

**CITY OF HILLIARD**  
**FRANKLIN COUNTY**  
**REGULAR AUDIT**  
**JANUARY 1, 2023 – DECEMBER 31, 2023**





OHIO AUDITOR OF STATE  
KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Members of Council  
City of Hilliard  
3800 Municipal Way  
Hilliard, Ohio 43026

We have reviewed the *Independent Auditor's Report* of the City of Hilliard, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Hilliard is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 07, 2024

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**CITY OF HILLIARD  
FRANKLIN COUNTY**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

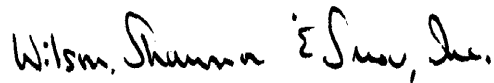
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Newark, Ohio  
June 24, 2024





2023

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

Michelle Crandall, City Manager



CITY OF HILLIARD, OHIO  
FOR THE YEAR ENDING DECEMBER 31, 2023



**City of Hilliard, Ohio**  
**Franklin County, Ohio**

*Annual Comprehensive Financial Report*

For the Year Ended December 31, 2023

Issued by:  
Department of Finance

Jennifer Kahle  
Director

Greg A. Tantari  
Deputy Director



**City of Hilliard**  
**Franklin County, Ohio**  
**Annual Comprehensive Financial Report**  
**For the Year Ended December 31, 2023**

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**City of Hilliard**  
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**Franklin County, Ohio**  
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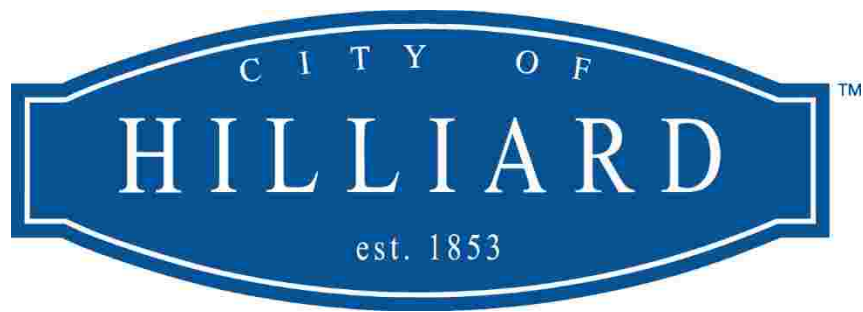
# INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

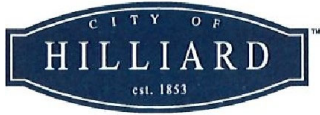
Issued by the Department of Finance



CITY OF HILLIARD, OHIO  
FOR THE YEAR ENDING 2023



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Real People. Real Possibilities:

## Finance Department

June 24, 2024

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, 2023. 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, 2023. 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 37,377 for 2023.

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 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 with Hilliard city boundaries. As Hilliard's legislative body, City Council sets policy, establishes goals, and oversees the municipal government's annual budget.

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

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

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

The Director of Finance is the Chief Fiscal and Accounting Officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

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

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

The City's charter requires the City Manager to submit to Council on or before October 15<sup>th</sup> 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 2023 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 2023 of 2.7 percent while the Columbus Region and State of Ohio had annual average unemployment rates of 3.1 percent and 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, 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. 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.

Proto Precision also selected Hilliard for its Additive Manufacturing R&D Center. This technology uses laser powder bed fusion and electron beam melting for rapid prototyping in the aerospace, defense and medical markets. Proto will create 40 new jobs with \$4 million in new annual payroll. 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.

Marriott TownPlace Suites and Avid Hotel recently completed construction on two hotels that will result in a combined \$34 million investment and 48 new jobs. Pharmaceuticals company American Regent is nearing completion on a \$34 million expansion that will add 20 new 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, Sow Strong Foods, Westwood Collective headquarters, Dot The I Creative, Hilliard Station Baking Company and HillGarten.

The development of the Hickory Chase project and surrounding areas recommenced in 2016 and is now thriving. The Hickory Chase area includes 492 apartments, dedicated parkland, a new 60,000 square foot location for the Hilliard branch of the Columbus Metropolitan Library and a complex for senior living. In 2021 Trilogy Health Services invested \$15 million in the construction of a new continuum of care facility that include 80 new jobs with \$4 million in annual payroll. The Inn at Library Way recently had their grand opening for a 80-bed assisted living facility in the Hickory Chase complex.

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

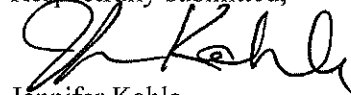
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. This was the thirty first 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,



Jennifer Kahle  
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, 2022

*Christopher P. Morill*

Executive Director/CEO

**City of Hilliard, Ohio**

*Principal Officials*

*December 31, 2023*

Elected Officials

Name	Title	Term Expires	Service
Les Carrier	Council	12/31/2025	10
Peggy Hale	Council	12/31/2025	2
Omar Tarazi	President of Council	12/31/2023	5
Tina Cottone	Council	12/31/2025	2
Andy Teater	Council	12/31/2025	6
Pete Marsh	Council	12/31/2023	6
Cynthia Vermillion	Vice President	12/31/2023	4

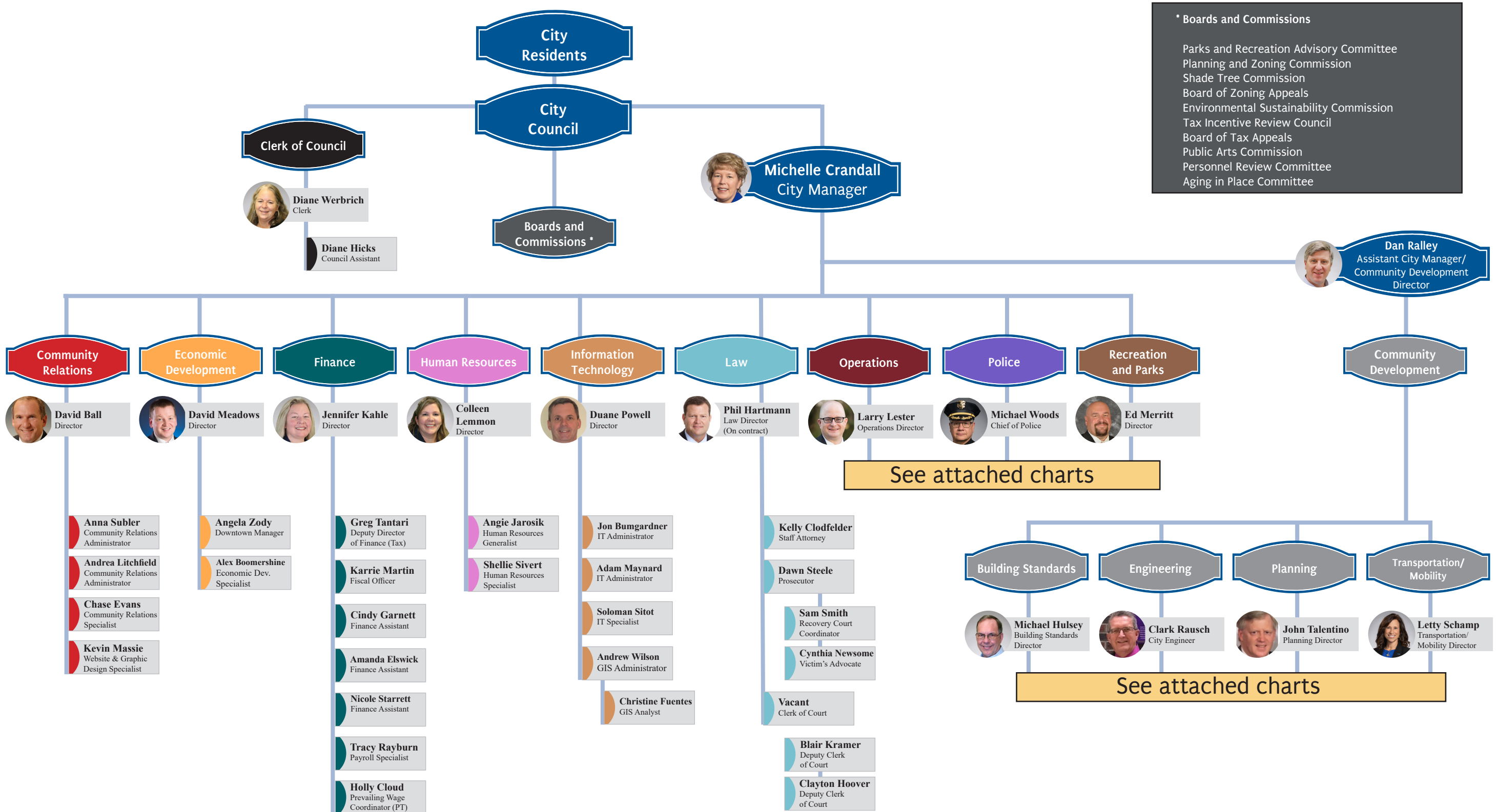
Appointed Officials

Name	Title	Term Expires	Service
Michelle Crandall	City Manager	Contract	3
Dan Ralley	Community Development Director	Indefinite	2
Jennifer Kahle	Director of Finance	Indefinite	0
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

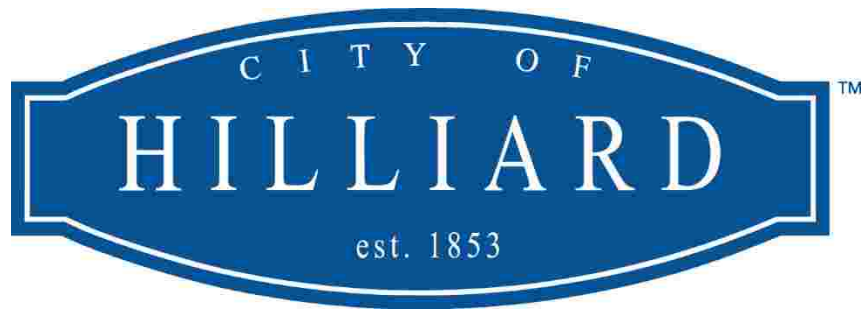
City Address:

City of Hilliard  
3800 Municipal Way  
Hilliard, OH 43026

# Organizational Chart (Departments / Divisions)



- \* Boards and Commissions
- Parks and Recreation Advisory Committee
  - Planning and Zoning Commission
  - Shade Tree Commission
  - Board of Zoning Appeals
  - Environmental Sustainability Commission
  - Tax Incentive Review Council
  - Board of Tax Appeals
  - Public Arts Commission
  - Personnel Review Committee
  - Aging in Place Committee



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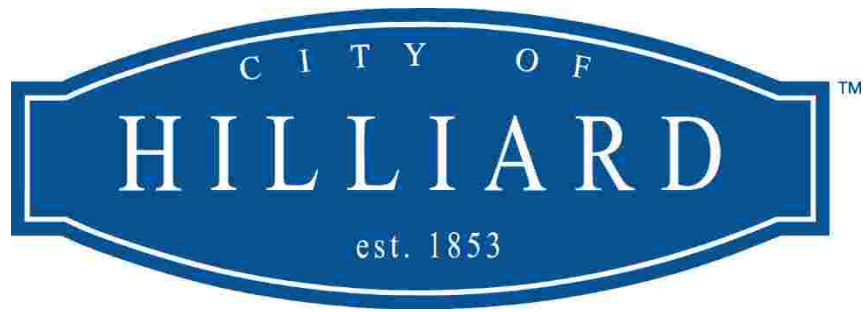


# FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO  
FOR THE YEAR ENDING 2023



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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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, TIF, and Recreation and Parks 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.

***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.



City of Hilliard  
Franklin County  
Independent Auditor's Report

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.

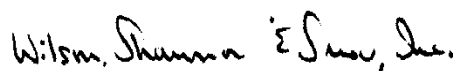
***Other Information***

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, 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.



Newark, Ohio  
June 24, 2024



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**City of Hilliard**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

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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, 2023. 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 2023 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 \$264.7 million (net position), an increase of \$30.8 million in comparison with the prior year.
- General revenues accounted for approximately \$70.5 million. Program specific revenues accounted for approximately \$33.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$152.0 million, an approximately \$5.1 million decrease 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 2023?" 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**  
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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.

**City of Hilliard**  
**Franklin County, Ohio**  
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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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**City of Hilliard**  
**Franklin County, Ohio**  
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The table below provides a comparative summary of the City's net position at December 31, 2023 and December 31, 2022.

	Net Position		
	2023	2022	Change
<u>Assets</u>			
Current and other assets	\$ 185,964,216	\$ 187,806,865	\$ (1,842,649)
Capital assets, net	272,821,011	247,026,756	25,794,255
Total assets	<u>458,785,227</u>	<u>434,833,621</u>	<u>23,951,606</u>
<u>Deferred Outflows of Resources</u>			
Total deferred outflows of resources	<u>17,545,282</u>	<u>11,556,605</u>	<u>5,988,677</u>
<u>Liabilities</u>			
Current and other liabilities	11,780,203	11,065,563	714,640
Long-term liabilities:			
Net pension liability	37,976,737	20,265,998	17,710,739
Net OPEB liability	1,936,927	2,647,657	(710,730)
Other amounts	140,542,062	151,125,615	(10,583,553)
Total liabilities	<u>192,235,929</u>	<u>185,104,833</u>	<u>7,131,096</u>
<u>Deferred Inflows of Resources</u>			
Total deferred inflows of resources	<u>19,438,069</u>	<u>27,422,414</u>	<u>(7,984,345)</u>
<u>Net Position</u>			
Net investment in capital assets	208,956,537	182,598,788	26,357,749
Restricted	37,863,093	43,524,058	(5,660,965)
Unrestricted	17,836,881	7,740,133	10,096,748
Total net position	<u>\$ 264,656,511</u>	<u>\$ 233,862,979</u>	<u>\$ 30,793,532</u>

Current and other assets decreased significantly in comparison with the prior year. This decrease is primarily due to a decrease in cash and cash equivalents with fiscal agents. This decrease is mainly due to interest payments made during the year. Capital assets increased significantly in comparison with the prior year. This increase is primarily the result of current year capital asset additions exceeding current year depreciation and net disposals of assets.

Other long-term liabilities decreased significantly in comparison with the prior year. This decrease is primarily the result of principal payments made during the year.

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.

**City of Hilliard**  
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**Statement of Activities**

The table below provides a comparative analysis of changes in net position for 2023 and 2022:

<u>Revenues</u>	<u>Change in Net Position</u>		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Program Revenues:</b>			
Charges For Services	\$ 14,604,617	\$ 12,642,595	\$ 1,962,022
Operating Grants and Contributions	9,229,964	4,690,277	4,539,687
Capital Grants and Contributions	9,847,220	3,593,247	6,253,973
Total Program Revenues	<u>33,681,801</u>	<u>20,926,119</u>	<u>12,755,682</u>
<b>General Revenues:</b>			
Property Taxes	2,754,311	2,136,602	617,709
Payments in Lieu of Taxes	10,176,781	8,600,300	1,576,481
Income Taxes	53,214,551	43,023,595	10,190,956
Unrestricted Grants And Entitlements	1,021,976	1,487,968	(465,992)
Investment Earnings	2,705,504	(2,417,026)	5,122,530
Miscellaneous	599,034	286,167	312,867
Total General Revenues	<u>70,472,157</u>	<u>53,117,606</u>	<u>17,354,551</u>
Total Revenues	<u>104,153,958</u>	<u>74,043,725</u>	<u>30,110,233</u>
<b><u>Expenses</u></b>			
General Government	19,474,243	21,100,572	(1,626,329)
Security of Persons and Property	16,536,934	13,038,860	3,498,074
Public Health	481,181	454,383	26,798
Leisure Time Activities	9,215,652	4,778,104	4,437,548
Community Environment	3,030,928	2,079,122	951,806
Basic Utility Services	6,679,648	12,105,542	(5,425,894)
Transportation	12,597,227	15,508,723	(2,911,496)
Interest Expense	5,344,613	5,537,503	(192,890)
Total Expenses	<u>73,360,426</u>	<u>74,602,809</u>	<u>(1,242,383)</u>
Change in Net Position	30,793,532	(559,084)	31,352,616
Net Position at Beginning of Year	233,862,979	234,422,063	
Net Position at End of Year	<u>\$ 264,656,511</u>	<u>\$ 233,862,979</u>	

Capital grants and contributions increased significantly in comparison with the prior year. This increase is mainly due to an increase in infrastructure donations to the City for various infrastructure projects. Operating grants and contributions increased significantly in comparison with the prior year. This increase is primarily the result of a significant increase in investment earnings in the Recreation and Parks fund from unspent bond proceeds.

**City of Hilliard**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
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*(Unaudited)*

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Investment earnings increased significantly in comparison with the prior year. This increase is mainly due to the City earning a higher interest rate of return in comparison with the prior year.

Income taxes increased significantly in comparison with the prior year. This increase is primarily the result various factors, but can primarily be attributed to economic growth.

Total expenses decreased in comparison with the prior year. The decrease in pension and OPEB expense was primarily caused by market conditions of investments. Both retirement systems experienced a net loss from investing activity during the most current measurement period while in the prior measurement period, investing activity resulted in a gain. This was the most significant contributing factor to the increase in unfunded liability for both retirement plans and caused the OPERS' net OPEB asset to revert back to a net OPEB liability. These fluctuations are passed through to the City relative to their proportionate share of contributions of all members, which remained relatively constant from prior year for both retirement plans.

**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, 2023 and December 31, 2022 for all major governmental funds.

	Fund Balance 12/31/2023	Fund Balance 12/31/2022	Increase/ (Decrease)
General	\$ 33,270,690	\$ 24,072,003	\$ 9,198,687
TIF	2,456,687	1,656,308	800,379
Capital Improvement Municipal Tax	19,267,956	17,467,316	1,800,640
Recreation and Parks	82,872,567	101,584,091	(18,711,524)

The General Fund is the chief operating fund of the City. At year-end, fund balance in the General Fund increased significantly compared to prior year due to the increase in the interest rates for investments and an increase in income tax revenue. The increase in income tax revenue is primarily the result various factors, but can primarily be attributed to economic growth.

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 increased compared to prior year due to greater collections against project expenditures and transfers out to fund capital projects.



**City of Hilliard**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
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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 increased in comparison to prior year. This increase represents greater difference in timing of collections compared to capital projects.

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 decreased significantly in comparison with the prior year. This decrease is mainly due to the City spending down bond proceeds received in a prior year for the construction of 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 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 2023, the City's investment in land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, and construction in progress increased in comparison with the prior year. This increase represents the amount in which additions exceeded net disposals and depreciation expense. During the year, the City continued construction on various projects such as 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 2023, the City's long-term debt outstanding decreased in comparison with the prior year. This decrease represents the amount in which principal reduction payments and premium amortization exceeded new loans. During the year, the City entered into loans for the purpose of purchasing trucks and portable radios.

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, 2023*  
*(Unaudited)*

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**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 Jennifer Kahle, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.



**BASIC FINANCIAL STATEMENTS**

**City of Hilliard**  
**Franklin County, Ohio**  
*Statement of Net Position*  
*December 31, 2023*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 152,382,625
Cash and Cash Equivalents with Escrow Agents	2,795,440
Property and Other Local Taxes Receivable	2,685,049
Payments in Lieu of Taxes Receivable	12,772,500
Municipal Income Taxes Receivable	12,180,314
Accounts Receivable	331,039
Due from Other Governments	2,817,249
Non-Depreciable Capital Assets	39,930,001
Depreciable Capital Assets, net	232,891,010
<i>Total Assets</i>	458,785,227
<b>Deferred Outflows of Resources</b>	
Deferred Charges on Refunding	605,823
Pension	14,372,702
OPEB	2,566,757
<i>Total Deferred Outflows of Resources</i>	17,545,282
<b>Liabilities</b>	
Accounts Payable	993,337
Income Tax Refund Payable	4,912,759
Accrued Wages and Benefits	616,888
Due to Other Governments	236,784
Matured Compensated Absences Payable	362,901
Claims Payable	83,900
Unearned Revenue	2,282,457
Contracts Payable	162,598
Retainage Payable	1,668,977
Accrued Interest Payable	459,602
Long-Term Liabilities:	
Due Within One Year	10,966,128
Due In More Than One Year:	
Net Pension Liability	37,976,737
Net OPEB Liability	1,936,927
Other Amounts Due in More Than One Year	129,575,934
<i>Total Liabilities</i>	192,235,929
<b>Deferred Inflows of Resources</b>	
Property and Other Local Taxes	2,477,312
Payments in Lieu of Taxes	12,772,500
Pension	2,297,368
OPEB	1,890,889
<i>Total Deferred Inflows of Resources</i>	19,438,069
<b>Net Position</b>	
Net Investment in Capital Assets	208,956,537
Restricted for:	
Capital Outlay	20,552,157
Streets and Transportation	7,333,717
Parks and Recreation	9,593,783
Other Purposes	383,436
Unrestricted	17,836,881
<i>Total Net Position</i>	\$ 264,656,511

See accompanying notes to the basic financial statements.

**City of Hilliard**  
**Franklin County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 19,474,243	\$ 3,006,664	\$ 323,348	\$ 461,950	\$ (15,682,281)
Security of Persons and Property	16,536,934	1,537,701	-	213,861	(14,785,372)
Public Health	481,181	19,389	-	-	(461,792)
Leisure Time Activities	9,215,652	1,547,240	5,250,274	4,949	(2,413,189)
Community Environment	3,030,928	3,845,713	-	-	814,785
Basic Utility Service	6,679,648	4,647,910	520,686	7,426,237	5,915,185
Transportation	12,597,227	-	3,135,656	1,740,223	(7,721,348)
Interest Expense	5,344,613	-	-	-	(5,344,613)
<i>Total</i>	<u>\$ 73,360,426</u>	<u>\$ 14,604,617</u>	<u>\$ 9,229,964</u>	<u>\$ 9,847,220</u>	<u>(39,678,625)</u>

**General Revenues**

Property Taxes Levied for:	
General Purposes	2,754,311
Income Taxes Levied for:	
General Purposes	27,671,566
Capital Outlay	10,642,910
Parks & Recreation	10,642,911
Transportation	4,257,164
Payments in Lieu of Taxes	10,176,781
Grants and Entitlements not Restricted to Specific Programs	1,021,976
Investment Earnings	2,705,504
Miscellaneous	599,034
<i>Total General Revenues</i>	<u>70,472,157</u>
<i>Change in Net Position</i>	30,793,532
<i>Net Position Beginning of Year</i>	<u>233,862,979</u>
<i>Net Position End of Year</i>	<u>\$ 264,656,511</u>

See accompanying notes to the basic financial statements.

**City of Hilliard**  
**Franklin County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2023*

	General	TIF	Recreation and Parks Fund	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 34,071,372	\$ 2,456,687	\$ 81,008,734	\$ 18,874,720	\$ 15,643,985	\$ 152,055,498
Cash and Cash Equivalents with Escrow Agents	-	-	2,795,440	-	-	2,795,440
Property and Other Local Taxes Receivable	2,685,049	-	-	-	-	2,685,049
Payments in Lieu of Taxes Receivable	-	12,772,500	-	-	-	12,772,500
Income Taxes Receivable	6,333,763	-	2,436,063	2,436,063	974,425	12,180,314
Accounts Receivable	207,645	-	-	-	123,394	331,039
Due from Other Governments	495,127	73,154	257,378	360,553	1,631,037	2,817,249
<i>Total Assets</i>	<u>\$ 43,792,956</u>	<u>\$ 15,302,341</u>	<u>\$ 86,497,615</u>	<u>\$ 21,671,336</u>	<u>\$ 18,372,841</u>	<u>\$ 185,637,089</u>
<b>Liabilities</b>						
Accounts Payable	\$ 726,803	\$ -	\$ 77,031	\$ -	\$ 189,503	\$ 993,337
Income Tax Refund Payable	2,554,635	-	982,551	982,552	393,021	4,912,759
Accrued Wages and Benefits	468,682	-	77,038	-	71,168	616,888
Due to Other Governments	193,139	-	22,687	-	20,958	236,784
Matured Compensated Absences Payable	334,088	-	16,108	-	12,705	362,901
Contracts Payable	15,000	-	-	132,824	14,774	162,598
Retainage Payable	-	-	1,367,725	206,096	95,156	1,668,977
Unearned Revenue	410,867	-	-	-	1,871,590	2,282,457
<i>Total Liabilities</i>	<u>4,703,214</u>	<u>-</u>	<u>2,543,140</u>	<u>1,321,472</u>	<u>2,668,875</u>	<u>11,236,701</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	2,477,312	-	-	-	-	2,477,312
Payments in Lieu of Taxes	-	12,772,500	-	-	-	12,772,500
Unavailable Revenue	3,341,740	73,154	1,081,908	1,081,908	1,562,644	7,141,354
<i>Total Deferred Inflows of Resources</i>	<u>5,819,052</u>	<u>12,845,654</u>	<u>1,081,908</u>	<u>1,081,908</u>	<u>1,562,644</u>	<u>22,391,166</u>
<b>Fund Balances</b>						
Restricted	-	2,456,687	82,872,567	19,267,956	3,990,778	108,587,988
Committed	-	-	-	-	10,150,544	10,150,544
Assigned	3,952,760	-	-	-	-	3,952,760
Unassigned	29,317,930	-	-	-	-	29,317,930
<i>Total Fund Balance</i>	<u>33,270,690</u>	<u>2,456,687</u>	<u>82,872,567</u>	<u>19,267,956</u>	<u>14,141,322</u>	<u>152,009,222</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 43,792,956</u>	<u>\$ 15,302,341</u>	<u>\$ 86,497,615</u>	<u>\$ 21,671,336</u>	<u>\$ 18,372,841</u>	<u>\$ 185,637,089</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, 2023*

<b>Total Governmental Fund Balances</b>		\$	152,009,222
<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.			272,821,011
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:			
Income Tax	\$	5,409,541	
Delinquent Property Tax		42,354	
Intergovernmental		1,579,362	
Accounts		<u>110,097</u>	7,141,354
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.			243,227
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.			(459,602)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.			605,823
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liabilities and related deferred inflows/outflows of resources are not reported in governmental funds.			
Deferred Outflows - Pension		14,372,702	
Deferred Outflows - OPEB		2,566,757	
Net Pension Liability		(37,976,737)	
Net OPEB Liability		(1,936,927)	
Deferred Inflows - Pension		(2,297,368)	
Deferred Inflows - OPEB		<u>(1,890,889)</u>	(27,162,462)
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		(112,877,390)	
Loans Payable		(12,208,715)	
Unamortized Bond Premiums		(12,692,747)	
Compensated Absences		<u>(2,763,210)</u>	<u>(140,542,062)</u>
<i>Net Position of Governmental Activities</i>		<u>\$</u>	<u>264,656,511</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, 2023*

	General	TIF	Recreation and Parks Fund	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property and Other Taxes	\$ 2,753,070	\$ -	\$ -	\$ -	\$ -	\$ 2,753,070
Municipal Income Taxes	26,734,682	-	10,282,572	10,282,571	4,113,028	51,412,853
Payments in Lieu of Tax:	-	10,176,781	-	-	-	10,176,781
Charges for Services	5,889,629	-	1,321,885	-	3,660,868	10,872,382
Licenses and Permits	3,352,129	-	-	-	1,800	3,353,929
Fines and Forfeitures	114,366	-	17,414	-	239,658	371,438
Intergovernmental	1,013,748	146,797	855,588	1,470,954	3,517,630	7,004,717
Investment Earnings	2,705,504	-	4,237,070	-	84,784	7,027,358
Miscellaneous	293,529	-	300	-	4,507	298,336
<i>Total Revenues</i>	<u>42,856,657</u>	<u>10,323,578</u>	<u>16,714,829</u>	<u>11,753,525</u>	<u>11,622,275</u>	<u>93,270,864</u>
<b>Expenditures</b>						
Current:						
General Government	14,327,877	2,993,823	7,461	2,031,994	421,854	19,783,009
Security of Persons and Property	13,081,005	-	-	938,633	72,306	14,091,944
Public Health	460,356	-	-	-	20,825	481,181
Leisure Time Activities	-	-	26,678,884	21,720	92,665	26,793,269
Community and Economic Development	2,729,220	-	-	-	-	2,729,220
Basic Utility Service	512,247	-	-	1,116,857	3,405,594	5,034,698
Transportation	343,557	5,699,866	9,853	2,536,802	5,264,002	13,854,080
Debt Service:						
Principal Retirement	-	264,900	4,610,847	5,345,208	389,500	10,610,455
Interest and Fiscal Charges	-	35,066	4,119,308	1,604,340	100,500	5,859,214
<i>Total Expenditures</i>	<u>31,454,262</u>	<u>8,993,655</u>	<u>35,426,353</u>	<u>13,595,554</u>	<u>9,767,246</u>	<u>99,237,070</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,402,395</u>	<u>1,329,923</u>	<u>(18,711,524)</u>	<u>(1,842,029)</u>	<u>1,855,029</u>	<u>(5,966,206)</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Capital Assets	77,643	-	-	223,055	-	300,698
Inception of Financed Purchase	-	-	-	608,719	-	608,719
Transfers In	-	-	-	2,810,895	-	2,810,895
Transfers Out	(2,281,351)	(529,544)	-	-	-	(2,810,895)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,203,708)</u>	<u>(529,544)</u>	<u>-</u>	<u>3,642,669</u>	<u>-</u>	<u>909,417</u>
<i>Net Change in Fund Balances</i>	9,198,687	800,379	(18,711,524)	1,800,640	1,855,029	(5,056,789)
<i>Fund Balances Beginning of Year</i>	<u>24,072,003</u>	<u>1,656,308</u>	<u>101,584,091</u>	<u>17,467,316</u>	<u>12,286,293</u>	<u>157,066,011</u>
<i>Fund Balances End of Year</i>	<u>\$ 33,270,690</u>	<u>\$ 2,456,687</u>	<u>\$ 82,872,567</u>	<u>\$ 19,267,956</u>	<u>\$ 14,141,322</u>	<u>\$ 152,009,222</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, 2023*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(5,056,789)
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 40,455,165	
Current Year Depreciation	<u>(14,236,522)</u>	26,218,643
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.		
		(424,388)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income Tax	1,801,698	
Property Tax	1,241	
Intergovernmental	396,323	
Accounts	<u>6,868</u>	2,206,130
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	9,587,610	
Loans Payable	<u>1,022,845</u>	10,610,455
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Financed Purchase		(608,719)
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	35,349	
Amortization of Premium on Bonds	701,387	
Amortization of Refunding Loss	<u>(222,135)</u>	514,601
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	2,663,792	
OPEB	<u>35,511</u>	2,699,303
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(5,675,755)	
OPEB	<u>426,443</u>	(5,249,312)
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.		
		3,178
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(119,570)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u>30,793,532</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*  
*General Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$ 2,340,772	\$ 2,340,772	\$ 2,167,974	\$ (172,798)
Municipal Income Taxes	20,999,580	20,999,580	26,442,852	5,443,272
Charges for Services	4,730,000	4,730,000	3,642,264	(1,087,736)
Licenses and Permits	1,251,500	1,251,500	1,825,271	573,771
Fines and Forfeitures	300,000	300,000	114,366	(185,634)
Intergovernmental	927,220	927,220	1,016,707	89,487
Investment Earnings	503,000	503,000	61,196	(441,804)
Miscellaneous	164,000	164,000	190,180	26,180
<i>Total Revenues</i>	<u>31,216,072</u>	<u>31,216,072</u>	<u>35,460,810</u>	<u>4,244,738</u>
<b>Expenditures</b>				
Current:				
General Government	14,890,669	15,285,219	13,899,280	1,385,939
Security of Persons and Property	14,098,243	14,383,755	13,527,338	856,417
Public Health	403,228	403,228	380,488	22,740
Leisure Time Activities	84,499	84,499	-	84,499
Community Environment	2,076,408	2,004,058	1,731,879	272,179
Transportation	431,134	431,134	395,249	35,885
<i>Total Expenditures</i>	<u>31,984,181</u>	<u>32,591,893</u>	<u>29,934,234</u>	<u>2,657,659</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(768,109)</u>	<u>(1,375,821)</u>	<u>5,526,576</u>	<u>6,902,397</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	300,000	300,000	77,893	(222,107)
Transfers In	150,000	150,000	562,259	412,259
Transfers Out	-	(2,798,882)	(2,798,882)	-
<i>Total Other Financing Sources (Uses)</i>	<u>450,000</u>	<u>(2,348,882)</u>	<u>(2,158,730)</u>	<u>190,152</u>
<i>Net Change in Fund Balance</i>	(318,109)	(3,724,703)	3,367,846	7,092,549
<i>Fund Balance Beginning of Year</i>	21,880,728	21,880,728	21,880,728	-
Prior Year Encumbrances Appropriated	2,753,606	2,753,606	2,753,606	-
<i>Fund Balance End of Year</i>	<u>\$ 24,316,225</u>	<u>\$ 20,909,631</u>	<u>\$ 28,002,180</u>	<u>\$ 7,092,549</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Payments in Lieu of Taxes	\$ 11,240,000	\$ 11,240,000	\$ 10,176,781	\$ (1,063,219)
Intergovernmental	100,000	100,000	146,797	46,797
<i>Total Revenues</i>	<u>11,340,000</u>	<u>11,340,000</u>	<u>10,323,578</u>	<u>(1,016,422)</u>
<b>Expenditures</b>				
Current:				
General Government	-	3,002,080	2,993,823	8,257
Transportation	-	5,702,100	5,699,866	2,234
Debt Service:				
Principal Retirement	264,934	264,934	264,900	34
Interest and Fiscal Charges	35,066	35,066	35,066	-
<i>Total Expenditures</i>	<u>300,000</u>	<u>9,004,180</u>	<u>8,993,655</u>	<u>10,525</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,040,000</u>	<u>2,335,820</u>	<u>1,329,923</u>	<u>(1,005,897)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	(530,000)	(529,544)	456
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(530,000)</u>	<u>(529,544)</u>	<u>456</u>
<i>Net Change in Fund Balance</i>	11,040,000	1,805,820	800,379	(1,005,441)
<i>Fund Balance Beginning of Year</i>	<u>1,656,307</u>	<u>1,656,307</u>	<u>1,656,307</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 12,696,307</u>	<u>\$ 3,462,127</u>	<u>\$ 2,456,686</u>	<u>\$ (1,005,441)</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$ 7,999,840	\$ 7,999,840	\$ 10,170,328	\$ 2,170,488
Charges for Services	1,494,000	1,494,000	1,321,881	(172,119)
Fines and Forfeitures	-	-	17,414	17,414
Intergovernmental	-	-	598,210	598,210
Investment Earnings	50,000	50,000	4,237,070	4,187,070
Miscellaneous	-	-	300	300
<i>Total Revenues</i>	<u>9,543,840</u>	<u>9,543,840</u>	<u>16,345,203</u>	<u>6,801,363</u>
<b>Expenditures</b>				
Current:				
General Government	48,000	48,000	48,000	-
Leisure Time Activities	106,398,418	106,865,418	83,782,487	23,082,931
Transportation	285,000	285,000	177,774	107,226
Debt Service:				
Principal Retirement	4,748,237	4,748,237	4,610,847	137,390
Interest and Fiscal Charges	4,117,308	4,117,308	4,119,308	(2,000)
<i>Total Expenditures</i>	<u>115,596,963</u>	<u>116,063,963</u>	<u>92,738,416</u>	<u>23,325,547</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(106,053,123)</u>	<u>(106,520,123)</u>	<u>(76,393,213)</u>	<u>30,126,910</u>
<b>Other Financing Sources</b>				
Proceeds of Bonds	10,000,000	10,000,000	-	(10,000,000)
<i>Total Other Financing Sources</i>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>(10,000,000)</u>
<i>Net Change in Fund Balance</i>	(96,053,123)	(96,520,123)	(76,393,213)	20,126,910
<i>Fund Balance Beginning of Year</i>	99,643,653	99,643,653	99,643,653	-
Prior Year Encumbrances Appropriated	1,893,067	1,893,067	1,893,067	-
<i>Fund Balance End of Year</i>	<u>\$ 5,483,597</u>	<u>\$ 5,016,597</u>	<u>\$ 25,143,507</u>	<u>\$ 20,126,910</u>

See accompanying notes to the basic financial statements.

**City of Hilliard**  
**Franklin County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*December 31, 2023*

	Governmental Activities
	Internal Service Fund
<b>Assets</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 327,127
<i>Total Current Assets</i>	327,127
 <b>Liabilities</b>	
<i>Current Liabilities:</i>	
Claims Payable	83,900
<i>Total Current Liabilities</i>	83,900
 <b>Net Position</b>	
Unrestricted	243,227
<b>Total Net Position</b>	\$ 243,227

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, 2023*

	Governmental Activities
	Internal Service Fund
<b>Operating Revenues</b>	
Charges for Services	\$ 3,418,103
<i>Total Operating Revenues</i>	<i>3,418,103</i>
<b>Operating Expenses</b>	
Claims	3,414,925
<i>Total Operating Expenses</i>	<i>3,414,925</i>
<i>Change in Net Position/Operating Income</i>	3,178
<i>Net Position Beginning of Year</i>	<i>240,049</i>
<i>Net Position End of Year</i>	<i>\$ 243,227</i>

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, 2023

	Governmental Activities
	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 3,418,103
Cash Payments for Claims	(3,380,935)
<i>Net Cash Provided by Operating Activities</i>	<i>37,168</i>
<i>Net Increase in Equity in Pooled Cash and Investments</i>	37,168
<i>Equity in Pooled Cash and Investments Beginning of Year</i>	<i>289,959</i>
<i>Equity in Pooled Cash and Investments End of Year</i>	<i>\$ 327,127</i>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$ 3,178
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in Claims Payable	33,990
<i>Net Cash Provided by Operating Activities</i>	<i>\$ 37,168</i>

See accompanying notes to the basic financial statements.

**City of Hilliard**  
**Franklin County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2023*

	Custodial
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 271,311
Cash and Cash Equivalents in Segregated Accounts	43,678
<i>Total Assets</i>	314,989
<b>Liabilities</b>	
Accounts Payable	2,504
Due to Other Governments	43,678
<i>Total Liabilities</i>	46,182
<b>Net Position</b>	
Restricted for Individuals, Organizations, and Other Governments	268,807
<i>Total Net Position</i>	\$ 268,807

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, 2023*

	Custodial
<b>Additions</b>	
Fines & Forfeitures for Other Governments	\$ 196,109
Other	228,835
	424,944
<i>Total Additions</i>	<i>424,944</i>
 <b>Deductions</b>	
Fines & Forfeitures Distributions to Other Governments	196,109
Miscellaneous	70,704
	266,813
<i>Total Deductions</i>	<i>266,813</i>
 <i>Change in Net Position</i>	 <i>158,131</i>
 <i>Net Position Beginning of Year</i>	 <i>110,676</i>
 <i>Net Position End of Year</i>	 <i>\$ 268,807</i>

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, 2023*

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**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.

**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.

***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.

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**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.

**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.

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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.

#### **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.

*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.

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

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

**Proprietary 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.

**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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**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 14 and 15.

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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, 2023, but which were levied to finance year 2024 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 14 and 15).

**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.

#### **Unearned Revenue**

Unearned revenue recorded represents resources that have been received, but not yet earned as of fiscal year-end.

#### **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.

**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. 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 2023 Income Tax Special Obligation Bonds are recorded as “Cash and Cash Equivalents with Escrow Agents”.

Investments with an original maturity of three months or less at the time they are purchased by the City and investments of the City’s cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, 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 appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year was \$2,705,504 which included \$1,859,221 assigned from other City funds.

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**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.

**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.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds 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, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**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.

**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, 2023.

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**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.

**Pensions/Other Postemployment Benefits (OPEB)**

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

**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.

### **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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**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.

**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.

**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 during the calendar year.

**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.

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

**Implementation of New Accounting Principles**

For the year ended December 31, 2023, the City has implemented GASB Statement No. 93, paragraphs 13 and 14, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the City.

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GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 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. Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis.

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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:

	General Fund	TIF	Recreation & Parks
GAAP Basis	\$ 9,198,687	\$ 800,379	\$(18,711,524)
Net Adjustment for Revenue Accruals	(2,444,844)	-	(369,626)
Net Adjustment for Expenditure Accruals	(169,423)	-	1,348,597
Funds Budgeted Elsewhere	(442,286)	-	-
Adjustment for Encumbrances	(2,774,288)	-	(58,660,660)
Budget Basis	\$ 3,367,846	\$ 800,379	\$(76,393,213)

**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.

Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.



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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits** - At year-end, \$6,198,194 of the City's bank balance of \$6,698,375 was uninsured but collateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the City 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
- 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 required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

As of December 31, 2023, the City had the following investments:

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	\$ 20,157,813	\$ 20,157,813	\$ -	\$ -	14%
AAAm	First American Government Obligation	3,276,355	3,276,355	-	-	2%
Fair Value:						
AA+	FFCB	16,907,002	9,181,182	1,083,498	6,642,322	11%
AA+	FHLB	25,908,055	12,148,760	10,779,835	2,979,460	17%
AA+	FHLMC	466,804	-	466,804	-	0%
AA+	FNMA	3,003,323	240,820	2,762,503	-	2%
AA+	FAMC	1,732,768	998,600	734,168	-	1%
AA+	Tennessee Valley Authority Power	1,845,462	-	1,049,030	796,432	1%
AA+	Private Expert Funding Corp	370,808	370,808	-	-	0%
Not Rated	Commercial Paper	15,087,940	15,087,940	-	-	10%
N/A	US Treasury Notes	55,708,545	28,134,255	18,879,309	8,694,981	39%
Not Rated	Negotiable CD's	4,598,375	1,222,832	1,749,931	1,625,612	3%
Total		<u>\$ 149,063,250</u>	<u>\$ 90,819,365</u>	<u>\$ 37,505,078</u>	<u>\$ 20,738,807</u>	<u>100%</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The above table identifies the City's recurring fair value measurements as of December 31, 2023. The City's fair value investments are 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 (Level 2 inputs).

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**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.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio is 46 days at December 31, 2023.

**NOTE 5 – INTERFUND TRANSFERS**

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

	Transfer Out	Transfer In
General Fund	\$ 2,281,351	\$ -
Capital Improvement Municipal Tax Fund	-	2,810,895
TIF Fund	529,544	-
Total	\$ 2,810,895	\$ 2,810,895

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 2023, the City transferred funds from the TIF Fund and General Fund to the Capital Improvement Municipal Tax Fund to finance various 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, 2023, 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 this year for real and public utility property taxes represents collections of prior year taxes.

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

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. Current year public utility property taxes became a lien December 31 of the prior year, are levied after October 1 of the current year, and are collected in the same year with real property taxes.

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31 of the current year, 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 current 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, 2023 was \$1.60 per \$1,000 of assessed value. The tax year 2022 assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 1,327,665,560
Public Utility Property	50,446,540
Totals	\$ 1,378,112,100

**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.

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**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, 2023, the City abated income taxes totaling \$469,777 under the Program from an annual incentive of 36 percent of actual local payroll withholding taxes were paid to the City with BMW Financial Services.

**NOTE 10 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Transfers/ Deductions	Ending Balance
<b>Governmental Activities</b>				
Nondepreciable Capital Assets				
Land	\$ 13,839,688	\$ -	\$ (225,000)	\$ 13,614,688
Construction in Progress	5,100,834	24,155,721	(2,941,242)	26,315,313
Total Nondepreciable Assets	<u>18,940,522</u>	<u>24,155,721</u>	<u>(3,166,242)</u>	<u>39,930,001</u>
Depreciable Capital Assets				
Buildings	15,432,516	-	(14,067)	15,418,449
Improvements other than Buildings	20,377,290	-	(280,021)	20,097,269
Machinery and Equipment	8,143,414	878,223	(1,102,998)	7,918,639
Furniture and Fixtures	1,696,633	14,066	(40,256)	1,670,443
Vehicles	4,669,943	502,658	(866,689)	4,305,912
Infrastructure	475,129,662	17,845,739	-	492,975,401
Total Depreciable Assets	<u>525,449,458</u>	<u>19,240,686</u>	<u>(2,304,031)</u>	<u>542,386,113</u>
Less Accumulated Depreciation				
Buildings	(7,267,360)	(364,763)	5,049	(7,627,074)
Improvements other than Buildings	(8,357,978)	(709,984)	113,241	(8,954,721)
Machinery and Equipment	(6,591,121)	(541,144)	1,096,448	(6,035,817)
Furniture and Fixtures	(703,509)	(76,144)	38,962	(740,691)
Vehicles	(3,099,750)	(524,969)	850,943	(2,773,776)
Infrastructure	(271,343,506)	(12,019,518)	-	(283,363,024)
Total Accumulated Depreciation	<u>(297,363,224)</u>	<u>(14,236,522)</u>	<u>2,104,643</u>	<u>(309,495,103)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>228,086,234</u>	<u>5,004,164</u>	<u>(199,388)</u>	<u>232,891,010</u>
Total Capital Assets, Net	<u>\$ 247,026,756</u>	<u>\$ 29,159,885</u>	<u>\$ (3,365,630)</u>	<u>\$ 272,821,011</u>

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For the year ended December 31, 2023, the value of the assets donated to the City was \$8,376,266. Depreciation expense was charged to the governmental functions as follows:

General government	\$ 296,184
Security of persons and property	696,517
Leisure time activities	830,276
Community environment	166,112
Basic utility services	6,258,280
Transportation	5,989,153
Total depreciation expense	<u>\$ 14,236,522</u>

**NOTE 11 – LONG TERM LIABILITIES**

***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, 2023:

	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	\$ 2,730,000	\$ -	\$ (1,095,000)	\$ 1,635,000	\$ 795,000
2013 Refunding					
1.0-3.5% \$8,905,000	2,320,000	-	(1,055,000)	1,265,000	1,265,000
2014 Refunding					
2.0-4.0% \$5,160,000	2,635,000	-	(490,000)	2,145,000	505,000
2015 Various Purpose and Refunding					
4.0% \$8,745,000	6,890,000	-	(255,000)	6,635,000	515,000
2016A Various Purpose and Refunding					
2.0-4.0% \$8,205,000	4,000,000	-	(985,000)	3,015,000	635,000
2016B Various Purpose					
2.0-4.0% \$3,855,000	2,985,000	-	(165,000)	2,820,000	170,000
2017 Various Purpose					
2.0-4.0% \$4,655,000	3,560,000	-	(195,000)	3,365,000	205,000
2019A Various Purpose					
3.0-5.0% \$8,570,000	7,625,000	-	(350,000)	7,275,000	365,000
2019B Various Purpose					
3.75% \$585,000	585,000	-	-	585,000	-
2020 Various Purpose Refunding					
3.0% \$7,605,000	6,635,000	-	(525,000)	6,110,000	530,000
<i>Total General Obligation Bonds</i>	<u>39,965,000</u>	<u>-</u>	<u>(5,115,000)</u>	<u>34,850,000</u>	<u>4,985,000</u>
<i>Special Obligation Bonds:</i>					
2022 Income Tax Special Obligation Bonds					
5.0% \$85,000,000	82,500,000	-	(4,472,610)	78,027,390	3,322,390
<b>Total Bonds</b>	<u>\$ 122,465,000</u>	<u>\$ -</u>	<u>\$ (9,587,610)</u>	<u>\$ 112,877,390</u>	<u>\$ 8,307,390</u>

(Continued)

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Loans from Direct Borrowings:</i>					
Signature Bank Loan 3.94% \$814,698	\$ 281,920	\$ -	\$ (138,237)	\$ 143,683	\$ 143,683
Franklin County Infrastructure Bank Loan 1.85% \$1,250,000	1,121,119	-	(197,826)	923,293	134,953
Safety Building Loan 4.5% \$6,168,684	4,410,720	-	(193,348)	4,217,372	202,147
2012 OPWC Loan \$2,730,423	1,747,471	-	(109,217)	1,638,254	109,217
2017 OPWC Loan \$5,407,500	4,866,750	-	(270,375)	4,596,375	270,375
Street Sweeper Loan 6.5% \$246,151	194,861	-	(46,442)	148,419	47,926
Ford F-150 Loan 9.24% \$252,127	-	252,127	-	252,127	51,040
Motorola Radios Loan 5.65% \$356,592	-	356,592	(67,400)	289,192	66,451
<b>Total Loans from Direct Borrowings</b>	<b>12,622,841</b>	<b>608,719</b>	<b>(1,022,845)</b>	<b>12,208,715</b>	<b>1,025,792</b>
<i>Other Long-Term Obligations:</i>					
Unamortized Bond Premiums	13,394,134	-	(701,387)	12,692,747	-
Net Pension Liability	20,265,998	17,710,739	-	37,976,737	-
Net OPEB Liability	2,647,657	-	(710,730)	1,936,927	-
Compensated Absences	2,643,640	1,463,576	(1,344,006)	2,763,210	1,632,946
<b>Total Long Term Liabilities</b>	<b>\$ 174,039,270</b>	<b>\$ 19,783,034</b>	<b>\$ (13,366,578)</b>	<b>\$ 180,455,726</b>	<b>\$ 10,966,128</b>

**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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**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 \$163,987,440, payable through December 2058. For the current year, income tax revenue was \$10,642,911 and principal and interest paid were \$8,578,810.

**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.

**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.



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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.

**Ford F-250 Loan:** On November 1, 2023, the City entered into a loan with Ally Bank for the purchase of four Ford trucks. The loan has an interest rate of 9.24 percent and will be repaid in full in 2028. The loan is paid from the City's Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Ally Bank, the City pledged the trucks purchased as collateral for the debt. In the event of default, Ally Bank shall have all rights and remedies under law. Also, in the event of default, Ally Bank may exercise the following rights and remedies:

1. Ally Bank may require the City to pay all the payments outstanding in the year of default.
2. At the expense of the City, Ally Bank may enter the premises of the City to either take repossession of the trucks or require the City to return the trucks.
3. At the expense of the City, Ally Bank may sell or lease the trucks.

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**Motorola Radios Loan:** On March 1, 2023, the City entered into a loan with Motorola Solutions for the purchase of portable radios. The loan has an interest rate of 5.65 percent and will be repaid in full in 2027. The loan is paid from the City’s Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Motorola Solutions, the City pledged the equipment purchased as collateral for the debt. In the event of default, Motorola Solutions shall have all rights and remedies under law. Also, in the event of default, Motorola Solutions may exercise the following rights and remedies:

1. Motorola Solutions may require the City to pay all the payments outstanding in the year of default.
2. At the expense of the City, Motorola Solutions may enter the premises of the City to either take repossession of the equipment or require the City to return the equipment.
3. At the expense of the City, Motorola Solutions may sell the equipment.

**Compensated absences, Net pension/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 14 and 15.

***Future Debt Service Requirements***

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023 are as follows:

	General Obligation Bonds		Special Obligation Bonds		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,985,000	\$ 1,289,044	\$ 3,322,390	\$ 3,875,700	\$ 1,025,792	\$ 246,412
2025	4,030,000	1,100,738	895,000	3,716,450	891,741	225,674
2026	3,330,000	932,738	940,000	3,671,700	913,586	203,826
2027	3,460,000	801,238	970,000	3,643,700	883,918	180,830
2028	2,685,000	664,487	1,015,000	3,595,000	750,696	155,553
2029-2033	9,055,000	2,137,286	5,890,000	17,161,000	3,576,781	572,400
2034-2038	6,230,000	717,325	7,520,000	15,533,500	3,625,451	220,906
2039-2043	1,075,000	40,239	9,605,000	13,455,000	540,750	-
2044-2048	-	-	12,260,000	10,801,000	-	-
2049-2053	-	-	15,640,000	7,414,500	-	-
2054-2058	-	-	19,970,000	3,092,500	-	-
Total	<u>\$ 34,850,000</u>	<u>\$ 7,683,095</u>	<u>\$ 78,027,390</u>	<u>\$ 85,960,050</u>	<u>\$12,208,715</u>	<u>\$ 1,805,601</u>

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**NOTE 12 – OTHER EMPLOYEE BENEFITS**

***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.

***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 13 – RISK MANAGEMENT**

***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 2023, 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.

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***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 reported in the Insurance Trust Fund at December 31, 2023, 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 2022 and 2023 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>
2022	\$ 81,183	\$ 2,830,229	\$ (2,861,502)	\$ 49,910
2023	49,910	3,414,925	(3,380,935)	83,900

**NOTE 14 – 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.

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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 due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 15 for the OPEB disclosures.

***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, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans 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):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 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.

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.

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

	State and Local
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2023 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,314,388 for 2023. Of this amount, \$136,125 is reported as a due to other governments.

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

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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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 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, statutory survivors and annuity beneficiaries. 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.

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

	Police
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee	12.25 %
 <b>2023 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
Employee	12.25 %



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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,349,404 for 2023. Of this amount, \$89,363 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.057334%	0.2214989%	
Prior Measurement Period	0.059480%	0.2415556%	
Change in Proportion	-0.002146%	-0.0200567%	
Proportionate Share of the Net			
Pension Liability	\$ 16,936,489	\$ 21,040,248	\$ 37,976,737
Pension Expense	\$ 2,849,661	\$ 2,826,094	\$ 5,675,755

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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, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	\$ 4,827,430	\$ 3,063,203	\$ 7,890,633
Differences between Expected and			
Actual Experience	562,559	315,598	878,157
Changes of Assumptions	178,923	1,897,755	2,076,678
Changes in Proportionate Share and			
Differences in Contributions	308,402	555,040	863,442
City Contributions Subsequent			
to the Measurement Date	1,314,388	1,349,404	2,663,792
Total Deferred Outflows of Resources	<u>\$ 7,191,702</u>	<u>\$ 7,181,000</u>	<u>\$ 14,372,702</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ -	\$ 479,358	\$ 479,358
Changes of Assumptions	-	410,279	410,279
Changes in Proportionate Share and			
Differences in Contributions	226,597	1,181,134	1,407,731
Total Deferred Inflows of Resources	<u>\$ 226,597</u>	<u>\$ 2,070,771</u>	<u>\$ 2,297,368</u>

\$2,663,792 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, 2024. 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
2024	\$ 810,394	\$ 429,755	\$ 1,240,149
2025	1,054,562	988,537	2,043,099
2026	1,420,950	1,044,940	2,465,890
2027	2,364,811	1,534,352	3,899,163
2028	-	(236,759)	(236,759)
Total	<u>\$ 5,650,717</u>	<u>\$ 3,760,825</u>	<u>\$ 9,411,542</u>

***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.

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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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<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 2023, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 a loss of 12.10 percent for 2022.

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, 2022, these best estimates are summarized below:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00%</u>	

**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 to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City’s Proportionate Share of the Net Pension Liability	\$ 25,370,295	\$ 16,936,489	\$ 9,921,075

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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

For 2022, the mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted to 96.20 percent for males and 98.70 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

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For 2021, 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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

\* levered 2.5x

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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 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	\$ 27,756,147	\$ 21,040,248	\$ 15,457,321

*This space is intentionally left blank.*

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**NOTE 15 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

See Note 14 for a description of the net OPEB liability.

***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. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. Medicare-enrolled retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

***Group A*** 30 years of qualifying service credit at any age;

***Group B*** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;



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**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***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.

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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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, 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 \$35,511 for 2023. Of this amount, \$2,352 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Period	0.057083%	0.2214989%	
Prior Measurement Period	0.057970%	0.2415556%	
Change in Proportion	-0.000887%	-0.0200567%	
Proportionate Share of the Net			
OPEB Liability	\$ 359,919	\$ 1,577,008	\$ 1,936,927
OPEB Expense	\$ (707,013)	\$ 280,570	\$ (426,443)

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At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	\$ 714,812	\$ 135,258	\$ 850,070
Differences between Expected and			
Actual Experience	-	94,106	94,106
Changes of Assumptions	351,541	785,897	1,137,438
Changes in Proportionate Share and			
Differences in Contributions	51,448	398,184	449,632
City Contributions Subsequent			
to the Measurement Date	-	35,511	35,511
Total Deferred Outflows of Resources	<u>\$ 1,117,801</u>	<u>\$ 1,448,956</u>	<u>\$ 2,566,757</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 89,777	\$ 310,954	\$ 400,731
Changes of Assumptions	28,927	1,289,866	1,318,793
Changes in Proportionate Share and			
Differences in Contributions	568	170,797	171,365
Total Deferred Inflows of Resources	<u>\$ 119,272</u>	<u>\$ 1,771,617</u>	<u>\$ 1,890,889</u>

\$35,511 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 in 2024. 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
2024	\$ 169,112	\$ 124,334	\$ 293,446
2025	261,200	131,621	392,821
2026	222,902	(68,722)	154,180
2027	345,315	(44,979)	300,336
2028	-	(141,306)	(141,306)
Thereafter	-	(359,120)	(359,120)
Total	<u>\$ 998,529</u>	<u>\$ (358,172)</u>	<u>\$ 640,357</u>

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***Actuarial Assumptions – OPERS***

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

Projections of 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. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent	2.75 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent, initial	5.50 percent, initial
	3.50 percent, ultimate in 2036	3.50 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 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 a loss of 15.6 percent for 2022.

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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, 2022, 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%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	<u>100.00%</u>	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City’s Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,225,001	\$ 359,919	\$ (353,915)

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 2023 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 Liability	\$ 337,361	\$ 359,919	\$ 385,310

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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.

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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, 2022, with Actuarial Liabilities Rolled Forward to December 31, 2022
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	4.27 Percent
Prior Measurement Date	2.84 Percent
Cost of Living Adjustments	2.20 Percent Simple per Year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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.

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



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For 2021, 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, 2021.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

\* levered 2.5x

**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 1,941,937	\$ 1,577,008	\$ 1,268,914

**NOTE 16 – CONTRACTUAL AND OTHER COMMITMENTS**

***Contractual Commitments***

As of December 31, 2023, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expensed	Balance 12/31/2023
DLZ Ohio, Inc.	\$ 709,500	\$ 333,254	\$ 376,246
Miller Bros Construction Inc.	8,259,946	2,548,197	5,711,749
Nickolas Savko and Sons	1,082,694	305,813	776,881
Prime AE Group of America, Inc.	507,040	465,956	41,084
Ruscilli Construction Co.	66,031,179	16,016,841	50,014,338
Strawser Paving Co.	2,364,149	837,786	1,526,363
	\$ 78,954,508	\$ 20,507,847	\$ 58,446,661

**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

***Other Commitments***

As of December 31, 2023, the City had outstanding cash basis encumbrances in the governmental funds as follows:

Fund	Amount
General	\$ 3,970,866
Recreation and Parks	58,660,663
Capital Improvement Municipal Tax	9,895,495
Nonmajor Governmental	5,397,421
	\$ 77,924,445

**NOTE 17 – CONTINGENCIES**

***Grants*** - For the year ended December 31, 2023, 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.

***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.

***Settlement Monies*** - Ohio has reached settlement agreements with various distributors of opioids, which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$19,389 are reflected as fines and forfeitures in the OneOhio Special Revenue Fund.

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**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**NOTE 18 – 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	TIF	Recreation and Parks	Capital Improvement Municipal Tax	Other Governmental Funds	Total
<b>Restricted for:</b>						
Infrastructure Improvements	\$ -	\$ 2,456,687	\$ -	\$ -	\$ 3,462,979	\$ 5,919,666
Public Safety Programs	-	-	-	-	353,897	353,897
Parks and Recreation	-	-	82,872,567	-	-	82,872,567
Capital Outlay	-	-	-	19,267,956	-	19,267,956
Other	-	-	-	-	128,607	128,607
Public Health	-	-	-	-	1,350	1,350
Justice	-	-	-	-	43,945	43,945
<b>Total Restricted</b>	<b>-</b>	<b>2,456,687</b>	<b>82,872,567</b>	<b>19,267,956</b>	<b>3,990,778</b>	<b>108,587,988</b>
<b>Committed for:</b>						
Utility Operations	-	-	-	-	2,701,234	2,701,234
Park Maintenance	-	-	-	-	508,607	508,607
Infrastructure Improvements	-	-	-	-	6,940,703	6,940,703
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,150,544</b>	<b>10,150,544</b>
<b>Assigned for:</b>						
General Government	1,637,996	-	-	-	-	1,637,996
Public Safety	600,674	-	-	-	-	600,674
Public Health	23,814	-	-	-	-	23,814
Leisure Time Services	430	-	-	-	-	430
Community Environment	1,372,012	-	-	-	-	1,372,012
Basic Utility Services	223,010	-	-	-	-	223,010
Transportation	94,824	-	-	-	-	94,824
<b>Total Assigned</b>	<b>3,952,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,952,760</b>
Unassigned	29,317,930	-	-	-	-	29,317,930
<b>Total Fund Balance</b>	<b>\$ 33,270,690</b>	<b>\$ 2,456,687</b>	<b>\$82,872,567</b>	<b>\$ 19,267,956</b>	<b>\$ 14,141,322</b>	<b>\$ 152,009,222</b>

**NOTE 19 – ASSET RETIREMENT OBLIGATIONS**

***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.

**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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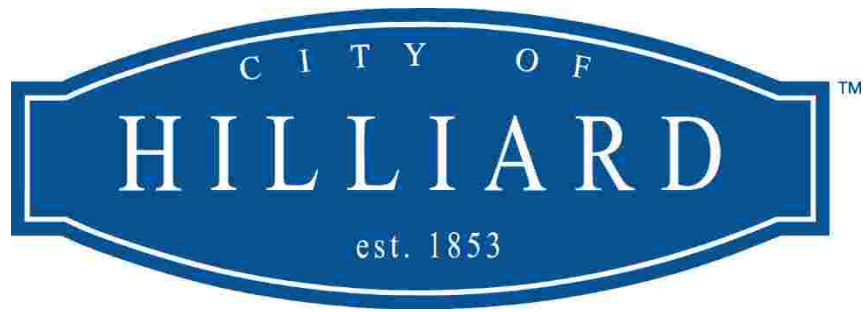
***Underground Storage Tanks***

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.

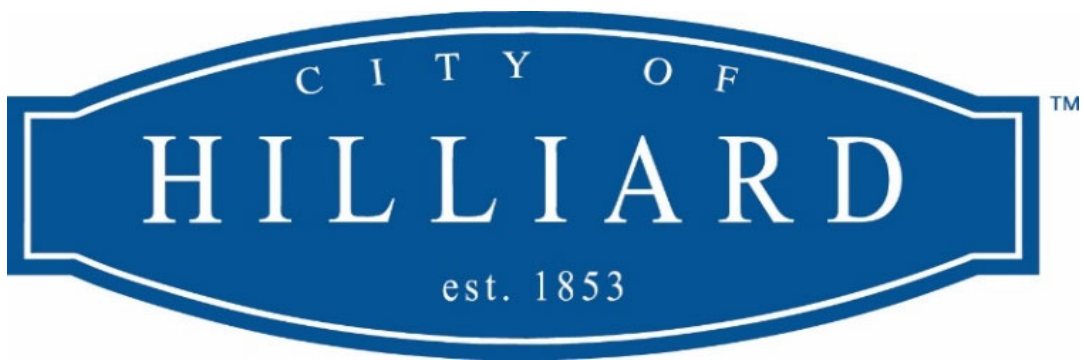
In accordance with OAC Section 1301-7-9, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, while the City is familiar with the requirements, the cost to satisfy these requirements is not reasonably estimable at this time and therefore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

**NOTE 20 – SUBSEQUENT EVENT**

On January 24, 2024, the City issued \$13,000,000 in General Obligation Bond Anticipation Notes for the purpose of purchasing land. The bond anticipation notes carry an interest rate of 5.5 percent and will mature on January 23, 2025.



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**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 Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
City's Proportion of the Net Pension Liability	0.057334%	0.0594800%	0.0507910%	0.0555980%
City's Proportionate Share of the Net Pension Liability	\$ 16,936,489	\$ 5,175,001	\$ 7,521,041	\$ 10,989,322
City's Covered Payroll	\$ 8,889,929	\$ 8,634,564	\$ 7,151,500	\$ 8,150,121
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.51%	59.93%	105.17%	134.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
City's Proportion of the Net Pension Liability	0.221489%	0.241556%	0.236276%	0.227735%
City's Proportionate Share of the Net Pension Liability	\$ 21,040,248	\$ 15,090,997	\$ 16,107,174	\$ 15,341,466
City's Covered Payroll	\$ 6,692,631	\$ 6,110,651	\$ 6,361,251	\$ 6,034,857
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	314.38%	246.96%	253.21%	254.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

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.



	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.0543990%	0.0504760%	0.047571%	0.047377%	0.043891%	0.043891%
\$	14,898,783	\$ 7,918,774	\$ 10,802,655	\$ 8,206,216	\$ 5,293,745	\$ 5,174,177
\$	7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025	\$ 5,221,423
	200.60%	118.84%	174.15%	139.19%	98.38%	99.10%
	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
	0.229938%	0.212170%	0.206897%	0.215574%	0.206632%	0.266320%
\$	18,769,017	\$ 13,021,807	\$ 13,104,630	\$ 13,868,027	\$ 10,704,384	\$ 10,063,612
\$	5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263	\$ 4,248,693
	324.14%	251.37%	263.45%	285.53%	235.20%	236.86%
	63.07%	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*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
Contractually Required Contribution	\$ 1,314,388	\$ 1,244,590	\$ 1,208,839	\$ 1,001,210
Contributions in Relation to the Contractually Required Contribution	<u>1,314,388</u>	<u>1,244,590</u>	<u>1,208,839</u>	<u>1,001,210</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 9,388,486	\$ 8,889,929	\$ 8,634,564	\$ 7,151,500
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
Contractually Required Contribution	\$ 1,349,404	\$ 1,271,600	\$ 1,161,024	\$ 1,208,638
Contributions in Relation to the Contractually Required Contribution	<u>1,349,404</u>	<u>1,271,600</u>	<u>1,161,024</u>	<u>1,208,638</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 7,102,128	\$ 6,692,631	\$ 6,110,651	\$ 6,361,251
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%

See accompanying notes to the required supplementary information.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	1,141,017	\$ 1,039,787	\$ 866,257	\$ 744,385	\$ 707,505	\$ 645,723
	<u>1,141,017</u>	<u>1,039,787</u>	<u>866,257</u>	<u>744,385</u>	<u>707,505</u>	<u>645,723</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	8,150,121	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025
	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$	1,146,623	\$ 1,100,169	\$ 984,253	\$ 945,104	\$ 922,811	\$ 864,740
	<u>1,146,623</u>	<u>1,100,169</u>	<u>984,253</u>	<u>945,104</u>	<u>922,811</u>	<u>864,740</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	6,034,857	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263
	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Ohio Public Employees' Retirement System (OPERS)</b>				
City's Proportion of the Net OPEB Liability (Asset)	0.057083%	0.057970%	0.049083%	0.053898%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 359,919	\$ (1,815,709)	\$ (874,453)	\$ 7,444,714
City's Covered Payroll	\$ 8,889,929	\$ 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	4.05%	-21.03%	-12.23%	91.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%
<b>Ohio Police and Fire Pension Fund (OPF)</b>				
City's Proportion of the Net OPEB Liability	0.221489%	0.241556%	0.236276%	0.227735%
City's Proportionate Share of the Net OPEB Liability	\$ 1,577,008	\$ 2,647,657	\$ 2,503,387	\$ 2,249,508
City's Covered Payroll	\$ 6,692,631	\$ 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	23.56%	43.33%	39.35%	37.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	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.

	<u>2019</u>		<u>2018</u>		<u>2017</u>
	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*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (1)	\$ 9,388,486	\$ 8,889,929	\$ 8,634,564	\$ 7,151,500
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
Contractually Required Contribution	\$ 35,511	\$ 33,463	\$ 30,553	\$ 31,806
Contributions in Relation to the Contractually Required Contribution	<u>35,511</u>	<u>33,463</u>	<u>30,553</u>	<u>31,806</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 7,102,128	\$ 6,692,631	\$ 6,110,651	\$ 6,361,251
Contributions as a Percentage of Covered Payroll	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ 68,314	\$ 124,064	\$ 117,918	\$ 107,621
<u>-</u>	<u>-</u>	<u>68,314</u>	<u>124,064</u>	<u>117,918</u>	<u>107,621</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,150,121	\$ 7,427,050	\$ 6,663,515	\$ 6,203,208	\$ 5,895,875	\$ 5,381,025
0.00%	0.00%	1.00%	2.00%	2.00%	2.00%
\$ 30,174	\$ 28,952	\$ 25,813	\$ 24,871	\$ 24,285	\$ 22,756
<u>30,174</u>	<u>28,952</u>	<u>25,813</u>	<u>24,871</u>	<u>24,285</u>	<u>22,756</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,034,857	\$ 5,790,363	\$ 5,180,279	\$ 4,974,232	\$ 4,856,900	\$ 4,551,263
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

**NOTE 1 - NET PENSION LIABILITY**

***Changes in Assumptions – OPERS***

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75%	3.25%	2.75%	2.75%
Future Salary Increases, including wage inflation	2.75% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3.00%, simple	3.00%, simple	3.00%, simple	3.00%, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.90%	7.20%	7.50%	8.00%
Actuarial Cost Method	Individual	Individual	Individual	Individual
	Entry Age	Entry Age	Entry Age	Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, retirees are as follows:

2022	3.00%, simple through 2022, then 2.05%, simple
2021	0.50%, simple through 2021, then 2.15%, simple
2020	1.40%, simple through 2020, then 2.15%, simple
2017 - 2019	3.00%, simple through 2018, then 2.15%, simple
2016 and prior	3.00%, simple through 2018, then 2.80%, simple 5.50% to 5.00%

***Changes in Benefit Terms – OPERS***

There were no significant changes in benefit terms.

***Changes in Assumptions – OP&F***

For 2022, 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***

There were no significant changes in benefit terms.



**City of Hilliard**  
**Franklin County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

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**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:

<u>Assumption</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Wage Inflation	2.75%	2.75%	3.25%	3.25%	3.25%	3.25%
Discount Rate	5.22%	6.00%	6.00%	3.16%	3.96%	3.85%
Municipal Bond Rate	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Health Care Cost Trend Rate	5.50%	5.50%	8.50%	10.50%	10.00%	7.50%

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

***Changes in Benefit Terms – OPERS***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

***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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Blended Discount Rate	4.27%	2.84%	2.96%	3.56%	4.66%	3.24%
Municipal Bond Rate	3.65%	2.05%	2.12%	2.75%	4.13%	3.16%

***Changes in Benefit Terms – OP&F***

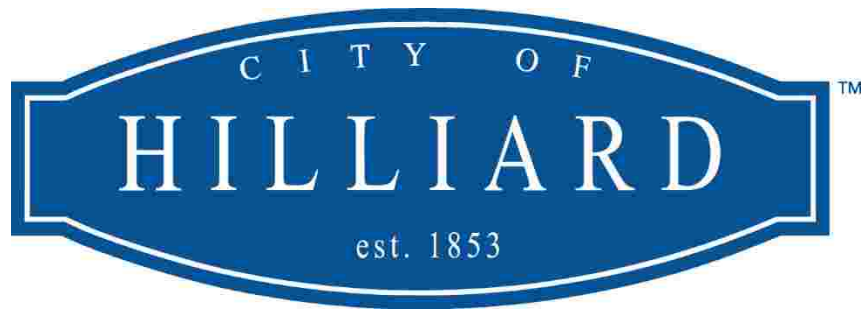
Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.



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**SUPPLEMENTARY INFORMATION**



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**City of Hilliard**  
**Franklin County, Ohio**  
Major Fund Descriptions

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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 2023, 52 percent 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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Property and other taxes	\$ 2,340,772	\$ 2,167,974	\$ (172,798)
Municipal income taxes	20,999,580	26,442,852	5,443,272
Charges for services	4,730,000	3,642,264	(1,087,736)
Licenses and permits	1,251,500	1,825,271	573,771
Fines and forfeitures	300,000	114,366	(185,634)
Intergovernmental	927,220	1,016,707	89,487
Investment earnings	503,000	61,196	(441,804)
Miscellaneous	164,000	190,180	26,180
<b>Total Revenues</b>	<b>31,216,072</b>	<b>35,460,810</b>	<b>4,244,738</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<u>General Government</u>			
Mayor:			
Personal Services	267,786	261,051	6,735
Contractual Services	166,950	110,952	55,998
Materials and Supplies	14,565	10,072	4,493
Total Mayor	449,301	382,075	67,226
City Council:			
Personal Services	435,160	395,986	39,174
Contractual Services	31,195	4,195	27,000
Materials and Supplies	183,172	150,501	32,671
Total City Council	649,527	550,682	98,845
Clerk of Courts:			
Personal Services	248,692	212,321	36,371
Contractual Services	113,686	89,866	23,820
Materials and Supplies	20,022	11,298	8,724
Total Clerk of Courts:	382,400	313,485	68,915
Law:			
Personal Services	403,616	372,842	30,774
Contractual Services	382,484	369,694	12,790
Materials and Supplies	12,985	6,564	6,421
Total Law	799,085	749,100	49,985
Finance:			
Personal Services	1,063,636	991,727	71,909
Contractual Services	90,961	82,795	8,166
Materials and Supplies	39,562	34,106	5,456
Other Expenditures	87,151	53,377	33,774
Total Finance	1,281,310	1,162,005	119,305
Economic Development:			
Personal Services	418,996	403,667	15,329
Contractual Services	96,875	83,782	13,093
Materials and Supplies	43,710	41,188	2,522
Total Economic Development	559,581	528,637	30,944
City Clerk:			
Contractual Services	272	23	249
Materials and Supplies	405	405	-
Total City Clerk	677	428	249
Human Resources:			
Personal Services	460,321	370,648	89,673
Contractual Services	195,995	180,267	15,728
Materials and Supplies	62,812	52,495	10,317
Total Human Resources	719,128	603,410	115,718

(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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Public Building and Land:</b>			
Personal Services	\$ 362,928	\$ 351,642	\$ 11,286
Contractual Services	2,971,161	2,674,259	296,902
Materials and Supplies	53,341	53,038	303
Utilities	704,046	638,343	65,703
Total Public Building and Land	<u>4,091,476</u>	<u>3,717,282</u>	<u>374,194</u>
<b>Information Technology:</b>			
Personal Services	800,682	782,305	18,377
Contractual Services	1,240,735	1,102,868	137,867
Materials and Supplies	65,831	45,476	20,355
Total Information Technology	<u>2,107,248</u>	<u>1,930,649</u>	<u>176,599</u>
<b>Communications:</b>			
Personal Services	623,107	598,196	24,911
Contractual Services	108,318	103,634	4,684
Materials and Supplies	190,932	167,001	23,931
Total Communications	<u>922,357</u>	<u>868,831</u>	<u>53,526</u>
<b>Boards and Commissions:</b>			
Personal Services	56,745	56,744	1
Materials and Supplies	25,455	6,843	18,612
Total Boards and Commissions	<u>82,200</u>	<u>63,587</u>	<u>18,613</u>
<b>General Administration:</b>			
Personal Services	35,238	9,625	25,613
Contractual Services	1,285,469	1,106,420	179,049
Materials and Supplies	58,595	52,928	5,667
Other Expenditures	1,861,627	1,860,136	1,491
Total General Administration	<u>3,240,929</u>	<u>3,029,109</u>	<u>211,820</u>
Total General Government	<u>15,285,219</u>	<u>13,899,280</u>	<u>1,385,939</u>
<b><u>Security of Persons and Property:</u></b>			
<b>Police:</b>			
Personal Services	12,492,973	11,869,353	623,620
Contractual Services	1,404,544	1,308,192	96,352
Materials and Supplies	485,930	349,793	136,137
Other Expenditures	308	-	308
Total Police	<u>14,383,755</u>	<u>13,527,338</u>	<u>856,417</u>
Total Security of Persons and Property	<u>14,383,755</u>	<u>13,527,338</u>	<u>856,417</u>
<b><u>Public Health:</u></b>			
<b>County Public Health:</b>			
Contractual Services	403,228	380,488	22,740
Total County Public Health	<u>403,228</u>	<u>380,488</u>	<u>22,740</u>
Total Public Health	<u>403,228</u>	<u>380,488</u>	<u>22,740</u>
<b><u>Leisure Time Activities</u></b>			
<b>Recreation:</b>			
Personal Services	932	-	932
Contractual Services	24,682	-	24,682
Materials and Supplies	30,188	-	30,188
Utilities	26,353	-	26,353
Other Expenditures	2,344	-	2,344
Total Recreation	<u>84,499</u>	<u>-</u>	<u>84,499</u>
Total Leisure Time Activities	<u>84,499</u>	<u>-</u>	<u>84,499</u>
<b><u>Transportation</u></b>			
<b>Mobility:</b>			
Personal Services	184,361	172,777	11,584
Contractual Services	233,393	216,226	17,167
Materials and Supplies	13,380	6,246	7,134
Total Mobility	<u>431,134</u>	<u>395,249</u>	<u>35,885</u>
Total Transportation	<u>431,134</u>	<u>395,249</u>	<u>35,885</u>

(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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Community Environment:</b>			
<b>Service/Engineer:</b>			
Personal Services	\$ 583,290	\$ 547,139	\$ 36,151
Contractual Services	153,295	88,805	64,490
Materials and Supplies	25,123	22,318	2,805
Total Service/Engineer	<u>761,708</u>	<u>658,262</u>	<u>103,446</u>
<b>Building Inspection:</b>			
Personal Services	627,875	527,021	100,854
Materials and Supplies	25,663	6,606	19,057
Total Building Inspection	<u>653,538</u>	<u>533,627</u>	<u>119,911</u>
<b>Planning:</b>			
Personal Services	563,753	525,397	38,356
Contractual Services	15,433	9,000	6,433
Materials and Supplies	7,126	5,593	1,533
Other Expenditures	2,500	-	2,500
Total Planning	<u>588,812</u>	<u>539,990</u>	<u>48,822</u>
Total Community Environment	<u>2,004,058</u>	<u>1,731,879</u>	<u>272,179</u>
Total Expenditures	<u>32,591,893</u>	<u>29,934,234</u>	<u>2,657,659</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(1,375,821)</u>	<u>5,526,576</u>	<u>6,902,397</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	300,000	77,893	(222,107)
Transfers In	150,000	562,259	412,259
Transfers Out	(2,798,882)	(2,798,882)	-
Total Other Financing Sources (Uses)	<u>(2,348,882)</u>	<u>(2,158,730)</u>	<u>190,152</u>
Net Change in Fund Balances	(3,724,703)	3,367,846	7,092,549
Fund Balance, Beginning of Year	21,880,728	21,880,728	-
Prior Year Encumbrances Appropriated	2,753,606	2,753,606	-
Fund Balance, End of Year	<u>\$ 20,909,631</u>	<u>\$ 28,002,180</u>	<u>\$ 7,092,549</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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 700,000	\$ 988,207	\$ 288,207
Miscellaneous	55,000	53,908	(1,092)
Total Revenues	<u>755,000</u>	<u>1,042,115</u>	<u>287,115</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Community Environment:			
Personal Services	435,018	409,649	25,369
Contractual Services	902,829	808,211	94,618
Materials and Supplies	6,526	1,450	5,076
Total Expenditures	<u>1,344,373</u>	<u>1,219,310</u>	<u>125,063</u>
Net Change in Fund Balances	(589,373)	(177,195)	412,178
Fund Balance, Beginning of Year	565,502	565,502	-
Prior Year Encumbrances Appropriated	224,599	224,599	-
Fund Balance, End of Year	<u>\$ 200,728</u>	<u>\$ 612,906</u>	<u>\$ 412,178</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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 15,000	\$ 15,370	\$ 370
Miscellaneous	10,000	2,110	(7,890)
Total Revenues	<u>25,000</u>	<u>17,480</u>	<u>(7,520)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Security of Persons and Property:			
Contractual Services	12,164	4,890	7,274
Materials and Supplies	13,426	10,972	2,454
Total Expenditures	<u>25,590</u>	<u>15,862</u>	<u>9,728</u>
Net Change in Fund Balances	(590)	1,618	2,208
Fund Balance, Beginning of Year	31,530	31,530	-
Prior Year Encumbrances Appropriated	3,590	3,590	-
Fund Balance, End of Year	<u>\$ 34,530</u>	<u>\$ 36,738</u>	<u>\$ 2,208</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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Payments in lieu of taxes	\$ 11,240,000	\$ 10,176,781	\$ (1,063,219)
Intergovernmental	100,000	146,797	46,797
<b>Total Revenues</b>	<b>11,340,000</b>	<b>10,323,578</b>	<b>(1,016,422)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Other Expenditures	3,002,080	2,993,823	8,257
Total General Government	3,002,080	2,993,823	8,257
Transportation:			
Other Expenditures	5,702,100	5,699,866	2,234
Total Transportation	5,702,100	5,699,866	2,234
Debt Service:			
Principal retirement	264,934	264,900	34
Interest and fiscal charges	35,066	35,066	-
Total Debt Service	300,000	299,966	34
<b>Total Expenditures</b>	<b>9,004,180</b>	<b>8,993,655</b>	<b>10,525</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,335,820	1,329,923	(1,005,897)
<b>Other Financing Uses:</b>			
Transfers Out	(530,000)	(529,544)	456
<b>Total Other Financing Uses</b>	<b>(530,000)</b>	<b>(529,544)</b>	<b>456</b>
<b>Net Change in Fund Balances</b>	<b>1,805,820</b>	<b>800,379</b>	<b>(1,005,441)</b>
Fund Balance, Beginning of Year	1,656,307	1,656,307	-
<b>Fund Balance, End of Year</b>	<b>\$ 3,462,127</b>	<b>\$ 2,456,686</b>	<b>\$ (1,005,441)</b>

**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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Municipal income taxes	\$ 7,999,840	\$ 10,170,328	\$ 2,170,488
Charges for services	1,494,000	1,321,881	(172,119)
Fines and forfeitures	-	17,414	17,414
Intergovernmental	-	598,210	598,210
Investment earnings	50,000	4,237,070	4,187,070
Miscellaneous	-	300	300
<b>Total Revenues</b>	<b>9,543,840</b>	<b>16,345,203</b>	<b>6,801,363</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Leisure Time Activities:			
Personal Services	3,684,897	3,606,785	78,112
Contractual Services	883,440	778,920	104,520
Materials and Supplies	639,265	598,344	40,921
Utilities	419,944	417,598	2,346
Other Expenditures	263,630	254,588	9,042
Capital Outlay	100,974,242	78,126,252	22,847,990
<b>Total Leisure Time Activities</b>	<b>106,865,418</b>	<b>83,782,487</b>	<b>23,082,931</b>
General Government:			
Other Expenditures	48,000	48,000	-
<b>Total General Government</b>	<b>48,000</b>	<b>48,000</b>	<b>-</b>
Transportation:			
Capital Outlay	285,000	177,774	107,226
<b>Total Transportation</b>	<b>285,000</b>	<b>177,774</b>	<b>107,226</b>
Debt Service:			
Principal retirement	4,748,237	4,610,847	137,390
Interest and fiscal charges	4,117,308	4,119,308	(2,000)
<b>Total Debt Service</b>	<b>8,865,545</b>	<b>8,730,155</b>	<b>135,390</b>
<b>Total Expenditures</b>	<b>116,063,963</b>	<b>92,738,416</b>	<b>23,325,547</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,520,123)	(76,393,213)	30,126,910
<b>Other Financing Sources:</b>			
Proceeds of bonds	10,000,000	-	(10,000,000)
<b>Total Other Financing Sources</b>	<b>10,000,000</b>	<b>-</b>	<b>(10,000,000)</b>
<b>Net Change in Fund Balances</b>	<b>(96,520,123)</b>	<b>(76,393,213)</b>	<b>20,126,910</b>
Fund Balance, Beginning of Year	99,643,653	99,643,653	-
Prior Year Encumbrances Appropriated	1,893,067	1,893,067	-
<b>Fund Balance, End of Year</b>	<b>\$ 5,016,597</b>	<b>\$ 25,143,507</b>	<b>\$ 20,126,910</b>

**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, 2023

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Municipal income taxes	\$ 7,999,840	\$ 10,170,328	\$ 2,170,488
Licenses and permits	40,000	-	(40,000)
Intergovernmental	771,000	1,110,401	339,401
Total Revenues	<u>8,810,840</u>	<u>11,280,729</u>	<u>2,469,889</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Contractual Services	646,613	589,932	56,681
Other Expenditures	327,033	314,596	12,437
Capital Outlay	4,086,866	2,440,807	1,646,059
Total General Government	<u>5,060,512</u>	<u>3,345,335</u>	<u>1,715,177</u>
Security of Persons and Property:			
Capital Outlay	732,498	619,232	113,266
Total Security of Persons and Property	<u>732,498</u>	<u>619,232</u>	<u>113,266</u>
Leisure Time Activities:			
Capital Outlay	591,216	468,729	122,487
Total Leisure Time Activities	<u>591,216</u>	<u>468,729</u>	<u>122,487</u>
Basic Utility Services:			
Contractual Services	1,318,500	1,318,500	-
Capital Outlay	3,335,426	800,723	2,534,703
Total Basic Utility Services	<u>4,653,926</u>	<u>2,119,223</u>	<u>2,534,703</u>
Transportation:			
Contractual Services	2,245,955	2,245,955	-
Capital Outlay	7,951,427	7,147,253	804,174
Total Transportation	<u>10,197,382</u>	<u>9,393,208</u>	<u>804,174</u>
Debt Service:			
Principal retirement	5,331,116	5,345,208	(14,092)
Interest and fiscal charges	1,604,340	1,604,340	-
Total Debt Service	<u>6,935,456</u>	<u>6,949,548</u>	<u>(14,092)</u>
Total Expenditures	<u>28,170,990</u>	<u>22,895,275</u>	<u>5,275,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,360,150)	(11,614,546)	7,745,604
<b>Other Financing Sources:</b>			
Proceeds from sale of capital assets	-	223,055	223,055
Transfers in	2,766,167	2,810,896	44,729
Total Other Financing Sources	<u>2,766,167</u>	<u>3,033,951</u>	<u>267,784</u>
Net Change in Fund Balances	(16,593,983)	(8,580,595)	8,013,388
Fund Balance, Beginning of Year	11,447,551	11,447,551	-
Prior Year Encumbrances Appropriated	6,112,267	6,112,267	-
Fund Balance, End of Year	<u>\$ 965,835</u>	<u>\$ 8,979,223</u>	<u>\$ 8,013,388</u>

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

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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.

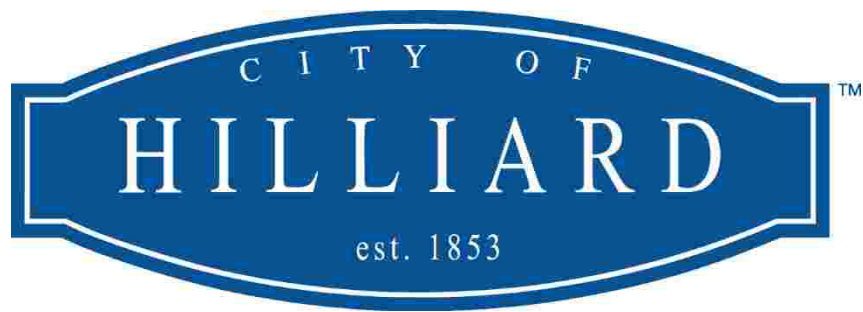
**City of Hilliard**  
**Franklin County, Ohio**  
Nonmajor Fund Descriptions – Special Revenue Funds

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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*  
*December 31, 2023*

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 1,584,718	\$ 1,632,124	\$ 6,873,644	\$ 508,507	\$ 336,365
Accounts Receivable	-	-	-	-	1,776
Due from Other Governments	1,121,667	455,873	-	-	-
Income Taxes Receivable	-	-	974,425	-	-
<i>Total Assets</i>	<u>\$ 2,706,385</u>	<u>\$ 2,087,997</u>	<u>\$ 7,848,069</u>	<u>\$ 508,507</u>	<u>\$ 338,141</u>
<b>Liabilities</b>					
Accounts Payable	\$ 53,321	\$ 14,828	\$ 81,582	\$ -	\$ -
Income Tax Refund Payable	-	-	393,021	-	-
Accrued Wages and Benefits	25,664	-	-	-	-
Contracts Payable	-	-	-	-	-
Retainage Payable	95,156	-	-	-	-
Due to Other Governments	7,558	-	-	-	-
Matured Compensated Absences Payable	4,995	-	-	-	-
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>186,694</u>	<u>14,828</u>	<u>474,603</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	747,778	382,103	432,763	-	-
<i>Total Deferred Inflows of Resources</i>	<u>747,778</u>	<u>382,103</u>	<u>432,763</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	1,771,913	1,691,066	-	-	338,141
Committed	-	-	6,940,703	508,507	-
<i>Total Fund Balances (Deficit)</i>	<u>1,771,913</u>	<u>1,691,066</u>	<u>6,940,703</u>	<u>508,507</u>	<u>338,141</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 2,706,385</u>	<u>\$ 2,087,997</u>	<u>\$ 7,848,069</u>	<u>\$ 508,507</u>	<u>\$ 338,141</u>

**City of Hilliard**  
**Franklin County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2023*

	Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 19,266	\$ 47,462	\$ 1,350	\$ 75,110	\$ 100
Accounts Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	53,497	-
Income Taxes Receivable	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 19,266</u>	<u>\$ 47,462</u>	<u>\$ 1,350</u>	<u>\$ 128,607</u>	<u>\$ 100</u>
<b>Liabilities</b>					
Accounts Payable	\$ 3,510	\$ 3,517	-	-	-
Income Tax Refund Payable	-	-	-	-	-
Accrued Wages and Benefits	-	-	-	-	-
Contracts Payable	-	-	-	-	-
Retainage Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Matured Compensated Absences Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>3,510</u>	<u>3,517</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	-	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	15,756	43,945	1,350	128,607	-
Committed	-	-	-	-	100
<i>Total Fund Balances (Deficit)</i>	<u>15,756</u>	<u>43,945</u>	<u>1,350</u>	<u>128,607</u>	<u>100</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 19,266</u>	<u>\$ 47,462</u>	<u>\$ 1,350</u>	<u>\$ 128,607</u>	<u>\$ 100</u>

(Continued)

**City of Hilliard**  
**Franklin County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2023*

	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,871,590	\$ 1,059,260	\$ 1,634,489	\$ 15,643,985
Accounts Receivable	-	67,294	54,324	123,394
Due from Other Governments	-	-	-	1,631,037
Income Taxes Receivable	-	-	-	974,425
<i>Total Assets</i>	<u>\$ 1,871,590</u>	<u>\$ 1,126,554</u>	<u>\$ 1,688,813</u>	<u>\$ 18,372,841</u>
Accounts Payable	\$ -	\$ 28,697	\$ 4,048	\$ 189,503
Income Tax Refund Payable	-	-	-	393,021
Accrued Wages and Benefits	-	29,348	16,156	71,168
Contracts Payable	-	-	14,774	14,774
Retainage Payable	-	-	-	95,156
Due to Other Governments	-	8,642	4,758	20,958
Matured Compensated Absences Payable	-	5,140	2,570	12,705
Unearned Revenue	1,871,590	-	-	1,871,590
<i>Total Liabilities</i>	<u>1,871,590</u>	<u>71,827</u>	<u>42,306</u>	<u>2,668,875</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	-	-	-	1,562,644
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,562,644</u>
<b>Fund Balances</b>				
Restricted	-	-	-	3,990,778
Committed	-	1,054,727	1,646,507	10,150,544
<i>Total Fund Balances (Deficit)</i>	<u>-</u>	<u>1,054,727</u>	<u>1,646,507</u>	<u>14,141,322</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,871,590</u>	<u>\$ 1,126,554</u>	<u>\$ 1,688,813</u>	<u>\$ 18,372,841</u>



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**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, 2023*

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
<b>Revenues</b>					
Municipal Income Taxes	\$ -	\$ -	\$ 4,113,028	\$ -	\$ -
Charges for Services	-	-	-	207,084	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	204,464
Intergovernmenta	2,302,679	263,701	-	-	-
Investment Earning:	47,449	37,335	-	-	-
Miscellaneous	4,507	-	-	-	-
<i>Total Revenues</i>	<u>2,354,635</u>	<u>301,036</u>	<u>4,113,028</u>	<u>207,084</u>	<u>204,464</u>
<b>Expenditures</b>					
Current:					
General Governmen	-	-	125,657	-	-
Security of Persons and Property	-	-	-	-	72,306
Public Health	-	-	-	-	-
Leisure Time Activitie:	-	-	-	46,701	-
Basic Utility Service	-	-	-	-	-
Transportation	3,246,630	250,757	1,766,615	-	-
Debt Service					
Principal Retirement	-	-	249,750	-	-
Interest and Fiscal Charges	-	-	50,250	-	-
<i>Total Expenditures</i>	<u>3,246,630</u>	<u>250,757</u>	<u>2,192,272</u>	<u>46,701</u>	<u>72,306</u>
<i>Net Change in Fund Balances</i>	(891,995)	50,279	1,920,756	160,383	132,158
<i>Fund Balances Beginning of Year</i>	<u>2,663,908</u>	<u>1,640,787</u>	<u>5,019,947</u>	<u>348,124</u>	<u>205,983</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,771,913</u>	<u>\$ 1,691,066</u>	<u>\$ 6,940,703</u>	<u>\$ 508,507</u>	<u>\$ 338,141</u>

**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, 2023*

	Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park
<b>Revenues</b>					
Municipal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	11,005	4,800	19,389	-	-
Intergovernmenta	-	272,948	-	157,616	-
Investment Earning:	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total Revenues</i>	<u>11,005</u>	<u>277,748</u>	<u>19,389</u>	<u>157,616</u>	<u>-</u>
<b>Expenditures</b>					
Current:					
General Governmen	23,865	233,803	-	-	-
Security of Persons and Property	-	-	-	-	-
Public Health	-	-	20,825	-	-
Leisure Time Activitie:	-	-	-	45,964	-
Basic Utility Service	-	-	-	-	-
Transportation	-	-	-	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<i>Total Expenditures</i>	<u>23,865</u>	<u>233,803</u>	<u>20,825</u>	<u>45,964</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(12,860)	43,945	(1,436)	111,652	-
<i>Fund Balances Beginning of Year</i>	<u>28,616</u>	<u>-</u>	<u>2,786</u>	<u>16,955</u>	<u>100</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,756</u>	<u>\$ 43,945</u>	<u>\$ 1,350</u>	<u>\$ 128,607</u>	<u>\$ 100</u>

(Continued)

**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, 2023*

	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Municipal Income Taxes	\$ -	\$ -	\$ -	\$ 4,113,028
Charges for Services	-	2,375,945	1,077,839	3,660,868
Licenses and Permits	-	1,800	-	1,800
Fines and Forfeitures	-	-	-	239,658
Intergovernmenta	520,686	-	-	3,517,630
Investment Earning:	-	-	-	84,784
Miscellaneous	-	-	-	4,507
<i>Total Revenues</i>	<u>520,686</u>	<u>2,377,745</u>	<u>1,077,839</u>	<u>11,622,275</u>
<b>Expenditures</b>				
Current:				
General Governmen	38,529	-	-	421,854
Security of Persons and Property	-	-	-	72,306
Public Health	-	-	-	20,825
Leisure Time Activitie:	-	-	-	92,665
Basic Utility Service	482,157	1,761,612	1,161,825	3,405,594
Transportation	-	-	-	5,264,002
Debt Service				
Principal Retirement	-	139,750	-	389,500
Interest and Fiscal Charges	-	50,250	-	100,500
<i>Total Expenditures</i>	<u>520,686</u>	<u>1,951,612</u>	<u>1,161,825</u>	<u>9,767,246</u>
<i>Net Change in Fund Balances</i>	-	426,133	(83,986)	1,855,029
<i>Fund Balances Beginning of Year</i>	-	628,594	1,730,493	12,286,293
<i>Fund Balances End of Year</i>	<u>\$ -</u>	<u>\$ 1,054,727</u>	<u>\$ 1,646,507</u>	<u>\$ 14,141,322</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, 2023

Street Maintenance and Repair Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 2,585,000	\$ 2,286,438	\$ (298,562)
Investment earnings	12,000	47,449	35,449
Miscellaneous	50,000	18,037	(31,963)
Total Revenues	<u>2,647,000</u>	<u>2,351,924</u>	<u>(295,076)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Transportation:			
Personal Services	1,426,948	1,307,768	119,180
Contractual Services	231,393	166,113	65,280
Materials and Supplies	1,065,478	818,282	247,196
Capital Outlay	2,266,405	2,139,950	126,455
Total Expenditures	<u>4,990,224</u>	<u>4,432,113</u>	<u>558,111</u>
Net Change in Fund Balances	(2,343,224)	(2,080,189)	263,035
Fund Balance, Beginning of Year	1,502,646	1,502,646	-
Prior Year Encumbrances Appropriated	856,212	856,212	-
Fund Balance, End of Year	<u>\$ 15,634</u>	<u>\$ 278,669</u>	<u>\$ 263,035</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, 2023

County Municipal Motor Vehicle Tax Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 500,000	\$ 447,477	\$ (52,523)
Investment earnings	5,000	37,335	32,335
Total Revenues	<u>505,000</u>	<u>484,812</u>	<u>(20,188)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Transportation:			
Contractual Services	217,977	205,321	12,656
Materials and Supplies	61,990	61,370	620
Total Expenditures	<u>279,967</u>	<u>266,691</u>	<u>13,276</u>
Net Change in Fund Balances	225,033	218,121	(6,912)
Fund Balance, Beginning of Year	1,363,274	1,363,274	-
Prior Year Encumbrances Appropriated	19,967	19,967	-
Fund Balance, End of Year	<u>\$ 1,608,274</u>	<u>\$ 1,601,362</u>	<u>\$ (6,912)</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, 2023

Street Improvement Municipal Tax Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Municipal income taxes	\$ 2,999,940	\$ 4,068,131	\$ 1,068,191
Intergovernmental	400,000	-	(400,000)
Total Revenues	<u>3,399,940</u>	<u>4,068,131</u>	<u>668,191</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Contractual Services	95,134	73,762	21,372
Other Expenditures	151,816	128,327	23,489
Total General Government	<u>246,950</u>	<u>202,089</u>	<u>44,861</u>
Transportation:			
Contractual Services	1,277,243	1,144,324	132,919
Capital Outlay	4,121,668	3,496,951	624,717
Total Transportation	<u>5,398,911</u>	<u>4,641,275</u>	<u>757,636</u>
Debt Service:			
Principal retirement	249,750	249,750	-
Interest and fiscal charges	50,250	50,250	-
Total Debt Service	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Expenditures	<u>5,945,861</u>	<u>5,143,364</u>	<u>802,497</u>
Net Change in Fund Balances	(2,545,921)	(1,075,233)	1,470,688
Fund Balance, Beginning of Year	3,466,467	3,466,467	-
Prior Year Encumbrances Appropriated	1,495,909	1,495,909	-
Fund Balance, End of Year	<u>\$ 2,416,455</u>	<u>\$ 3,887,143</u>	<u>\$ 1,470,688</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, 2023

Park Maintenance Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 240,000	\$ 207,084	\$ (32,916)
Licenses and permits	50,000	-	(50,000)
Total Revenues	<u>290,000</u>	<u>207,084</u>	<u>(82,916)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Leisure Time Activities:			
Contractual Services	20,000	-	20,000
Materials and Supplies	10,002	83	9,919
Capital Outlay	64,488	50,926	13,562
Total Expenditures	<u>94,490</u>	<u>51,009</u>	<u>43,481</u>
Net Change in Fund Balances	195,510	156,075	(39,435)
Fund Balance, Beginning of Year	333,632	333,632	-
Prior Year Encumbrances Appropriated	14,490	14,490	-
Fund Balance, End of Year	<u>\$ 543,632</u>	<u>\$ 504,197</u>	<u>\$ (39,435)</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, 2023

Police Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Fines and forfeitures	\$ 27,050	\$ 203,233	\$ 176,183
Total Revenues	<u>27,050</u>	<u>203,233</u>	<u>176,183</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Security of Persons and Property:			
Materials and Supplies	105,261	105,215	46
Other Expenditures	<u>55,960</u>	<u>49,604</u>	<u>6,356</u>
Total Expenditures	<u>161,221</u>	<u>154,819</u>	<u>6,402</u>
Net Change in Fund Balances	(134,171)	48,414	182,585
Fund Balance, Beginning of Year	193,217	193,217	-
Prior Year Encumbrances Appropriated	<u>12,221</u>	<u>12,221</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 71,267</u>	<u>\$ 253,852</u>	<u>\$ 182,585</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, 2023

Mayor's Court Computer Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Fines and forfeitures	\$ 26,000	\$ 11,005	\$ (14,995)
Total Revenues	<u>26,000</u>	<u>11,005</u>	<u>(14,995)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Contractual Services	21,658	18,166	3,492
Materials and Supplies	12,770	6,355	6,415
Capital Outlay	20,000	-	20,000
Total Expenditures	<u>54,428</u>	<u>24,521</u>	<u>29,907</u>
Net Change in Fund Balances	(28,428)	(13,516)	14,912
Fund Balance, Beginning of Year	24,188	24,188	-
Prior Year Encumbrances Appropriated	4,428	4,428	-
Fund Balance, End of Year	<u>\$ 188</u>	<u>\$ 15,100</u>	<u>\$ 14,912</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, 2023

Hilliard Recovery Court Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Fines and forfeitures	\$ 5,000	\$ 4,800	\$ (200)
Intergovernmental	255,000	264,961	9,961
Total Revenues	<u>260,000</u>	<u>269,761</u>	<u>9,761</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Personal Services	106,232	105,928	304
Contractual Services	91,912	91,340	572
Materials and Supplies	70,946	69,118	1,828
Total Expenditures	<u>269,090</u>	<u>266,386</u>	<u>2,704</u>
Net Change in Fund Balances	(9,090)	3,375	12,465
Fund Balance, Beginning of Year	275	275	-
Prior Year Encumbrances Appropriated	17,322	17,322	-
Fund Balance, End of Year	<u>\$ 8,507</u>	<u>\$ 20,972</u>	<u>\$ 12,465</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, 2023

OneOhio Opioid Settlement Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Fines and forfeitures	\$ 20,000	\$ 19,389	\$ (611)
Total Revenues	<u>20,000</u>	<u>19,389</u>	<u>(611)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Health:			
Materials and Supplies	<u>20,949</u>	<u>20,825</u>	<u>124</u>
Total Public Health	<u>20,949</u>	<u>20,825</u>	<u>124</u>
Total Expenditures	<u>20,949</u>	<u>20,825</u>	<u>124</u>
Net Change in Fund Balances	(949)	(1,436)	(487)
Fund Balance, Beginning of Year	2,662	2,662	-
Prior Year Encumbrances Appropriated	124	124	-
Fund Balance, End of Year	<u>\$ 1,837</u>	<u>\$ 1,350</u>	<u>\$ (487)</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, 2023

General Government Grants Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 50,000	\$ 104,119	\$ 54,119
Total Revenues	<u>50,000</u>	<u>104,119</u>	<u>54,119</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Contractual Services	1,000	-	1,000
Total General Government	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Leisure Time Activities:			
Contractual Services	49,139	48,790	349
Total Leisure Time Activities	<u>49,139</u>	<u>48,790</u>	<u>349</u>
Total Expenditures	<u>50,139</u>	<u>48,790</u>	<u>1,349</u>
Net Change in Fund Balances	(139)	55,329	55,468
Fund Balance, Beginning of Year	2,816	2,816	-
Prior Year Encumbrances Appropriated	14,139	14,139	-
Fund Balance, End of Year	<u>\$ 16,816</u>	<u>\$ 72,284</u>	<u>\$ 55,468</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, 2023

Heritage Trail Dog Park Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	100	100	-
Fund Balance, End of Year	<u>\$ 100</u>	<u>\$ 100</u>	<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, 2023

American Rescue Plan Act Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:			
Contractual Services	52,883	52,883	-
Capital Outlay	1,517,510	-	1,517,510
Total General Government	1,570,393	52,883	1,517,510
Basic Utility Services:			
Contractual Services	799,370	482,157	317,213
Total Leisure Time Activities	799,370	482,157	317,213
Total Expenditures	2,369,763	535,040	1,834,723
Net Change in Fund Balances	(2,369,763)	(535,040)	1,834,723
Fund Balance, Beginning of Year	2,339,393	2,339,393	-
Prior Year Encumbrances Appropriated	52,883	52,883	-
Fund Balance, End of Year	\$ 22,513	\$ 1,857,236	\$ 1,834,723

**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, 2023

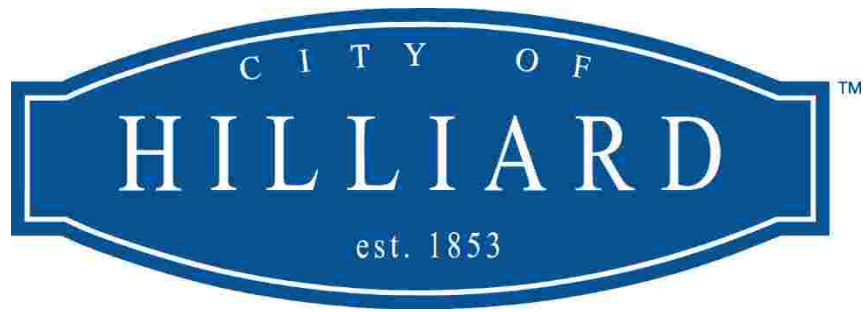
Water and Sewer Revenue Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 2,275,000	\$ 2,370,430	\$ 95,430
Licenses and permits	1,500	1,800	300
Miscellaneous	25,000	-	(25,000)
Total Revenues	<u>2,301,500</u>	<u>2,372,230</u>	<u>70,730</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Basic Utility Services:			
Personal Services	1,635,935	1,533,771	102,164
Contractual Services	208,216	157,947	50,269
Materials and Supplies	123,980	121,159	2,821
Utilities	152,026	101,952	50,074
Capital Outlay	366,149	112,730	253,419
Total Basic Utility Services	<u>2,486,306</u>	<u>2,027,559</u>	<u>458,747</u>
Debt Service:			
Principal retirement	139,750	139,750	-
Interest and fiscal charges	50,250	50,250	-
Total Debt Service	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total Expenditures	<u>2,676,306</u>	<u>2,217,559</u>	<u>458,747</u>
Net Change in Fund Balances	(374,806)	154,671	529,477
Fund Balance, Beginning of Year	385,481	385,481	-
Prior Year Encumbrances Appropriated	245,117	245,117	-
Fund Balance, End of Year	<u>\$ 255,792</u>	<u>\$ 785,269</u>	<u>\$ 529,477</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, 2023

Storm Water Utility Fund

	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 1,400,000	\$ 1,084,682	\$ (315,318)
Miscellaneous	20,000	-	(20,000)
Total Revenues	<u>1,420,000</u>	<u>1,084,682</u>	<u>(335,318)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Basic Utility Services:			
Personal Services	816,422	766,131	50,291
Contractual Services	1,058,525	509,688	548,837
Materials and Supplies	51,622	49,249	2,373
Capital Outlay	607,589	493,220	114,369
Total Basic Utility Services	<u>2,534,158</u>	<u>1,818,288</u>	<u>715,870</u>
Transportation:			
Capital Outlay	100,000	-	100,000
Total Transportation	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>2,634,158</u>	<u>1,818,288</u>	<u>815,870</u>
Net Change in Fund Balances	(1,214,158)	(733,606)	480,552
Fund Balance, Beginning of Year	1,498,058	1,498,058	-
Prior Year Encumbrances Appropriated	204,576	204,576	-
Fund Balance, End of Year	<u>\$ 488,476</u>	<u>\$ 969,028</u>	<u>\$ 480,552</u>



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**City of Hilliard**  
**Franklin County, Ohio**  
Nonmajor Fund Descriptions – Fiduciary Funds

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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, 2023*

	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 141,564	\$ -	\$ 129,747	\$ 271,311
Cash and Cash Equivalents in Segregated Accounts	-	43,678	-	43,678
<i>Total Assets</i>	<u>\$ 141,564</u>	<u>\$ 43,678</u>	<u>\$ 129,747</u>	<u>\$ 314,989</u>
<b>Liabilities</b>				
Accounts Payable	-	-	2,504	2,504
Due to Other Governments	-	43,678	-	43,678
<i>Total Liabilities</i>	<u>-</u>	<u>43,678</u>	<u>2,504</u>	<u>46,182</u>
<b>Net Position</b>				
Restricted for Individuals, Organizations & Other Governments	141,564	-	127,243	268,807
<i>Total Net Position</i>	<u>\$ 141,564</u>	<u>\$ -</u>	<u>\$ 127,243</u>	<u>\$ 268,807</u>



**City of Hilliard**  
**Franklin County, Ohio**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2023*

	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total
<b>Additions</b>				
Fines & Forfeitures for Other Government	\$ -	\$ 196,109	\$ -	\$ 196,109
Other	112,135	-	116,700	228,835
<i>Total Additions</i>	<u>112,135</u>	<u>196,109</u>	<u>116,700</u>	<u>424,944</u>
<b>Deductions</b>				
Miscellaneous	7,830	-	62,874	70,704
Fines & Forfeitures Distributions to Other Government	-	196,109	-	196,109
<i>Total Deductions</i>	<u>7,830</u>	<u>196,109</u>	<u>62,874</u>	<u>266,813</u>
<i>Change in Net Position</i>	104,305	-	53,826	158,131
<i>Net Position Beginning of Year</i>	<u>37,259</u>	<u>-</u>	<u>73,417</u>	<u>110,676</u>
<i>Net Position End of Year</i>	<u>\$ 141,564</u>	<u>\$ -</u>	<u>\$ 127,243</u>	<u>\$ 268,807</u>



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# STATISTICAL SECTION

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO  
FOR THE YEAR ENDING DECEMBER 31, 2023

# 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> 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.	<b>149</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	<b>154</b>
<b>Debt Capacity</b> 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.	<b>161</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>165</b>
<b>Operating Information</b> 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.	<b>167</b>

**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)

	Restated (1) 2014	2015	2016	Restated (2) 2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 208,956,537
Restricted	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	37,863,093
Unrestricted	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	17,836,881
Total governmental activities net position	<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>	<u>\$ 264,656,511</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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Program revenues:</b>										
Governmental activities										
Charges for services:										
General government	\$ 743,059	\$ 913,842	\$ 880,295	\$ 847,633	\$ 1,036,392	\$ 820,258	\$ 1,857,039	\$ 2,112,187	\$ 2,187,216	\$ 3,006,664
Security of persons and property	895,958	900,810	922,948	1,068,701	1,015,084	1,168,877	877,772	1,130,108	1,287,591	1,537,701
Leisure time activity	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	1,547,240
Public health	-	-	-	-	-	-	-	-	4,322	19,389
Community Environment	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	3,845,713
Transportation	-	-	-	-	-	-	5,411	1,306	-	-
Basic Utility Services	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	4,647,910
Operating grants & contributions	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	9,229,964
Capital grants & contributions	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	9,847,220
Total governmental activities program revenues	<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>	<u>33,681,801</u>
<b>Expenses:</b>										
Governmental activities										
General government	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	19,474,243
Security of persons and property	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	16,536,934
Public health	194,357	225,000	237,546	256,406	261,020	383,820	807,980	424,657	454,383	481,181
Leisure time activity	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	9,215,652
Community Environment	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	3,030,928
Basic Utility Services	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	6,679,648
Transportation	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	12,597,227
Interest Expense	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	5,344,613
Total governmental activities expenses	<u>45,748,561</u>	<u>44,537,487</u>	<u>50,835,291</u>	<u>56,023,739</u>	<u>59,334,475</u>	<u>48,344,958</u>	<u>59,980,864</u>	<u>54,593,987</u>	<u>74,602,809</u>	<u>73,360,426</u>
Total net revenue (expense)	<u>(28,518,740)</u>	<u>(28,848,689)</u>	<u>(28,877,141)</u>	<u>(36,729,876)</u>	<u>(42,530,137)</u>	<u>(27,405,478)</u>	<u>(43,274,524)</u>	<u>(36,134,750)</u>	<u>(53,676,690)</u>	<u>(39,678,625)</u>
<b>General Revenues:</b>										
Governmental activities										
Property Taxes Levied for General Purposes	\$ 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	\$ 2,754,311
Municipal Income Tax Levied for General Purposes	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	27,671,566
Municipal Income Tax Levied for Transportation	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	4,257,164
Municipal Income Tax Levied for Capital Outlay	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	10,642,910
Municipal Income Tax Levied for Parks & Recreation	-	-	-	-	-	-	-	1,732,768	8,604,719	10,642,911
Payments in Lieu of Taxes	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	10,176,781
Grants and entitlements not restricted to specific programs	693,035	770,008	706,750	731,344	989,732	831,774	970,935	1,506,254	1,487,968	1,021,976
Gain on Sale of Assets	-	-	-	-	-	-	7,437,475	22,382	-	-
Unrestricted Investment Earnings	33,531	73,377	199,018	332,676	728,040	1,008,576	733,722	(408,374)	(2,417,026)	2,705,504
Miscellaneous	356,074	508,900	334,063	255,019	416,458	417,249	599,366	399,399	286,167	599,034
Total governmental activities	<u>28,315,284</u>	<u>32,450,092</u>	<u>36,778,522</u>	<u>39,244,835</u>	<u>37,956,523</u>	<u>43,918,048</u>	<u>54,468,111</u>	<u>52,780,783</u>	<u>53,117,606</u>	<u>70,472,157</u>
Total primary government change in net position	<u>\$ (203,456)</u>	<u>\$ 3,601,403</u>	<u>\$ 7,901,381</u>	<u>\$ 2,514,959</u>	<u>\$ (4,573,614)</u>	<u>\$ 16,512,570</u>	<u>\$ 11,193,587</u>	<u>\$ 16,646,033</u>	<u>\$ (559,084)</u>	<u>\$ 30,793,532</u>

Source: City financial records.

**City of Hilliard, Ohio**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Function / Program:</b>										
Governmental Activities										
General Government	\$ 747,058	\$ 932,505	\$ 880,295	\$ 1,340,133	\$ 1,036,392	\$ 1,029,141	\$ 3,924,273	\$ 3,001,778	\$ 3,913,326	\$ 3,791,962
Security of Persons and Property	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	1,751,562
Public Health	-	-	-	-	-	59,449	60,438	151,206	4,322	19,389
Leisure Time Activities	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	6,802,463
Community Environment	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	3,845,713
Basic Utility Services	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	12,594,833
Transportation	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	4,875,879
<b>Total Governmental Activities Program Revenues</b>	<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>	<u>\$ 33,681,801</u>

Source: City financial records.

**City of Hilliard, Ohio**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General fund:</b>										
Nonspendable	\$ 26,774	\$ 40,817	\$ 40,542	\$ 71,894	\$ 81,675	\$ 55,314	\$ 126,900	\$ 99,242	\$ -	\$ -
Committed	221,970	86,232	150,297	83,789	464,683	-	-	-	-	-
Assigned	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	3,952,760
Unassigned	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	29,317,930
Total general fund	<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>	<u>33,270,690</u>
<b>All other governmental funds:</b>										
Nonspendable	-	-	-	-	-	23,759	22,930	21,631	-	-
Restricted	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	108,587,988
Committed	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	10,150,544
Unassigned	(14,663)	(4,161)	(637,643)	(199,713)	(188,013)	-	-	-	-	-
Total all other governmental funds	<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>	<u>118,738,532</u>
Total Governmental funds	<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>	<u>\$ 152,009,222</u>

Source: City financial records.



City of Hilliard, Ohio

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Property and other taxes	\$ 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	\$ 2,753,070
Municipal income tax	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	51,412,853
Payment in lieu of taxes	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	10,176,781
Intergovernmental	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	7,004,717
Charges for services	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	10,872,382
Licenses and Permits	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	3,353,929
Fines and Forfeitures	337,475	307,757	261,398	403,899	322,883	354,641	182,046	174,768	143,576	371,438
Investment Income	73,377	48,070	199,018	332,676	676,436	1,050,568	734,897	(408,122)	(1,945,169)	7,027,358
Other	882,453	217,020	318,819	248,424	619,115	480,183	599,366	399,400	264,971	298,336
Total revenues	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	93,270,864
<b>Expenditures:</b>										
Current:										
General government	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	19,783,009
Security of persons and property	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	14,091,944
Public health	194,357	225,000	237,546	256,406	261,020	383,820	445,984	424,657	454,383	481,181
Leisure time activity	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	26,793,269
Community Environment	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	2,729,220
Basic Utility Services	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	5,034,698
Transportation	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	13,854,080
Debt service:										
Principal retirement	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	10,610,455
Interest and fiscal charges	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	5,859,214
Issuance costs	147,271	182,912	247,705	104,753	-	167,401	-	-	907,156	-
Total expenditures	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	99,237,070
Excess (deficiency) of revenues over (under) expenditures	(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)	(5,966,206)
<b>Other financing sources (uses):</b>										
Proceeds from Sale of capital assets	1,848	1,500	298,393	11,152	2,295	200	11,884,757	22,382	21,196	300,698
Issuance of General Obligation Bonds	-	8,745,000	3,855,000	4,655,000	-	1,022,964	7,605,000	-	85,000,000	-
Issuance of Bond Anticipation Notes	10,785,000	7,275,000	6,500,000	-	-	9,155,000	-	-	-	-
Inception of Financed Purchase	-	-	-	-	-	-	-	-	246,151	608,719
Loans Issued	-	-	-	-	4,857,608	-	341,626	1,250,000	-	-
Premium on Debt	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	(5,486,754)	(3,295,918)	(9,130,978)	453,669	-	-	(4,403,555)	-	-	-
Inception of 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	2,810,895
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)	(2,810,895)
Total other financing sources (uses)	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	909,417
Net change in fund balances	\$ 5,102,935	\$ 409,184	\$ 1,276,509	\$ (632,644)	\$ 669,037	\$ 9,797,497	\$ 20,168,006	\$ 1,153,430	\$ 88,464,749	\$ (5,056,789)
Debt service as a percentage of noncapital expenditures	23.90%	35.50%	27.90%	25.20%	14.10%	15.53%	16.61%	14.71%	18.43%	28.02%

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
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
2023	36,851,282	72%	6,337,971	12%	43,189,253	85%	7,662,385	15%	50,851,638

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)
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%
2023	25,771,335	9,905,764	3,964,821	9,918,340	49,560,260	9.65%

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*  
 2023 and 2014

Range of Withholding Amount	2023		2014	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	6	22.86%	4	27.26%
\$300,001 - 500,000	6	6.13%	2	4.13%
\$100,001 - 300,000	38	15.89%	12	12.42%
\$55,001 - 100,000	52	10.42%	29	13.23%
Total		55.30%		57.04%
All Others		44.70%		42.96%
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		
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
2023	1,339,543,800	1,665,050	280,005,610	88,037,870	108,420	1,709,360,750	51,125,310	1,760,486,060	27.75%	5,029,960,171	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)*

Tax Year	City of Hilliard General Fund	Hilliard City School District	Franklin County	Metropolitan Library	Norwich Township	Vocational School	Total
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	1.60	143.04
2023	1.60	90.95	19.77	4.30	25.72	2.00	144.34

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Principal Property Tax Payers - Real Property*  
2023 and 2014

Taxpayer	2023			2014		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Ohio Power Company	34,804,930	1	19.02%			
Villages at Britton LTD	20,649,270	2	11.28%			
Hilliard Grand Apartments LLC	12,587,330	3	6.88%			
Heritage Green Hilliard LLC	11,402,480	4	6.23%			
West-Ward Columbus Inc.	11,305,500	5	6.18%			
MCI International Inc.	8,980,020	6	4.91%	\$ 9,137,530	1	1.07%
Hilliard Meadows Apartments, LLC	7,694,790	7	4.20%			
Riggins Road LLC	7,571,590	8	4.14%			
Vadata, Inc.	6,066,200	9	3.31%			
M-BM, LLC	0	10	0.00%			
LSREF3 Bravo Ohio LLC				7,385,000	2	0.87%
Trueman LP				5,454,900	3	0.64%
Ansmil LLC				4,384,220	4	0.51%
National Retail				4,200,020	5	0.49%
One Mill Run LP				3,850,010	6	0.45%
Crystal Lakes Apartments				3,162,320	7	0.37%
Continental Hilliard				3,160,680	8	0.37%
Homewood Corp				3,025,770	9	0.35%
Echo Continental Hilliard				2,912,890	10	0.34%
Total Top 10 Real Property	121,062,110		66.14%	46,673,340		5.47%
All Others	61,963,590		33.86%	806,908,620		94.53%
Total Real Property Assessed Valuation	<u>\$ 183,025,700</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
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
2023	2,816,778	2,812,562	99.85%	45,578	2,858,140

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, 2023*

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
<b>Direct</b>			
City of Hilliard			
Loans Payable	\$ 12,208,715		\$ 12,208,715
General Obligation Bonds	38,151,612		38,151,612
Special Obligation Bonds	<u>87,418,525</u>		<u>87,418,525</u>
Total Direct Debt	<u>137,778,852</u>	<u>100.00%</u>	<u>137,778,852</u>
<b>Overlapping Subdivisions</b>			
Dublin City School District	219,386,671	0.06%	131,632
Franklin County	84,805,355	3.51%	2,976,668
Hilliard City School District	84,960,004	38.37%	32,599,154
Tolles Career & Technical Center	759,471	14.20%	107,845
Columbus State Community College	112,910,000	3.51%	3,963,141
Solid Waste Authority of Central Ohio	<u>51,120,000</u>	3.35%	<u>1,712,520</u>
Total Overlapping Debt	<u>553,941,501</u>		<u>41,490,959</u>
Total Direct and Overlapping Debt	<u>\$ 691,720,353</u>		<u>\$ 179,269,811</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
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
2023	38,151,612	5,029,960,171	37,377	0.76%	1,021

(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	Special Obligation Bonds	Loans from Direct Borrowings	Total Outstanding Debt	Population(1)	Personal Income(2)	Debt Per Capita	Percentage of Personal Income
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	92,163,342	-	148,481,975	36,892	2,208,613	4,025	1.67%
2023	-	12,208,715	38,151,612	87,418,525	-	137,778,852	37,377	2,288,519	3,686	1.63%

(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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Assessed Valuation	\$ 1,378,112,100	\$ 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
Overall debt limitation - 10.5% of assessed valuation	144,701,771	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
Total Indebtedness as of 12/31	112,877,390	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
Less Exempt Debt:										
Self Supporting										
2005 Various Purpose-Water portion(39%)	-	-	-	254,555	254,555	-	-	-	1,123,200	1,567,800
Total Self Supporting	-	-	-	254,555	254,555	-	-	-	1,123,200	1,567,800
Income Tax Supported										
Various Purpose	34,265,000	39,380,000	44,305,000	49,035,000	50,576,000	45,800,000	49,830,000	48,825,000	45,545,000	41,990,000
Special Purpose	78,027,390	82,500,000	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	6,500,000	7,275,000	10,785,000
Total Income Tax Supported	112,292,390	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
Amount available in the debt service fund	-	-	-	-	-	-	-	-	-	-
Total Exempt Debt	112,292,390	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
Net Debt Subject to Limitation	585,000	585,000	585,000	330,445	44,445	-	-	365,000	2,466,800	3,492,200
Legal debt margin within 10.5% limitation	<u>\$ 144,116,771</u>	<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>
Percentage of Net Debt to Assessed Value	0.04%	0.04%	0.05%	0.03%	0.11%	0.00%	0.00%	0.04%	0.28%	0.41%
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%	10.46%	10.45%	10.47%	10.39%	10.50%	10.50%	10.46%	10.22%	10.09%
Unvoted debt limitation 5.5% of assessed valuation	\$ 75,796,166	\$ 73,869,731	\$ 71,076,577	\$ 59,276,276	\$ 2,273,570	\$ 1,625,041	\$ 52,012,024	\$ 49,136,392	\$ 47,706,120	\$ 46,329,809
Total Indebtedness as of 12/31	112,877,390	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
Less Total Exempt Debt	112,292,390	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
Net Debt Subject to Limitation	585,000	585,000	585,000	330,445	44,445	-	-	365,000	2,466,800	3,492,200
Legal debt margin within 5.5% limitation	<u>75,211,165.50</u>	<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>
Percentage of Net Debt to Assessed Value	0.04%	0.04%	0.05%	0.03%	0.11%	0.00%	0.00%	0.04%	0.28%	0.41%
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%	5.46%	5.45%	5.47%	5.39%	5.50%	5.50%	5.46%	5.22%	5.09%

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)
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
2023	37,377	2,288,519	61,228	16,339	3.8%	1,760,486,060

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*  
 2023 and 2014

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,942	1	7.66%	1,685	2	7.05%
BMW Financial Services				562	3	2.35%
Amazon Data Services**	107	9	0.42%			
Sedgwick Claims Mgmt Inc.				330	5	1.38%
Nationwide Mutual Insurance Co.	620	2	2.45%			
Advanced Drainage Systems	465	3	1.83%	111	10	0.46%
Honda Dev. Mfg. of America, LLC	213	8	0.84%			
Micro Center Inc.	289	6	1.14%	286	7	1.20%
R. E. Rich Family Holding Corp.	341	5	1.35%	274	8	1.15%
City of Hilliard	408	4	1.61%	133	9	0.56%
State of Ohio ODOT	95	10	0.37%			
The EcoPlumbers	286	7	1.13%			
Echosphere LLC				296	6	1.24%
Cello Partnership dba Verizon				1,716	1	7.18%
MCI Telecommunications				484	4	2.03%
Total Employees	4,766		18.80%	5,877		24.60%
All Other Employers	20,586		81.20%	18,009		75.40%
Total Employment within the City	<u>25,352</u>		<u>100.00%</u>	<u>23,886</u>		<u>100.00%</u>

\*Zoominfo.com

\*\*Buzzfile.com

Source: City Income Tax Department

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

Function/Program	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	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	40	40	45	54	41	41	51	53	41	81	40	79	41	79	41	80	44	88	46	48
Security of Persons and Property	44	44	54	54	49	50	58	58	70	74	76	79	75	77	73	75	75	76	76	77
Leisure Time Activities	18	28	15	25	19	48	16	30	19	40	19	36	20	27	19	41	19	38	23	49
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	21	21	19	19	24	24	26	26	27	27	27	27	30	30	30	31	31	31
<i>Total Number of Employees</i>	<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>	<u>177</u>	<u>206</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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government</b>										
Government Center	1	1	1	1	1	1	1	1	1	1
<b>Security of Persons and Property:</b>										
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
<b>Leisure Time Activities (1):</b>										
Number of Parks	24	25	26	26	26	26	26	25	26	26
Park Area (acres)	324	531	531	531	531	531	531	462.12	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
<b>Basic Utility Services (2):</b>										
Miles of Water Mains	133.5	135.1	137.7	140.1	140.8	143.9	144.97	145.19	146.43	148.45
Miles of Sanitary Sewers	147.5	150.7	154.4	155.8	156.8	159.2	160.1	160.99	163.4	167.73
Miles of Storm Sewers	128.6	130.5	133.0	134.8	136.1	143.3	145.15	145.75	147.96	149.51
<b>Transportation (2)</b>										
Miles of Streets	115.0	117.1	118.6	120.1	121.3	124.1	124.93	125.17	126.17	127.22
Number of Street Lights	1,917	1,940	1,954	1,955	1,993	2,082	2,130	2,137	2,189	2,199
Number of Traffic Signal Systems	36	36	36	36	36	0	36	36	34	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*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government:</b>										
Active Income Tax Accounts										
Individual	17,788	16,923	17,816	17,584	17,577	21,406	22,288	23,310	22,611	22,664
Business	1,866	1,887	1,935	1,750	2,138	2,195	3,684	1,899	1,919	2,011
Withholding	2,842	3,057	3,228	3,237	3,397	3,487	2,107	4,117	4,950	5,482
<b>Clerk of Courts:</b>										
Traffic Court Cases	2,472	2,826	1,862	1,915	2,418	2,212	1,270	1,409	1,127	1,160
<b>Security of Persons and Property:</b>										
Police Calls	50,934	48,064	40,512	36,478	40,361	43,744	37,479	34,390	34,051	35,496
Physical Arrests	1,051	1,062	785	856	1,023	931	708	819	1,008	911
Citations	4,118	3,778	2,353	2,402	2,874	2,717	1,643	1,807	963	1,483
Parking Violations	374	66	179	369	344	262	83	24	28	163
<b>Leisure Time Activities:</b>										
Swimming Pool Revenue	608,941	561,749	554,069	565,007	838,335	893,909	8,377	750,708	820,759	850,933
Community Center Revenue	274,665	305,013	298,890	218,572	179,141	299,953	99,685	376,250	622,987	560,736
Senior Center Revenue	80,191	77,149	84,457	81,497	77,870	80,502	45,602	52,175	98,720	88,254

Source: Department annual reports



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF HILLIARD**

**FRANKLIN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 8/20/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)