	(3,909,461)	10,989,322	-
OP&F	18,769,017	-	(3,427,551)	15,341,466	-
Net OPEB Liability					
OPERS	6,797,825	646,889	-	7,444,714	-
OP&F	2,093,938	155,570	-	2,249,508	-
Compensated Absences	2,455,708	1,334,365	(1,250,530)	2,539,543	1,378,616
Total Long Term Liabilities	\$ 113,004,096	\$ 10,926,338	\$ (18,460,080)	\$ 105,470,354	\$ 6,800,881

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, 2020, all of the grant funds and loan proceeds have been drawn down.

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 was 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.

In 2020 the City issued \$7,605,000 in general obligation various purpose bonds to current refund the 2011 general obligation various purpose bonds and pay for the Series 2020 various purpose road improvement notes. The refunding resulted in a decrease of debt service payments of \$740,000 and an economic gain of \$689,371.

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 YEAR ENDED DECEMBER 31, 2020

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.

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:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020 are as follows:

	General Obligation Bonds		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$ 4,730,000	\$ 1,849,683	\$ 692,265	\$ 234,228
2022	4,925,000	1,665,119	697,522	221,095
2023	5,115,000	1,492,669	711,177	212,679
2024	4,985,000	1,289,044	725,422	198,641
2025	4,030,000	1,100,738	590,938	178,334
2026-2030	13,785,000	3,447,086	3,108,008	738,348
2031-2035	8,000,000	1,533,186	3,409,558	436,802
2036-2040	4,050,000	313,039	2,761,758	86,805
Total	<u>\$49,620,000</u>	<u>\$12,690,564</u>	<u>\$12,696,648</u>	<u>\$ 2,306,932</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.

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, 2020, the City's total and unvoted debt limits based on the tax year 2020, collection year 2021 assessed valuations were \$135,361,202 and \$70,746,132, respectively. The City's debt was within these limits.

NOTE 12 – SHORT TERM LIABILITIES

On December 22, 2020, the City entered into a one year land acquisition note for the purchase of land for \$1,500,000. The interest rate on the Serial Loan is 1.25% and the premium was \$14,160. The maturity date of the Term Loan will be one year after the inception date. Payment of principal and interest will be recorded as disbursements of the Capital Improvements Municipal Tax Capital Projects Fund.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

On April 30, 2020, the City entered into a one year road improvement note for the purpose of various road improvements for \$3,839,000. The interest rate on the Serial Loan was 2.625% and the premium was \$19,502. The maturity date of the loan was one year after the inception date. On October 28, 2020, the City issued \$7,605,000 in general obligation various purpose bonds to current refund the 2011 general obligation various purpose bonds and pay for the Series 2020 various purpose road improvement notes.

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.

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 2020, 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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020 were \$1,987,753. The claims liability of \$93,906 reported in the Insurance Trust Fund at December 31, 2020, 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 2018, 2019, and 2020 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2018	\$ 452,000	1,849,313	(2,202,313)	99,000
2019	99,000	2,359,601	(2,219,849)	238,752
2020	238,752	2,145,488	(2,290,334)	93,906

NOTE 15 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are components of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and 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 pension liability and the net OPEB liability represent the City's proportionate share of each pension/OPEB 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/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 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/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

GASB 68/75 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). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 16 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.00 %
Post-Employment Health Care Benefits	0.00 %
Total Employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,001,210 for 2020. Of this amount, \$116,366 is reported as due to other governments.

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

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.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Police</u>
2020 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2020 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-Employment Health Care Benefits	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>
 Employee	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,208,638 for 2020. Of this amount, \$54,606 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Period	0.055598%	0.227735%	
Prior Measurement Period	0.054399%	0.229938%	
Change in Proportion	<u>0.001199%</u>	<u>-0.002203%</u>	
 Proportionate Share of the Net			
Pension Liability	\$ 10,989,322	\$ 15,341,466	\$ 26,330,788
Pension Expense	\$ 2,327,524	\$ 2,242,433	\$ 4,569,957

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ -	\$ 580,724	\$ 580,724
Changes of Assumptions	586,959	376,594	963,553
Changes in Proportionate Share	369,744	900,530	1,270,274
City Contributions Subsequent			
to the Measurement Date	1,001,210	1,208,638	2,209,848
Total Deferred Outflows of Resources	<u>\$ 1,957,913</u>	<u>\$ 3,066,486</u>	<u>\$ 5,024,399</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 138,944	\$ 791,223	\$ 930,167
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	2,192,121	741,116	2,933,237
Changes in Proportionate Share	-	253,346	253,346
Total Deferred Inflows of Resources	<u>\$ 2,331,065</u>	<u>\$ 1,785,685</u>	<u>\$ 4,116,750</u>

\$2,209,848 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ 56,834	\$ 118,042	\$ 174,876
2022	(651,555)	152,316	(499,239)
2023	90,776	533,332	624,108
2024	(870,417)	(653,415)	(1,523,832)
2025	-	(78,112)	(78,112)
	<u>\$ (1,374,362)</u>	<u>\$ 72,163</u>	<u>\$ (1,302,199)</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, 2019, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019 are presented below.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Actuarial Information	Traditional Pension Plan
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living	Pre-1/7/2013 Retirees: 3.00 percent Simple
Adjustments	Post-1/7/2013 Retirees: 3.00 percent Simple through 2020, then 2.15 percent Simple

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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.

During 2019, 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 of 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 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.20 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20 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 (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net Pension Liability	\$ 18,124,948	\$ 10,989,322	\$ 4,574,603

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, 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 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Cost-of-Living Adjustments	3.00 percent simple; 2.20 percent simple for increases based on the lesser of the increase in CPI and 3.00 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 in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

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

The 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 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
Non-U.S. Equity	16.00	4.70	5.80
Private Markets	8.00	6.10	8.00
Core Fixed Income*	23.00	1.10	2.70
High Yield Fixed Income	7.00	2.50	4.70
Private Credit	5.00	4.80	5.50
U.S. Inflation Linked Bonds*	17.00	0.40	2.50
Midstream Energy Infrastructure	8.00	5.80	6.60
Real Assets	8.00	6.90	7.40
Private Real Estate	12.00	5.40	6.40
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* Levered 2x

** Numbers are net of expected inflation

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 the 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 earnings were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 21,262,739	\$ 15,341,466	\$ 10,388,909

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 16 – DEFINED BENEFIT OPEB PLANS

See Note 15 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 separation, 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, 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.

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

The City's contractually required contribution to OP&F was \$31,806 for 2020.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Period	0.053898%	0.227735%	
Prior Measurement Period	0.052140%	0.229938%	
Change in Proportion	0.001758%	-0.002203%	
Proportionate Share of the Net			
OPEB Liability	\$ 7,444,714	\$ 2,249,508	\$ 9,694,222
OPEB Expense	\$ 1,105,637	\$ 389,415	\$ 1,495,052

At December 31, 2020, 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	\$ 199	\$ -	\$ 199
Changes of Assumptions	1,178,419	1,315,151	2,493,570
Changes in Proportionate Share	274,242	805,227	1,079,469
City Contributions Subsequent			
to the Measurement Date	-	31,806	31,806
Total Deferred Outflows of Resources	<u>\$ 1,452,860</u>	<u>\$ 2,152,184</u>	<u>\$ 3,605,044</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 680,853	\$ 241,913	\$ 922,766
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	379,084	103,513	482,597
Changes of Assumptions	-	479,404	479,404
Changes in Proportionate Share	-	13,073	13,073
Total Deferred Inflows of Resources	<u>\$ 1,059,937</u>	<u>\$ 837,903</u>	<u>\$ 1,897,840</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

\$31,806 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ 406,934	\$ 245,053	\$ 651,987
2022	147,675	245,055	392,730
2023	300	266,286	266,586
2024	(161,986)	232,813	70,827
2025	-	240,434	240,434
Thereafter	-	52,834	52,834
	<u>\$ 392,923</u>	<u>\$ 1,282,475</u>	<u>\$ 1,675,398</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 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, 2018, rolled forward to the measurement date of December 31, 2019. 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 percent to 10.75 percent (includes wage inflation at 3.25 percent)
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.71 percent
Health Care Cost Trend Rate	
Current Measurement Date	10.50 percent, initial, 3.50 percent ultimate in 2030
Prior Measurement Date	10.00 percent, initial, 3.25 percent ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 was 19.7 percent for 2019.

The allocation of investment assets within 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 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trusts	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.75 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 9,742,602	\$ 7,444,714	\$ 5,604,853

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 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 7,225,027	\$ 7,444,714	\$ 7,661,601

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent
Investment Rate of Return	
Current Measurement Date	8.00 percent
Prior Measurement Date	8.00 percent
Single Discount Rate:	
Current Measurement Date	3.56 percent
Prior Measurement Date	4.66 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	4.13 percent
Cost of Living Adjustments	3.00 percent simple; 2.20 percent simple for increases based on the lesser of the increase in CPI and 3.00 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 in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

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

The 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. The target asset allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2019, are summarized below:

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
Non-U.S. Equity	16.00	4.70	5.80
Private Markets	8.00	6.10	8.00
Core Fixed Income*	23.00	1.10	2.70
High Yield Fixed Income	7.00	2.50	4.70
Private Credit	5.00	4.80	5.50
U.S. Inflation Linked Bonds*	17.00	0.40	2.50
Midstream Energy Infrastructure	8.00	5.80	6.60
Real Assets	8.00	6.90	7.40
Private Real Estate	12.00	5.40	6.40
Total	<u>120.00</u> %		

Note: Assumptions are geometric.

* Levered 2x

** Numbers are net of expected inflation

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 the 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 For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, 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 of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, 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 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 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	\$ 2,789,245	\$ 2,249,508	\$ 1,801,024

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 – CONTRACTUAL AND OTHER COMMITMENTS

(a) Contractual Commitments

As of December 31, 2020, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expensed	Balance 12/31/2020
American Structurepoint	\$ 130,470	\$ 108,568	\$ 21,902
Arcadis US, Inc.	275,000	240,821	34,179
Burgess & Nipple	39,000	29,668	9,332
Carpenter Marty Transp., Inc.	150,000	99,436	50,564
CDM Smith	28,100	-	28,100
Columbus Asphalt & Paving	873,050	830,638	42,412
Complete General Construction	55,000	53,766	1,234
Decker Construction	400,000	-	400,000
DLZ Ohio, Inc.	108,306	72,747	35,559
Elite Excavating Co.	1,110,770	688,915	421,855
E.P. Ferris & Associates, Inc.	95,000	58,292	36,708
Evans, Mechwart, Hambleton & Tilton	65,000	14,561	50,439
Facemyer Co.	167,042	-	167,042
Inland Waters Pollution	61,620	-	61,620
Insight Pipe Contracting, LLC	262,400	59,442	202,958
Jagger Construction	85,668	-	85,668
Janco LLC	61,886	-	61,886
MS Consultants, Inc.	62,527	55,246	7,281
Prime AE Group, Inc.	149,000	128,341	20,659
Sphere Electrical Contracting	34,600	33,180	1,420
Stantec Consulting Services	106,500	45,289	61,211
Strawser Paving Co.	287,440	206,104	81,336
Taplin Group, LLC	240,030	152,395	87,635
Thayer Power & Communication	2,892,444	1,674,138	1,218,306
The Kleingers Group	393,000	257,882	135,118
Trucco Construction	1,697,384	-	1,697,384
Tyler Technologies	504,506	-	504,506
URS Corporation	114,000	67,056	46,944
W. Erie Realty Solutions, LTD.	44,550	32,575	11,975
Woolpert	27,500	23,706	3,794
	<u>\$ 10,521,793</u>	<u>\$ 4,932,766</u>	<u>\$ 5,589,027</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(b) Other Commitments

As of December 31, 2020, the City had outstanding cash basis encumbrances in the governmental funds as follows:

	Governmental Funds
General Fund	\$ 2,962,331
TIF	2,918,274
Capital Improvement Municipal Tax Fund	8,476,734
Other Governmental Funds	1,412,757
Total	<u>\$ 15,770,096</u>

NOTE 18 – CONTINGENCIES

(a) Grants - For the year ended December 31, 2020, 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.

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.

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 – FUND BALANCE

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

	General Fund	TIF	Capital Improvement Municipal Tax	Other Governmental Funds	Total
Nonspendable for:					
Prepaid Items	126,900	-	15,352	7,578	149,830
Total Nonspendable	126,900	-	15,352	7,578	149,830
Restricted for:					
Infrastructure Improvements	-	5,171,793	-	3,578,713	8,750,506
Public Safety Programs	-	-	-	249,044	249,044
Capital Outlay	-	-	30,441,144	-	30,441,144
Other	-	-	-	54,273	54,273
Justice	-	-	-	38,012	38,012
Total Restricted	-	5,171,793	30,441,144	3,920,042	39,532,979
Committed for:					
Utility Operations	-	-	-	2,235,779	2,235,779
Park Maintenance	-	-	-	62,035	62,035
Infrastructure Improvements	-	-	-	3,479,059	3,479,059
Total Committed	-	-	-	5,776,873	5,776,873
Assigned:					
Encumbrances	-	-	-	-	-
Public Safety	449,008	-	-	-	449,008
Public Health	2,184	-	-	-	2,184
Leisure Time Activities	294,398	-	-	-	294,398
Community Environment	529,933	-	-	-	529,933
General Government	972,284	-	-	-	972,284
Transportation	2,462	-	-	-	2,462
Subsequent Year Appropriations	593,191	-	-	-	593,191
Total Assigned	2,843,460	-	-	-	2,843,460
Unassigned	19,144,690	-	-	-	19,144,690
Total Fund Balance	\$ 22,115,050	\$ 5,171,793	\$ 30,456,496	\$ 9,704,493	\$ 67,447,832

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 21 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION/FUND BALANCES

Implementation of New Accounting Principles

For the year ended December 31, 2020 the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the City's financial statements (see below).

Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position as reported December 31, 2019:

	Governmental Activities
Net Position, December 31, 2019	\$ 206,179,530
GASB Statement No. 84	402,913
Restated Net Position, December 31, 2019	<u>\$ 206,582,443</u>

The implementation of GASB 84 had the following effect on fund balance as reported December 31, 2019:

	General Fund
Fund Balance, December 31, 2019	\$ 16,776,538
GASB Statement No. 84	402,913
Restated Fund Balance, December 31, 2019	<u>\$ 17,179,451</u>

The implementation of GASB 84 had the following effect on fiduciary net position as reported December 31, 2019:

	Fiduciary Funds	
	Agency	Custodial
Net Position, December 31, 2019	\$ 0	\$ 0
GASB Statement No. 84	0	150
Adjustments:		
Assets	(601,616)	0
Liabilities	601,616	0
Restated Net Position, December 31, 2019	<u>\$ 0</u>	<u>\$ 150</u>

CITY OF HILLIARD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. During 2020, the City received Coronavirus Aid Relief and Economic Security (CARES) Act funding. Of this amount, \$429,428 was sub-awarded to other organizations. These amounts are reflected as general government expenditures within the Local Coronavirus Relief Fund (a nonmajor governmental fund) on the accompanying financial statements.

NOTE 23 – SUBSEQUENT EVENT

On February 18, 2021, the City issued \$1,500,000 in General Obligation Infrastructure Improvement Bond Anticipation Notes for the purpose of designing, engineering, constructing, and reconstruction various infrastructure improvements. The notes carry an interest rate of 1.125 percent.



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 Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.0555980%	0.0543990%	0.0504760%	0.047571%	0.047377%	0.043891%	0.043891%
City's Proportionate Share of the Net Pension Liability	\$ 10,989,322	\$ 14,898,783	\$ 7,918,774	\$ 10,802,655	\$ 8,206,216	\$ 5,293,745	\$ 5,174,177
City's Covered Payroll	\$ 8,150,121	\$ 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	134.84%	200.60%	118.84%	174.15%	139.19%	98.38%	99.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	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 Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.227735%	0.229938%	0.212170%	0.206897%	0.215574%	0.206632%	0.266320%
City's Proportionate Share of the Net Pension Liability	\$ 15,341,466	\$ 18,769,017	\$ 13,021,807	\$ 13,104,630	\$ 13,868,027	\$ 10,704,384	\$ 10,063,612
City's Covered Payroll	\$ 6,034,857	\$ 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	254.21%	324.14%	251.37%	263.45%	285.53%	235.20%	236.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	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 Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$ 1,001,210	\$ 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	<u>1,001,210</u>	<u>1,141,017</u>	<u>1,039,787</u>	<u>866,257</u>	<u>744,385</u>	<u>707,505</u>	<u>645,723</u>	<u>678,785</u>	<u>678,683</u>	<u>577,815</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,151,500	\$ 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%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%

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 Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$ 1,208,638	\$ 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	<u>1,208,638</u>	<u>1,146,623</u>	<u>1,100,169</u>	<u>984,253</u>	<u>945,104</u>	<u>922,811</u>	<u>864,740</u>	<u>674,834</u>	<u>544,150</u>	<u>511,223</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,361,251	\$ 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%	19.00%	15.88%	12.75%	12.75%

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 Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.053898%	0.052140%	0.048480%	0.0464640%
City's Proportionate Share of the Net OPEB Liability	\$ 7,444,714	\$ 6,797,825	\$ 5,264,532	\$ 4,692,977
City's Covered Payroll	\$ 8,150,121	\$ 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	91.34%	91.53%	79.01%	75.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	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 Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.227735%	0.229938%	0.212170%	0.206897%
City's Proportionate Share of the Net OPEB Liability	\$ 2,249,508	\$ 2,093,938	\$ 12,021,233	\$ 9,820,922
City's Covered Payroll	\$ 6,034,857	\$ 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	37.28%	36.16%	232.06%	197.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	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 Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,314</u>	<u>124,064</u>	<u>117,918</u>	<u>107,621</u>	<u>52,214</u>	<u>274,473</u>	<u>231,126</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,151,500	\$ 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%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.04%	4.00%

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 Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$ 31,806	\$ 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	<u>31,806</u>	<u>30,174</u>	<u>28,952</u>	<u>25,813</u>	<u>24,871</u>	<u>24,285</u>	<u>22,756</u>	<u>153,803</u>	<u>288,079</u>	<u>270,647</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,361,251	\$ 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%	0.50%	3.62%	6.75%	6.75%

See accompanying notes to the required supplementary information.

CITY OF HILLIARD, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – NET PENSION LIABILITY

Changes in Assumptions – OPERS

For fiscal year 2019, the single discount rate changed from 7.50 percent to 7.20 percent.

Amounts reported in calendar year 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00 percent to 7.50 percent
- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Benefit Terms – OPERS

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For 2018, the single discount rate changed from 8.25 percent to 8.00 percent.

Changes in Benefit Terms – OP&F

No significant changes in benefit terms.

NOTE 2 – NET OPEB LIABILITY

Changes in Assumptions - OPERS

For calendar year 2020, the following changes were made to the actuarial assumptions:

- Discount rate from 3.96 percent to 3.16 percent
- Municipal bond rate from 3.71 percent to 2.75 percent
- Health Care Cost Trend Rate from 10.00 percent to 10.50 percent

For calendar year 2019, the following changes were made to the actuarial assumptions:

- Discount rate from 3.85 percent to 3.96 percent
- Investment rate of return from 6.50 percent to 6.00 percent
- Municipal bond rate from 3.31 percent to 3.71 percent
- Health Care Cost Trend Rate from 7.50 percent to 10.00 percent

For calendar year 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

CITY OF HILLIARD, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Changes in Benefit Terms – OPERS

No significant changes in benefit terms.

Changes in Assumptions – OP&F

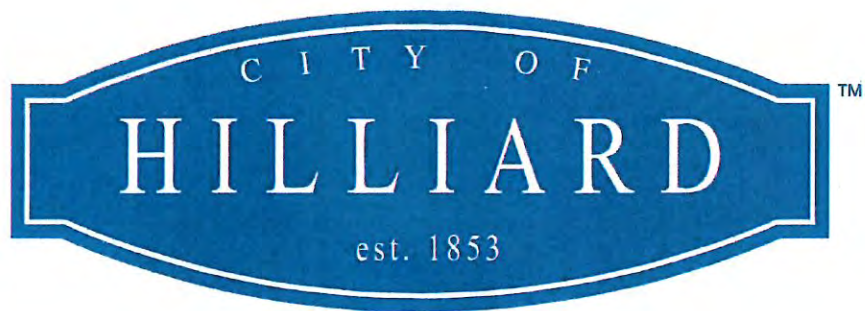
For calendar year 2020, the single discount rate decreased from 4.66 percent to 3.56 percent and the municipal bond rate from 4.13 percent to 2.75 percent.

For calendar year 2019, the discount rate increased from 3.24 percent to 4.66 percent and the municipal bond rate from 3.16 percent to 4.13 percent.

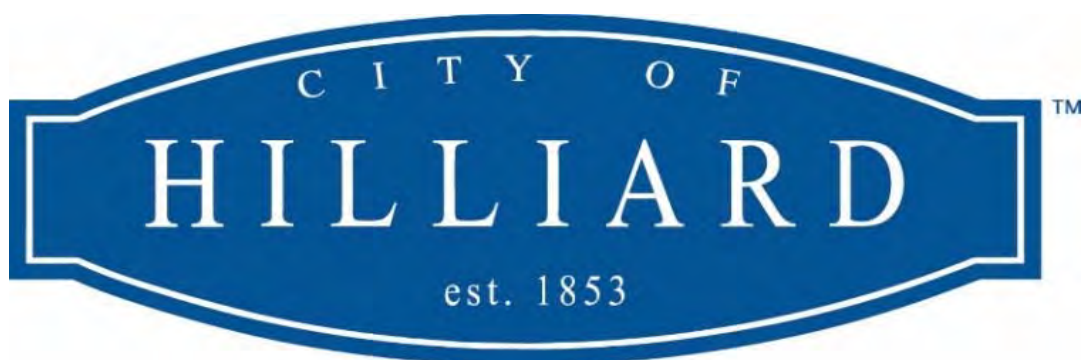
For calendar year 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model to 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.



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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.

With the implementation of GASB Statement No. 84, a fund no longer meets the definition to be reported as a Custodial Fund and has been included with the General Fund in the governmental fund financial statements. GASB Statement No. 84 was implemented in 2020. As a result, this formal custodial fund was not required to be budgeted in 2020.

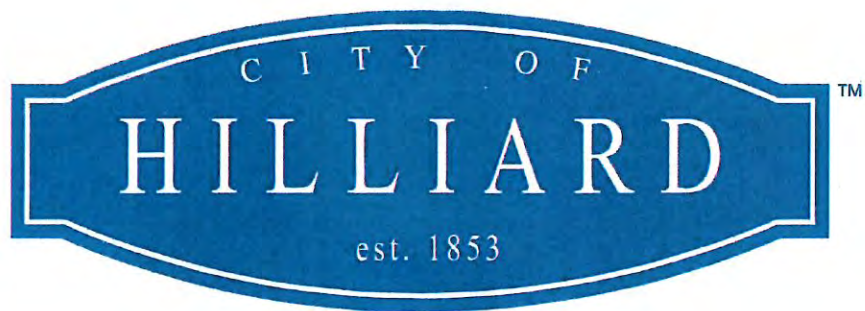
The **Escrow Fund** accounts for the collection and disbursement of charges for plumbing and electrical inspections provided by the City of Columbus, Franklin County Board of Health, and electrical contractors. This fund also accounts for the collection and remittance of sewer capacity charges and public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

Major Special Revenue Fund:

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, 2020

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Property and other taxes	\$ 1,710,446	\$ 1,571,670	\$ (138,776)
Municipal income taxes	18,850,443	20,002,095	1,151,652
Charges for services	4,728,040	3,019,541	(1,708,499)
Licenses and permits	1,206,500	1,063,491	(143,009)
Fines and forfeitures	350,000	137,939	(212,061)
Intergovernmental	638,212	688,469	50,257
Investment earnings	1,203,000	767,762	(435,238)
Miscellaneous	153,000	231,298	78,298
Total Revenues	28,839,641	27,482,265	(1,357,376)
Expenditures:			
Current:			
<u>General Government</u>			
Mayor:			
Personal Services	250,187	227,458	22,729
Materials and Supplies	5,925	4,276	1,649
Total Mayor	256,112	231,734	24,378
City Council:			
Personal Services	345,229	326,102	19,127
Contractual Services	423,347	142,098	281,249
Materials and Supplies	123,848	114,103	9,745
Total City Council	892,424	582,303	310,121
Clerk of Courts:			
Personal Services	226,441	203,803	22,638
Contractual Services	143,196	90,352	52,844
Materials and Supplies	24,440	18,872	5,568
Total Clerk of Courts:	394,077	313,027	81,050
Law:			
Personal Services	267,556	261,405	6,151
Contractual Services	378,309	304,607	73,702
Materials and Supplies	10,942	5,352	5,590
Total Law	656,807	571,364	85,443
Finance:			
Personal Services	831,849	730,549	101,300
Contractual Services	115,303	53,846	61,457
Materials and Supplies	47,621	31,110	16,511
Other Expenditures	116,109	64,877	51,232
Total Finance	1,110,882	880,382	230,500
Economic Development:			
Personal Services	169,148	149,138	20,010
Contractual Services	55,712	24,752	30,960
Materials and Supplies	23,550	14,216	9,334
Total Economic Development	248,410	188,106	60,304
City Clerk:			
Contractual Services	2,825	2,176	649
Materials and Supplies	13,050	4,287	8,763
Total City Clerk	15,875	6,463	9,412
Human Resources:			
Personal Services	412,880	268,604	144,276
Contractual Services	91,702	89,774	1,928
Materials and Supplies	17,432	4,793	12,639
Total Human Resources	522,014	363,171	158,843

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, 2020

	Final Budget	Actual	Variance (Over)/Under
Public Building and Land:			
Personal Services	310,933	309,973	960
Contractual Services	162,984	148,947	14,037
Materials and Supplies	48,866	40,650	8,216
Utilities	671,581	626,589	44,992
Total Public Building and Land	1,194,364	1,126,159	68,205
Information Technology:			
Personal Services	475,872	443,616	32,256
Contractual Services	748,057	700,437	47,620
Materials and Supplies	36,576	25,456	11,120
Total Information Technology	1,260,505	1,169,509	90,996
Communications:			
Personal Services	338,109	305,438	32,671
Contractual Services	39,487	22,125	17,362
Materials and Supplies	93,868	75,072	18,796
Total Communications	471,464	402,635	68,829
Boards and Commissions:			
Personal Services	119,039	109,085	9,954
Materials and Supplies	34,850	21,792	13,058
Total Boards and Commissions	153,889	130,877	23,012
General Administration:			
Personal Services	95,724	82,407	13,317
Contractual Services	994,312	721,339	272,973
Materials and Supplies	40,746	38,459	2,287
Other Expenditures	1,543,963	1,390,313	153,650
Total General Administration	2,674,745	2,232,518	442,227
Total General Government	9,851,568	8,198,248	1,653,320
<u>Security of Persons and Property:</u>			
Police:			
Personal Services	11,030,363	9,873,876	1,156,487
Contractual Services	1,145,942	1,104,077	41,865
Materials and Supplies	375,079	315,139	59,940
Other Expenditures	559	168	391
Total Police	12,551,943	11,293,260	1,258,683
Total Security of Persons and Property	12,551,943	11,293,260	1,258,683
<u>Public Health:</u>			
County Public Health:			
Contractual Services	367,836	362,681	5,155
Total County Public Health	367,836	362,681	5,155
Total Public Health	367,836	362,681	5,155
<u>Leisure Time Activities</u>			
Recreation:			
Personal Services	2,865,442	1,875,196	990,246
Contractual Services	526,843	240,000	286,843
Materials and Supplies	508,547	293,396	215,151
Utilities	333,733	275,293	58,440
Other Expenditures	6,500	6,393	107
Total Recreation	4,241,065	2,690,278	1,550,787
Total Leisure Time Activities	4,241,065	2,690,278	1,550,787
<u>Transportation</u>			
Mobility:			
Personal Services	24,220	22,044	2,176
Total Mobility	24,220	22,044	2,176
Total Transportation	24,220	22,044	2,176

(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, 2020

	Final Budget	Actual	Variance (Over)/Under
<u>Community Environment:</u>			
Service/Engineer:			
Personal Services	603,053	507,964	95,089
Contractual Services	2,554,517	2,482,677	71,840
Materials and Supplies	49,596	18,597	30,999
Total Service/Engineer	3,207,166	3,009,238	197,928
Building Inspection:			
Personal Services	876,532	689,301	187,231
Contractual Services	35,153	21,629	13,524
Materials and Supplies	39,031	30,856	8,175
Other Expenditures	2,000	-	2,000
Total Building Inspection	952,716	741,786	210,930
Planning:			
Personal Services	102,821	100,528	2,293
Total Planning	102,821	100,528	2,293
Total Community Environment	4,262,703	3,851,552	411,151
 Total Expenditures	31,299,335	26,418,063	4,881,272
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,459,694)	1,064,202	3,523,896
 Other Financing Sources (Uses):			
Sale of Capital Assets	10,000	839	(9,161)
Transfers Out	(2,062,117)	(2,000,001)	62,116
Total Other Financing Sources (Uses)	(2,052,117)	(1,999,162)	52,955
 Net Change in Fund Balances	(4,511,811)	(934,960)	3,576,851
 Fund Balance, Beginning of Year	12,833,280	12,833,280	-
Prior Year Encumbrances Appropriated	2,591,872	2,591,872	-
Fund Balance, End of Year	\$ 10,913,341	\$ 14,490,192	\$ 3,576,851

(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, 2020

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 695,000	\$ 219,670	\$ (475,330)
Miscellaneous	110,000	175,200	65,200
Total Revenues	<u>805,000</u>	<u>394,870</u>	<u>(410,130)</u>
Expenditures:			
Current:			
Community Environment:			
Personal Services	331,305	292,726	38,579
Contractual Services	740,381	365,381	375,000
Materials and Supplies	6,578	2,012	4,566
Total Expenditures	<u>1,078,264</u>	<u>660,119</u>	<u>418,145</u>
Net Change in Fund Balances	(273,264)	(265,249)	8,015
Fund Balance, Beginning of Year	1,314	1,314	-
Prior Year Encumbrances Appropriated	274,982	274,982	-
Fund Balance, End of Year	<u>\$ 3,032</u>	<u>\$ 11,047</u>	<u>\$ 8,015</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, 2020

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 15,000	\$ 90	\$ (14,910)
Miscellaneous	10,000	7,915	(2,085)
Total Revenues	<u>25,000</u>	<u>8,005</u>	<u>(16,995)</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Contractual Services	10,418	2,418	8,000
Materials and Supplies	14,618	3,506	11,112
Total Expenditures	<u>25,036</u>	<u>5,924</u>	<u>19,112</u>
Net Change in Fund Balances	(36)	2,081	2,117
Fund Balance, Beginning of Year	22,963	22,963	-
Prior Year Encumbrances Appropriated	1,036	1,036	-
Fund Balance, End of Year	<u>\$ 23,963</u>	<u>\$ 26,080</u>	<u>\$ 2,117</u>

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

CITY OF HILLIARD, OHIO

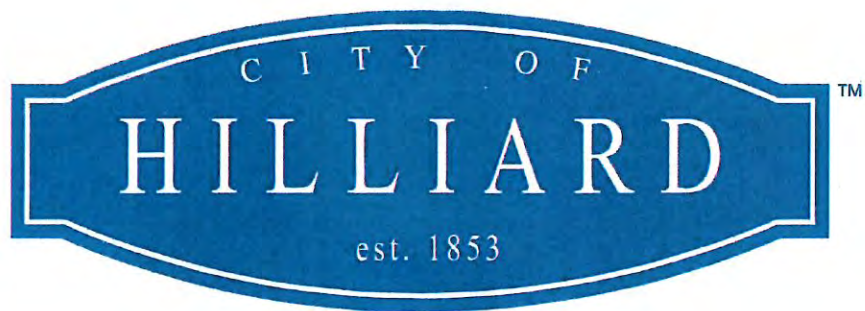
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
MAJOR FUNDS - TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Payments in lieu of taxes	\$ 10,184,000	\$ 10,175,566	\$ (8,434)
Intergovernmental	407,000	163,935	(243,065)
Total Revenues	<u>10,591,000</u>	<u>10,339,501</u>	<u>(251,499)</u>
Expenditures:			
Current:			
General Government:			
Other Expenditures	<u>2,909,700</u>	<u>2,875,484</u>	<u>34,216</u>
Total General Government	<u>2,909,700</u>	<u>2,875,484</u>	<u>34,216</u>
Transportation:			
Other Expenditures	<u>7,838,000</u>	<u>7,416,530</u>	<u>421,470</u>
Total Transportation	<u>7,838,000</u>	<u>7,416,530</u>	<u>421,470</u>
Debt Service:			
Principal retirement	235,000	235,000	-
Interest and fiscal charges	<u>65,000</u>	<u>63,231</u>	<u>1,769</u>
Total Debt Service	<u>300,000</u>	<u>298,231</u>	<u>1,769</u>
Total Expenditures	<u>11,047,700</u>	<u>10,590,245</u>	<u>457,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(456,700)	(250,744)	205,956
Other Financing Uses:			
Transfers Out	<u>(604,674)</u>	<u>(604,674)</u>	<u>-</u>
Total Other Financing Uses	<u>(604,674)</u>	<u>(604,674)</u>	<u>-</u>
Net Change in Fund Balances	(1,061,374)	(855,418)	205,956
Fund Balance, Beginning of Year	<u>3,108,936</u>	<u>3,108,936</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,047,562</u>	<u>\$ 2,253,518</u>	<u>\$ 205,956</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, 2020

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Municipal income taxes	\$ 7,250,170	\$ 7,699,354	\$ 449,184
Charges for services	-	6,809	6,809
Licenses and permits	50,000	25,704	(24,296)
Intergovernmental	-	40,000	40,000
Miscellaneous	32,000	86,794	54,794
Total Revenues	7,332,170	7,858,661	526,491
Expenditures:			
Current:			
General Government:			
Contractual Services	492,169	433,981	58,188
Other Expenditures	244,193	237,604	6,589
Capital Outlay	5,461,370	5,256,294	205,076
Total General Government	6,197,732	5,927,879	269,853
Security of Persons and Property:			
Capital Outlay	819,538	769,560	49,978
Total Security of Persons and Property	819,538	769,560	49,978
Leisure Time Activities:			
Capital Outlay	3,317,557	2,702,802	614,755
Total Leisure Time Activities	3,317,557	2,702,802	614,755
Community Environment:			
Capital Outlay	3,272,304	2,965,554	306,750
Total Community Environment	3,272,304	2,965,554	306,750
Basic Utility Services:			
Contractual Services	15,000	-	15,000
Capital Outlay	2,171,042	897,020	1,274,022
Total Basic Utility Services	2,186,042	897,020	1,289,022
Transportation:			
Contractual Services	636,902	470,745	166,157
Capital Outlay	7,615,576	5,434,404	2,181,172
Total Transportation	8,252,478	5,905,149	2,347,329
Debt Service:			
Principal retirement	8,416,176	8,416,176	-
Interest and fiscal charges	2,850,669	2,067,168	783,501
Total Debt Service	11,266,845	10,483,344	783,501
Total Expenditures	35,312,496	29,651,308	5,661,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,980,326)	(21,792,647)	6,187,679
Other Financing Sources:			
Proceeds from sale of capital assets	3,000	11,883,786	11,880,786
Proceeds of notes	1,500,000	5,339,000	3,839,000
Proceeds of loans	1,500,000	341,626	(1,158,374)
Sale of bonds	11,605,000	7,605,000	(4,000,000)
Payment to refunding bond escrow agent	(4,403,555)	(4,403,555)	-
Premium on issuance of bonds	995,000	876,550	(118,450)
Transfers in	4,000,000	2,604,675	(1,395,325)
Total Other Financing Sources	15,199,445	24,247,082	9,047,637
Net Change in Fund Balances	(12,780,881)	2,454,435	15,235,316
Fund Balance, Beginning of Year	8,742,162	8,742,162	-
Prior Year Encumbrances Appropriated	10,324,092	10,324,092	-
Fund Balance, End of Year	\$ 6,285,373	\$ 21,520,689	\$ 15,235,316



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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.

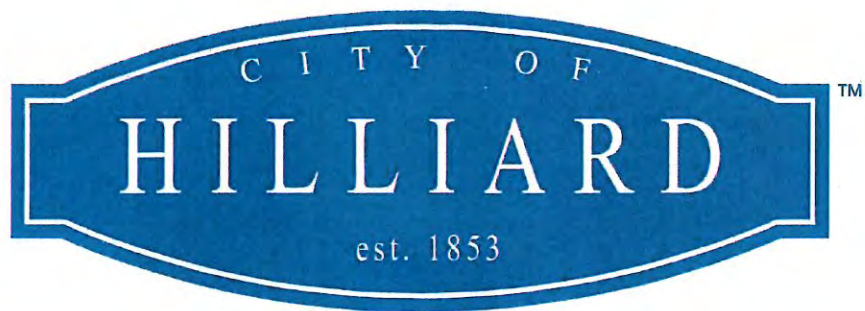
The **General Government Grants Fund** accounts for revenue and expenditures related to grants received from various sources.

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

The **Local Coronavirus Relief Fund** accounts for State and federal emergency relief grants related to the Coronavirus (COVID-19) pandemic.

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, 2020**

	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	\$ 2,355,253	\$ 672,755	\$ 2,636,128	\$ 61,935	\$ 204,268	\$ 43,401
Cash and cash equivalents with fiscal agent	-	338,337	-	-	-	-
Receivables:						
Municipal income taxes	-	-	903,949	-	-	-
Accounts	1,111	-	-	-	1,375	-
Due from other governments	986,019	143,023	-	-	-	-
Prepaid items	408	-	-	-	-	5,946
Total assets	<u>\$ 3,342,791</u>	<u>\$ 1,154,115</u>	<u>\$ 3,540,077</u>	<u>\$ 61,935</u>	<u>\$ 205,643</u>	<u>\$ 49,347</u>
Liabilities						
Accounts payable	\$ -	\$ 5,934	\$ 20,907	\$ -	\$ -	\$ -
Accrued wages and benefits	24,105	-	-	-	-	-
Due to other governments	6,894	-	-	-	-	-
Matured compensated absences	10,889	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Total liabilities	<u>41,888</u>	<u>5,934</u>	<u>20,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable Revenue	637,896	232,067	40,111	-	-	-
Total deferred inflows of resources	<u>637,896</u>	<u>232,067</u>	<u>40,111</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance						
Nonspendable						
Prepays	408	-	-	-	-	5,946
Restricted						
Infrastructure improvements	2,662,599	916,114	-	-	-	-
Public safety programs	-	-	-	-	205,643	43,401
Other	-	-	-	-	-	-
Justice	-	-	-	-	-	-
Committed						
Utility operations	-	-	-	-	-	-
Infrastructure improvements	-	-	3,479,059	-	-	-
Park maintenance	-	-	-	61,935	-	-
Total fund balances	<u>2,663,007</u>	<u>916,114</u>	<u>3,479,059</u>	<u>61,935</u>	<u>205,643</u>	<u>49,347</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,342,791</u>	<u>\$ 1,154,115</u>	<u>\$ 3,540,077</u>	<u>\$ 61,935</u>	<u>\$ 205,643</u>	<u>\$ 49,347</u>

Hilliard Recovery Court	General Government Grants	Heritage Trail Dog Park	Local Coronavirus Relief	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ 41,338	\$ 32,252	\$ 100	\$ 22,021	\$ 806,603	\$ 1,404,126	\$ 8,280,180
-	-	-	-	-	-	338,337
-	-	-	-	-	-	903,949
-	-	-	-	52,301	57,794	112,581
-	-	-	-	-	-	1,129,042
-	-	-	-	816	408	7,578
<u>\$ 41,338</u>	<u>\$ 32,252</u>	<u>\$ 100</u>	<u>\$ 22,021</u>	<u>\$ 859,720</u>	<u>\$ 1,462,328</u>	<u>\$ 10,771,667</u>
\$ 3,326	\$ -	\$ -	\$ -	\$ 120	\$ 1,340	\$ 31,627
-	-	-	-	31,682	14,586	70,373
-	-	-	-	9,072	4,150	20,116
-	-	-	-	14,706	7,353	32,948
-	-	-	-	2,036	-	2,036
<u>3,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,616</u>	<u>27,429</u>	<u>157,100</u>
-	-	-	-	-	-	910,074
-	-	-	-	-	-	910,074
-	-	-	-	816	408	7,578
-	-	-	-	-	-	3,578,713
-	-	-	-	-	-	249,044
-	32,252	-	22,021	-	-	54,273
38,012	-	-	-	-	-	38,012
-	-	-	-	801,288	1,434,491	2,235,779
-	-	-	-	-	-	3,479,059
-	-	100	-	-	-	62,035
<u>38,012</u>	<u>32,252</u>	<u>100</u>	<u>22,021</u>	<u>802,104</u>	<u>1,434,899</u>	<u>9,704,493</u>
<u>\$ 41,338</u>	<u>\$ 32,252</u>	<u>\$ 100</u>	<u>\$ 22,021</u>	<u>\$ 859,720</u>	<u>\$ 1,462,328</u>	<u>\$ 10,771,667</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, 2020

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police	Mayor's Court Computer
Revenues						
Municipal income taxes	\$ -	\$ -	\$ 3,533,124	\$ -	\$ -	\$ -
Charges for services	-	-	-	51,684	-	-
Fines and forfeitures	-	-	-	-	33,801	10,306
Intergovernmental	2,141,262	436,807	-	-	-	-
Investment earnings	13,395	4,102	-	-	-	-
Other	43,295	-	-	-	-	-
Total revenues	<u>2,197,952</u>	<u>440,909</u>	<u>3,533,124</u>	<u>51,684</u>	<u>33,801</u>	<u>10,306</u>
Expenditures						
Current:						
General government	-	-	148,541	-	50	18,252
Security of persons and property	-	-	-	-	22,564	-
Leisure time activities	-	-	-	89,931	-	-
Basic utility services	-	-	-	-	-	-
Transportation	1,733,651	206,408	2,469,252	-	-	-
Debt service:						
Principal retirement	3,421	-	228,500	-	-	-
Interest and fiscal charges	518	-	71,025	-	-	-
Total expenditures	<u>1,737,590</u>	<u>206,408</u>	<u>2,917,318</u>	<u>89,931</u>	<u>22,614</u>	<u>18,252</u>
Net change in fund balances	460,362	234,501	615,806	(38,247)	11,187	(7,946)
Fund balance at beginning 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>
Fund balance at end of year	<u>\$ 2,663,007</u>	<u>\$ 916,114</u>	<u>\$ 3,479,059</u>	<u>\$ 61,935</u>	<u>\$ 205,643</u>	<u>\$ 49,347</u>

Hilliard Recovery Court	General Government Grants	Heritage Trail Dog Park	Local Coronavirus Relief	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,533,124
-	-	-	-	1,805,045	1,176,084	3,032,813
-	-	-	-	-	-	44,107
60,438	3,453	-	2,382,794	-	-	5,024,754
-	-	-	-	-	-	17,497
-	-	-	-	1,063	-	44,358
<u>60,438</u>	<u>3,453</u>	<u>-</u>	<u>2,382,794</u>	<u>1,806,108</u>	<u>1,176,084</u>	<u>11,696,653</u>
68,735	-	-	1,965,513	-	-	2,201,091
-	-	-	390,059	-	-	412,623
-	-	-	5,201	-	-	95,132
-	-	-	-	1,478,800	958,533	2,437,333
-	-	-	-	-	-	4,409,311
-	-	-	-	118,500	-	350,421
-	-	-	-	92,494	-	164,037
<u>68,735</u>	<u>-</u>	<u>-</u>	<u>2,360,773</u>	<u>1,689,794</u>	<u>958,533</u>	<u>10,069,948</u>
(8,297)	3,453	-	22,021	116,314	217,551	1,626,705
46,309	28,799	100	-	685,790	1,217,348	8,077,788
<u>\$ 38,012</u>	<u>\$ 32,252</u>	<u>\$ 100</u>	<u>\$ 22,021</u>	<u>\$ 802,104</u>	<u>\$ 1,434,899</u>	<u>\$ 9,704,493</u>

(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, 2020

STREET MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 2,185,000	\$ 2,149,438	\$ (35,562)
Investment earnings	30,000	13,395	(16,605)
Miscellaneous	50,000	48,482	(1,518)
Total Revenues	<u>2,265,000</u>	<u>2,211,315</u>	<u>(53,685)</u>
Expenditures:			
Current:			
Transportation:			
Personal Services	1,109,771	846,772	262,999
Contractual Services	366,669	259,468	107,201
Materials and Supplies	776,027	533,345	242,682
Other Expenditures	-	-	-
Capital Outlay	629,861	484,997	144,864
Total Transportation	<u>2,882,328</u>	<u>2,124,582</u>	<u>757,746</u>
Debt Service:			
Principal retirement	3,421	3,421	-
Interest and fiscal charges	518	518	-
Total Debt Service	<u>3,939</u>	<u>3,939</u>	<u>-</u>
Total Expenditures	<u>2,886,267</u>	<u>2,128,521</u>	<u>757,746</u>
Net Change in Fund Balances	(621,267)	82,794	704,061
Fund Balance, Beginning of Year	1,446,509	1,446,509	-
Prior Year Encumbrances Appropriated	488,263	488,263	-
Fund Balance, End of Year	<u>\$ 1,313,505</u>	<u>\$ 2,017,566</u>	<u>\$ 704,061</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, 2020

COUNTY MUNICIPAL MOTOR VEHICLE TAX FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 240,000	\$ 265,196	\$ 25,196
Investment earnings	10,000	4,102	(5,898)
Total Revenues	<u>250,000</u>	<u>269,298</u>	<u>19,298</u>
Expenditures:			
Current:			
Transportation:			
Contractual Services	247,921	227,141	20,780
Materials and Supplies	47,324	33,809	13,515
Total Expenditures	<u>295,245</u>	<u>260,950</u>	<u>34,295</u>
Net Change in Fund Balances	(45,245)	8,348	53,593
Fund Balance, Beginning of Year	563,451	563,451	-
Prior Year Encumbrances Appropriated	55,245	55,245	-
Fund Balance, End of Year	<u>\$ 573,451</u>	<u>\$ 627,044</u>	<u>\$ 53,593</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, 2020

STREET IMPROVEMENT MUNICIPAL TAX FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Municipal income taxes	\$ 2,900,068	\$ 3,079,640	\$ 179,572
Total Revenues	<u>2,900,068</u>	<u>3,079,640</u>	<u>179,572</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	97,120	49,656	47,464
Other Expenditures	122,097	118,800	3,297
Total General Government	<u>219,217</u>	<u>168,456</u>	<u>50,761</u>
Transportation:			
Contractual Services	710,951	672,386	38,565
Capital Outlay	2,873,768	2,464,791	408,977
Total Transportation	<u>3,584,719</u>	<u>3,137,177</u>	<u>447,542</u>
Debt Service:			
Principal retirement	228,500	228,500	-
Interest and fiscal charges	71,500	71,025	475
Total Debt Service	<u>300,000</u>	<u>299,525</u>	<u>475</u>
Total Expenditures	<u>4,103,936</u>	<u>3,605,158</u>	<u>498,778</u>
Net Change in Fund Balances	(1,203,868)	(525,518)	678,350
Fund Balance, Beginning of Year	1,558,474	1,558,474	-
Prior Year Encumbrances Appropriated	970,936	970,936	-
Fund Balance, End of Year	<u>\$ 1,325,542</u>	<u>\$ 2,003,892</u>	<u>\$ 678,350</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, 2020

PARK MAINTENANCE

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 311,000	\$ 51,684	\$ (259,316)
Licenses and permits	100,000	-	(100,000)
Miscellaneous	50,000	-	(50,000)
Total Revenues	<u>461,000</u>	<u>51,684</u>	<u>(409,316)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Contractual Services	55,431	6,841	48,590
Materials and Supplies	22,698	19,251	3,447
Capital Outlay	503,419	94,076	409,343
Total Expenditures	<u>581,548</u>	<u>120,168</u>	<u>461,380</u>
Net Change in Fund Balances	(120,548)	(68,484)	52,064
Fund Balance, Beginning of Year	11,527	11,527	-
Prior Year Encumbrances Appropriated	109,548	109,548	-
Fund Balance, End of Year	<u>\$ 527</u>	<u>\$ 52,591</u>	<u>\$ 52,064</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, 2020

POLICE FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Fines and forfeitures	\$ 98,050	\$ 32,426	\$ (65,624)
Total Revenues	98,050	32,426	(65,624)
Expenditures:			
Current:			
Security of Persons and Property:			
Other Expenditures	30,045	29,969	76
Total Expenditures	30,045	29,969	76
Net Change in Fund Balances	68,005	2,457	(65,548)
Fund Balance, Beginning of Year	194,361	194,361	-
Prior Year Encumbrances Appropriated	45	45	-
Fund Balance, End of Year	<u>\$ 262,411</u>	<u>\$ 196,863</u>	<u>\$ (65,548)</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, 2020

MAYOR'S COURT COMPUTER FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Fines and forfeitures	\$ 20,000	\$ 10,306	\$ (9,694)
Total Revenues	20,000	10,306	(9,694)
Expenditures:			
Current:			
General Government:			
Contractual Services	20,000	8,000	12,000
Materials and Supplies	10,000	10,000	-
Capital Outlay	20,000	-	20,000
Total Expenditures	50,000	18,000	32,000
Net Change in Fund Balances	(30,000)	(7,694)	22,306
Fund Balance, Beginning of Year	50,374	50,374	-
Fund Balance, End of Year	\$ 20,374	\$ 42,680	\$ 22,306

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, 2020

HILLIARD RECOVERY COURT FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 90,000	\$ 60,438	\$ (29,562)
Total Revenues	<u>90,000</u>	<u>60,438</u>	<u>(29,562)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	40,000	1,000	39,000
Materials and Supplies	<u>97,347</u>	<u>97,307</u>	<u>40</u>
Total Expenditures	<u>137,347</u>	<u>98,307</u>	<u>39,040</u>
Net Change in Fund Balances	(47,347)	(37,869)	9,478
Fund Balance, Beginning of Year	36,229	36,229	-
Prior Year Encumbrances Appropriated	<u>19,547</u>	<u>19,547</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,429</u>	<u>\$ 17,907</u>	<u>\$ 9,478</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, 2020

GENERAL GOVERNMENT GRANTS FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Intergovernmental	\$ 100,000	\$ 3,453	\$ (96,547)
Total Revenues	<u>100,000</u>	<u>3,453</u>	<u>(96,547)</u>
Net Change in Fund Balances	100,000	3,453	(96,547)
Fund Balance, Beginning of Year	28,799	28,799	-
Fund Balance, End of Year	<u>\$ 128,799</u>	<u>\$ 32,252</u>	<u>\$ (96,547)</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, 2020

HERITAGE TRAIL DOG PARK FUND

	Final Budget	Actual	Variance (Over)/Under
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, 2020

LOCAL CORONAVIRUS RELIEF FUND

	<u>Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:			
Intergovernmental	\$ 2,382,794	\$ 2,382,794	\$ -
Total Revenues	<u>2,382,794</u>	<u>2,382,794</u>	<u>-</u>
Expenditures:			
Current:			
General Government:			
Personal Services	258,529	258,529	-
Contractual Services	1,395,289	1,373,269	22,020
Materials and Supplies	146,527	146,527	-
Capital Outlay	187,189	187,189	-
Total General Government	<u>1,987,534</u>	<u>1,965,514</u>	<u>22,020</u>
Security of Persons and Property:			
Personal Services	390,059	390,059	-
Total Security of Persons and Property	<u>390,059</u>	<u>390,059</u>	<u>-</u>
Leisure Time Activities:			
Personal Services	5,201	5,201	-
Total Leisure Time Activities	<u>5,201</u>	<u>5,201</u>	<u>-</u>
Total Expenditures	<u>2,382,794</u>	<u>2,360,774</u>	<u>22,020</u>
Net Change in Fund Balances	-	22,020	22,020
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 22,020</u>	<u>\$ 22,020</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, 2020

WATER AND SEWER REVENUE FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 2,285,000	\$ 1,805,809	\$ (479,191)
Miscellaneous	70,000	1,063	(68,937)
Total Revenues	<u>2,355,000</u>	<u>1,806,872</u>	<u>(548,128)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	1,483,730	1,153,240	330,490
Contractual Services	297,156	187,378	109,778
Materials and Supplies	180,366	107,137	73,229
Utilities	101,600	103,425	(1,825)
Capital Outlay	643,727	219,756	423,971
Total Basic Utility Services	<u>2,706,579</u>	<u>1,770,936</u>	<u>935,643</u>
Debt Service:			
Principal retirement	118,500	118,500	-
Interest and fiscal charges	171,500	92,494	79,006
Total Debt Service	<u>290,000</u>	<u>210,994</u>	<u>79,006</u>
Total Expenditures	<u>2,996,579</u>	<u>1,981,930</u>	<u>1,014,649</u>
Net Change in Fund Balances	(641,579)	(175,058)	466,521
Fund Balance, Beginning of Year	236,950	236,950	-
Prior Year Encumbrances Appropriated	521,299	521,299	-
Fund Balance, End of Year	<u>\$ 116,670</u>	<u>\$ 583,191</u>	<u>\$ 466,521</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, 2020

STORM WATER UTILITY FUND

	Final Budget	Actual	Variance (Over)/Under
Revenues:			
Charges for services	\$ 1,250,000	\$ 1,163,390	\$ (86,610)
Miscellaneous	50,000	-	(50,000)
Total Revenues	<u>1,300,000</u>	<u>1,163,390</u>	<u>(136,610)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	739,365	571,276	168,089
Contractual Services	677,382	428,577	248,805
Materials and Supplies	28,655	23,449	5,206
Capital Outlay	316,462	98,227	218,235
Total Expenditures	<u>1,761,864</u>	<u>1,121,529</u>	<u>640,335</u>
Net Change in Fund Balances	(461,864)	41,861	503,725
Fund Balance, Beginning of Year	919,429	919,429	-
Prior Year Encumbrances Appropriated	310,024	310,024	-
Fund Balance, End of Year	<u>\$ 767,589</u>	<u>\$ 1,271,314</u>	<u>\$ 503,725</u>

CITY OF HILLIARD, OHIO
NONMAJOR FUND DESCRIPTIONS – FIDUCIARY FUNDS

The City's custodial funds account for various fees charged by the City and remitted to other government agencies and for deposits held pending compliance with established requirements.

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.

CITY OF HILLIARD, OHIO
FRANKLIN COUNTY

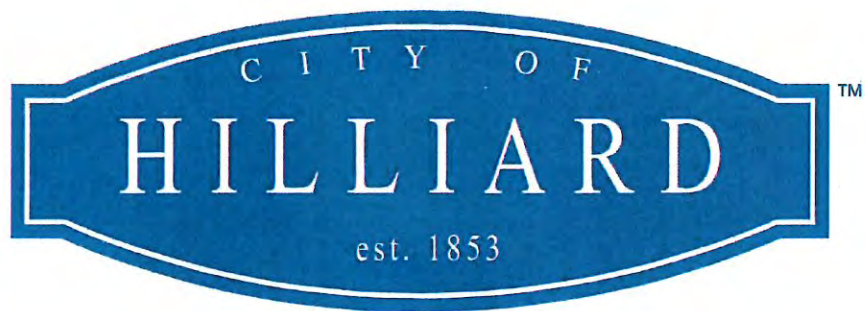
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Public Art Fund	Mayor's Court Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in pooled cash and cash equivalents	\$ 39,847	\$ -	\$ 39,847
Cash and cash equivalents in segregated accounts	-	20,729	20,729
Total assets	<u>39,847</u>	<u>20,729</u>	<u>60,576</u>
Liabilities			
Due to other governments	-	20,729	20,729
Total liabilities	<u>-</u>	<u>20,729</u>	<u>20,729</u>
Net Position			
Restricted for individuals, organizations, and other governments	<u>\$ 39,847</u>	<u>\$ -</u>	<u>\$ 39,847</u>

**CITY OF HILLIARD, OHIO
FRANKLIN COUNTY**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Public Art Fund	Mayor's Court Fund	Total Custodial Funds
Additions			
Fines & forfeitures for other governments	\$ -	\$ 113,746	\$ 113,746
Other	49,892	-	49,892
Total additions	<u>49,892</u>	<u>113,746</u>	<u>163,638</u>
Deductions			
Fines & forfeitures distributions to other governments	-	113,746	113,746
Miscellaneous	10,195	-	10,195
Total deductions	<u>10,195</u>	<u>113,746</u>	<u>123,941</u>
Change in net position	39,697	-	39,697
Fund balance at beginning of year, as restated	150	-	150
Fund balance at end of year	<u><u>\$ 39,847</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,847</u></u>



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STATISTICAL SECTION

COMPREHENSIVE FINANCIAL ANNUAL REPORT



**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2020**

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.	140-144
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	146-152
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.	153-156
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.	157-158
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.	159-161

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) 2011	2012	2013	Restated (2) 2014	2015	2016	Restated (3) 2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 184,436,972
Restricted	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	40,445,382
Unrestricted	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)	(7,106,324)
Total governmental activities net position	<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>\$ 194,240,574</u>	<u>\$ 189,666,960</u>	<u>\$ 206,179,530</u>	<u>\$ 217,776,030</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues:										
Governmental activities										
Charges for services:										
General government	\$ 718,663	\$ 779,745	\$ 817,496	\$ 743,059	\$ 913,842	\$ 880,295	\$ 847,633	\$ 1,036,392	\$ 820,258	\$ 1,857,039
Security of persons and property	974,688	1,009,245	978,586	895,958	900,810	922,948	1,068,701	1,015,084	1,168,877	877,772
Leisure time activity	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	389,533
Community Environment	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	2,560,099
Transportation	-	-	-	-	-	-	-	-	-	5,411
Basic Utility Services	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	3,366,039
Operating grants & contributions	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	5,170,521
Capital grants & contributions	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	2,479,926
Total governmental activities program revenues	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	16,706,340
Expenses:										
Governmental activities										
General government	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	14,769,346
Security of persons and property	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	14,422,740
Public health	165,311	182,270	186,809	194,357	225,000	237,546	256,406	261,020	383,820	807,980
Leisure time activity	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	3,147,484
Community Environment	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	4,299,354
Basic Utility Services	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	7,704,325
Transportation	7,940,453	7,490,224	8,523,821	11,946,188	10,363,941	8,759,098	11,985,105	14,286,519	13,371,260	12,637,519
Interest & fiscal charges	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	2,192,116
Total governmental activities expenses	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	59,980,864
Total net revenue (expense)	(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)	(43,274,524)
General Revenues:										
Governmental activities										
Property Taxes Levied for General Purposes	\$ 1,924,647	\$ 1,978,442	\$ 1,490,038	\$ 1,483,891	\$ 1,418,846	\$ 1,429,888	\$ 1,526,373	\$ 1,484,966	\$ 1,560,782	\$ 1,572,343
Municipal Income Tax Levied for General Purposes	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	21,430,545
Municipal Income Tax Levied for Transportation	384,371	885,947	466,492	1,212,529	1,536,470	2,458,263	3,170,538	2,797,729	2,930,642	3,299,402
Municipal Income Tax Levied for Capital Outlay	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	8,248,757
Payments in Lieu of Taxes	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	10,175,566
Grants and entitlements not restricted to specific programs	1,695,078	2,301,949	1,105,845	693,035	770,008	706,750	731,344	989,732	831,774	970,935
Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	7,437,475
Unrestricted Investment Earnings	141,361	60,420	57,494	33,531	73,377	199,018	332,676	728,040	1,008,576	733,722
Miscellaneous	455,810	581,217	361,580	356,074	508,900	334,063	255,019	416,458	417,249	599,366
Total governmental activities	21,936,736	23,737,718	25,780,129	28,315,284	32,450,092	36,778,522	39,244,835	37,956,523	43,918,048	54,468,111
Total primary government change in net position	\$ (1,550,398)	\$ (6,298,399)	\$ (684,992)	\$ (203,456)	\$ 3,601,403	\$ 7,901,381	\$ 2,514,959	\$ (4,573,614)	\$ 16,512,570	\$ 11,193,587

Source: City financial records.

CITY OF HILLIARD, OHIO

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function / Program:										
Governmental Activities										
General Government	\$ 718,663	\$ 990,070	\$ 828,746	\$ 747,058	\$ 932,505	\$ 880,295	\$ 1,340,133	\$ 1,036,392	\$ 1,029,141	\$ 3,924,273
Security of Persons and Property	974,688	1,009,245	1,006,477	967,899	972,845	1,012,271	1,152,659	1,097,768	1,457,559	1,277,419
Public Health	-	-	-	-	-	-	-	-	59,449	60,438
Leisure Time Activities	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	395,361
Community Environment	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	2,570,207
Basic Utility Services	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	4,945,831
Transportation	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	3,532,811
Total Governmental Activities Program Revenues	<u>\$ 14,087,758</u>	<u>\$ 8,673,683</u>	<u>\$ 13,005,334</u>	<u>\$ 17,229,821</u>	<u>\$ 15,688,798</u>	<u>\$ 21,958,150</u>	<u>\$ 19,293,863</u>	<u>\$ 16,804,338</u>	<u>\$ 20,939,480</u>	<u>\$ 16,706,340</u>

Source: City financial records.

City of Hilliard, Ohio

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nondisposable	\$ 28,179	\$ 26,723	\$ 25,268	\$ 26,774	\$ 40,817	\$ 40,542	\$ 71,894	\$ 81,675	\$ 55,314	\$ 126,900
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	2,843,460
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	19,144,690
Total general fund	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	22,115,050
All other governmental funds:										
Nondisposable	-	-	-	-	-	-	-	-	23,759	22,930
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	39,532,979
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	5,776,873
Unassigned	(12,904)	(12,904)	-	(14,663)	(4,161)	(637,643)	(199,713)	(188,013)	-	-
Total all other governmental funds	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	45,332,782
Total Governmental funds	\$ 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	\$ 67,447,832

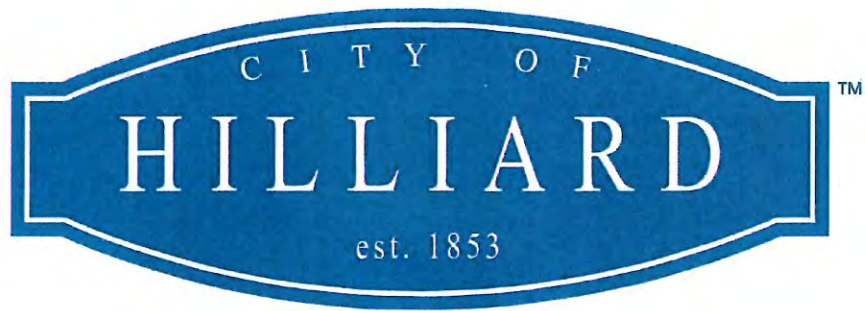
Source: City financial records.

City of Hilliard, Ohio

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property and other taxes	\$ 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	\$ 1,573,372
Municipal income tax	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	35,315,922
Payment in lieu of taxes	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	10,175,566
Intergovernmental	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	6,153,369
Charges for services	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	6,643,617
Licenses and Permits	1,183,422	827,486	2,174,933	1,968,205	1,529,826	3,118,344	1,913,121	1,098,603	1,079,394	2,238,024
Fines and Forfeitures	330,873	397,752	389,424	337,475	307,757	261,398	403,899	322,883	354,641	182,046
Investment Income	60,420	57,494	33,531	73,377	48,070	199,018	332,676	676,436	1,050,568	734,897
Other	552,819	358,221	355,886	882,453	217,020	318,819	248,424	619,115	480,183	599,366
Total revenues	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	63,616,179
Expenditures:										
Current:										
General government	5,821,506	5,922,196	4,828,215	6,881,917	9,293,320	14,623,801	10,343,125	8,477,699	10,816,176	15,777,068
Security of persons and property	7,943,336	8,022,112	8,436,061	11,635,540	9,198,922	10,147,638	9,893,769	10,940,277	11,023,538	12,066,011
Public health	165,311	182,270	186,809	194,357	225,000	237,546	256,406	261,020	383,820	445,984
Leisure time activity	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	3,728,959
Community Environment	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	6,686,095
Basic Utility Services	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	3,031,495
Transportation	10,472,973	3,893,437	5,171,459	10,158,186	6,919,067	7,562,237	9,739,304	16,396,168	12,493,598	10,558,348
Debt service:										
Principal retirement	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	5,162,597
Interest and fiscal charges	2,899,735	2,870,941	2,275,495	1,660,868	1,786,954	2,049,620	2,070,924	2,176,434	2,123,684	2,295,994
Issuance costs	-	-	153,222	147,271	182,912	247,705	104,753	-	167,401	-
Total expenditures	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	59,752,551
Excess (deficiency) of revenues over (under) expenditures	(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)	3,863,628
Other financing sources (uses):										
Proceeds from Sale of capital assets	28,398	3,359	18,785	1,848	1,500	298,393	11,152	2,295	200	11,884,757
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	7,605,000
Issuance of Bond Anticipation Notes	-	-	4,285,000	10,785,000	7,275,000	6,500,000	-	-	9,155,000	-
OWDA and OPWC Loans Issued	17,689	413,790	-	-	-	-	-	4,857,608	-	341,626
Premium on Debt	15,982	1,364,417	484,152	435,398	1,260,402	1,609,604	-	-	603,920	876,550
Refunding Bonds Issued	-	8,605,000	-	5,160,000	-	8,205,000	-	-	-	-
Payment on Refunded Bonds or Notes	(5,300,000)	(9,734,141)	(9,243,627)	(5,486,754)	(3,295,918)	(9,130,978)	453,669	-	-	(4,403,555)
Inception of Capital Lease	392,939	-	-	-	-	109,903	-	-	-	-
Transfers in	-	-	-	-	2,308,880	1,880,000	3,500,000	5,600,000	5,066,817	2,604,675
Transfers out	-	-	-	-	(2,308,880)	(1,880,000)	(3,500,000)	(5,600,000)	(5,066,817)	(2,604,675)
Total other financing sources (uses)	3,175,008	3,132,425	4,449,310	10,895,492	13,985,984	11,446,922	5,119,821	4,859,903	10,782,084	16,304,378
Net change in fund balances	\$ 847,917	\$ 3,191,579	\$ 9,205,870	\$ 5,102,935	\$ 409,184	\$ 1,276,509	\$ (632,644)	\$ 669,037	\$ 9,797,497	\$ 20,168,006
Debt service as a percentage of noncapital expenditures	19.60%	21.00%	19.80%	23.90%	35.50%	27.90%	25.20%	14.10%	15.53%	15.75%

Source: City financial records.



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City of Hilliard, Ohio
Income Tax Revenue by Payer Type (1)
Last Ten Years
(cash basis of accounting)

Year	Individual				Business Accounts		Total
	Withholding	Percentage of Total	Non-withholding	Percentage of Total	Business Accounts	Percentage of Total	
2011	14,006,015	79%	2,066,913	12%	16,072,928	91%	17,738,225
2012	14,755,373	77%	2,041,808	11%	16,797,181	88%	19,083,795
2013	15,349,860	74%	2,234,458	11%	17,584,318	85%	20,841,806
2014	16,261,933	71%	2,343,605	10%	18,605,538	81%	22,793,905
2015	18,483,631	72%	2,494,808	10%	20,978,439	82%	25,823,459
2016	19,960,118	72%	2,747,844	10%	22,707,962	82%	27,848,058
2017	20,891,108	71%	2,822,321	10%	23,713,429	81%	29,537,139
2018	21,891,108	75%	2,751,650	9%	24,642,758	84%	29,096,387
2019	22,558,805	78%	2,743,212	10%	25,302,017	88%	28,767,046
2020	22,513,539	73%	2,786,460	9%	25,299,999	82%	30,781,089

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)
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%
2020	19,535,447	7,518,443	2,989,186	30,043,076	8.11%

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
 2020 and 2011

Range of Withholding Amount	2020		2011	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	5	27.94%	3	23.76%
\$300,001 - 500,000	2	3.80%	1	3.04%
\$100,001 - 300,000	21	14.33%	11	13.12%
\$55,001 - 100,000	35	11.32%	26	13.77%
Total		57.39%		53.69%
All Others		42.61%		46.31%
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	Total Direct Tax Rate
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Public Utility	Valuation	% Growth		
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
2020	966,569,490	507,270	214,893,200	65,217,970	96,720	1,247,284,650	45,016,750	1,292,301,400	19.91%	3,692,289,714	1.60

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 (25 percent was used in the assessed values above). House Bill 66 (the State's biennial budget for 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>
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
2020	1.60	91.90	19.12	2.80	21.62	1.60	138.64

Source: Franklin County Auditor

City of Hilliard, Ohio
Principal Property Tax Payers - Real Property
2020 and 2011

Taxpayer	2020			2011		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
AEP Ohio Transmission Company	\$ 29,305,440	1	2.88%			
Villages at Britton LTD	16,450,010	2	1.62%			
New Hilliard Station LLC	4,540,920	3	0.45%	13,687,530	1	1.64%
West-Ward Columbus Inc	11,294,650	4	1.11%			
MCI International INC	10,758,830	5	1.06%			
Heritage Green Gardens	9,975,000	6	0.98%			
BT-OH LLC	9,328,700	7	0.92%			
Edwards Arlington Park LLC	8,750,000	8	0.86%			
M-BM LLC	8,575,000	9	0.84%			
BCORE Jupiter MWSE 2 LLC	8,085,010	10	0.80%			
G&I VI Heritage Green LLC				\$ 7,385,000	2	0.89%
Columbus Campus LLC				6,877,970	3	0.83%
Trueman LP				5,265,400	4	0.63%
Homewood Corp				4,469,330	5	0.54%
Ansmil LLC				4,384,220	6	0.53%
Talcott III Mill Run LLC				3,850,010	7	0.46%
Crystal Lakes Apartments				3,161,730	8	0.38%
First Industrial LP				2,774,450	9	0.33%
Clearview Hilliard LP				2,303,150	10	0.28%
Total Top 10 Real Property	117,063,560		10.51%	54,158,790		6.50%
All Others	899,861,500		89.49%	778,268,450		93.50%
Total Real Property Assessed Valuation	<u>\$ 1,016,925,060</u>		<u>100.00%</u>	<u>\$ 832,427,240</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
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
2020	1,724,400	1,484,416	86.08%	236,354	1,720,770

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, 2020

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
Direct			
City of Hilliard			
Loans Payable	\$ 12,696,648		\$ 12,696,648
General Obligation Bonds	54,209,153		54,209,153
Total Direct Debt	66,905,801	100.00%	66,905,801
Overlapping Subdivisions			
Dublin City School District	183,431,640	0.06%	110,059
Franklin County	178,725,000	3.49%	6,237,503
Tolles Career & Technical Center	1,351,812	13.35%	180,467
Solid Waste Authority of Central Ohio	60,620,000	3.32%	2,012,584
Total Overlapping Debt	424,128,452		8,540,612
Total Direct and Overlapping Debt	\$ 491,034,253		\$ 75,446,413

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
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
2020	54,209,153	3,692,289,714	36,411	1.47%	1,489

(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	Total Outstanding Debt	Population(1)	Personal Income(2*)	Debt Per Capita	Percentage of Personal Income
2011	-	8,575,435	55,994,999	64,570,434	29,250	1,175,499	2,208	5.49%
2012	-	10,825,790	55,859,717	66,685,507	28,524	1,218,773	2,338	5.47%
2013	4,285,000	10,364,632	53,129,330	67,778,962	28,595	1,254,377	2,370	5.40%
2014	10,785,000	9,834,465	49,772,640	70,392,105	28,723	1,289,720	2,451	5.46%
2015	7,275,000	9,234,761	52,679,797	69,189,558	28,952	1,348,295	2,390	5.13%
2016	6,500,000	8,823,212	53,507,370	68,830,582	29,331	1,399,822	2,347	4.92%
2017	-	8,311,970	54,155,568	62,467,538	34,631	1,719,221	1,804	3.63%
2018	-	12,643,943	49,736,479	62,380,422	37,063	1,896,328	1,683	3.29%
2019	-	12,977,619	55,011,206	67,988,825	38,106	1,999,689	1,784	3.24%
2020	1,500,000	12,696,648	54,209,153	68,405,801	36,411	1,910,740	1,879	3.31%

(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)

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Assessed Valuation	\$ 1,292,301,400	\$ 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
Overall debt limitation - 10.5% of assessed valuation	135,691,647	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
Total Indebtedness as of 12/31	49,620,000	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
Less Exempt Debt:										
Self Supporting										
2002 Various Purpose-Water portion(39%)							0	0	0	62400
2005 Various Purpose-Water portion(39%)	254,555	254,555	-	-	-	1,123,200	1,567,800	1,994,850	5,569,200	5,904,600
Total Self Supporting	254,555	254,555	-	-	-	1,123,200	1,567,800	1,994,850	5,569,200	5,967,000
Income Tax Supported										
2002 Various Purpose(61%)	-	-	-	-	-	-	-	-	-	97,600
2003 Various Purpose	-	-	-	-	-	-	-	-	245,000	3,655,000
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
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	4,785,000	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	4,105,000	4,976,000	5,825,000	6,680,000	7,555,000	8,465,000	8,585,000	8,705,000	-	-
2014 Various Purpose	3,570,000	4,020,000	4,460,000	4,890,000	4,940,000	4,990,000	5,040,000	-	-	-
2015 Various Purpose	7,380,000	7,605,000	7,820,000	8,030,000	8,230,000	8,425,000	-	-	-	-
2016 Various Purpose	9,395,000	10,550,000	10,945,000	11,335,000	11,715,000	-	-	-	-	-
2017 Various Purpose	3,925,000	4,100,000	4,270,000	4,435,000	-	-	-	-	-	-
2019 Various Purpose	8,270,000	8,855,000	-	-	-	-	-	-	-	-
2020 Various Purpose	7,605,000	-	-	-	-	-	-	-	-	-
Notes	-	-	-	-	6,500,000	7,275,000	10,785,000	4,285,000	-	-
Total Income Tax Supported	49,035,000	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
Amount available in the debt service fund		-	-	-	-	-	-	-	-	-
Total Exempt Debt	49,289,555	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
Net Debt Subject to Limitation	330,445	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150	19,155,800	22,680,400
Legal debt margin within 10.5% limitation	<u>\$ 135,361,202</u>	<u>\$ 113,119,354</u>	<u>\$ 111,102,920</u>	<u>\$ 108,274,872</u>	<u>\$ 98,930,683</u>	<u>\$ 91,339,039</u>	<u>\$ 87,583,120</u>	<u>\$ 83,472,668</u>	<u>\$ 69,549,989</u>	<u>\$ 66,078,366</u>
Percentage of Net Debt to Assessed Value	0.03%	0.00%	0.00%	0.00%	0.04%	0.28%	0.40%	0.59%	2.27%	2.68%
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	10.47%	10.50%	10.50%	10.50%	10.46%	10.22%	10.10%	9.91%	8.23%	7.82%

Unvoted debt limitation 5.5% of assessed valuation	<u>\$ 71,076,577</u>	<u>\$ 59,276,276</u>	<u>\$ 58,196,768</u>	<u>\$ 56,715,409</u>	<u>\$ 52,012,024</u>	<u>\$ 49,136,392</u>	<u>\$ 47,706,120</u>	<u>\$ 46,329,809</u>	<u>\$ 46,464,937</u>	<u>\$ 46,492,687</u>
Total Indebtedness as of 12/31	49,620,000	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
Less Total Exempt Debt	49,289,555	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
Net Debt Subject to Limitation	330,445	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150	19,155,800	22,680,400
Legal debt margin within 5.5% limitation	<u>70,746,132</u>	<u>59,231,831</u>	<u>58,196,768</u>	<u>56,715,409</u>	<u>51,647,024</u>	<u>46,669,592</u>	<u>44,213,920</u>	<u>41,354,659</u>	<u>27,309,137</u>	<u>23,812,287</u>
Percentage of Net Debt to Assessed Value	0.03%	0.00%	0.00%	0.00%	0.04%	0.28%	0.40%	0.59%	2.27%	2.68%
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	5.47%	5.50%	5.50%	5.50%	5.46%	5.22%	5.10%	4.91%	3.23%	2.82%

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	1,999,689	52,477	16,642	3.1%	1,077,750,470
2020	36,411	1,910,740	52,477	16,235	4.9%	1,292,301,400

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 N
(6) Hilliard City School District

City of Hilliard, Ohio
Principal Employers
2020 and 2011

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,877	1	7.27%	1,746	1	7.61%
BMW Financial Services	872	2	3.38%	522	2	2.28%
Advanced Drainage Systems	307	3	1.19%	100	10	0.44%
Micro Center Inc.	293	4	1.13%	391	4	1.70%
Cellco Partnership dba Verizon	1,046	5	4.05%			
City of Hilliard	232	6	0.90%	227	7	0.99%
Sedgwick Claims Mgmt Inc.	447	7	1.73%			
Armstrong World Industries	157	8	0.61%	131	8	0.57%
R. E. Rich Family Holding Corp.	190	9	0.74%	278	5	1.21%
Echosphere LLC	30	10	0.12%	446	3	1.94%
Verizon Business Network Services				253	6	1.10%
TALX UCM Services						0.00%
Redemtech Inc.				121	9	0.53%
Total Employees	5,451		21.12%	4,215		18.37%
All Other Employers	20,377		78.88%	18,724		81.63%
Total Employment within the City	25,828		100.00%	22,939		100.00%

Source: City Income Tax Department

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

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
Function/Program	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	47	47	45	45	44	44	40	40	45	54	41	41	51	53	41	81	40	79	41	79
Security of Persons and Property	48	48	47	47	40	40	44	44	54	54	49	50	58	58	70	74	76	79	75	77
Leisure Time Activities	18	28	18	28	18	28	18	28	15	25	19	48	16	30	19	40	19	36	20	27
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	20	20	20	20	21	21	19	19	24	24	26	26	27	27	27	27
<i>Total Number of Employees</i>	<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>	<u>164</u>	<u>211</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	23	23	24	24	25	26	26	26	26	26
Park Area (acres)	316	316	324	324	531	531	531	531	531	531
Number of Playgrounds	11	10	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	131.9	131.9	132.4	133.5	135.1	137.7	140.1	140.8	143.9	144.97
Miles of Sanitary Sewers	144.7	145.3	146	147.5	150.7	154.4	155.8	156.8	159.2	160.1
Miles of Storm Sewers	126.7	126.8	127.6	128.6	130.5	133.0	134.8	136.1	143.3	145.15
Transportation (2)										
Miles of Streets	112.9	112.9	114.0	115.0	117.1	118.6	120.1	121.3	124.1	124.93
Number of Street Lights	1,805	1,805	1,897	1,917	1,940	1,954	1,955	1,993	2,082	2,130
Number of Traffic Signal Systems	36	36	36	36	36	36	36	36	0	36

*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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Active Income Tax Accounts										
Individual	16,901	18,397	17,734	17,788	16,923	17,816	17,584	17,577	21,406	22,288
Business	3,007 ¹	1,664	3,650	1,866	1,887	1,935	1,750	2,138	2,195	3,684
Withholding	4,427 ¹	2,546	5,339	2,842	3,057	3,228	3,237	3,397	3,487	2,107
Clerk of Courts:										
Traffic Court Cases	2,440	2,153	2,962	2,472	2,826	1,862	1,915	2,418	2,212	1,270
Security of Persons and Property:										
Police Calls	46,048	47,798	51,864	50,934	48,064	40,512	36,478	40,361	43,744	37,479
Physical Arrests	1,017	1,570	1,662	1,051	1,062	785	856	1,023	931	708
Citations	3,779	3,352	4,076	4,118	3,778	2,353	2,402	2,874	2,717	1,643
Parking Violations	44	38	207	374	66	179	369	344	262	83
Leisure Time Activities:										
Swimming Pool Revenue	656,037	724,922	709,491	608,941	561,749	554,069	565,007	838,335	893,909	8,377
Community Center Revenue	236,675	244,395	263,564	274,665	305,013	298,890	218,572	179,141	299,953	99,685
Senior Center Revenue	69,882	81,937	91,734	80,191	77,149	84,457	81,497	77,870	80,502	45,602

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.