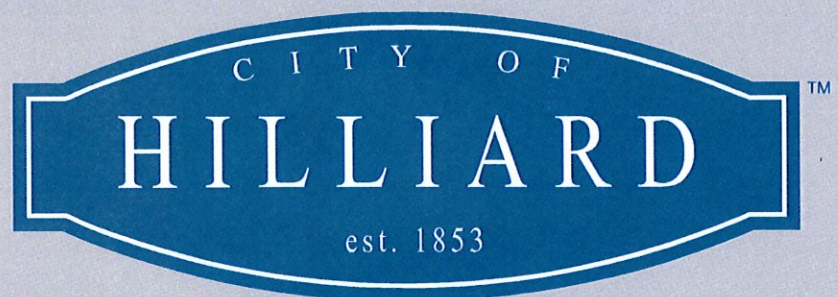




ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Michelle Crandall, City Manager



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2022



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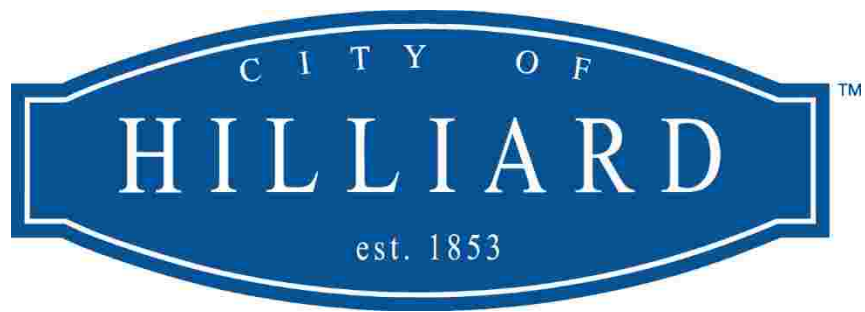
City of Hilliard, Ohio
Franklin County, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022

Issued by:
Department of Finance

Greg A. Tantari
Deputy Director



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City of Hilliard
Franklin County, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022

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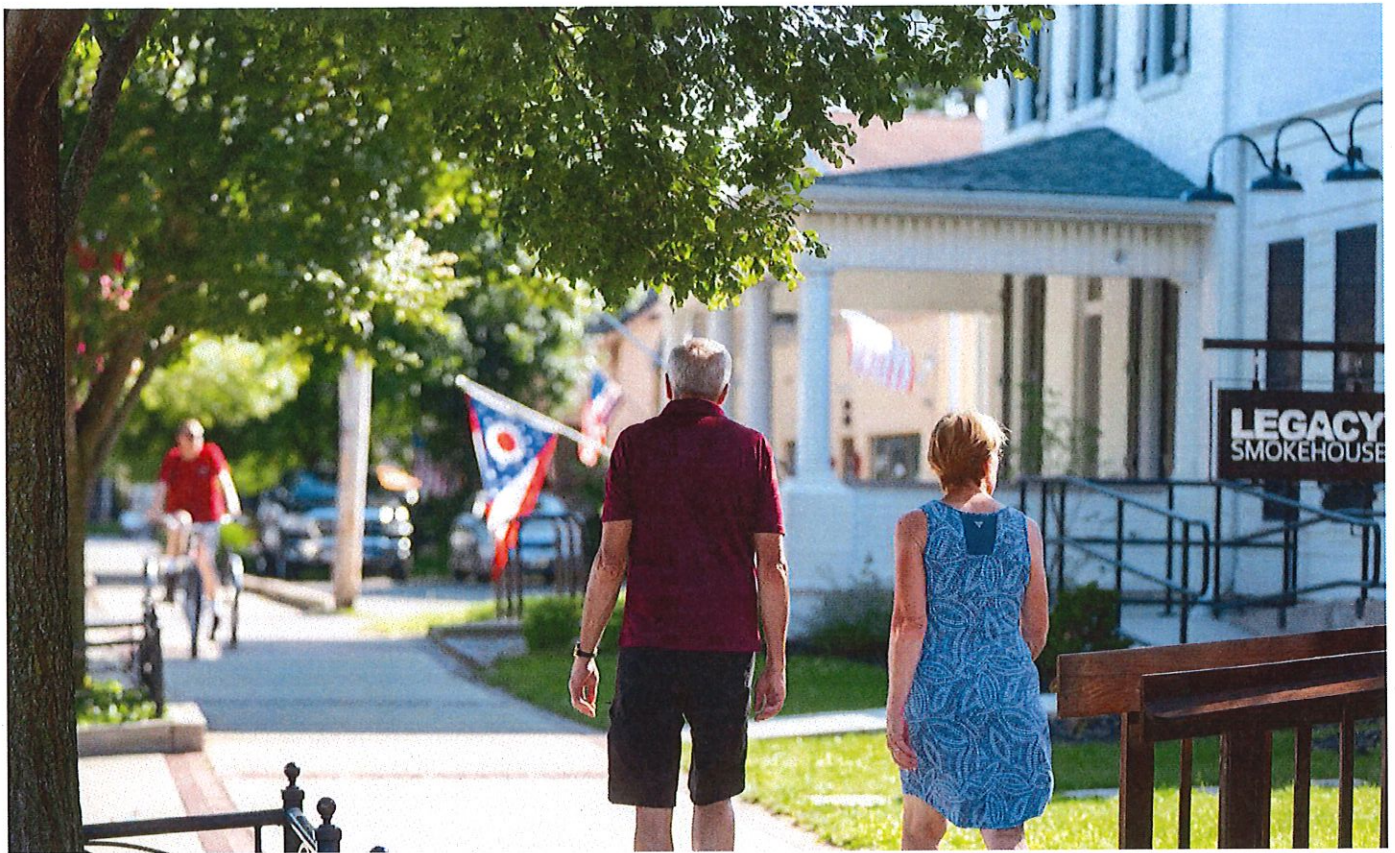
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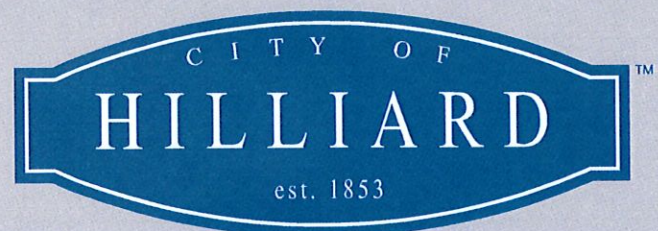
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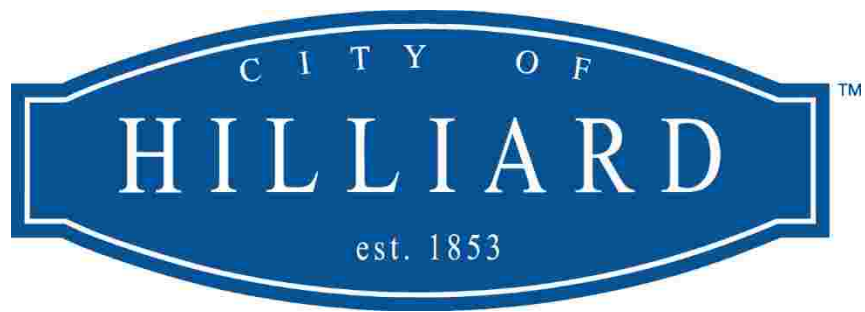
INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Issued by the Department of Finance



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2022



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Real People. Real Possibilities:

Finance Department

June 23, 2023

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Hilliard (the City) for the year ended December 31, 2022. This ACFR is prepared in accordance with accounting principles generally accepted in the United States of America (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, 2022. 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 37,114 for 2022.

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 40.07 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 organization's 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 2022 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 of Hilliard is part of the Columbus Region, home to a population of 2.2 million, and a potential workforce of 1.2 million. The Columbus Region is a dynamic 11-county metropolitan area in the midst of unprecedented economic growth. With one of the youngest and most-educated populations in the country – the median age is 35.9 and 36% of residents 25+ holds a bachelor's degree or higher. The Region offers a steady pipeline of young talent with one of the highest populations of millennials in the nation.

The Columbus metro ranks first among large Midwest metro areas for population and job growth since 2010 and is among the fastest growing metros in the country. Intel recently announced its commitment to the Columbus Region for the largest manufacturing investment in Ohio's history. Our region and community will serve as a magnet for the attraction of top talent and this development will add significant job creation opportunities.

The City of Hilliard had an annual average unemployment rate at the end of 2022 of 2.5 percent while the Columbus Region and State of Ohio had annual average unemployment rates of 3.3 percent 3.5 percent respectively according to the Ohio Labor Market Information site for the Ohio Department of Jobs and Family Services. The Columbus Region, with its strong economy, is a magnet for attracting growth. While nearly two-thirds of the State's counties lost population in recent estimates from the Census, Franklin County served as the state's growth center. Central Ohio counties accounted for five of the six fastest growing centers in the state over the last decade. 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, Recreation and Parks 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 five 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

Hilliard completed construction of the first phase of a \$4.65 million municipal fiber optic network called HiFiO. The purpose of the project was to advance our economic development efforts, improve city operations and lay the groundwork to embrace smart infrastructure. HiFiO is carrier-neutral which allows the city and its stakeholders to shop their services to small and mid-size internet service providers which can lead to improved bandwidth and lower costs. HiFiO is being leveraged to attract and retain businesses, increase investment in research and development and allow startup companies to utilize city assets to demonstrate new technology. Through public-private partnerships, the City will begin to receive a share of revenue from service providers that use the network.

Hilliard's focus on technology-based projects has led to several successes through its launch of City Lab. The Hilliard facility is a high-tech ecosystem with a network of start-ups that are supported by other Hilliard-based professional businesses (think lawyers, accountants, engineers and marketers) sharing, selling and even bartering services. Throw in 3-D printers, circuit boards, a clean-room and other equipment funded in part through City innovation grants and shared by tenants, and companies have the opportunity to prove their concepts with low risks involved.

While the lab is citywide, eight start-up companies located in Converge Technologies, served as the initial proof of concept for Hilliard City Lab. Converge Technologies, a commercialization incubator for high-tech start-ups works closely with the City of Hilliard, going as far as to co-brand their building with Hilliard City Lab. Converge Technologies selected Hilliard for its manufacturing and prototyping incubator designed to rapidly turn new technologies into thriving businesses. This project is anticipated to create 116 new jobs within five years. One of its first tenants, GhostWave, developed an advanced radar technology for drones that has received significant funding from the U.S. Department of Defense. This City is partnering with Converge to demonstrate a drone first responder program with a goal to have a drone on scene anywhere in the city in under two minutes to aid in emergency services.

Star Dynamics commenced a project in Hilliard for the design and manufacture of a new hi-tech RCS radar to be used by the Air Force at the National Radar Test Facility in New Mexico. The company committed to creating 15 new jobs and \$1.9M in new annual payroll. Amazon Web Services acquired 104 acres from the City of Hilliard on 12/31/2020. The City of Hilliard received \$11.76 million from the sale of the site and the Hilliard City School District received \$2.8 million. This purchase was one of two large-scale site acquisitions by AWS to grow their presence in the City. These additional sites will lead to more than \$2 billion in new investment and at least 200 additional jobs. The company is expected to break ground this summer. To-date, AWS has invested more than \$1.3 billion and created 163 jobs with more than \$16 million in new annual payroll.

Forsee Power selected Hilliard for its North American headquarters, production and research and development facility. Forsee provides advanced lithium-ion battery systems for mobility applications and will create 152 jobs with \$9.1 million in new annual payroll. In the same corridor, Advanced Drainage Systems commenced construction on a \$32 million engineering and research facility. As Hilliard's largest employer, the company is retaining its 322 employees and \$91 million in annual payroll and will create 170 additional jobs.

Several investments in Hilliard's historic downtown have made the area a regional destination. Center Street Market and Crooked Can brewery completed construction of a 16,000 square foot brewery and food hall concept. The City facilitated the conversion of a industrial facility into coworking space and a new restaurant. Called the Junction, this development includes a new restaurant and bar with new co-working space that already supports more than twenty businesses, including a 30-person information technology company. Several businesses recently selected our downtown area for their location including: AugustTwenty, Westwood Collective headquarters, Dot The I Creative, Hilliard Station Baking Company and HillGarten. A new \$2.7 million winery will break ground this fall.

Several large projects are expected to commence later this year. Local real estate developer Equity acquired land for the construction of TruePointe. This \$150 million development include more than 330 residential units, 200,000 square feet of Class A office space and 30,000 square feet of retail and restaurant space. Alton Place broke ground on a \$270 million mixed-use project that is expected to include 439 residential units and more than 200,000 square feet of commercial. With the recent announcement of Intel's fab plant, demand for industrial and commercial sites are at an all-time high. Several transformational lab, production and research and development projects are in the pipeline.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021. This was the thirtieth 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 ACFR that satisfied both accounting principles generally accepted in the United States of America 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.

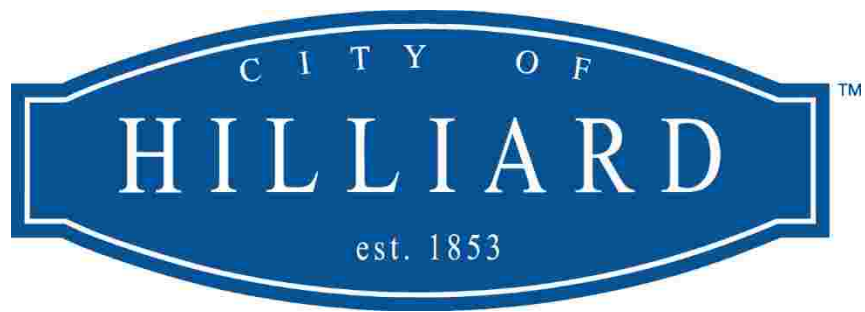
We wish to convey our appreciation to the City Administration and to the City Council for their support and for providing the necessary funds to prepare and publish this report.

The entire Finance Department played a part in preparing this report; they worked with extreme dedication to the project.

Respectfully submitted,



Gregory A. Tantari
Deputy 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

City of Hilliard, Ohio
Principal Officials
December 31, 2022

Elected Officials

Name	Title	Term Expires	Service
Les Carrier	Council	12/31/2025	9
Peggy Hale	Council	12/31/2025	1
Omar Tarazi	Vice President	12/31/2023	4
Tina Cottone	Council	12/31/2025	1
Andy Teater	President of Council	12/31/2021	5
Pete Marsh	Council	12/31/2023	5
Cynthia Vermillion	Council	12/31/2023	3

Appointed Officials

Name	Title	Term Expires	Service
Michelle Crandall	City Manager	Contract	3
Dan Ralley	Community Development Director	Indefinite	2
David D. Delande	Director of Finance	Indefinite	28
Frost Brown Todd LLC	Director of Law	Indefinite	4
Ed Merritt	Director of Recreation and Parks	Indefinite	5
David Meadows	Director of Economic Development	Indefinite	6
Colleen Lemmon	Chief People Officer/HR Director	Indefinite	1
Duane Powell	Director of Information Technology	Indefinite	4
David B. Ball	Director of Community Relations	Indefinite	5
Larry Lester	Operations Director	Indefinite	23
John Talentino	Planning Director	Indefinite	22
Ellette Schamp	Transportation/Mobility Director	Indefinite	25
Michael Hulsey	Building Standards Director	Indefinite	3
Michael Woods	Police Chief	Indefinite	1
Diane Werbrich	Clerk of Council	Indefinite	2

City Address:

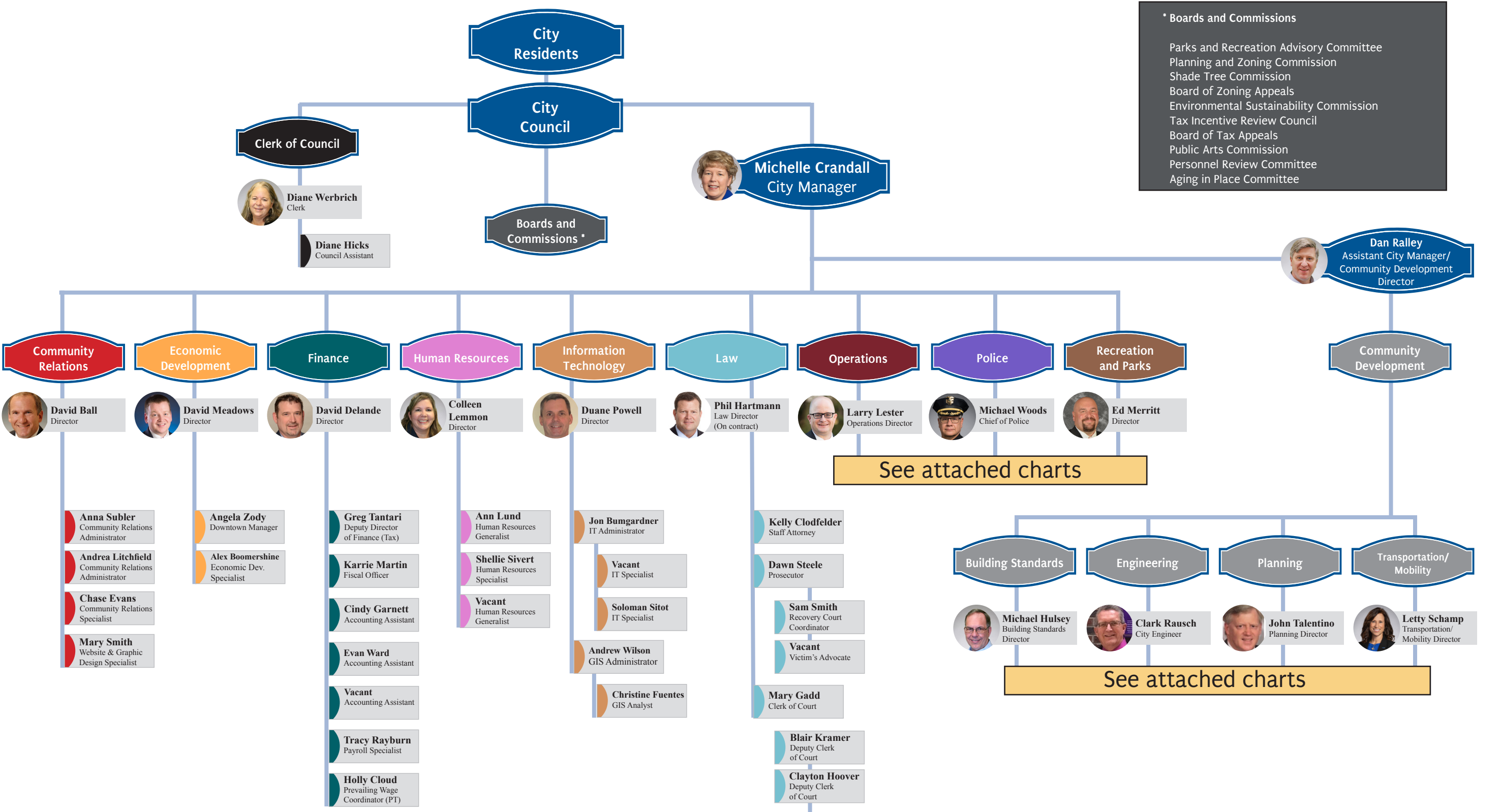
City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

CITY OF

HILLIARD

est. 1853

Organizational Chart (Departments / Divisions)



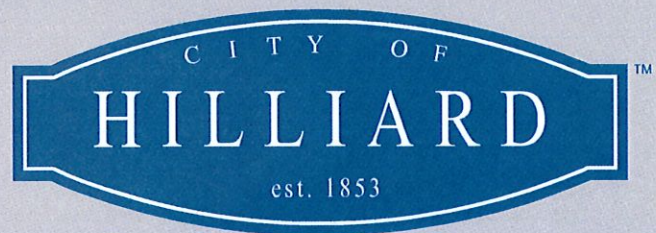


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FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2022



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INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Recreation and Parks, and TIF funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 23, 2023, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

City of Hilliard
Franklin County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 23, 2023

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(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, 2022. 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 2022 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 \$233.9 million (net position), a decrease of \$559,084 in comparison with the prior year.
- General revenues accounted for approximately \$53.1 million. Program specific revenues accounted for approximately \$20.9 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$157.1 million, an approximately \$88.5 million increase in comparison with the prior year.

The Annual Comprehensive 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.

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 2022?" 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.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

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.

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.

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, Recreation and Parks 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.

Proprietary Fund

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.

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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.

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.

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.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. Capital assets include buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, and infrastructure. 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.

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(Unaudited)

The table below provides a comparative summary of the City's net position at December 31, 2022 and December 31, 2021.

	<u>Net Position</u>		
	2022	2021	
	<u>Governmental</u>	<u>Governmental</u>	<u>Change</u>
	<u>Activities</u>	<u>Activities</u>	
<u>Assets</u>			
Current and other assets	\$ 187,806,865	\$ 92,212,091	\$ 95,594,774
Capital assets, net	<u>247,026,756</u>	<u>252,726,233</u>	<u>(5,699,477)</u>
Total assets	<u>434,833,621</u>	<u>344,938,324</u>	<u>89,895,297</u>
<u>Deferred Outflows of Resources</u>			
Total deferred outflows of resources	<u>11,556,605</u>	<u>8,075,960</u>	<u>3,480,645</u>
<u>Liabilities</u>			
Current and other liabilities	11,065,563	6,039,005	5,026,558
Long-term liabilities:			
Net pension liability	20,265,998	23,628,215	(3,362,217)
Net OPEB liability	2,647,657	2,503,387	144,270
Other amounts	<u>151,125,615</u>	<u>64,940,872</u>	<u>86,184,743</u>
Total liabilities	<u>185,104,833</u>	<u>97,111,479</u>	<u>87,993,354</u>
<u>Deferred Inflows of Resources</u>			
Total deferred inflows of resources	<u>27,422,414</u>	<u>21,480,742</u>	<u>5,941,672</u>
<u>Net Position</u>			
Net investment in capital assets	182,598,788	191,465,711	(8,866,923)
Restricted	43,524,058	35,719,042	7,805,016
Unrestricted	<u>7,740,133</u>	<u>7,237,310</u>	<u>502,823</u>
Total net position	<u>\$ 233,862,979</u>	<u>\$ 234,422,063</u>	<u>\$ (559,084)</u>

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. This increase is mainly due to unspent American Rescue Plan Act (ARPA) grant funding and the City receiving proceeds for the construction of the new recreation and wellness campus.

Capital assets, net decreased significantly in comparison with the prior year. This decrease is primarily the result of current year depreciation and net disposals of assets exceeding current year capital asset additions.

Current liabilities increased in comparison with the prior year. This increase was primarily due to unearned ARPA grant revenue and an increase in income tax refunds payable due to future payments to BMW for income taxes.

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The net pension and net OPEB asset/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 of resources and net pension/net OPEB asset/liability are described in more detail in their respective notes.

Other long-term liabilities increased significantly in comparison with the prior year. This increase is primarily the result of the City issuing long-term general obligation bonds for the purpose of acquiring, constructing, improving, furnishing, and equipping the new recreation and wellness campus.

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City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2022 and 2021:

	<u>Change in Net Position</u>		
<u>Revenues</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Program revenues:			
Charges for services	\$ 12,642,595	\$ 11,614,540	\$ 1,028,055
Operating grants and contributions	4,690,277	4,650,857	39,420
Capital grants and contributions	3,593,247	2,193,840	1,399,407
Total program revenues	20,926,119	18,459,237	2,466,882
General revenues:			
Property taxes	2,136,602	1,845,135	291,467
Payments in lieu of taxes	8,600,300	9,770,113	(1,169,813)
Income taxes	43,023,595	39,645,874	3,377,721
Unrestricted grants and entitlements	1,487,968	1,506,254	(18,286)
Investment earnings	(2,417,026)	(408,374)	(2,008,652)
Miscellaneous	286,167	421,781	(135,614)
Total general revenues	53,117,606	52,780,783	336,823
Total revenues	74,043,725	71,240,020	2,803,705
<u>Expenses</u>			
General government	21,100,572	17,793,714	3,306,858
Security of persons and property	13,038,860	12,675,709	363,151
Public health	454,383	424,657	29,726
Leisure time activities	4,778,104	3,476,641	1,301,463
Community environment	2,079,122	1,336,010	743,112
Basic utility services	12,105,542	6,374,990	5,730,552
Transportation	15,508,723	10,647,930	4,860,793
Interest and fiscal charges	5,537,503	1,864,336	3,673,167
Total expenses	74,602,809	54,593,987	20,008,822
Change in net position	(559,084)	16,646,033	(17,205,117)
Net position at beginning of year	234,422,063	217,776,030	
Net position at end of year	\$ 233,862,979	\$ 234,422,063	

Capital grants and contributions increased significantly in comparison with the prior year. This increase is mainly due to an increase in donations to the City for various infrastructure projects. Operating grants and contributions remained consistent in comparison with the prior fiscal year.

Investment earnings decreased significantly in comparison with the prior year. This decrease is mainly due to the rise of interest rates and corresponding decline in fair value of the investments held by the City.

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Income taxes increased significantly in comparison with the prior year. This increase is mainly due to electors of the City passing a 0.50 percent increase in income taxes for the purpose of construction of the new recreation and parks wellness campus and operational expenses.

Total expenses increased in comparison with the prior year. These increases were the result of an increase in operational and pension expenses.

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.

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.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2022 and December 31, 2021 for all major governmental funds.

	<u>Fund Balance</u> <u>12/31/2022</u>	<u>Fund Balance</u> <u>12/31/2021</u>	<u>Increase/</u> <u>(Decrease)</u>
General	\$ 24,072,003	\$ 28,122,828	\$ (4,050,825)
TIF	1,656,308	2,945,736	(1,289,428)
Capital Improvement Municipal Tax	17,467,316	24,718,607	(7,251,291)
Recreation and Parks	101,584,091	904,029	100,680,062

The General Fund is the chief operating fund of the City. At year-end, fund balance in the General Fund decreased significantly compared to prior year due to the decline in the fair value of the City's investments and transfers out.

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' properties. At year-end, fund balance in the TIF Fund decreased compared to prior fiscal year due to timing of collections against project expenditures and transfers out to fund capital projects.

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 decreased in comparison to prior fiscal year. This decrease represents a timing of collections against expenditures.

City of Hilliard
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The Recreation and Parks Fund was established to account for a portion of the City's income tax collections to be used for capital and operation expenses related to the City's parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. At year-end, fund balance in the Recreation and Parks Fund increased significantly in comparison with the prior year. This increase is mainly due to the City receiving bond proceeds for the purpose of constructing the new community center.

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 actual revenues and other financing sources came in higher than the original and final budgeted amounts due to an increase in income tax revenue.

Actual expenditures and other financing uses came in lower than the final budgeted amounts. The variance is evenly divided between budget categories and reflects the effects of the administration's expense control measures. The final budgeted appropriations were greater than the original budgeted amounts. This variance is mainly due to estimated transfers to other funds.

Capital Assets

At the end of 2022, the City's investment in land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, and construction in progress decreased in comparison with the prior year. This decrease represents the amount in which net disposals and depreciation expense exceeded additions. During the year, the City continued construction on various sanitary sewer projects and started construction on the new community center.

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 2022, the City's long-term debt outstanding increased in comparison with the prior year. This increase represents the amount in which new bonds, loans, and a large premium exceeding principal reduction payments and premium amortization. During the year, the City issued bonds for the purpose of designing, constructing, maintaining, and operating a new community center.

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

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

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 Greg Tantari, Deputy Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.

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BASIC FINANCIAL STATEMENTS

City of Hilliard
Franklin County, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 153,228,121
Cash and Cash Equivalents with Fiscal Agents	76,257
Cash and Cash Equivalents with Escrow Agents	6,644,728
Property and Other Local Taxes Receivable	2,031,260
Payments in Lieu of Taxes Receivable	11,240,000
Municipal Income Taxes Receivable	10,519,851
Accounts Receivable	366,616
Due from Other Governments	1,884,323
Net OPEB Asset	1,815,709
Non-Depreciable Capital Assets	18,940,522
Depreciable Capital Assets, net	228,086,234
<i>Total Assets</i>	<u>434,833,621</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	827,958
Pension	8,680,398
OPEB	2,048,249
<i>Total Deferred Outflows of Resources</i>	<u>11,556,605</u>
Liabilities	
Accounts Payable	146,355
Income Tax Refund Payable	6,082,907
Accrued Wages and Benefits	598,661
Due to Other Governments	189,617
Matured Compensated Absences Payable	370,642
Claims Payable	49,910
Unearned Revenue	2,863,402
Retainage Payable	269,118
Accrued Interest Payable	494,951
Long-Term Liabilities:	
Due Within One Year	12,192,797
Due In More Than One Year:	
Net Pension Liability	20,265,998
Net OPEB Liability	2,647,657
Other Amounts Due in More Than One Year	138,932,818
<i>Total Liabilities</i>	<u>185,104,833</u>
Deferred Inflows of Resources	
Property and Other Local Taxes	1,939,260
Payments in Lieu of Taxes	11,240,000
Pension	11,303,840
OPEB	2,939,314
<i>Total Deferred Inflows of Resources</i>	<u>27,422,414</u>
Net Position	
Net Investment in Capital Assets	182,598,788
Restricted for:	
Capital Outlay	18,284,302
Streets and Transportation	6,801,322
Parks and Recreation	18,229,665
Other Purposes	208,769
Unrestricted	7,740,133
<i>Total Net Position</i>	<u>\$ 233,862,979</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Activities
For the Year Ended December 31, 2022

	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	\$ 21,100,572	\$ 2,187,216	\$ 1,367,127	\$ 358,983	\$ (17,187,246)
Security of Persons and Property	13,038,860	1,287,591	-	32,903	(11,718,366)
Public Health	454,383	4,322	-	-	(450,061)
Leisure Time Activities	4,778,104	1,356,264	457,605	161,987	(2,802,248)
Community Environment	2,079,122	3,668,320	-	-	1,589,198
Basic Utility Service	12,105,542	4,138,882	-	1,892,894	(6,073,766)
Transportation	15,508,723	-	2,865,545	1,146,480	(11,496,698)
Interest and Fiscal Charges	5,537,503	-	-	-	(5,537,503)
<i>Total</i>	<u>\$ 74,602,809</u>	<u>\$ 12,642,595</u>	<u>\$ 4,690,277</u>	<u>\$ 3,593,247</u>	<u>(53,676,690)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					2,136,602
Income Taxes Levied for:					
General Purposes					22,365,833
Capital Outlay					8,604,719
Parks & Recreation					8,604,719
Transportation					3,448,324
Payments in Lieu of Taxes					8,600,300
Grants and Entitlements not Restricted to Specific Programs					1,487,968
Investment Earnings					(2,417,026)
Miscellaneous					286,167
<i>Total General Revenues</i>					<u>53,117,606</u>
<i>Change in Net Position</i>					(559,084)
<i>Net Position Beginning of Year</i>					<u>234,422,063</u>
<i>Net Position End of Year</i>					<u>\$ 233,862,979</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Balance Sheet
Governmental Funds
December 31, 2022

	General	TIF	Capital Improvement Municipal Tax	Recreation and Parks Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 24,780,626	\$ 1,656,308	\$ 17,559,637	\$ 94,891,992	\$ 14,049,599	\$ 152,938,162
Cash and Cash Equivalents with Fiscal Agents	-	-	181	-	76,076	76,257
Cash and Cash Equivalents with Escrow Agents	-	-	-	6,644,728	-	6,644,728
Property and Other Local Taxes Receivable	2,031,260	-	-	-	-	2,031,260
Payments in Lieu of Taxes Receivable	-	11,240,000	-	-	-	11,240,000
Income Taxes Receivable	5,470,323	-	2,103,970	2,103,970	841,588	10,519,851
Accounts Receivable	229,595	-	-	-	137,021	366,616
Due from Other Governments	530,265	73,595	-	-	1,280,463	1,884,323
<i>Total Assets</i>	<u>\$ 33,042,069</u>	<u>\$ 12,969,903</u>	<u>\$ 19,663,788</u>	<u>\$ 103,640,690</u>	<u>\$ 16,384,747</u>	<u>\$ 185,701,197</u>
Liabilities						
Accounts Payable	\$ 99,964	\$ -	\$ 10,137	\$ 23,354	\$ 12,900	\$ 146,355
Income Tax Refund Payable	3,163,112	-	1,216,581	1,216,581	486,633	6,082,907
Accrued Wages and Benefits	436,496	-	-	61,957	100,208	598,661
Due to Other Governments	141,860	-	-	18,246	29,511	189,617
Matured Compensated Absences Payable	337,716	-	-	14,892	18,034	370,642
Retainage Payable	-	-	248,185	-	20,933	269,118
Unearned Revenue	463,139	-	-	-	2,400,263	2,863,402
<i>Total Liabilities</i>	<u>4,642,287</u>	<u>-</u>	<u>1,474,903</u>	<u>1,335,030</u>	<u>3,068,482</u>	<u>10,520,702</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	1,939,260	-	-	-	-	1,939,260
Payments in Lieu of Taxes	-	11,240,000	-	-	-	11,240,000
Unavailable Revenue	2,388,519	73,595	721,569	721,569	1,029,972	4,935,224
<i>Total Deferred Inflows of Resources</i>	<u>4,327,779</u>	<u>11,313,595</u>	<u>721,569</u>	<u>721,569</u>	<u>1,029,972</u>	<u>18,114,484</u>
Fund Balances						
Restricted	-	1,656,308	17,467,316	101,584,091	4,559,035	125,266,750
Committed	-	-	-	-	7,727,258	7,727,258
Assigned	4,480,379	-	-	-	-	4,480,379
Unassigned	19,591,624	-	-	-	-	19,591,624
<i>Total Fund Balance</i>	<u>24,072,003</u>	<u>1,656,308</u>	<u>17,467,316</u>	<u>101,584,091</u>	<u>12,286,293</u>	<u>157,066,011</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 33,042,069</u>	<u>\$ 12,969,903</u>	<u>\$ 19,663,788</u>	<u>\$ 103,640,690</u>	<u>\$ 16,384,747</u>	<u>\$ 185,701,197</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, 2022

Total Governmental Fund Balances		\$ 157,066,011
<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.		247,026,756
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Income Tax	\$ 3,607,843	
Delinquent Property Tax	41,113	
Intergovernmental	1,183,039	
Accounts	<u>103,229</u>	4,935,224
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.		240,049
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(494,951)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		827,958
The net pension liability and net OPEB liability (asset) are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds.		
Net OPEB Asset	1,815,709	
Deferred Outflows - Pension	8,680,398	
Deferred Outflows - OPEB	2,048,249	
Net Pension Liability	(20,265,998)	
Net OPEB Liability	(2,647,657)	
Deferred Inflows - Pension	(11,303,840)	
Deferred Inflows - OPEB	<u>(2,939,314)</u>	(24,612,453)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General and Special Obligation Bonds	(122,465,000)	
OPWC Loans	(6,614,221)	
Other Direct Borrowings	(6,008,620)	
Unamortized Bond Premiums	(13,394,134)	
Compensated Absences	<u>(2,643,640)</u>	(151,125,615)
<i>Net Position of Governmental Activities</i>		<u><u>\$ 233,862,979</u></u>
See accompanying notes to the basic financial statements.		

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	TIF	Capital Improvement Municipal Tax	Recreation and Parks Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Taxes	\$ 2,140,823	\$ -	\$ -	\$ -	\$ -	\$ 2,140,823
Municipal Income Taxes	22,163,820	-	8,527,021	8,527,021	3,417,245	42,635,107
Payments in Lieu of Taxes:	-	8,600,300	-	-	-	8,600,300
Charges for Services	5,521,380	-	-	1,188,880	3,448,755	10,159,015
Licenses and Permits	2,322,100	-	-	-	1,850	2,323,950
Fines and Forfeitures	113,883	-	-	-	29,693	143,576
Intergovernmental	1,455,472	145,673	1,144,753	100,000	4,904,616	7,750,514
Investment Earnings	(2,390,723)	-	-	424,144	21,410	(1,945,169)
Miscellaneous	228,444	-	15,000	-	21,527	264,971
<i>Total Revenues</i>	<u>31,555,199</u>	<u>8,745,973</u>	<u>9,686,774</u>	<u>10,240,045</u>	<u>11,845,096</u>	<u>72,073,087</u>
Expenditures						
Current:						
General Government	12,248,599	4,558,974	3,646,129	-	1,670,256	22,123,958
Security of Persons and Property	12,071,070	-	334,189	-	22,412	12,427,671
Public Health	452,847	-	-	-	1,536	454,383
Leisure Time Activities	145,760	-	629,587	5,393,899	71,445	6,240,691
Community and Economic Development	2,327,423	-	-	-	-	2,327,423
Basic Utility Service	1,187,781	-	4,123,494	-	3,050,257	8,361,532
Transportation	193,740	3,633,122	2,893,649	-	6,163,209	12,883,720
Debt Service:						
Principal Retirement	-	270,500	5,157,193	2,500,000	375,000	8,302,693
Interest and Fiscal Charges	-	29,410	1,782,787	2,718,956	114,750	4,645,903
Issuance Costs	-	-	-	907,156	-	907,156
<i>Total Expenditures</i>	<u>28,627,220</u>	<u>8,492,006</u>	<u>18,567,028</u>	<u>11,520,011</u>	<u>11,468,865</u>	<u>78,675,130</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,927,979</u>	<u>253,967</u>	<u>(8,880,254)</u>	<u>(1,279,966)</u>	<u>376,231</u>	<u>(6,602,043)</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	21,196	-	-	-	-	21,196
Inception of Financed Purchase	-	-	246,151	-	-	246,151
Proceeds of Bonds	-	-	-	85,000,000	-	85,000,000
Premium on Debt Issued	-	-	-	9,799,445	-	9,799,445
Transfers In	-	-	8,543,395	7,160,583	-	15,703,978
Transfers Out	(7,000,000)	(1,543,395)	(7,160,583)	-	-	(15,703,978)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,978,804)</u>	<u>(1,543,395)</u>	<u>1,628,963</u>	<u>101,960,028</u>	<u>-</u>	<u>95,066,792</u>
<i>Net Change in Fund Balances</i>	<u>(4,050,825)</u>	<u>(1,289,428)</u>	<u>(7,251,291)</u>	<u>100,680,062</u>	<u>376,231</u>	<u>88,464,749</u>
<i>Fund Balances Beginning of Year</i>	<u>28,122,828</u>	<u>2,945,736</u>	<u>24,718,607</u>	<u>904,029</u>	<u>11,910,062</u>	<u>68,601,262</u>
<i>Fund Balances End of Year</i>	<u>\$ 24,072,003</u>	<u>\$ 1,656,308</u>	<u>\$ 17,467,316</u>	<u>\$ 101,584,091</u>	<u>\$ 12,286,293</u>	<u>\$ 157,066,011</u>

See accompanying notes to the basic financial statements.

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, 2022*

Net Change in Fund Balances - Total Governmental Funds	\$	88,464,749
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$ 8,398,668	
Current Year Depreciation	(14,057,457)	(5,658,789)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(40,688)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Tax	388,488	
Property Tax	(4,221)	
Intergovernmental	(177,492)	
Accounts	16,054	
Interest	(26,303)	196,526

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	7,425,000	
OPWC Loans	379,592	
Other Direct Borrowings	498,101	8,302,693

Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.

General Obligation Bonds	(85,000,000)	
Premium on Bonds	(9,799,445)	
Financed Purchase	(246,151)	(95,045,596)

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	(327,593)	
Amortization of Premium on Bonds	565,284	
Amortization of Refunding Loss	(222,135)	15,556

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	2,516,190	
OPEB	33,463	2,549,653

Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense in the statement of activities.

Pension	(720,391)	
OPEB	1,262,452	542,061

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.

121,875

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		(7,124)
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<i>Change in Net Position of Governmental Activities</i>	\$	(559,084)
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See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property and Other Taxes	\$ 2,248,429	\$ 2,248,429	\$ 2,147,649	\$ (100,780)
Municipal Income Taxes	19,817,927	19,817,927	24,291,231	4,473,304
Charges for Services	4,424,117	4,424,117	3,515,379	(908,738)
Licenses and Permits	1,241,500	1,241,500	1,026,696	(214,804)
Fines and Forfeitures	350,000	350,000	113,883	(236,117)
Intergovernmental	741,000	741,000	936,342	195,342
Investment Earnings	703,000	703,000	1,124,032	421,032
Miscellaneous	164,000	164,000	136,760	(27,240)
<i>Total Revenues</i>	<u>29,689,973</u>	<u>29,689,973</u>	<u>33,291,972</u>	<u>3,601,999</u>
Expenditures				
Current:				
General Government	13,464,124	14,077,623	13,125,402	952,221
Security of Persons and Property	13,599,963	13,599,963	12,779,580	820,383
Public Health	383,184	383,184	382,749	435
Leisure Time Activities	299,523	299,523	291,451	8,072
Community Environment	1,839,837	1,839,837	1,685,207	154,630
Transportation	334,674	334,674	268,228	66,446
<i>Total Expenditures</i>	<u>29,921,305</u>	<u>30,534,804</u>	<u>28,532,617</u>	<u>2,002,187</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(231,332)</u>	<u>(844,831)</u>	<u>4,759,355</u>	<u>5,604,186</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	300,000	300,000	20,946	(279,054)
Transfers In	200,000	200,000	-	(200,000)
Transfers Out	-	(7,000,000)	(7,000,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>(6,500,000)</u>	<u>(6,979,054)</u>	<u>(479,054)</u>
<i>Net Change in Fund Balance</i>	<u>268,668</u>	<u>(7,344,831)</u>	<u>(2,219,699)</u>	<u>5,125,132</u>
<i>Fund Balance Beginning of Year</i>	<u>21,160,659</u>	<u>21,160,659</u>	<u>21,160,659</u>	<u>-</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>2,939,768</u>	<u>2,939,768</u>	<u>2,939,768</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 24,369,095</u>	<u>\$ 16,755,596</u>	<u>\$ 21,880,728</u>	<u>\$ 5,125,132</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (non-GAAP Basis) and Actual
Recreation and Parks Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Municipal Income Taxes	\$ 7,622,280	\$ 7,622,280	\$ 9,345,257	\$ 1,722,977
Charges for Services	1,368,500	1,368,500	1,188,880	(179,620)
Intergovernmental	-	-	100,000	100,000
Investment Earnings	-	-	424,144	424,144
<i>Total Revenues</i>	<u>8,990,780</u>	<u>8,990,780</u>	<u>11,058,281</u>	<u>2,067,501</u>
Expenditures				
Current:				
Leisure Time Activities	4,194,647	50,844,646	7,248,544	43,596,102
Debt Service:				
Principal Retirement	-	2,500,000	2,500,000	-
Interest and Fiscal Charges	-	9,275,582	2,718,956	6,556,626
Issuance Costs	-	907,156	907,156	-
<i>Total Expenditures</i>	<u>4,194,647</u>	<u>63,527,384</u>	<u>13,374,656</u>	<u>50,152,728</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,796,133</u>	<u>(54,536,604)</u>	<u>(2,316,375)</u>	<u>52,220,229</u>
Other Financing Sources (Uses)				
Proceeds of Bonds	-	85,000,000	85,000,000	-
Premium on Debt Issued	-	9,799,445	9,799,445	-
Transfers In	-	7,160,583	7,160,583	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>101,960,028</u>	<u>101,960,028</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>4,796,133</u>	<u>47,423,424</u>	<u>99,643,653</u>	<u>52,220,229</u>
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,796,133</u>	<u>\$ 47,423,424</u>	<u>\$ 99,643,653</u>	<u>\$ 52,220,229</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Payments in Lieu of Taxes	\$ 10,121,000	\$ 10,121,000	\$ 8,600,300	\$ (1,520,700)
Intergovernmental	199,000	199,000	145,673	(53,327)
<i>Total Revenues</i>	<u>10,320,000</u>	<u>10,320,000</u>	<u>8,745,973</u>	<u>(1,574,027)</u>
Expenditures				
Current:				
General Government	-	4,564,650	4,558,974	5,676
Transportation	135,148	4,215,961	3,633,122	582,839
Debt Service:				
Principal Retirement	270,500	1,253,152	1,253,152	-
Interest and Fiscal Charges	29,500	29,500	29,410	90
<i>Total Expenditures</i>	<u>435,148</u>	<u>10,063,263</u>	<u>9,474,658</u>	<u>588,605</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,884,852</u>	<u>256,737</u>	<u>(728,685)</u>	<u>(985,422)</u>
Other Financing Sources (Uses)				
Transfers Out	-	(560,743)	(560,743)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(560,743)</u>	<u>(560,743)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	9,884,852	(304,006)	(1,289,428)	(985,422)
<i>Fund Balance Beginning of Year</i>	2,810,587	2,810,587	2,810,587	-
Prior Year Encumbrances Appropriated	135,148	135,148	135,148	-
<i>Fund Balance End of Year</i>	<u>\$ 12,830,587</u>	<u>\$ 2,641,729</u>	<u>\$ 1,656,307</u>	<u>\$ (985,422)</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2022

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 289,959
<i>Total Current Assets</i>	289,959
<i>Total Assets</i>	289,959
Liabilities	
<i>Current Liabilities:</i>	
Claims Payable	49,910
<i>Total Current Liabilities</i>	49,910
<i>Total Liabilities</i>	49,910
Net Position	
Unrestricted	240,049
<i>Total Net Position</i>	\$ 240,049

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 Fund
For the Year Ended December 31, 2022

	Governmental Activities
	<hr/>
	Internal Service Fund
	<hr/>
Operating Revenues	
Charges for Services	\$ 2,952,104
	<hr/>
<i>Total Operating Revenues</i>	<i>2,952,104</i>
	<hr/>
Operating Expenses	
Claims	2,830,229
	<hr/>
<i>Total Operating Expenses</i>	<i>2,830,229</i>
	<hr/>
<i>Change in Net Position/Operating Income</i>	121,875
<i>Net Position Beginning of Year</i>	118,174
	<hr/>
<i>Net Position End of Year</i>	\$ 240,049
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2022

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,952,104
Cash Payments for Claims	(2,861,502)
<i>Net Cash Provided by Operating Activities</i>	<u>90,602</u>
<i>Net Increase in Equity in Pooled Cash and Investments</i>	90,602
<i>Equity in Pooled Cash and Investments Beginning of Year</i>	<u>199,357</u>
<i>Equity in Pooled Cash and Investments End of Year</i>	<u><u>\$ 289,959</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 121,875
Decrease in Claims Payable	(31,273)
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ 90,602</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, 2022

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	\$ 110,676
Cash and Cash Equivalents in Segregated Accounts	<u>39,099</u>
<i>Total Assets</i>	<u>149,775</u>
Liabilities	
Due to Other Governments	<u>39,099</u>
<i>Total Liabilities</i>	<u>39,099</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>110,676</u>
<i>Total Net Position</i>	<u><u>\$ 110,676</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, 2022

	<u>Custodial</u>
Additions	
Fines & Forfeitures for Other Governments	\$ 223,528
Other	<u>151,245</u>
<i>Total Additions</i>	<u>374,773</u>
 Deductions	
Fines & Forfeitures Distributions to Other Governments	223,528
Miscellaneous	<u>77,947</u>
<i>Total Deductions</i>	<u>301,475</u>
 <i>Change in Net Position</i>	 73,298
 <i>Net Position Beginning of Year,</i>	 <u>37,378</u>
 <i>Net Position End of Year</i>	 <u><u>\$ 110,676</u></u>

See accompanying notes to the basic financial statements.



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City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 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 a custodial fund. The Mayor is an elected City official who has a fiduciary responsibility for the collection and distribution of court fees and fines.

(b) Related and Jointly Governed Organizations

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

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

NOTE 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.

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.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Recreation and Parks Fund – This fund accounts for a portion of the City’s income tax collections to be used for capital and operation expenses related to the City’s parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. It also accounts for transfers in from other funds and debt proceeds.

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

Proprietary Fund – 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, Fundraising 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.

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(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 assets 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 charges on refunding, pension, 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.

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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 assets 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, pension, and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance year 2023 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 may include 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 and Other Governmental Funds represents resources that have been received, but not yet earned as of fiscal year-end.

(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.

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

(g) Cash and Cash Equivalents

To improve cash management, cash received by the City, except cash held by a fiscal or escrow agent and cash held in a segregated account, is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements. Monies held by the Franklin County Engineer and monies held by Signature Bank for the Municipal Park LED Retrofit Project are presented in the financial statements as “Cash and Cash Equivalents with Fiscal Agent”. Cash and cash equivalents that are held separately for Mayor’s Court and not held in the City treasury are recorded on the financial statements as “Cash and Cash Equivalents in Segregated Accounts.” Cash and cash equivalents held in trust for interest payments related to the Series 2022 Income Tax Special Obligation Bonds are recorded as “Cash and Cash Equivalents with Escrow Agents”.

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 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2022 amounted to a deficit of \$(2,390,723), which includes a deficit of \$(1,372,213) 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.

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

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

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

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

(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.

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The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized 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 accounts “matured compensated absences payable” in the fund from which the employees who have accumulated leave are paid in both the government-wide and governmental fund financial statements. The noncurrent portion of the liability is not reported in the governmental fund financial statements. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

(j) Accrued Liabilities and Long-Term Obligations

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

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

(k) Bond Premium and Deferred Charges on Refunding

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 the current fiscal year, 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. The city did not report prepaid items at December 31, 2022.

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

(o) Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by policies of City Council or a City official delegated by that authority by resolution or by State Statute. State statute authorizes the City Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the 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 31 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.

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(q) Contributed Capital

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

(r) Operating Revenues and Expenses

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

(s) Extraordinary and Special Items

Extraordinary items or transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and are either unusual in nature or infrequent in occurrence. No such transactions occurred in 2022.

(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.

(u) Implementation of New Accounting Principles

For the year ended December 31, 2022, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, a certain provision of GASB Statement No. 93, *Replacement of Interbank Offered Rates*, certain provisions of GASB Statement No. 97, *Component Unit Criteria and Deferred Compensation Plans*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the City.

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GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the City.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the City.

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 (Non-GAAP Basis) and Actual, are presented for the general and 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.

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

	Net Change in Fund Balances		
	General Fund	TIF	Recreation & Parks
GAAP Basis:	\$ (4,050,825)	\$ (1,289,428)	\$ 100,680,062
Revenue Accruals	5,609,894	-	818,236
Expenditure Accruals	(271,836)	(982,652)	38,422
Other Financing Sources/Uses	(250)	982,652	-
Encumbrances	(2,753,605)	-	(1,893,067)
Funds Budgeted Elsewhere	(753,077)	-	-
Budget Basis	<u>\$ (2,219,699)</u>	<u>\$ (1,289,428)</u>	<u>\$ 99,643,653</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;

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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within a ten year from the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to extend one hundred eighty and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one period;
8. Time certificates of deposits or savings or deposit accounts including, but not limited to, passbook accounts.

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

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

(a) Deposits with Financial Institutions

At December 31, 2022, \$20,727,890 of the City's bank balance was uninsured and collateralized. For 2022, 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.

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(b) Investments

As of December 31, 2022, the City had the following investments. The weighted average of maturity of the portfolio held by STAROhio as of December 31, 2022, is 32 days.

S&P Global Ratings	Investment Type	Measurement Amount	Investment Maturities			% of Total
			1 Year or Less	1 to 3 Years	Greater Than 3 Years	
	Net Asset Value:					
AAAm	STAR Ohio	\$ 44,284,734	\$ 44,284,734	\$ -	\$ -	32%
AAAm	First American Government Obligation	6,946,903	6,946,903	-	-	5%
	Fair Value:					
AAA	FFCB	13,414,801	5,169,394	5,885,456	2,359,951	10%
AAA	FHLB	10,266,799	-	5,153,729	5,113,070	7%
AAA	FHLMC	2,423,436	1,974,940	448,496	-	2%
AAA	FNMA	3,372,381	480,295	1,889,783	1,002,303	2%
AAA	FAMC	1,664,854	-	952,159	712,695	1%
AAA	Tennessee Valley Authority Power	760,323	-	760,323	-	1%
AAA	US Treasury Bond	300,199	300,199	-	-	0%
Not Rated	US Treasury Notes	1,939,620	1,939,620	-	-	1%
AAA	US Treasury Notes	48,877,159	19,923,060	23,254,821	5,699,278	35%
Not Rated	Negotiable CD's	5,309,295	2,199,041	2,356,660	753,594	4%
	Total	<u>\$ 139,560,504</u>	<u>\$ 83,218,186</u>	<u>\$ 40,701,427</u>	<u>\$ 15,640,891</u>	<u>100%</u>

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.

Fair Value Measurement – The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted by the United States of America. 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, 2022. 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.

City of Hilliard
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For the Year Ended December 31, 2022

NOTE 5 – INTERFUND TRANSFERS

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

	Transfer Out	Transfer In
General Fund	\$ 7,000,000	\$ -
Capital Improvement Municipal Tax Fund	7,160,583	8,543,395
TIF Fund	1,543,395	-
Recreation and Parks Fund	-	7,160,583
	<hr/>	<hr/>
Total	\$ 15,703,978	\$ 15,703,978

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 2022, the City transferred funds from the TIF Fund and General Fund to the Capital Improvement Municipal Tax Fund to finance various capital projects. The City also transferred funds from the Capital Improvement Municipal Tax Fund to the Recreation and Parks Fund to finance capital projects. All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2022, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, and intergovernmental receivables arising from grants, entitlements and shared revenues. 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 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2022.

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. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2022 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.

City of Hilliard
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For the Year Ended December 31, 2022

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, 2022, 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 2022 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, 2022 was \$1.60 per \$1,000 of assessed value. The tax year 2021 assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 1,294,601,970
Public Utility Property	48,484,050
Totals	<u>\$ 1,343,086,020</u>

NOTE 8 – MUNICIPAL INCOME TAXES

The City levies a municipal income tax of 2.5 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, Recreation and Parks Fund, and other governmental funds as required by City Administrative Code.

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, 2022, the City abated income taxes totaling \$460,242 under the Program as follows:

- An annual incentive of 36% of actual local payroll withholding taxes were paid to the City with BMW Financial Services.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Transfers/ Deductions	Ending Balance
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$ 12,804,688	\$ 1,035,000	\$ -	\$ 13,839,688
Construction in Progress	3,963,462	4,869,667	(3,732,295)	5,100,834
Total Nondepreciable Assets	16,768,150	5,904,667	(3,732,295)	18,940,522
Depreciable Capital Assets				
Buildings	14,882,516	-	550,000	15,432,516
Improvements other than Buildings	20,134,920	242,370	-	20,377,290
Machinery and Equipment	7,787,981	650,737	(295,304)	8,143,414
Furniture and Fixtures	1,568,551	128,082	-	1,696,633
Vehicles	4,600,335	589,337	(519,729)	4,669,943
Infrastructure	471,080,492	3,240,021	809,149	475,129,662
Total Depreciable Assets	520,054,795	4,850,547	544,116	525,449,458
Less Accumulated Depreciation				
Buildings	(6,844,319)	(423,041)	-	(7,267,360)
Improvements other than Buildings	(7,639,769)	(718,209)	-	(8,357,978)
Machinery and Equipment	(6,444,881)	(419,740)	273,500	(6,591,121)
Furniture and Fixtures	(633,471)	(70,038)	-	(703,509)
Vehicles	(3,158,824)	(455,881)	514,955	(3,099,750)
Infrastructure	(259,375,448)	(11,970,548)	2,490	(271,343,506)
Total Accumulated Depreciation	(284,096,712)	(14,057,457)	790,945	(297,363,224)
Depreciable Capital Assets, Net of Accumulated Depreciation	235,958,083	(9,206,910)	1,335,061	228,086,234
Total Capital Assets, Net	\$ 252,726,233	\$ (3,302,243)	\$ (2,397,234)	\$ 247,026,756

For the year ended December 31, 2022, the value of the assets donated to the City was \$1,752,915.

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 225,613
Security of persons and property	568,296
Leisure time activities	868,591
Community environment	156,050
Basic utility services	6,315,449
Transportation	5,923,458
Total depreciation expense	<u>\$ 14,057,457</u>

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>General Obligation Bonds:</i>					
2012 Various Purpose					
2.0-5.0% \$11,085,000	\$ 3,780,000	\$ -	\$ (1,050,000)	\$ 2,730,000	\$ 1,095,000
2013 Refunding					
1.0-3.5% \$8,905,000	3,225,000	-	(905,000)	2,320,000	1,055,000
2014 Refunding					
2.0-4.0% \$5,160,000	3,110,000	-	(475,000)	2,635,000	490,000
2015 Various Purpose and Refunding					
4.0% \$8,745,000	7,140,000	-	(250,000)	6,890,000	255,000
2016A Various Purpose and Refunding					
2.0-4.0% \$8,205,000	5,075,000	-	(1,075,000)	4,000,000	985,000
2016B Various Purpose					
2.0-4.0% \$3,855,000	3,140,000	-	(155,000)	2,985,000	165,000
2017 Various Purpose					
2.0-4.0% \$4,655,000	3,745,000	-	(185,000)	3,560,000	195,000
2019A Various Purpose					
3.0-5.0% \$8,570,000	7,955,000	-	(330,000)	7,625,000	350,000
2019B Various Purpose					
3.75% \$585,000	585,000	-	-	585,000	-
2020 Various Purpose Refunding					
3.0% \$7,605,000	7,135,000	-	(500,000)	6,635,000	525,000
<i>Special Obligation Bonds:</i>					
2022 Income Tax Special Obligation Bonds					
5.0% \$85,000,000	-	85,000,000	(2,500,000)	82,500,000	4,610,000
Total Bonds	<u>\$ 44,890,000</u>	<u>\$ 85,000,000</u>	<u>\$ (7,425,000)</u>	<u>\$ 122,465,000</u>	<u>\$ 9,725,000</u>

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Loans from Direct Borrowings:</i>					
Signature Bank Loan					
3.94% \$814,698	\$ 414,917	\$ -	\$ (132,997)	\$ 281,920	\$ 138,237
Franklin County Infrastructure Bank Loan					
1.85% \$1,250,000	1,250,000	-	(128,881)	1,121,119	197,826
Safety Building Loan					
4.5% \$6,168,684	4,595,653	-	(184,933)	4,410,720	193,348
2012 OPWC Loan \$2,730,423	1,856,688	-	(109,217)	1,747,471	109,217
2017 OPWC Loan \$5,407,500	5,137,125	-	(270,375)	4,866,750	270,375
Street Sweeper Loan					
6.5% \$246,151	-	246,151	(51,290)	194,861	46,442
Total Loans from Direct Borrowings	13,254,383	246,151	(877,693)	12,622,841	955,445
<i>Other Long-Term Obligations:</i>					
Unamortized Bond Premiums	4,159,973	9,799,445	(565,284)	13,394,134	-
Net Pension Liability	23,628,215	-	(3,362,217)	20,265,998	-
Net OPEB Liability	2,503,387	144,270	-	2,647,657	-
Compensated Absences	2,636,516	1,405,881	(1,398,757)	2,643,640	1,512,352
Total Long Term Liabilities	\$ 91,072,474	\$ 96,595,747	\$ (13,628,951)	\$ 174,039,270	\$ 12,192,797

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 \$5,407,500 in a zero-interest, 20-year loan from OPWC for Scioto Darby and Leppert road improvements.

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

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or direct Franklin County to pay the amount of any default from the funds which would otherwise be appropriated to the City from the County's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

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.

General obligation bonds are backed by the full faith and credit of the City.

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Special Obligation bonds – The bonds are unvoted special obligations secured by pledged revenues and will be paid through the Recreation and Parks Fund.

In 2022 the City issued \$85,000,000 in income tax special obligation bonds for the purpose of acquiring, constructing, improving, furnishing, and equipping a recreation and wellness campus for fitness, recreation, and group activities for seniors, families, youth, and others. The bonds carry an interest rate of 5.00 percent and will retire on December 1, 2058.

The City has pledged future income taxes to repay the \$85 million income tax special obligation bonds issued. The bonds are payable solely from the income taxes. Current year principal and interest payments, as a percentage of revenues, were 52 percent. Total principal and interest remaining on the bonds is \$172,566,250, payable through December 2058. For the current year, income tax revenue was \$9,345,257 and principal and interest paid were \$4,838,913.

Compensated absences, Net pension liability, and OPEB liability - Compensated Absences that impact net position are generally paid from the General, Street Maintenance and Repair, Water and Sewer Revenue, and Storm Water Utility Special Revenue Funds. There is no repayment schedules for the net pension liability and net OPEB liability; however, pension and OPEB contributions are primarily made from the General, Street Maintenance and Repair, Water and Sewer Revenue, and Storm Water Utility Special Revenue Funds. For additional information related to the net pension liability and net OPEB liability see Notes 15 and 16.

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.

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For the Year Ended December 31, 2022

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:

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.

Franklin County Infrastructure Bank Loan: On June 30, 2021, the City entered into a loan agreement with the Board of Commissioners of Franklin County, Ohio for \$1,250,000 for the purpose of financing the construction of an approximately 25 mile, 100 GB fiber network. The loan was entered for a ten-year period with final maturity at June 1, 2030. Payments of principal and interest are recorded as disbursements of the Capital Improvement Municipal Tax Capital Projects Fund.

The City has pledged future revenues to repay the Franklin County Bank Loan with interest from the Capital Improvement Municipal Tax fund. The debt is payable solely from revenues and is payable through 2030. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which was 1.85 percent.

Street Sweeper Loan: On March 16, 2022, the City entered into a loan with Republic First National for the purchase of a street sweeper. The loan has an interest rate of 6.5 percent and will be repaid in full in 2026. The loan is paid from the City's Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Republic First National, the City pledged the street sweeper purchased as collateral for the debt. In the event of default, Republic First National shall have all rights and remedies under law. Also, in the event of default, Republic First National may exercise the following rights and remedies:

1. Republic First National may require the City to pay all the payments outstanding in the year of default.
2. Republic First National may enter the premises of the City to take repossession of the street sweeper.

City of Hilliard
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Notes to the Basic Financial Statements
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(b) Future Debt Service Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2022 are as follows:

	General and Special Obligation Bonds		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 9,725,000	\$ 5,598,869	\$ 955,445	\$ 248,195
2024	8,170,000	5,164,744	908,301	219,840
2025	4,925,000	4,817,188	777,856	195,495
2026	4,270,000	4,604,438	791,606	181,743
2027	4,430,000	4,444,738	753,228	167,456
2028-2032	15,645,000	19,934,736	3,588,890	635,996
2033-2037	14,280,000	16,858,824	3,550,262	296,096
2038-2042	11,035,000	14,011,027	1,297,253	12,768
2043-2047	11,680,000	11,385,000	-	-
2048-2052	14,895,000	8,159,250	-	-
2053-2057	19,020,000	4,043,500	-	-
2058	4,390,000	219,500	-	-
Total	<u>\$ 122,465,000</u>	<u>\$ 99,241,814</u>	<u>\$12,622,841</u>	<u>\$ 1,957,589</u>

NOTE 12 – SHORT TERM LIABILITIES

On February 18, 2021, the City entered into one year infrastructure improvement notes for the construction of various public infrastructure improvement projects for \$1,500,000. The interest rate on the notes were 1.125 percent and the premium was \$14,100. The notes matured one year after the inception date. Payment of principal and interest was made from the Capital Improvements Municipal Tax Capital Projects Fund and TIF Fund during 2022.

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.

City of Hilliard
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(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. The City does not contribute to the plan.

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 2022, 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.

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. The claims liability of \$49,910 reported in the Insurance Trust Fund at December 31, 2022, 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 2021 and 2022 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2021	\$ 93,906	\$ 2,527,915	\$ (2,540,638)	\$ 81,183
2022	81,183	2,830,229	(2,861,502)	49,910

City of Hilliard
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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 (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents 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/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) 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 the 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.

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 funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension 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 pension liabilities within 30 years. If the pension 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare 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 (asset)* 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 intergovernmental payable 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.

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Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. 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. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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When a benefit recipient has received benefits for 12 months, the member is eligible 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,244,590 for 2022. Of this amount, \$133,267 is reported as an intergovernmental payable.

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

Plan Description – Full-time police and firefighters 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.

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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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan (DROP) 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 under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	<u>Police</u>
2022 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2022 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,271,600 for 2022. Of this amount, \$46,448 is reported as an intergovernmental payable.

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, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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	0.059480%	0.241556%	
Prior Measurement Period	<u>0.050791%</u>	<u>0.236276%</u>	
Change in Proportion	<u>0.008689%</u>	<u>0.005280%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 5,175,001	\$ 15,090,997	\$ 20,265,998
Pension Expense	\$ (483,073)	\$ 1,203,464	\$ 720,391

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 service 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, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 263,814	\$ 435,135	\$ 698,949
Changes of Assumptions	647,129	2,757,992	3,405,121
Changes in Proportionate Share and Differences in Contributions	1,075,188	984,950	2,060,138
City Contributions Subsequent to the Measurement Date	1,244,590	1,271,600	2,516,190
Total Deferred Outflows of Resources	<u>\$ 3,230,721</u>	<u>\$ 5,449,677</u>	<u>\$ 8,680,398</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 113,501	\$ 784,525	\$ 898,026
Net Difference between Projected and Actual Earnings on Pension Plan Investments	6,155,474	3,956,630	10,112,104
Changes in Proportionate Share and Differences in Contributions	222,856	70,854	293,710
Total Deferred Inflows of Resources	<u>\$ 6,491,831</u>	<u>\$ 4,812,009</u>	<u>\$ 11,303,840</u>

\$2,516,190 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, 2023. 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
2023	\$ (270,206)	\$ 368,788	\$ 98,582
2024	(1,808,899)	(877,576)	(2,686,475)
2025	(1,447,401)	(265,662)	(1,713,063)
2026	(979,194)	(200,276)	(1,179,470)
2027	-	340,794	340,794
Total	<u>\$ (4,505,700)</u>	<u>\$ (633,932)</u>	<u>\$ (5,139,632)</u>

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Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	<u>OPERS Traditional Plan</u>
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	<u>OPERS Traditional Plan</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

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For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) [for all divisions]. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) [for all divisions]. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 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, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 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 (Asset)	\$ 13,644,117	\$ 5,175,001	\$ (1,872,430)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 are: 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.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 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	2.20 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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
67 or less	77 %
68-77	105
78 and up	115

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
59 or less	35 %
60-69	60
70-79	75
80 and up	100

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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 22,379,775	\$ 15,090,997	\$ 9,021,290

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NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, 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 2022, OPERS did not allocate any employer contribution to health care for members. 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contribution for 2022.

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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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

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

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.

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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, 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 \$33,463 for 2022. Of this amount, \$1,222 is reported as an intergovernmental payable.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) 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 (Asset):			
Current Measurement Period	0.057970%	0.2415556%	
Prior Measurement Period	0.049083%	0.2362764%	
Change in Proportion	<u>0.008887%</u>	<u>0.0052792%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (1,815,709)	\$ 2,647,657	
OPEB Expense	\$ (1,646,895)	\$ 384,443	\$ (1,262,452)

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At December 31, 2022, 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	\$ -	\$ 120,445	\$ 120,445
Changes of Assumptions	-	1,171,933	1,171,933
Changes in Proportionate Share and Differences in Contributions	149,521	572,887	722,408
City Contributions Subsequent to the Measurement Date	-	33,463	33,463
Total Deferred Outflows of Resources	<u>\$ 149,521</u>	<u>\$ 1,898,728</u>	<u>\$ 2,048,249</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 275,416	\$ 349,924	\$ 625,340
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	865,600	239,170	1,104,770
Changes of Assumptions	734,979	307,512	1,042,491
Changes in Proportionate Share and Differences in Contributions	157,638	9,075	166,713
Total Deferred Inflows of Resources	<u>\$ 2,033,633</u>	<u>\$ 905,681</u>	<u>\$ 2,939,314</u>

\$33,463 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB liability (asset) in 2023. 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
2023	\$ (1,219,766)	\$ 277,163	\$ (942,603)
2024	(350,904)	241,652	(109,252)
2025	(189,129)	250,035	60,906
2026	(124,313)	44,940	(79,373)
2027	-	71,455	71,455
Thereafter	-	74,339	74,339
Total	<u>\$ (1,884,112)</u>	<u>\$ 959,584</u>	<u>\$ (924,528)</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.

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Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial	8.50 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 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, 2020.

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During 2021, 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 contributions 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 14.3 percent for 2021.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, 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 (Geometric)</u>
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	<u>7.00</u>	<u>1.93</u>
Total	<u>100.00%</u>	<u>3.45%</u>

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Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	\$ (1,067,807)	\$ (1,815,709)	\$ (2,436,479)

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) 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 (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) 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 2022 is 5.50 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 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 (Asset)	\$ (1,835,330)	\$ (1,815,709)	\$ (1,792,432)

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Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2021, with Actuarial Liabilities Rolled Forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 Percent
Projected Salary Increases	3.75 Percent to 10.50 Percent
Payroll Growth	3.25 Percent
Blended Discount Rate:	
Current Measurement Date	2.84 Percent
Prior Measurement Date	2.96 Percent
Cost of Living Adjustments	2.20 Percent Simple per Year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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.

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<u>Age</u>	<u>Police</u>
67 or less	77 %
68-77	105
78 and up	115

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.

<u>Age</u>	<u>Police</u>
59 or less	35 %
60-69	60
70-79	75
80 and up	100

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. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	- %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

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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 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 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 7.5 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 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 3,328,164	\$ 2,647,657	\$ 2,088,279

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NOTE 17 – CONTRACTUAL AND OTHER COMMITMENTS

(a) Contractual Commitments

As of December 31, 2022, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expensed	Balance 12/31/2022
Core & Main	\$ 900,000	\$ 819,990	\$ 80,010
DLZ Ohio, Inc.	552,906	305,613	247,293
MS Consultants, Inc.	508,670	490,000	18,670
Prime AE Group, Inc.	1,825,880	934,044	891,836
Savko	1,447,694	1,128,518	319,176
Thayer Power & Communication	1,145,000	438,029	706,971
	<u>\$ 6,380,150</u>	<u>\$ 202,062</u>	<u>\$ 2,263,956</u>

(b) Other Commitments

As of December 31, 2022, the City had outstanding cash basis encumbrances in the governmental funds as follows:

	Governmental Funds
General Fund	\$ 4,182,289
Recreation and Parks Fund	1,893,067
Capital Improvement Municipal Tax Fund	6,112,265
Other Governmental Funds	2,937,386
Total	<u>\$ 15,125,007</u>

NOTE 18 – CONTINGENCIES

(a) Grants - For the year ended December 31, 2022, 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.

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NOTE 19 – 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	Recreation and Parks	Other Governmental Funds	Total
Restricted for:						
Infrastructure Improvements	\$ -	\$ 1,656,308	\$ -	\$ -	\$ 4,304,695	\$ 5,961,003
Public Safety Programs	-	-	-	-	234,599	234,599
Parks and Recreation	-	-	-	101,584,091	-	101,584,091
Capital Outlay	-	-	17,467,316	-	-	17,467,316
Other	-	-	-	-	16,955	16,955
Public Health	-	-	-	-	2,786	2,786
Total Restricted	-	1,656,308	17,467,316	101,584,091	4,559,035	125,266,750
Committed for:						
Utility Operations	-	-	-	-	2,359,087	2,359,087
Park Maintenance	-	-	-	-	348,224	348,224
Infrastructure Improvements	-	-	-	-	5,019,947	5,019,947
Total Committed	-	-	-	-	7,727,258	7,727,258
Assigned:						
Public Safety	734,172	-	-	-	-	734,172
Public Health	64,988	-	-	-	-	64,988
Leisure Time Activities	84,929	-	-	-	-	84,929
Community Environment	1,455,874	-	-	-	-	1,455,874
General Government	1,899,480	-	-	-	-	1,899,480
Transportation	76,780	-	-	-	-	76,780
Basic Utility Services	164,156	-	-	-	-	164,156
Total Assigned	4,480,379	-	-	-	-	4,480,379
Unassigned	19,591,624	-	-	-	-	19,591,624
Total Fund Balance	<u>\$ 24,072,003</u>	<u>\$ 1,656,308</u>	<u>\$ 17,467,316</u>	<u>\$ 101,584,091</u>	<u>\$ 12,286,293</u>	<u>\$ 157,066,011</u>

NOTE 20 – ASSET RETIREMENT OBLIGATIONS

(a) Sewerage System

Ohio Revised Code (ORC) Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the City would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, while the City is aware of the public safety concerns that would need to be addressed, the cost to address these concerns is not reasonably estimable at this time and therefore an ARO is not recognized in the City's financial statements.

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(b) Underground Storage Tanks

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code (OAC) Section 1301-7-9 and require a City classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination.

In accordance with OAC Section 1301-7-9, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, while the City is familiar with the requirements, the cost to satisfy these requirements is not reasonably estimable at this time and therefore an ARO is not recognized in the City’s financial statements.

NOTE 21 – 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. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During 2022, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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.



REQUIRED SUPPLEMENTARY INFORMATION

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
City's Proportion of the Net Pension Liability	0.0594800%	0.0507910%	0.0555980%	0.0543990%
City's Proportionate Share of the Net Pension Liability	\$ 5,175,001	\$ 7,521,041	\$ 10,989,322	\$ 14,898,783
City's Covered Payroll	\$ 8,634,564	\$ 7,151,500	\$ 8,150,121	\$ 7,427,050
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.93%	105.17%	134.84%	200.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
City's Proportion of the Net Pension Liability	0.241556%	0.236276%	0.227735%	0.229938%
City's Proportionate Share of the Net Pension Liability	\$ 15,090,997	\$ 16,107,174	\$ 15,341,466	\$ 18,769,017
City's Covered Payroll	\$ 6,110,651	\$ 6,361,251	\$ 6,034,857	\$ 5,790,363
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	246.96%	253.21%	254.21%	324.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.0504760%	0.047571%	0.047377%	0.043891%	0.043891%
\$ 7,918,774	\$ 10,802,655	\$ 8,206,216	\$ 5,293,745	\$ 5,174,177
\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423
118.84%	174.15%	139.19%	98.38%	99.10%
84.66%	77.25%	81.08%	86.45%	86.36%
0.212170%	0.206897%	0.215574%	0.206632%	0.266320%
\$ 13,021,807	\$ 13,104,630	\$ 13,868,027	\$ 10,704,384	\$ 10,063,612
\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693
251.37%	263.45%	285.53%	235.20%	236.86%
70.91%	68.36%	66.77%	72.20%	73.00%

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - Pension
Last Ten Years

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	\$ 1,244,590	\$ 1,208,839	\$ 1,001,210	\$ 1,141,017	\$ 1,039,787
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,244,590</u>	<u>\$ 1,208,839</u>	<u>\$ 1,001,210</u>	<u>\$ 1,141,017</u>	<u>\$ 1,039,787</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,889,929	\$ 8,634,564	\$ 7,151,500	\$ 8,150,121	\$ 7,427,050
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
Ohio Police and Fire Pension Fund (OPF)					
Contractually Required Contribution	\$ 1,271,600	\$ 1,161,024	\$ 1,208,638	\$ 1,146,623	\$ 1,100,169
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,271,600</u>	<u>\$ 1,161,024</u>	<u>\$ 1,208,638</u>	<u>\$ 1,146,623</u>	<u>\$ 1,100,169</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 6,692,631	\$ 6,110,651	\$ 6,361,251	\$ 6,034,857	\$ 5,790,363
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 866,257	\$ 744,385	\$ 707,505	\$ 645,723	\$ 678,785
<u>\$ 866,257</u>	<u>\$ 744,385</u>	<u>\$ 707,505</u>	<u>\$ 645,723</u>	<u>\$ 678,785</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423
13.00%	12.00%	12.00%	12.00%	13.00%
\$ 984,253	\$ 945,104	\$ 922,811	\$ 864,740	\$ 674,834
<u>\$ 984,253</u>	<u>\$ 945,104</u>	<u>\$ 922,811</u>	<u>\$ 864,740</u>	<u>\$ 674,834</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693
19.00%	19.00%	19.00%	19.00%	15.88%

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability(Asset)
Last Six Years (1)

	2022		2021		2020
Ohio Public Employees' Retirement System (OPERS)					
City's Proportion of the Net OPEB Liability (Asset)	0.057970%		0.049083%		0.053898%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,815,709)	\$	(874,453)	\$	7,444,714
City's Covered Payroll	\$ 8,634,564	\$	7,151,500	\$	8,150,121
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-21.03%		-12.23%		91.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%		115.57%		47.80%
Ohio Police and Fire Pension Fund (OPF)					
City's Proportion of the Net OPEB Liability	0.241556%		0.236276%		0.227735%
City's Proportionate Share of the Net OPEB Liability	\$ 2,647,657	\$	2,503,387	\$	2,249,508
City's Covered Payroll	\$ 6,110,651	\$	6,361,251	\$	6,034,857
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.33%		39.35%		37.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.86%		45.42%		47.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

	2019		2018		2017
	0.052140%		0.048480%		0.046464%
\$	6,797,825	\$	5,264,532	\$	4,692,977
\$	7,427,050	\$	6,663,515	\$	6,203,208
	91.53%		79.01%		75.65%
	46.33%		54.14%		54.05%
	0.229938%		0.212170%		0.206897%
\$	2,093,938	\$	12,021,233	\$	9,820,922
\$	5,790,363	\$	5,180,279	\$	4,974,232
	36.16%		232.06%		197.44%
	46.57%		14.13%		18.96%

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - OPEB
Last Ten Years

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (1)	\$ 8,889,929	\$ 8,634,564	\$ 7,151,500	\$ 8,150,121	\$ 7,427,050
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio Police and Fire Pension Fund (OPF)					
Contractually Required Contribution	\$ 33,463	\$ 30,553	\$ 31,806	\$ 30,174	\$ 28,952
Contributions in Relation to the Contractually Required Contribution	<u>33,463</u>	<u>30,553</u>	<u>31,806</u>	<u>30,174</u>	<u>28,952</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 6,692,631	\$ 6,110,651	\$ 6,361,251	\$ 6,034,857	\$ 5,790,363
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 68,314	\$ 124,064	\$ 117,918	\$ 107,621	\$ 52,214
<u>68,314</u>	<u>124,064</u>	<u>117,918</u>	<u>107,621</u>	<u>52,214</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423
1.00%	2.00%	2.00%	2.00%	1.00%
\$ 25,813	\$ 24,871	\$ 24,285	\$ 22,756	\$ 153,803
<u>25,813</u>	<u>24,871</u>	<u>24,285</u>	<u>22,756</u>	<u>153,803</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693
0.50%	0.50%	0.50%	0.50%	3.62%

City of Hilliard
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects 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. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 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 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For 2021, the single discount rate changed from 8.00 percent to 7.50 percent.

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 (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

City of Hilliard
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

<u>Assumption</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

Changes in Assumptions – OP&F

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount Rate	2.84%	2.96%	3.56%	4.66%	3.24%	3.79%
Municipal Bond Rate	2.05%	2.12%	2.75%	4.13%	3.16%	n/a

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



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City of Hilliard
Franklin County, 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.

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. This fund is not budgeted by the City and therefore a budgetary schedule is not provided.

Major Special Revenue Funds:

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

The **Recreation and Parks Fund** accounts for a portion of the City's income tax collections to be used for capital and operation expenses related to the City's parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. In 2022, 0.50% of the income tax collections were deposited into the fund.

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
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and other taxes	\$ 2,248,429	\$ 2,147,649	\$ (100,780)
Municipal income taxes	19,817,927	24,291,231	4,473,304
Charges for services	4,424,117	3,515,379	(908,738)
Licenses and permits	1,241,500	1,026,696	(214,804)
Fines and forfeitures	350,000	113,883	(236,117)
Intergovernmental	741,000	936,342	195,342
Investment earnings	703,000	1,124,032	421,032
Miscellaneous	164,000	136,760	(27,240)
Total Revenues	29,689,973	33,291,972	3,601,999
Expenditures:			
Current:			
<u>General Government</u>			
Mayor:			
Personal Services	244,708	239,869	4,839
Contractual Services	103,449	95,500	7,949
Materials and Supplies	14,242	7,332	6,910
Total Mayor	362,399	342,701	19,698
City Council:			
Personal Services	414,260	393,018	21,242
Contractual Services	125,832	20,959	104,873
Materials and Supplies	183,305	135,777	47,528
Total City Council	723,397	549,754	173,643
Clerk of Courts:			
Personal Services	234,311	202,983	31,328
Contractual Services	135,210	103,018	32,192
Materials and Supplies	24,220	19,779	4,441
Total Clerk of Courts:	393,741	325,780	67,961
Law:			
Personal Services	296,818	268,877	27,941
Contractual Services	432,417	393,853	38,564
Materials and Supplies	12,519	6,163	6,356
Total Law	741,754	668,893	72,861
Finance:			
Personal Services	967,700	928,272	39,428
Contractual Services	103,429	85,832	17,597
Materials and Supplies	43,189	32,419	10,770
Other Expenditures	81,000	52,798	28,202
Total Finance	1,195,318	1,099,321	95,997
Economic Development:			
Personal Services	341,249	283,222	58,027
Contractual Services	114,208	94,350	19,858
Materials and Supplies	35,169	28,845	6,324
Total Economic Development	490,626	406,417	84,209
City Clerk:			
Contractual Services	2,749	1,749	1,000
Materials and Supplies	13,104	405	12,699
Total City Clerk	15,853	2,154	13,699
Human Resources:			
Personal Services	473,584	307,756	165,828
Contractual Services	148,807	142,337	6,470
Materials and Supplies	21,515	19,220	2,295
Total Human Resources	643,906	469,313	174,593

(Continued)

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Public Building and Land:			
Personal Services	\$ 344,972	\$ 319,225	\$ 25,747
Contractual Services	2,562,085	2,556,694	5,391
Materials and Supplies	52,329	49,059	3,270
Utilities	707,122	688,268	18,854
Total Public Building and Land	3,666,508	3,613,246	53,262
Information Technology:			
Personal Services	736,008	723,624	12,384
Contractual Services	854,094	840,456	13,638
Materials and Supplies	52,668	48,247	4,421
Total Information Technology	1,642,770	1,612,327	30,443
Communications:			
Personal Services	557,646	532,757	24,889
Contractual Services	184,325	142,005	42,320
Materials and Supplies	132,302	106,537	25,765
Total Communications	874,273	781,299	92,974
Boards and Commissions:			
Personal Services	118,651	117,835	816
Materials and Supplies	24,219	9,067	15,152
Total Boards and Commissions	142,870	126,902	15,968
General Administration:			
Personal Services	37,328	6,910	30,418
Contractual Services	840,774	831,732	9,042
Materials and Supplies	57,816	41,534	16,282
Other Expenditures	2,248,290	2,247,119	1,171
Total General Administration	3,184,208	3,127,295	56,913
Total General Government	14,077,623	13,125,402	952,221
<u>Security of Persons and Property:</u>			
Police:			
Personal Services	11,972,895	11,214,268	758,627
Contractual Services	1,202,753	1,163,509	39,244
Materials and Supplies	424,007	401,795	22,212
Other Expenditures	308	8	300
Total Police	13,599,963	12,779,580	820,383
Total Security of Persons and Property	13,599,963	12,779,580	820,383
<u>Public Health:</u>			
County Public Health:			
Contractual Services	383,184	382,749	435
Total County Public Health	383,184	382,749	435
Total Public Health	383,184	382,749	435
<u>Leisure Time Activities</u>			
Recreation:			
Personal Services	97,465	96,495	970
Contractual Services	69,691	63,772	5,919
Materials and Supplies	87,501	86,318	1,183
Utilities	42,522	42,522	-
Other Expenditures	2,344	2,344	-
Total Recreation	299,523	291,451	8,072
Total Leisure Time Activities	299,523	291,451	8,072
<u>Transportation</u>			
Mobility:			
Personal Services	173,232	154,464	18,768
Contractual Services	146,812	112,062	34,750
Materials and Supplies	14,630	1,702	12,928
Total Mobility	334,674	268,228	66,446
Total Transportation	334,674	268,228	66,446

(Continued)

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
<u>Community Environment:</u>			
Service/Engineer:			
Personal Services	\$ 580,813	\$ 546,302	\$ 34,511
Contractual Services	151,304	140,817	10,487
Materials and Supplies	21,342	6,561	14,781
Total Service/Engineer	753,459	693,680	59,779
Building Inspection:			
Personal Services	519,441	491,716	27,725
Materials and Supplies	23,167	19,099	4,068
Total Building Inspection	542,608	510,815	31,793
Planning:			
Personal Services	468,916	464,203	4,713
Contractual Services	65,315	11,316	53,999
Materials and Supplies	7,039	5,193	1,846
Other Expenditures	2,500	-	2,500
Total Planning	543,770	480,712	63,058
Total Community Environment	1,839,837	1,685,207	154,630
Total Expenditures	30,534,804	28,532,617	2,002,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	(844,831)	4,759,355	5,604,186
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	300,000	20,946	(279,054)
Transfers In	200,000	-	(200,000)
Transfers Out	(7,000,000)	(7,000,000)	-
Total Other Financing Sources (Uses)	(6,500,000)	(6,979,054)	(479,054)
Net Change in Fund Balances	(7,344,831)	(2,219,699)	5,125,132
Fund Balance, Beginning of Year	21,160,659	21,160,659	-
Prior Year Encumbrances Appropriated	2,939,768	2,939,768	-
Fund Balance, End of Year	\$ 16,755,596	\$ 21,880,728	\$ 5,125,132

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - Recreation and Parks Fund
For the Year Ended December 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 7,622,280	\$ 9,345,257	\$ 1,722,977
Charges for services	1,368,500	1,188,880	(179,620)
Intergovernmental	-	100,000	100,000
Investment earnings	-	424,144	424,144
Total Revenues	<u>8,990,780</u>	<u>11,058,281</u>	<u>2,067,501</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Personal Services	2,878,044	2,874,606	3,438
Contractual Services	590,958	558,963	31,995
Materials and Supplies	431,144	408,118	23,026
Utilities	290,000	290,000	-
Other Expenditures	4,500	4,500	-
Capital Outlay	46,650,000	3,112,357	43,537,643
Total Leisure Time Activities	<u>50,844,646</u>	<u>7,248,544</u>	<u>43,596,102</u>
Debt Service:			
Principal retirement	2,500,000	2,500,000	-
Interest and fiscal charges	9,275,582	2,718,956	6,556,626
Issuance costs	907,156	907,156	-
Total Debt Service	<u>12,682,738</u>	<u>6,126,112</u>	<u>6,556,626</u>
Total Expenditures	<u>63,527,384</u>	<u>13,374,656</u>	<u>50,152,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,536,604)	(2,316,375)	52,220,229
Other Financing Sources:			
Proceeds of bonds	85,000,000	85,000,000	-
Premium on debt issued	9,799,445	9,799,445	-
Transfers in	7,160,583	7,160,583	-
Total Other Financing Sources	<u>101,960,028</u>	<u>101,960,028</u>	<u>-</u>
Net Change in Fund Balances	47,423,424	99,643,653	52,220,229
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ 47,423,424</u>	<u>\$ 99,643,653</u>	<u>\$ 52,220,229</u>

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 1,170,000	\$ 1,183,472	\$ 13,472
Miscellaneous	85,000	53,787	(31,213)
Total Revenues	<u>1,255,000</u>	<u>1,237,259</u>	<u>(17,741)</u>
Expenditures:			
Current:			
Community Environment:			
Personal Services	385,459	378,971	6,488
Contractual Services	618,817	617,717	1,100
Materials and Supplies	6,303	1,769	4,534
Total Expenditures	<u>1,010,579</u>	<u>998,457</u>	<u>12,122</u>
Net Change in Fund Balances	244,421	238,802	(5,619)
Fund Balance, Beginning of Year	85,798	85,798	-
Prior Year Encumbrances Appropriated	240,902	240,902	-
Fund Balance, End of Year	<u>\$ 571,121</u>	<u>\$ 565,502</u>	<u>\$ (5,619)</u>

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

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 15,000	\$ 13,930	\$ (1,070)
Miscellaneous	10,000	1,670	(8,330)
Total Revenues	<u>25,000</u>	<u>15,600</u>	<u>(9,400)</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Contractual Services	12,000	7,554	4,446
Materials and Supplies	11,207	10,354	853
Total Expenditures	<u>23,207</u>	<u>17,908</u>	<u>5,299</u>
Net Change in Fund Balances	1,793	(2,308)	(4,101)
Fund Balance, Beginning of Year	30,631	30,631	-
Prior Year Encumbrances Appropriated	3,207	3,207	-
Fund Balance, End of Year	<u>\$ 35,631</u>	<u>\$ 31,530</u>	<u>\$ (4,101)</u>

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

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Payments in lieu of taxes	\$ 10,121,000	\$ 8,600,300	\$ (1,520,700)
Intergovernmental	199,000	145,673	(53,327)
Total Revenues	<u>10,320,000</u>	<u>8,745,973</u>	<u>(1,574,027)</u>
Expenditures:			
Current:			
General Government:			
Other Expenditures	4,564,650	4,558,974	5,676
Total General Government	<u>4,564,650</u>	<u>4,558,974</u>	<u>5,676</u>
Transportation:			
Other Expenditures	4,215,961	3,633,122	582,839
Total Transportation	<u>4,215,961</u>	<u>3,633,122</u>	<u>582,839</u>
Debt Service:			
Principal retirement	1,253,152	1,253,152	-
Interest and fiscal charges	29,500	29,410	90
Total Debt Service	<u>1,282,652</u>	<u>1,282,562</u>	<u>90</u>
Total Expenditures	<u>10,063,263</u>	<u>9,474,658</u>	<u>588,605</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	256,737	(728,685)	(985,422)
Other Financing Uses:			
Transfers Out	(560,743)	(560,743)	-
Total Other Financing Uses	<u>(560,743)</u>	<u>(560,743)</u>	<u>-</u>
Net Change in Fund Balances	(304,006)	(1,289,428)	(985,422)
Fund Balance, Beginning of Year	2,810,587	2,810,587	-
Prior Year Encumbrances Appropriated	135,148	135,148	-
Fund Balance, End of Year	<u>\$ 2,641,729</u>	<u>\$ 1,656,307</u>	<u>\$ (985,422)</u>

City of Hilliard
Franklin County, 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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 7,622,280	\$ 9,345,257	\$ 1,722,977
Licenses and permits	50,000	-	(50,000)
Intergovernmental	3,000	1,344,753	1,341,753
Miscellaneous	-	15,000	15,000
Total Revenues	<u>7,675,280</u>	<u>10,705,010</u>	<u>3,029,730</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	1,007,853	837,169	170,684
Other Expenditures	471,876	471,768	108
Capital Outlay	<u>5,152,325</u>	<u>4,044,075</u>	<u>1,108,250</u>
Total General Government	6,632,054	5,353,012	1,279,042
Security of Persons and Property:			
Capital Outlay	<u>497,667</u>	<u>485,166</u>	<u>12,501</u>
Total Security of Persons and Property	497,667	485,166	12,501
Leisure Time Activities:			
Capital Outlay	<u>1,477,243</u>	<u>1,105,803</u>	<u>371,440</u>
Total Leisure Time Activities	1,477,243	1,105,803	371,440
Basic Utility Services:			
Contractual Services	875,000	-	875,000
Capital Outlay	<u>6,087,114</u>	<u>4,637,608</u>	<u>1,449,506</u>
Total Basic Utility Services	6,962,114	4,637,608	2,324,506
Transportation:			
Contractual Services	39,329	21,832	17,497
Capital Outlay	<u>6,693,354</u>	<u>5,664,932</u>	<u>1,028,422</u>
Total Transportation	6,732,683	5,686,764	1,045,919
Debt Service:			
Principal retirement	5,674,541	5,674,541	-
Interest and fiscal charges	<u>1,478,395</u>	<u>1,782,787</u>	<u>(304,392)</u>
Total Debt Service	7,152,936	7,457,328	(304,392)
Total Expenditures	<u>29,454,697</u>	<u>24,725,681</u>	<u>4,729,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,779,417)	(14,020,671)	7,758,746
Other Financing Sources (Uses):			
Transfers in	7,000,000	7,560,743	560,743
Transfers out	<u>(7,160,583)</u>	<u>(7,160,583)</u>	<u>-</u>
Total Other Financing Sources (Uses)	(160,583)	400,160	560,743
Net Change in Fund Balances	(21,940,000)	(13,620,511)	8,319,489
Fund Balance, Beginning of Year	16,392,552	16,392,552	-
Prior Year Encumbrances Appropriated	<u>8,675,510</u>	<u>8,675,510</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,128,062</u>	<u>\$ 11,447,551</u>	<u>\$ 8,319,489</u>

City of Hilliard
Franklin County, 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.

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 **OneOhio Opioid Settlement Fund** accounts for revenue and expenditures related to the OneOhio settlement with national opioid distributors.

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 **American Rescue Plan Act (ARPA) Fund** accounts for a substantial infusion of resources to meet pandemic needs and rebuild a stronger and more equitable economy as the country recovers.

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.

City of Hilliard
Franklin County, Ohio
Nonmajor Fund Descriptions – Special Revenue Funds

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
Franklin County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2022

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
Assets					
Equity in pooled cash and investments	\$ 2,358,858	\$ 1,383,241	\$ 4,962,376	\$ 348,124	\$ 205,438
Cash and cash equivalents with fiscal agent	-	76,076	-	-	-
Receivables:					
Municipal income taxes	-	-	841,588	-	-
Accounts	13,530	-	-	-	545
Due from other governments	1,072,944	207,519	-	-	-
Total assets	<u>\$ 3,445,332</u>	<u>\$ 1,666,836</u>	<u>\$ 5,803,964</u>	<u>\$ 348,124</u>	<u>\$ 205,983</u>
Liabilities					
Accounts payable	\$ 4,705	\$ -	\$ -	\$ -	\$ -
Income Tax Refund Payable	-	-	486,633	-	-
Accrued wages and benefits	33,271	-	-	-	-
Due to other governments	9,798	-	-	-	-
Matured compensated absences	6,178	-	-	-	-
Retainage payable	12,176	-	8,757	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>66,128</u>	<u>-</u>	<u>495,390</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable Revenue	715,296	26,049	288,627	-	-
Total deferred inflows of resources	<u>715,296</u>	<u>26,049</u>	<u>288,627</u>	<u>-</u>	<u>-</u>
Fund Balance					
Restricted	2,663,908	1,640,787	-	-	205,983
Committed	-	-	5,019,947	348,124	-
Total fund balances	<u>2,663,908</u>	<u>1,640,787</u>	<u>5,019,947</u>	<u>348,124</u>	<u>205,983</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,445,332</u>	<u>\$ 1,666,836</u>	<u>\$ 5,803,964</u>	<u>\$ 348,124</u>	<u>\$ 205,983</u>

Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ 28,616	\$ 17,597	\$ 2,786	\$ 16,955	\$ 100	\$ 2,392,276	\$ 630,598	\$ 1,702,634	\$ 14,049,599
-	-	-	-	-	-	-	-	76,076
-	-	-	-	-	-	-	-	841,588
-	-	-	-	-	-	61,779	61,167	137,021
-	-	-	-	-	-	-	-	1,280,463
<u>\$ 28,616</u>	<u>\$ 17,597</u>	<u>\$ 2,786</u>	<u>\$ 16,955</u>	<u>\$ 100</u>	<u>\$ 2,392,276</u>	<u>\$ 692,377</u>	<u>\$ 1,763,801</u>	<u>\$ 16,384,747</u>
\$ -	\$ 6,700	\$ -	\$ -	\$ -	\$ -	\$ 45	\$ 1,450	\$ 12,900
-	-	-	-	-	-	-	-	486,633
-	2,248	-	-	-	-	43,132	21,557	100,208
-	662	-	-	-	-	12,702	6,349	29,511
-	-	-	-	-	-	7,904	3,952	18,034
-	-	-	-	-	-	-	-	20,933
-	7,987	-	-	-	2,392,276	-	-	2,400,263
<u>-</u>	<u>17,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392,276</u>	<u>63,783</u>	<u>33,308</u>	<u>3,068,482</u>
-	-	-	-	-	-	-	-	1,029,972
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,972</u>
28,616	-	2,786	16,955	-	-	-	-	4,559,035
-	-	-	-	100	-	628,594	1,730,493	7,727,258
<u>28,616</u>	<u>-</u>	<u>2,786</u>	<u>16,955</u>	<u>100</u>	<u>-</u>	<u>628,594</u>	<u>1,730,493</u>	<u>12,286,293</u>
<u>\$ 28,616</u>	<u>\$ 17,597</u>	<u>\$ 2,786</u>	<u>\$ 16,955</u>	<u>\$ 100</u>	<u>\$ 2,392,276</u>	<u>\$ 692,377</u>	<u>\$ 1,763,801</u>	<u>\$ 16,384,747</u>

(Concluded)

City of Hilliard
Franklin county, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
Revenues					
Municipal income taxes	\$ -	\$ -	\$ 3,417,245	\$ -	\$ -
Charges for services	-	-	-	167,343	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	16,482
Intergovernmental	2,559,178	437,909	595,578	-	-
Investment earnings	9,432	4,831	-	-	-
Other	19,670	-	-	-	-
Total revenues	<u>2,588,280</u>	<u>442,740</u>	<u>4,012,823</u>	<u>167,343</u>	<u>16,482</u>
Expenditures					
Current:					
General government	-	-	287,699	-	-
Security of persons and property	-	-	-	-	22,412
Public health	-	-	-	-	-
Leisure time activities	-	-	-	25,540	-
Basic utility services	-	-	-	-	-
Transportation	3,215,018	214,723	2,733,468	-	-
Debt service:					
Principal retirement	-	-	242,500	-	-
Interest and fiscal charges	-	-	57,375	-	-
Total expenditures	<u>3,215,018</u>	<u>214,723</u>	<u>3,321,042</u>	<u>25,540</u>	<u>22,412</u>
Net change in fund balances	(626,738)	228,017	691,781	141,803	(5,930)
Fund balance at beginning of year	<u>3,290,646</u>	<u>1,412,770</u>	<u>4,328,166</u>	<u>206,321</u>	<u>211,913</u>
Fund balance at end of year	<u>\$ 2,663,908</u>	<u>\$ 1,640,787</u>	<u>\$ 5,019,947</u>	<u>\$ 348,124</u>	<u>\$ 205,983</u>

Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,417,245
-	-	-	-	-	-	2,021,058	1,260,354	3,448,755
-	-	-	-	-	-	1,850	-	1,850
8,389	500	4,322	-	-	-	-	-	29,693
-	126,654	-	69,178	-	1,116,119	-	-	4,904,616
-	-	-	-	-	7,147	-	-	21,410
-	-	-	-	-	-	1,857	-	21,527
<u>8,389</u>	<u>127,154</u>	<u>4,322</u>	<u>69,178</u>	<u>-</u>	<u>1,123,266</u>	<u>2,024,765</u>	<u>1,260,354</u>	<u>11,845,096</u>
15,823	194,468	-	49,000	-	1,123,266	-	-	1,670,256
-	-	-	-	-	-	-	-	22,412
-	-	1,536	-	-	-	-	-	1,536
-	-	-	45,905	-	-	-	-	71,445
-	-	-	-	-	-	1,945,114	1,105,143	3,050,257
-	-	-	-	-	-	-	-	6,163,209
-	-	-	-	-	-	132,500	-	375,000
-	-	-	-	-	-	57,375	-	114,750
<u>15,823</u>	<u>194,468</u>	<u>1,536</u>	<u>94,905</u>	<u>-</u>	<u>1,123,266</u>	<u>2,134,989</u>	<u>1,105,143</u>	<u>11,468,865</u>
(7,434)	(67,314)	2,786	(25,727)	-	-	(110,224)	155,211	376,231
36,050	67,314	-	42,682	100	-	738,818	1,575,282	11,910,062
<u>\$ 28,616</u>	<u>\$ -</u>	<u>\$ 2,786</u>	<u>\$ 16,955</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 628,594</u>	<u>\$ 1,730,493</u>	<u>\$ 12,286,293</u>

(Concluded)

City of Hilliard
Franklin County, 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, 2022

Street Maintenance and Repair Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 2,205,000	\$ 2,572,817	\$ 367,817
Investment earnings	20,000	9,432	(10,568)
Miscellaneous	50,000	6,140	(43,860)
Total Revenues	<u>2,275,000</u>	<u>2,588,389</u>	<u>313,389</u>
Expenditures:			
Current:			
Transportation:			
Personal Services	1,278,590	1,098,823	179,767
Contractual Services	282,090	272,616	9,474
Materials and Supplies	793,097	704,576	88,521
Capital Outlay	2,258,613	2,126,554	132,059
Total Expenditures	<u>4,612,390</u>	<u>4,202,569</u>	<u>409,821</u>
Net Change in Fund Balances	(2,337,390)	(1,614,180)	723,210
Fund Balance, Beginning of Year	1,706,522	1,706,522	-
Prior Year Encumbrances Appropriated	1,410,304	1,410,304	-
Fund Balance, End of Year	<u>\$ 779,436</u>	<u>\$ 1,502,646</u>	<u>\$ 723,210</u>

City of Hilliard
Franklin County, 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, 2022

County Municipal Motor Vehicle Tax Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 500,000	\$ 447,311	\$ (52,689)
Investment earnings	7,000	4,831	(2,169)
Total Revenues	<u>507,000</u>	<u>452,142</u>	<u>(54,858)</u>
Expenditures:			
Current:			
Transportation:			
Contractual Services	223,511	199,689	23,822
Materials and Supplies	47,661	41,436	6,225
Total Expenditures	<u>271,172</u>	<u>241,125</u>	<u>30,047</u>
Net Change in Fund Balances	235,828	211,017	(24,811)
Fund Balance, Beginning of Year	1,101,085	1,101,085	-
Prior Year Encumbrances Appropriated	51,172	51,172	-
Fund Balance, End of Year	<u>\$ 1,388,085</u>	<u>\$ 1,363,274</u>	<u>\$ (24,811)</u>

City of Hilliard
Franklin County, 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, 2022

Street Improvement Municipal Tax Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 3,048,912	\$ 3,744,539	\$ 695,627
Intergovernmental	332,578	595,578	263,000
Total Revenues	<u>3,381,490</u>	<u>4,340,117</u>	<u>958,627</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	85,000	85,000	-
Other Expenditures	235,937	235,883	54
Total General Government	<u>320,937</u>	<u>320,883</u>	<u>54</u>
Transportation:			
Contractual Services	797,597	785,254	12,343
Capital Outlay	3,639,009	3,420,216	218,793
Total Transportation	<u>4,436,606</u>	<u>4,205,470</u>	<u>231,136</u>
Debt Service:			
Principal retirement	242,500	242,500	-
Interest and fiscal charges	57,500	57,375	125
Total Debt Service	<u>300,000</u>	<u>299,875</u>	<u>125</u>
Total Expenditures	<u>5,057,543</u>	<u>4,826,228</u>	<u>231,315</u>
Net Change in Fund Balances	(1,676,053)	(486,111)	1,189,942
Fund Balance, Beginning of Year	2,799,626	2,799,626	-
Prior Year Encumbrances Appropriated	1,152,952	1,152,952	-
Fund Balance, End of Year	<u>\$ 2,276,525</u>	<u>\$ 3,466,467</u>	<u>\$ 1,189,942</u>

City of Hilliard
Franklin County, 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, 2022

Park Maintenance Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 290,000	\$ 167,343	\$ (122,657)
Licenses and permits	100,000	-	(100,000)
Total Revenues	<u>390,000</u>	<u>167,343</u>	<u>(222,657)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Contractual Services	22,654	-	22,654
Materials and Supplies	10,142	30	10,112
Capital Outlay	90,000	40,000	50,000
Total Expenditures	<u>122,796</u>	<u>40,030</u>	<u>82,766</u>
Net Change in Fund Balances	267,204	127,313	(139,891)
Fund Balance, Beginning of Year	203,523	203,523	-
Prior Year Encumbrances Appropriated	2,796	2,796	-
Fund Balance, End of Year	<u>\$ 473,523</u>	<u>\$ 333,632</u>	<u>\$ (139,891)</u>

City of Hilliard
Franklin County, 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, 2022

Police Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 38,050	\$ 15,962	\$ (22,088)
Total Revenues	<u>38,050</u>	<u>15,962</u>	<u>(22,088)</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Materials and Supplies	10,000	7,261	2,739
Other Expenditures	13,960	10,372	3,588
Capital Outlay	<u>20,000</u>	<u>17,000</u>	<u>3,000</u>
Total Expenditures	<u>43,960</u>	<u>34,633</u>	<u>9,327</u>
Net Change in Fund Balances	(5,910)	(18,671)	(12,761)
Fund Balance, Beginning of Year	206,928	206,928	-
Prior Year Encumbrances Appropriated	4,960	4,960	-
Fund Balance, End of Year	<u>\$ 205,978</u>	<u>\$ 193,217</u>	<u>\$ (12,761)</u>

City of Hilliard
Franklin County, 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, 2022

Mayor's Court Computer Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 25,000	\$ 8,389	\$ (16,611)
Total Revenues	<u>25,000</u>	<u>8,389</u>	<u>(16,611)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	21,001	2,812	18,189
Materials and Supplies	17,439	17,439	-
Capital Outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>58,440</u>	<u>20,251</u>	<u>38,189</u>
Net Change in Fund Balances	(33,440)	(11,862)	21,578
Fund Balance, Beginning of Year	27,610	27,610	-
Prior Year Encumbrances Appropriated	<u>8,440</u>	<u>8,440</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,610</u></u>	<u><u>\$ 24,188</u></u>	<u><u>\$ 21,578</u></u>

City of Hilliard
Franklin County, 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, 2022

Hilliard Recovery Court Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ -	\$ 500	\$ 500
Intergovernmental	240,000	176,323	(63,677)
Total Revenues	<u>240,000</u>	<u>176,823</u>	<u>(63,177)</u>
Expenditures:			
Current:			
General Government:			
Personal Services	87,732	75,582	12,150
Contractual Services	86,800	68,000	18,800
Materials and Supplies	68,927	58,598	10,329
Total General Government	<u>243,459</u>	<u>202,180</u>	<u>41,279</u>
Total Expenditures	<u>243,459</u>	<u>202,180</u>	<u>41,279</u>
Net Change in Fund Balances	(3,459)	(25,357)	(21,898)
Fund Balance, Beginning of Year	10,905	10,905	-
Prior Year Encumbrances Appropriated	14,727	14,727	-
Fund Balance, End of Year	<u>\$ 22,173</u>	<u>\$ 275</u>	<u>\$ (21,898)</u>

City of Hilliard
Franklin County, 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, 2022

General Government Grants Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 114,695	\$ 69,178	\$ (45,517)
Total Revenues	<u>114,695</u>	<u>69,178</u>	<u>(45,517)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total General Government	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Leisure Time Activities:			
Contractual Services	<u>65,044</u>	<u>59,044</u>	<u>6,000</u>
Total Leisure Time Activities	<u>65,044</u>	<u>59,044</u>	<u>6,000</u>
Total Expenditures	<u>115,044</u>	<u>109,044</u>	<u>6,000</u>
Net Change in Fund Balances	(349)	(39,866)	(39,517)
Fund Balance, Beginning of Year	42,333	42,333	-
Prior Year Encumbrances Appropriated	349	349	-
Fund Balance, End of Year	<u>\$ 42,333</u>	<u>\$ 2,816</u>	<u>\$ (39,517)</u>

City of Hilliard
Franklin County, 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, 2022

OneOhio Opioid Settlement Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 7,000	\$ 4,322	\$ (2,678)
Total Revenues	<u>7,000</u>	<u>4,322</u>	<u>(2,678)</u>
Expenditures:			
Current:			
Public Health:			
Contractual Services	4,000	-	4,000
Materials and Supplies	<u>2,000</u>	<u>1,660</u>	<u>340</u>
Total Public Health	<u>6,000</u>	<u>1,660</u>	<u>4,340</u>
Total Expenditures	<u>6,000</u>	<u>1,660</u>	<u>4,340</u>
Net Change in Fund Balances	1,000	2,662	1,662
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ 1,000</u>	<u>\$ 2,662</u>	<u>\$ 1,662</u>

City of Hilliard
Franklin County, 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, 2022

Heritage Trail Dog Park Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Total Revenues	-	-	-
Expenditures:			
Current:			
Total Transportation	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	100	100	-
Fund Balance, End of Year	\$ 100	\$ 100	\$ -

City of Hilliard
Franklin County, 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, 2022

American Rescue Plan Act Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 1,913,488	\$ 1,928,766	\$ 15,278
Investment earnings	-	7,147	7,147
Total Revenues	<u>1,913,488</u>	<u>1,935,913</u>	<u>22,425</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	177,500	177,500	-
Capital Outlay	<u>3,316,985</u>	<u>1,000,105</u>	<u>2,316,880</u>
Total General Government	<u>3,494,485</u>	<u>1,177,605</u>	<u>2,316,880</u>
Total Expenditures	<u>3,494,485</u>	<u>1,177,605</u>	<u>2,316,880</u>
Net Change in Fund Balances	(1,580,997)	758,308	2,339,305
Fund Balance, Beginning of Year	1,502,085	1,502,085	-
Prior Year Encumbrances Appropriated	<u>79,000</u>	<u>79,000</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 88</u>	<u>\$ 2,339,393</u>	<u>\$ 2,339,305</u>

City of Hilliard
Franklin County, 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, 2022

Water and Sewer Revenue Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 2,395,000	\$ 2,026,098	\$ (368,902)
Licenses and permits	500	1,850	1,350
Miscellaneous	40,000	1,857	(38,143)
Total Revenues	<u>2,435,500</u>	<u>2,029,805</u>	<u>(405,695)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	1,496,044	1,445,252	50,792
Contractual Services	214,920	188,297	26,623
Materials and Supplies	117,337	111,751	5,586
Utilities	134,086	134,086	-
Capital Outlay	556,931	299,340	257,591
Total Basic Utility Services	<u>2,519,318</u>	<u>2,178,726</u>	<u>340,592</u>
Debt Service:			
Principal retirement	132,500	132,500	-
Interest and fiscal charges	157,500	57,375	100,125
Total Debt Service	<u>290,000</u>	<u>189,875</u>	<u>100,125</u>
Total Expenditures	<u>2,809,318</u>	<u>2,368,601</u>	<u>440,717</u>
Net Change in Fund Balances	(373,818)	(338,796)	35,022
Fund Balance, Beginning of Year	357,886	357,886	-
Prior Year Encumbrances Appropriated	366,391	366,391	-
Fund Balance, End of Year	<u>\$ 350,459</u>	<u>\$ 385,481</u>	<u>\$ 35,022</u>

City of Hilliard
Franklin County, 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, 2022

Storm Water Utility Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 1,300,000	\$ 1,265,380	\$ (34,620)
Miscellaneous	30,000	-	(30,000)
Total Revenues	<u>1,330,000</u>	<u>1,265,380</u>	<u>(64,620)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	746,523	721,593	24,930
Contractual Services	957,903	453,001	504,902
Materials and Supplies	29,401	28,677	724
Capital Outlay	157,310	97,309	60,001
Total Basic Utility Services	<u>1,891,137</u>	<u>1,300,580</u>	<u>590,557</u>
Total Expenditures	<u>1,891,137</u>	<u>1,300,580</u>	<u>590,557</u>
Net Change in Fund Balances	(561,137)	(35,200)	525,937
Fund Balance, Beginning of Year	1,388,247	1,388,247	-
Prior Year Encumbrances Appropriated	145,011	145,011	-
Fund Balance, End of Year	<u>\$ 972,121</u>	<u>\$ 1,498,058</u>	<u>\$ 525,937</u>

City of Hilliard
Franklin County, 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.

The **Fundraising Fund** accounts for collections and distributions related to fundraising.

City of Hilliard
Franklin County, Ohio
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

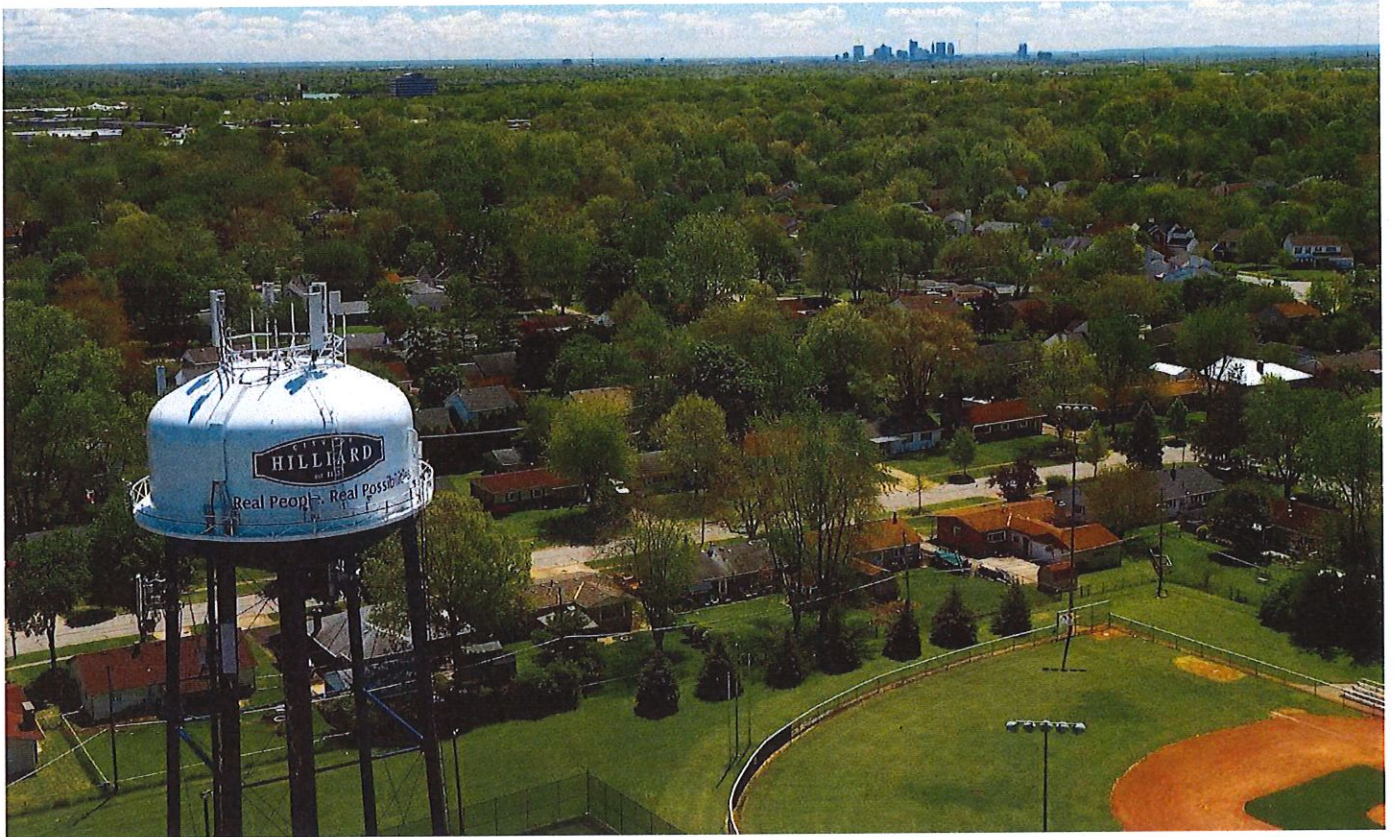
	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Equity in pooled cash and investments	\$ 37,259	\$ -	\$ 73,417	\$ 110,676
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>39,099</u>	<u>-</u>	<u>39,099</u>
Total assets	<u>37,259</u>	<u>39,099</u>	<u>73,417</u>	<u>149,775</u>
Liabilities				
Due to other governments	<u>-</u>	<u>39,099</u>	<u>-</u>	<u>39,099</u>
Total liabilities	<u>-</u>	<u>39,099</u>	<u>-</u>	<u>39,099</u>
Net Position				
Restricted for individuals, organizations, and other governments	<u>37,259</u>	<u>-</u>	<u>73,417</u>	<u>110,676</u>
Total net position	<u>\$ 37,259</u>	<u>\$ -</u>	<u>\$ 73,417</u>	<u>\$ 110,676</u>

City of Hilliard
Franklin County, Ohio
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total Custodial Funds
Additions				
Fines & forfeitures for other governments	\$ -	\$ 223,528	\$ -	\$ 223,528
Other	15,431	-	135,814	151,245
Total additions	<u>15,431</u>	<u>223,528</u>	<u>135,814</u>	<u>374,773</u>
Deductions				
Fines & forfeitures distributions to other governments	-	223,528	-	223,528
Miscellaneous	15,550	-	62,397	77,947
Total deductions	<u>15,550</u>	<u>223,528</u>	<u>62,397</u>	<u>301,475</u>
Change in net position	(119)	-	73,417	73,298
Net position at beginning of year	37,378	-	-	37,378
Net position at end of year	<u>\$ 37,259</u>	<u>\$ -</u>	<u>\$ 73,417</u>	<u>\$ 110,676</u>

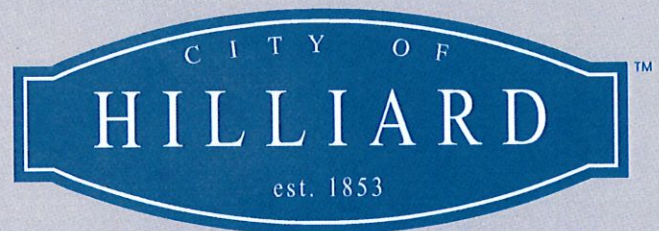


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STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2022

CITY OF HILLIARD, OHIO

STATISTICAL SECTION

The statistical section of the City of Hilliard's annual comprehensive 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.	145
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	150
Debt Capacity These schedules contain information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	157
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.	161
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.	163

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

City of Hilliard, Ohio

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

	2013	Restated (1) 2014	2015	2016	Restated (2) 2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 178,545,386	\$ 174,263,501	\$ 177,988,978	\$ 185,589,498	\$ 187,490,079	\$ 185,358,515	\$ 186,151,971	\$ 184,436,972	\$ 191,465,711	\$ 182,598,788
Restricted	13,239,396	19,459,624	18,372,505	16,230,358	16,913,151	19,791,069	27,784,019	40,445,382	35,719,042	43,524,058
Unrestricted	13,720,226	1,985,909	1,882,523	4,325,531	(10,162,656)	(15,482,624)	(7,756,460)	(7,106,324)	7,237,310	7,740,133
Total governmental activities net position	<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>	<u>\$ 234,422,063</u>	<u>\$ 233,862,979</u>

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

(2) 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues:										
Governmental activities										
Charges for services:										
General government	\$ 817,496	\$ 743,059	\$ 913,842	\$ 880,295	\$ 847,633	\$ 1,036,392	\$ 820,258	\$ 1,857,039	\$ 2,112,187	\$ 2,187,216
Security of persons and property	978,586	895,958	900,810	922,948	1,068,701	1,015,084	1,168,877	877,772	1,130,108	1,287,591
Leisure time activity	1,453,629	1,037,505	1,046,213	1,309,531	1,152,698	1,137,108	898,527	389,533	1,137,624	1,356,264
Public health	-	-	-	-	-	-	-	-	-	4,322
Community Environment	2,901,063	2,797,942	2,784,666	3,105,178	3,165,149	3,049,967	2,982,479	2,560,099	3,561,311	3,668,320
Transportation	-	-	-	-	-	-	-	5,411	1,306	-
Basic Utility Services	2,951,504	3,421,040	3,159,736	4,830,460	3,278,450	2,874,739	3,036,734	3,366,039	3,672,004	4,138,882
Operating grants & contributions	1,782,427	2,246,982	2,383,121	2,195,900	2,538,885	1,933,005	2,831,895	5,170,521	4,650,857	4,690,277
Capital grants & contributions	2,120,629	6,087,335	4,500,410	8,713,838	7,242,347	5,758,043	9,200,710	2,479,926	2,193,840	3,593,247
Total governmental activities program revenues	13,005,334	17,229,821	15,688,798	21,958,150	19,293,863	16,804,338	20,939,480	16,706,340	18,459,237	20,926,119
Expenses:										
Governmental activities										
General government	4,396,977	6,234,614	6,449,722	12,247,477	11,597,782	9,598,793	11,057,514	14,769,346	17,793,714	21,100,572
Security of persons and property	8,377,988	11,406,237	9,746,509	10,955,413	10,957,889	13,265,766	3,196,562	14,422,740	12,675,709	13,038,860
Public health	186,809	194,357	225,000	237,546	256,406	261,020	383,820	807,980	424,657	454,383
Leisure time activity	3,282,870	3,347,217	3,706,740	4,442,567	6,421,668	6,432,175	5,304,673	3,147,484	3,476,641	4,778,104
Community Environment	3,571,243	3,437,303	3,846,005	3,856,330	4,365,272	4,324,565	5,185,444	4,299,354	1,336,010	2,079,122
Basic Utility Services	8,804,498	7,407,729	8,337,911	8,242,381	8,563,635	9,165,715	7,691,113	7,704,325	6,374,990	12,105,542
Transportation	8,523,821	11,946,188	10,363,941	8,759,098	11,985,105	14,286,519	13,371,260	12,637,519	10,647,930	15,508,723
Interest & fiscal charges	2,326,249	1,774,916	1,861,659	2,094,479	1,875,982	1,999,922	2,154,572	2,192,116	1,864,336	5,537,503
Total governmental activities expenses	39,470,455	45,748,561	44,537,487	50,835,291	56,023,739	59,334,475	48,344,958	59,980,864	54,593,987	74,602,809
 Total net revenue (expense)	 (26,465,121)	 (28,518,740)	 (28,848,689)	 (28,877,141)	 (36,729,876)	 (42,530,137)	 (27,405,478)	 (43,274,524)	 (36,134,750)	 (53,676,690)
General Revenues:										
Governmental activities										
Property Taxes Levied for General Purposes	\$ 1,490,038	\$ 1,483,891	\$ 1,418,846	\$ 1,429,888	\$ 1,526,373	\$ 1,484,966	\$ 1,560,782	\$ 1,572,343	\$ 1,845,135	\$ 2,136,602
Municipal Income Tax Levied for General Purposes	14,350,910	14,337,297	15,172,841	18,445,021	18,729,749	18,295,358	19,747,028	21,430,545	24,643,519	22,365,833
Municipal Income Tax Levied for Transportation	466,492	1,212,529	1,536,470	2,458,263	3,170,538	2,797,729	2,930,642	3,299,402	3,791,310	3,448,324
Municipal Income Tax Levied for Capital Outlay	4,939,135	5,160,611	5,585,976	6,967,455	7,297,194	7,033,170	7,326,606	8,248,757	9,478,277	8,604,719
Municipal Income Tax Levied for Parks & Recreation	-	-	-	-	-	-	-	-	1,732,768	8,604,719
Payments in Lieu of Taxes	3,008,635	5,038,316	7,383,674	6,238,064	7,201,942	6,211,070	10,095,391	10,175,566	9,770,113	8,600,300
Grants and entitlements not restricted to specific programs	1,105,845	693,035	770,008	706,750	731,344	989,732	831,774	970,935	1,506,254	1,487,968
Gain on Sale of Assets	-	-	-	-	-	-	-	7,437,475	22,382	-
Unrestricted Investment Earnings	57,494	33,531	73,377	199,018	332,676	728,040	1,008,576	733,722	(408,374)	(2,417,026)
Miscellaneous	361,580	356,074	508,900	334,063	255,019	416,458	417,249	599,366	399,399	286,167
Total governmental activities	25,780,129	28,315,284	32,450,092	36,778,522	39,244,835	37,956,523	43,918,048	54,468,111	52,780,783	53,117,606
 Total primary government change in net position	 \$ (684,992)	 \$ (203,456)	 \$ 3,601,403	 \$ 7,901,381	 \$ 2,514,959	 \$ (4,573,614)	 \$ 16,512,570	 \$ 11,193,587	 \$ 16,646,033	 \$ (559,084)

Source: City financial records.

City of Hilliard, Ohio

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Funtion / Program:										
Governmental Activities										
General Government	\$ 828,746	\$ 747,058	\$ 932,505	\$ 880,295	\$ 1,340,133	\$ 1,036,392	\$ 1,029,141	\$ 3,924,273	\$ 3,001,778	\$ 3,913,326
Security of Persons and Property	1,006,477	967,899	972,845	1,012,271	1,152,659	1,097,768	1,457,559	1,277,419	1,197,250	1,320,494
Public Health	-	-	-	-	-	-	59,449	60,438	151,206	4,322
Leisure Time Activities	1,483,629	1,037,505	1,255,051	1,493,030	1,154,048	1,137,108	1,038,500	395,361	1,275,862	1,975,856
Community Environment	2,901,063	2,797,942	2,784,666	3,105,178	3,165,149	3,049,967	3,288,134	2,570,207	3,566,808	3,668,320
Basic Utility Services	4,053,801	7,738,258	7,586,211	10,519,988	8,151,546	4,495,498	7,769,175	4,945,831	4,831,620	6,031,776
Transportation	2,731,618	3,941,159	2,157,520	4,947,388	4,330,328	5,987,605	6,297,522	3,532,811	4,434,713	4,012,025
Total Governmental Activities Program Revenues	<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>	<u>\$ 18,459,237</u>	<u>\$ 20,926,119</u>

Source: City financial records.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nondisposable	\$ 25,268	\$ 26,774	\$ 40,817	\$ 40,542	\$ 71,894	\$ 81,675	\$ 55,314	\$ 126,900	\$ 99,242	\$ -
Committed	224,637	221,970	86,232	150,297	83,789	464,683	-	-	-	-
Assigned	113,892	189,754	344,930	1,412,497	7,046,953	2,515,773	2,337,093	2,843,460	2,522,545	4,480,379
Unassigned	9,146,578	10,340,785	11,937,982	14,144,814	9,023,648	11,421,542	14,384,131	19,144,690	25,501,041	19,591,624
Total general fund	<u>9,510,375</u>	<u>10,779,283</u>	<u>12,409,961</u>	<u>15,748,150</u>	<u>16,226,284</u>	<u>14,483,673</u>	<u>16,776,538</u>	<u>22,115,050</u>	<u>28,122,828</u>	<u>24,072,003</u>
All other governmental funds:										
Nondisposable	-	-	-	-	-	-	23,759	22,930	21,631	-
Restricted	16,177,842	20,434,858	19,509,382	17,168,002	15,310,227	17,820,365	25,211,320	39,532,979	33,610,369	125,266,750
Committed	4,566,178	4,157,852	3,851,332	4,764,514	5,073,581	4,963,391	4,865,296	5,776,873	6,846,434	7,727,258
Unassigned	-	(14,663)	(4,161)	(637,643)	(199,713)	(188,013)	-	-	-	-
Total all other governmental funds	<u>20,744,020</u>	<u>24,578,047</u>	<u>23,356,553</u>	<u>21,294,873</u>	<u>20,184,095</u>	<u>22,595,743</u>	<u>30,100,375</u>	<u>45,332,782</u>	<u>40,478,434</u>	<u>132,994,008</u>
Total Governmental funds	<u>\$ 30,254,395</u>	<u>\$ 35,357,330</u>	<u>\$ 35,766,514</u>	<u>\$ 37,043,023</u>	<u>\$ 36,410,379</u>	<u>\$ 37,079,416</u>	<u>\$ 46,876,913</u>	<u>\$ 67,447,832</u>	<u>\$ 68,601,262</u>	<u>\$ 157,066,011</u>

Source: City financial records.

City of Hilliard, Ohio

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Property and other taxes	\$ 1,559,706	\$ 1,441,796	\$ 1,462,509	\$ 1,429,658	\$ 1,528,261	\$ 1,486,272	\$ 1,563,190	\$ 1,573,372	\$ 1,825,990	\$ 2,140,823
Municipal income tax	20,843,443	20,227,766	25,790,575	27,615,153	27,941,266	28,495,230	29,833,908	35,315,922	36,827,631	42,635,107
Payment in lieu of taxes	5,038,316	7,383,674	5,319,823	6,238,064	7,201,942	6,211,070	10,095,391	10,175,566	9,770,113	8,600,300
Intergovernmental	3,021,748	4,550,308	3,198,900	3,471,002	5,401,377	5,052,647	3,558,197	6,153,369	7,170,934	7,750,514
Charges for services	6,372,169	6,755,577	6,878,488	7,667,567	7,192,206	7,505,612	7,402,925	6,643,617	8,634,959	10,159,015
Licenses and Permits	2,174,933	1,968,205	1,529,826	3,118,344	1,913,121	1,098,603	1,079,394	2,238,024	2,799,427	2,323,950
Fines and Forfeitures	389,424	337,475	307,757	261,398	403,899	322,883	354,641	182,046	174,768	143,576
Investment Income	33,531	73,377	48,070	199,018	332,676	676,436	1,050,568	734,897	(408,122)	(1,945,169)
Other	355,886	882,453	217,020	318,819	248,424	619,115	480,183	599,366	399,400	264,971
Total revenues	39,789,156	43,620,631	44,752,968	50,319,023	52,163,172	51,467,868	55,418,397	63,616,179	67,195,100	72,073,087
Expenditures:										
Current:										
General government	4,828,215	6,881,917	9,293,320	14,623,801	10,343,125	8,477,699	10,816,176	15,777,068	21,643,717	22,123,958
Security of persons and property	8,436,061	11,635,540	9,198,922	10,147,638	9,893,769	10,940,277	11,023,538	12,066,011	12,376,405	12,427,671
Public health	186,809	194,357	225,000	237,546	256,406	261,020	383,820	445,984	424,657	454,383
Leisure time activity	3,256,275	4,412,240	7,723,557	6,390,159	7,110,569	5,707,429	7,189,493	3,728,959	5,023,253	6,240,691
Community Environment	3,444,028	3,326,671	4,247,432	3,677,582	3,876,683	3,851,931	4,658,204	6,686,095	2,147,271	2,327,423
Basic Utility Services	3,264,874	2,480,971	3,482,900	4,046,696	3,493,862	3,292,141	2,777,782	3,031,495	4,255,569	8,361,532
Transportation	5,171,459	10,158,186	6,919,067	7,562,237	9,739,304	16,396,168	12,493,598	10,558,348	13,921,065	12,883,720
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	4,016,158	8,515,167	15,269,704	11,506,452	11,026,242	4,555,635	4,769,288	5,162,597	5,422,265	8,302,693
Interest and fiscal charges	2,275,495	1,660,868	1,786,954	2,049,620	2,070,924	2,176,434	2,123,684	2,295,994	2,113,950	4,645,903
Issuance costs	153,222	147,271	182,912	247,705	104,753	-	167,401	-	-	907,156
Total expenditures	35,032,596	49,413,188	58,329,768	60,489,436	57,915,637	55,658,734	56,402,984	59,752,551	67,328,152	78,675,130
Excess (deficiency) of revenues over (under) expenditures	4,756,560	(5,792,557)	(13,576,800)	(10,170,413)	(5,752,465)	(4,190,866)	(984,587)	3,863,628	(133,052)	(6,602,043)
Other financing sources (uses):										
Proceeds from Sale of capital assets	18,785	1,848	1,500	298,393	11,152	2,295	200	11,884,757	22,382	21,196
Issuance of General Obligation Bonds	8,905,000	-	8,745,000	3,855,000	4,655,000	-	1,022,964	7,605,000	-	85,000,000
Issuance of Bond Anticipation Notes	4,285,000	10,785,000	7,275,000	6,500,000	-	-	9,155,000	-	-	-
Inception of Financed Purchase	-	-	-	-	-	-	-	-	-	246,151
Loans Issued	-	-	-	-	-	4,857,608	-	341,626	1,250,000	-
Premium on Debt	484,152	435,398	1,260,402	1,609,604	-	-	603,920	876,550	14,100	9,799,445
Refunding Bonds Issued	-	5,160,000	-	8,205,000	-	-	-	-	-	-
Payment on Refunded Bonds or Notes	(9,243,627)	(5,486,754)	(3,295,918)	(9,130,978)	453,669	-	-	(4,403,555)	-	-
Inception of Capital Lease	-	-	-	109,903	-	-	-	-	-	-
Transfers in	-	-	2,308,880	1,880,000	3,500,000	5,600,000	5,066,817	2,604,675	1,139,925	15,703,978
Transfers out	-	-	(2,308,880)	(1,880,000)	(3,500,000)	(5,600,000)	(5,066,817)	(2,604,675)	(1,139,925)	(15,703,978)
Total other financing sources (uses)	4,449,310	10,895,492	13,985,984	11,446,922	5,119,821	4,859,903	10,782,084	16,304,378	1,286,482	95,066,792
Net change in fund balances	\$ 9,205,870	\$ 5,102,935	\$ 409,184	\$ 1,276,509	\$ (632,644)	\$ 669,037	\$ 9,797,497	\$ 20,168,006	\$ 1,153,430	\$ 88,464,749
Debt service as a percentage of noncapital expenditures	19.80%	23.90%	35.50%	27.90%	25.20%	14.10%	15.53%	16.61%	14.71%	18.43%

Source: City financial records.

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

Year	Individual						Business Accounts		Total
	Withholding	Percentage of Total	Non-withholding	Percentage of Total	Total Individual	Percentage of Total	Business Accounts	Percentage of Total	
2013	\$ 15,349,860	74%	\$ 2,234,458	11%	\$ 17,584,318	85%	\$ 3,257,488	15%	\$ 20,841,806
2014	16,261,933	71%	2,343,605	10%	18,605,538	81%	4,188,367	19%	22,793,905
2015	18,483,631	72%	2,494,808	10%	20,978,439	82%	4,845,020	18%	25,823,459
2016	19,960,118	72%	2,747,844	10%	22,707,962	82%	5,140,096	18%	27,848,058
2017	20,891,108	71%	2,822,321	10%	23,713,429	81%	5,823,710	19%	29,537,139
2018	21,891,108	75%	2,751,650	9%	24,642,758	84%	4,453,629	16%	29,096,387
2019	22,558,805	78%	2,743,212	10%	25,302,017	88%	3,465,029	12%	28,767,046
2020	22,513,539	73%	2,786,460	9%	25,299,999	82%	5,481,090	18%	30,781,089
2021	23,864,168	60%	3,546,485	9%	27,410,653	68%	12,639,921	32%	40,050,574
2022	34,400,050	74%	4,638,520	10%	39,038,570	84%	7,687,715	16%	46,726,285

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	Recreation and Parks Fund	Total	Percentage Increase/ (Decrease)
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%
2021	26,013,989	10,005,380	4,002,152	-	40,021,521	33.21%
2022	23,335,332	8,962,897	3,553,360	9,345,257	45,196,846	12.93%

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
2022 and 2013

Range of Withholding Amount	2022		2013	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	6	26.31%	3	22.34%
\$300,001 - 500,000	7	7.33%	4	10.29%
\$100,001 - 300,000	36	15.69%	11	11.89%
\$55,001 - 100,000	43	7.46%	31	14.49%
Total		56.79%		59.01%
All Others		43.21%		40.99%
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		
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
2021	997,620,290	1,026,670	229,745,900	66,117,470	91,640	1,294,601,970	48,484,050	1,343,086,020	3.93%	3,837,388,629	1.60
2022	1,015,114,300	2,319,850	239,740,120	70,392,920	98,370	1,327,665,560	50,446,540	1,378,112,100	2.61%	3,937,463,143	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 fiscal years 2006-2007) phased out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property (which is public utility property) will be eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax. In the first five years, local governments are reimbursed fully for the lost revenue (based on 2004 values); in the following seven years, the reimbursements are phased out.

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>
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
2021	1.60	91.55	19.77	2.80	21.62	1.60	138.94
2022	1.60	91.55	19.77	2.80	25.72	2.00	143.44

Source: Franklin County Auditor

City of Hilliard, Ohio
Principal Property Tax Payers - Real Property
2022 and 2013

Taxpayer	2022			2013		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Ohio Power Company	90,897,210	1	8.94%			
Villages at Britton LTD	20,562,470	2	2.02%			
New Hilliard Station LLC	17,445,190	3	1.72%			
Hilliard Grand Apartments LLC	12,155,200	4	1.20%			
MCI International INC	11,834,700	5	1.16%	\$ 13,687,530	1	1.65%
West-Ward Columbus Inc	11,305,500	6	1.11%			
Edwards Arlington Park LLC	10,937,540	7	1.08%			
Heritage Green Gardens	9,975,000	8	0.98%			
River Oaks Apartment Management	9,039,770	9	0.89%			
M-BM, LLC	8,575,000	10	0.84%			
G&I VI Heritage Green LLC				7,385,000	2	0.89%
Trueman LP				5,265,400	3	0.64%
Ansmil LLC				4,384,220	4	0.53%
Homewood Corp				4,265,810	5	0.51%
Talcott III Mill Run LLC				3,850,010	6	0.46%
Crystal Lakes Apartments				3,161,730	7	0.38%
Clearview Hilliard LP				2,303,150	8	0.28%
AVC Berkeley LLC				2,285,510	9	0.28%
Rich Products Corp				2,220,270	10	0.27%
Total Top 10 Real Property	202,727,580		19.94%	48,808,630		5.89%
All Others	814,197,480		80.06%	779,887,560		94.11%
Total Real Property Assessed Valuation	<u>\$ 1,016,925,060</u>		<u>100.00%</u>	<u>\$ 828,696,190</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
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
2021	2,148,938	2,031,720	94.55%	20,725	2,052,445
2022	2,204,979	2,202,867	99.90%	36,115	2,238,982

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, 2022

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
Direct			
City of Hilliard			
Loans Payable	\$ 12,622,841		\$ 12,622,841
General Obligation Bonds	43,695,792		43,695,792
Special Obligation Bonds	<u>92,163,342</u>		<u>92,163,342</u>
Total Direct Debt	<u>148,481,975</u>	<u>100.00%</u>	<u>148,481,975</u>
Overlapping Subdivisions			
Dublin City School District	216,590,004	0.06%	129,954
Franklin County	98,791,035	3.67%	3,625,631
Hilliard City School District	101,275,000	38.89%	39,385,848
Tolles Career & Technical Center	964,355	14.10%	135,974
Columbus State Community College	122,740,000	3.67%	4,504,558
Solid Waste Authority of Central Ohio	<u>55,640,000</u>	3.49%	<u>1,941,836</u>
Total Overlapping Debt	<u>596,000,394</u>		<u>49,723,801</u>
Total Direct and Overlapping Debt	<u><u>\$ 744,482,369</u></u>		<u><u>\$ 198,205,776</u></u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

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

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

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

Collection Year	Net Bonded Debt (3)	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
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
2021	49,049,973	3,837,388,629	37,094	1.28%	1,322
2022	43,695,792	3,937,463,143	36,892	1.11%	1,184

(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
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	-	12,696,648	54,209,153	66,905,801	36,411	1,910,740	1,838	3.31%
2021	-	13,254,383	49,049,973	62,304,356	37,094	2,086,612	1,680	3.17%
2022	-	12,622,841	43,695,792	56,318,633	36,892	2,208,613	1,527	1.67%

(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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Assessed Valuation	\$ 1,343,086,020	\$ 1,292,301,400	\$ 1,077,750,470	\$ 41,337,640	\$ 29,546,200	\$ 945,673,170	\$ 893,388,940	\$ 867,384,000	\$ 842,360,170	\$ 844,817,040
Overall debt limitation - 10.5% of assessed valuation	141,024,032	135,691,647	113,163,799	4,340,452	3,102,351	99,295,683	93,805,839	91,075,320	88,447,818	88,705,789
Total Indebtedness as of 12/31	122,465,000	44,890,000	49,620,000	50,875,000	45,800,000	49,830,000	55,690,000	56,410,000	57,835,000	50,370,000
Less Exempt Debt:										
Self Supporting										
2005 Various Purpose-Water portion(39%)	-	-	254,555	254,555	-	-	-	1,123,200	1,567,800	1,994,850
Total Self Supporting	-	-	254,555	254,555	-	-	-	1,123,200	1,567,800	1,994,850
Income Tax Supported										
2009 Various Purpose	-	-	-	-	710,000	1,430,000	2,130,000	8,220,000	11,645,000	12,470,000
2011 Various Purpose	-	-	-	4,710,000	5,085,000	5,445,000	5,795,000	6,135,000	6,585,000	7,020,000
2012 Various Purpose	2,730,000	3,780,000	4,785,000	5,760,000	6,685,000	7,585,000	8,460,000	9,310,000	10,135,000	10,920,000
2013 Various Purpose	2,320,000	3,225,000	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	2,635,000	3,110,000	3,570,000	4,020,000	4,460,000	4,890,000	4,940,000	4,990,000	5,040,000	-
2015 Various Purpose	6,890,000	7,140,000	7,380,000	7,605,000	7,820,000	8,030,000	8,230,000	8,425,000	-	-
2016 Various Purpose	6,985,000	8,215,000	9,395,000	10,550,000	10,945,000	11,335,000	11,715,000	-	-	-
2017 Various Purpose	3,560,000	3,745,000	3,925,000	4,100,000	4,270,000	4,435,000	-	-	-	-
2019 Various Purpose	7,625,000	7,955,000	8,270,000	8,855,000	-	-	-	-	-	-
2020 Various Purpose	6,635,000	7,135,000	7,605,000	-	-	-	-	-	-	-
2022 Special Perpose	82,500,000	-	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	6,500,000	7,275,000	10,785,000	4,285,000
Total Income Tax Supported	121,880,000	44,305,000	49,035,000	50,576,000	45,800,000	49,830,000	55,325,000	52,820,000	52,775,000	43,400,000
Amount available in the debt service fund	-	-	-	-	-	-	-	-	-	-
Total Exempt Debt	121,880,000	44,305,000	49,289,555	50,830,555	45,800,000	49,830,000	55,325,000	53,943,200	54,342,800	45,394,850
Net Debt Subject to Limitation	585,000	585,000	330,445	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150
Legal debt margin within 10.5% limitation	<u>\$ 140,439,032</u>	<u>\$ 135,106,647</u>	<u>\$ 112,833,354</u>	<u>\$ 4,296,007</u>	<u>\$ 3,102,351</u>	<u>\$ 99,295,683</u>	<u>\$ 93,440,839</u>	<u>\$ 88,608,520</u>	<u>\$ 84,955,618</u>	<u>\$ 83,730,639</u>
Percentage of Net Debt to Assessed Value	0.04%	0.05%	0.03%	0.11%	0.00%	0.00%	0.04%	0.28%	0.41%	0.59%
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	10.46%	10.45%	10.47%	10.39%	10.50%	10.50%	10.46%	10.22%	10.09%	9.91%

Unvoted debt limitation 5.5% of assessed valuation	<u>\$ 73,869,731</u>	<u>\$ 71,076,577</u>	<u>\$ 59,276,276</u>	<u>\$ 2,273,570</u>	<u>\$ 1,625,041</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>
Total Indebtedness as of 12/31	122,465,000	44,890,000	49,620,000	50,875,000	45,800,000	49,830,000	55,690,000	56,410,000	57,835,000	50,370,000
Less Total Exempt Debt	121,880,000	44,305,000	49,289,555	50,830,555	45,800,000	49,830,000	55,325,000	53,943,200	54,342,800	45,394,850
Net Debt Subject to Limitation	585,000	585,000	330,445	44,445	-	-	365,000	2,466,800	3,492,200	4,975,150
Legal debt margin within 5.5% limitation	<u>73,284,731.10</u>	<u>70,491,577</u>	<u>58,945,831</u>	<u>2,229,125</u>	<u>1,625,041</u>	<u>52,012,024</u>	<u>48,771,392</u>	<u>45,239,320</u>	<u>42,837,609</u>	<u>41,489,787</u>
Percentage of Net Debt to Assessed Value	0.04%	0.05%	0.03%	0.11%	0.00%	0.00%	0.04%	0.28%	0.41%	0.59%
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	5.46%	5.45%	5.47%	5.39%	5.50%	5.50%	5.46%	5.22%	5.09%	4.91%

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)
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
2021	37,094	2,086,612	56,252	16,317	4.5%	1,343,086,020
2022	36,892	2,208,613	59,867	16,394	3.1%	1,378,112,100

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 November, 2021
(6) Hilliard City School District

City of Hilliard, Ohio
Principal Employers
2022 and 2013

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,990	1	7.85%	1,440	1	6.22%
BMW Financial Services	891	2	3.51%	546	2	2.36%
Amazon Data Services**	107	9	0.42%			
Sedgwick Claims Mgmt Inc.	462	3	1.82%	105	9	0.45%
Armstrong World Industries	160	8	0.63%			
Advanced Drainage Systems	325	4	1.28%	104	10	0.45%
Ohio Health Physician Group*	30	10	0.12%			
Micro Center Inc.	277	6	1.09%	260	6	1.12%
R. E. Rich Family Holding Corp.	309	5	1.22%	286	5	1.24%
City of Hilliard	234	7	0.92%	133	8	0.57%
Echosphere LLC				489	3	2.11%
Verizon Business Network Services				312	4	1.35%
MCI Telecommunications				151	7	0.65%
Total Employees	4,785		18.87%	3,826		16.54%
All Other Employers	20,567		81.13%	19,318		83.46%
Total Employment within the City	25,352		100.00%	23,144		100.00%

*Zoominfo.com

**Buzzfile.com

Source: City Income Tax Department

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

	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
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	44	44	40	40	45	54	41	41	51	53	41	81	40	79	41	79	41	80	44	88
Security of Persons and Property	40	40	44	44	54	54	49	50	58	58	70	74	76	79	75	77	73	75	75	76
Leisure Time Activities	18	28	18	28	15	25	19	48	16	30	19	40	19	36	20	27	19	41	19	38
Basic Utility Services	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Transportation	20	20	20	20	21	21	19	19	24	24	26	26	27	27	27	27	30	30	30	31
<i>Total Number of Employees</i>	<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>	<u>164</u>	<u>227</u>	<u>169</u>	<u>234</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	24	24	25	26	26	26	26	26	25	26
Park Area (acres)	324	324	531	531	531	531	531	531	462.12	462.12
Number of Playgrounds	10	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	132.4	133.5	135.1	137.7	140.1	140.8	143.9	144.97	145.19	146.43
Miles of Sanitary Sewers	146	147.5	150.7	154.4	155.8	156.8	159.2	160.1	160.99	163.4
Miles of Storm Sewers	127.6	128.6	130.5	133.0	134.8	136.1	143.3	145.15	145.75	147.96
Transportation (2)										
Miles of Streets	114.0	115.0	117.1	118.6	120.1	121.3	124.1	124.93	125.17	126.17
Number of Street Lights	1,897	1,917	1,940	1,954	1,955	1,993	2,082	2,130	2,137	2,189
Number of Traffic Signal Systems	36	36	36	36	36	36	0	36	36	34

*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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Active Income Tax Accounts										
Individual	17,734	17,788	16,923	17,816	17,584	17,577	21,406	22,288	23,310	22,611
Business	3,650	1,866	1,887	1,935	1,750	2,138	2,195	3,684	1,899	1,919
Withholding	5,339	2,842	3,057	3,228	3,237	3,397	3,487	2,107	4,117	4,950
Clerk of Courts:										
Traffic Court Cases	2,962	2,472	2,826	1,862	1,915	2,418	2,212	1,270	1,409	1,127
Security of Persons and Property:										
Police Calls	51,864	50,934	48,064	40,512	36,478	40,361	43,744	37,479	34,390	34,051
Physical Arrests	1,662	1,051	1,062	785	856	1,023	931	708	819	1,008
Citations	4,076	4,118	3,778	2,353	2,402	2,874	2,717	1,643	1,807	963
Parking Violations	207	374	66	179	369	344	262	83	24	28
Leisure Time Activities:										
Swimming Pool Revenue	709,491	608,941	561,749	554,069	565,007	838,335	893,909	8,377	750,708	820,759
Community Center Revenue	263,564	274,665	305,013	298,890	218,572	179,141	299,953	99,685	376,250	622,987
Senior Center Revenue	91,734	80,191	77,149	84,457	81,497	77,870	80,502	45,602	52,175	98,720

Source: Department annual reports

