



**Auditor of State  
Betty Montgomery**



CITY OF HILLIARD  
FRANKLIN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' 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 the City Council:

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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2005-001 and 2005-002.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. In a separate letter to the City's management dated June 20, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 20, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the City Council. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 20, 2006

CITY OF HILLIARD  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2005

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

<b>Finding Number</b>	<b>2005-001</b>
-----------------------	-----------------

**SAS 70 Report – Health and Dental Claims Processing**

The City has delegated the health and dental claims processing function of its self insurance, which is a significant accounting function, to a third-party administrator. The City has not established procedures to determine whether the service organization has sufficient controls in place and which are operating effectively to reduce the risk that claims have not been completely and accurately processed and paid in accordance with the health insurance contract.

We recommend the City help assure the completeness and accuracy (including eligibility and allowability) of health insurance claims processed by its third-party administrator. Statement on Auditing Standards (SAS) No. 70, as amended, prescribes standards for reporting on service organizations. An unqualified Type Two *Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness* in accordance with SAS No. 70 should provide the City with reasonable assurance that health insurance claim transactions conform to the contract.

We recommend the City specify in its contract with the third-party administrator that an annual Type II SAS 70 audit be performed. The City should be provided a copy of the SAS 70 audit report timely and should review the report's content. A SAS 70 audit should be conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide a Type II SAS 70 audit report, we recommend the City only contract with a third-party administrator that will provide such a report.

**Official's Response**

The City recognizes the requirement for assurances that our third party administrators have sufficient controls in place to perform their contractual duties correctly. We will work with the administrators to obtain those assurances for the 2006 audit year through a Type Two SAS 70 Report or agreed upon procedures.

**CITY OF HILLIARD  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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<b>Finding Number</b>	<b>2005-002</b>
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**SAS 70 Report – Local Refuse Services**

The City has delegated the billing and collection of fees for residential refuse services, which are significant accounting functions, to a third-party administrator. The City has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk that the collection and billing of fees have not been completely and accurately processed in accordance with the contract.

The City should assure the completeness and accuracy of the amount of fees billed and collected by its third-party administrator. Statement on Auditing Standards (SAS) No. 70, as amended, prescribes standards for reporting on service organizations. An unqualified Type Two *Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness* in accordance with SAS No. 70 should provide the City with reasonable assurance that the amount of fees billed and collected conform to the contract. As an alternative, the City may request an independent auditor perform agreed-upon procedures at the service organization to gain assurance over the billing and collection of fees. Failure to obtain assurance through a Type Two SAS No. 70 report or agreed-upon procedures will presumably result in a qualified opinion.

We recommend the City specify in its contract with the third-party administrator that an annual Type Two SAS 70 Report be obtained or agreed-upon procedures be performed. The City should be provided a copy of the respective report timely and should review the report's content. The SAS 70 report or agreed-upon procedures should be conducted in accordance with the American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide a Type Two SAS 70 report or agreed-upon procedures, we recommend the City only contract with a third-party administrator that will provide such a report.

**Official's Response**

The City recognizes the requirement for assurances that our third party administrators have sufficient controls in place to perform their contractual duties correctly. We will work with the administrators to obtain those assurances for the 2006 audit year through a Type Two SAS 70 Report or agreed upon procedures.



CITY OF HILLIARD  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2004-001	Lack of a SAS 70 Report – Health and Dental Claims Processing	No	Not Corrected – Reissued as Finding Number 2005-001



# CITY OF HILLIARD, OHIO

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FRANKLIN COUNTY

## *Comprehensive Annual Financial Report*

For the Year Ended December 31, 2005

Prepared by:  
**Department of Finance**

Michelle Kelly-Underwood  
**Director**

David D. Delande  
**Deputy Director**



**City of Hilliard, Ohio**  
*Comprehensive Annual Financial Report*  
*For The Year Ended December 31, 2005*  
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**City of Hilliard, Ohio**  
*Comprehensive Annual Financial Report*  
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Don Schonhardt, Mayor

# City of Hilliard

3800 Municipal Way • Hilliard, Ohio 43026-1696 • Municipal Offices (614) 876-7361

June 20, 2006

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Hilliard, (the City) for the year ended December 31, 2005. The report has been prepared in accordance with accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. A comprehensive framework of internal controls has been established for this purpose. Because the work 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. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the City of Hilliard's financial statements for the year ended December 31, 2005. The Auditor of State's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Auditor of State 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.

This report is comprised of three major sections:

1. *The Introductory Section* includes the table of contents, this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, the Certificate of Achievement for Excellence in Financial Reporting, a list of the principal City Officials, and an Organizational Chart.
2. *The Financial Section* contains the Independent Accountants' Report, Management's Discussion and Analysis, the basic financial statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the combining and individual fund statements and schedules that provide detailed information to the basic financial statements.



3. *The Statistical Section* presents social, economic, and historical data, which can be used to identify financial trends and data relative to the fiscal capacity of the City. The City has chosen to implement the recently issued *Governmental Accounting Standards Board Statement No. 44, "Economic Condition Reporting: The Statistical Section"*.

State law requires that every general-purpose local government file with the Auditor of State of Ohio and publish the availability of complete financial statements. This report is published to fulfill that requirement for the year ended December 31, 2005.

## **Overview of the City**

### **General Information**

The City lies in the western half of Franklin County in portions of Norwich, Washington and Brown Townships and is located approximately ten miles northwest of downtown Columbus, the capital of the State of Ohio. The City encompasses an area of approximately eleven 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 twenty miles from Port Columbus International Airport and offers immediate access to interstate highways I-70 and I-270 via three major interchanges. The City is situated 833 feet above sea level and experiences mean temperatures of 71.97 degrees during the summer and 29.80 degrees during the winter.

The Hilliard area was settled in the early 1800's and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950's when residential growth boomed. By December 12, 1960 the population had reached 5,000 and the Village of Hilliard became a City. The Mid-Ohio Regional Planning Commission estimates the population for the City to be 28,158 for 2005.

The City is served 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 36 percent of its students reside in the City.

### **Form of Government and Reporting Entity**

The City operates under a Charter first adopted by the voters in 1963 and last amended by the voters in 1993, which provides for a Mayor-Council form of government. The laws of the State of Ohio prevail when conflicts exist between the Charter and the State Constitution and in matters where the Charter is silent. The legislative body of the City consists of a seven-member Council, all elected at-large for four year overlapping terms. The Mayor is elected for a four-year term and serves as the Chief Executive Officer of the City. The Council fixes compensation levels of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, licensing of regulated business and trades and other municipal purposes. Voters approved a two-term limit for all elected officials at the November 1993 general election.

The Mayor serves full-time and appoints the following directors: Finance, Law, Public Safety, Economic Development, Public Service, Human Resources, Parks and Recreation and Public

Lands and Buildings. The Directors serve as department heads and report directly to the Mayor. 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 funds and departments which provide various services including police, recreation and parks, engineering, water services, sewer services, street maintenance and repair, zoning, and support services (i.e., payroll processing and accounts payable). The Mayor has direct responsibility for these activities.

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

The City's charter requires the Mayor to submit to Council on or before December 15<sup>th</sup> of each year a budget for the following year. Council sets the date and place of a public hearing on the budget and gives notice of the meeting time and place in a newspaper of general circulation at least seven days prior to the hearing. 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 budget is prepared by fund and department and is approved at the object level. Department heads may transfer resources within the object as they see fit. Transfers between objects, however, need approval from Council.

## **Factors Affecting Financial Condition**

### **Local Economy and Financial Planning**

The City is included in the Columbus Metropolitan Statistical Area which is ranked 31<sup>st</sup> in the nation by population. A strong residential, commercial, and industrial tax base, a very diverse labor force, and an unemployment rate below the state and national averages have resulted in strong growth throughout the metropolitan area as well as in the City since 1970.

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 that provide improvements to everything from streets and sewer and waterlines to ball fields, traffic signals, and the municipal complex expansion.

Income tax remains the primary source of revenue for the City; this revenue supports our five-year Capital Improvement Program. Income tax revenue is divided between three funds including the General Fund, Street Improvement Municipal Tax Special Revenue Fund, and Capital Improvement Municipal Tax Capital Projects Fund.

### **Major Initiatives**

Attracting quality commercial development continued to be the City's focus in 2005. Debt was issued in 2005 to construct roadway in Britton Central which is a 282 acre mixed use Planned Unit Development west of I-270. The City also worked with the City of Columbus to extend a sanitary sewer line to the development. BMW opened a 220,000 square foot office building for their corporate facility in Britton Central May 22, 2006 as a result of the completed roadway and sewer line. This acreage provides the only large sites remaining along northwest I-270 for development. The commercial development areas immediately north of the City limits are now substantially built out and have no freeway visible corporate sites in excess of 20 acres. The freeway visibility and larger available tracts make the City attractive to most large new commercial/office projects destined for Central Ohio.

The Trueman Boulevard projects open over 100 acres to new commercial development. In addition to Home Depot, which opened in July of 2004, Target opened July of 2005 along with the CME Credit Union and Cheeseburger in Paradise restaurant. The Trueman Boulevard corridor will include a mix of retail, office and service businesses. An orthopedic facility is under construction and an urgent care facility is in the planning stages. The City was successful in changing the site that will house the orthopedic facility from residential to commercial further expanding the commercial tax base.

Hilliard is participating in the I-270/US 33 Major Investment Study with representatives from the Ohio Department of Transportation, the Mid-Ohio Regional Planning Commission, the cities of Columbus and Dublin, and the Franklin and Union County Engineer's offices. The goal of this study is to evaluate the I-270 and US Route 33 highway corridors' traffic volumes in order to determine freeway-related projects to be undertaken for design and construction in the future.

Engineering and right-of-way acquisition is continuing on Hilliard Rome Road. This project is being planned and performed in conjunction with the City of Columbus with eighty percent of the funding provided by the State Department of Transportation.

The City is also planning to reconstruct a major intersection in the downtown area to improve traffic flow and safety. The plans call for traffic roundabouts.

## **Cash Management Policies and Practices**

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. 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.

The City's investments are governed by Section 135.14 of the Ohio Revised Code and the City's investment policy. 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. Most investments mature within the current fiscal year. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and State Statutes. As required by law, all deposits and repurchase agreements are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issued) are specifically permitted by the Ohio Revised Code and the City's investment policy.

The primary objectives of the City's investment program in order of priority are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning a market rate of return.

All eligible financial institutions must meet the requirements of the Uniform Depository Act and have a current Agreement for Deposit of Interim Funds with the City.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2004. This was the fourteenth consecutive year (1991-2004) that the City received this award.

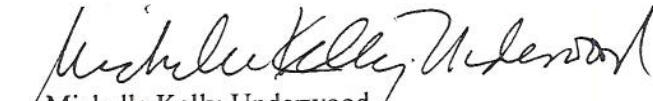
The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report with contents conforming to all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.


A Certificate of Achievement is valid for a period of one year. We believe this current report continues to conform to the Certificate of Achievement program requirements, and we are submitting the report to the GFOA.

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

The entire Finance Department played a part in preparing this report; they worked with extreme dedication to the project. Special thanks to David D. Delande, Deputy Finance Director, for his special attention to the project.

Respectfully submitted,

  
Michelle Kelly-Underwood  
Finance Director

  
Don Schonhardt  
Mayor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hilliard,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

**City of Hilliard, Ohio**

*Principal Officials*

*December 31, 2005*

Elected Officials

Name	Title	Term Expires	Service	Surety
Don Schonhardt	Mayor	12/31/2007	4	A
Bill Uttley	President of Council	12/31/2005	4	A
Kim Allison	Council	12/31/2009	1	A
Kirk Herath	Council	12/31/2005	4	A
Dana Peacock	Council	12/31/2007	8	A
Michael Cope	Council	12/31/2005	8	A
Scott Brown	Council	12/31/2007	2	A
Tim Roberts	Council	12/31/2007	2	A

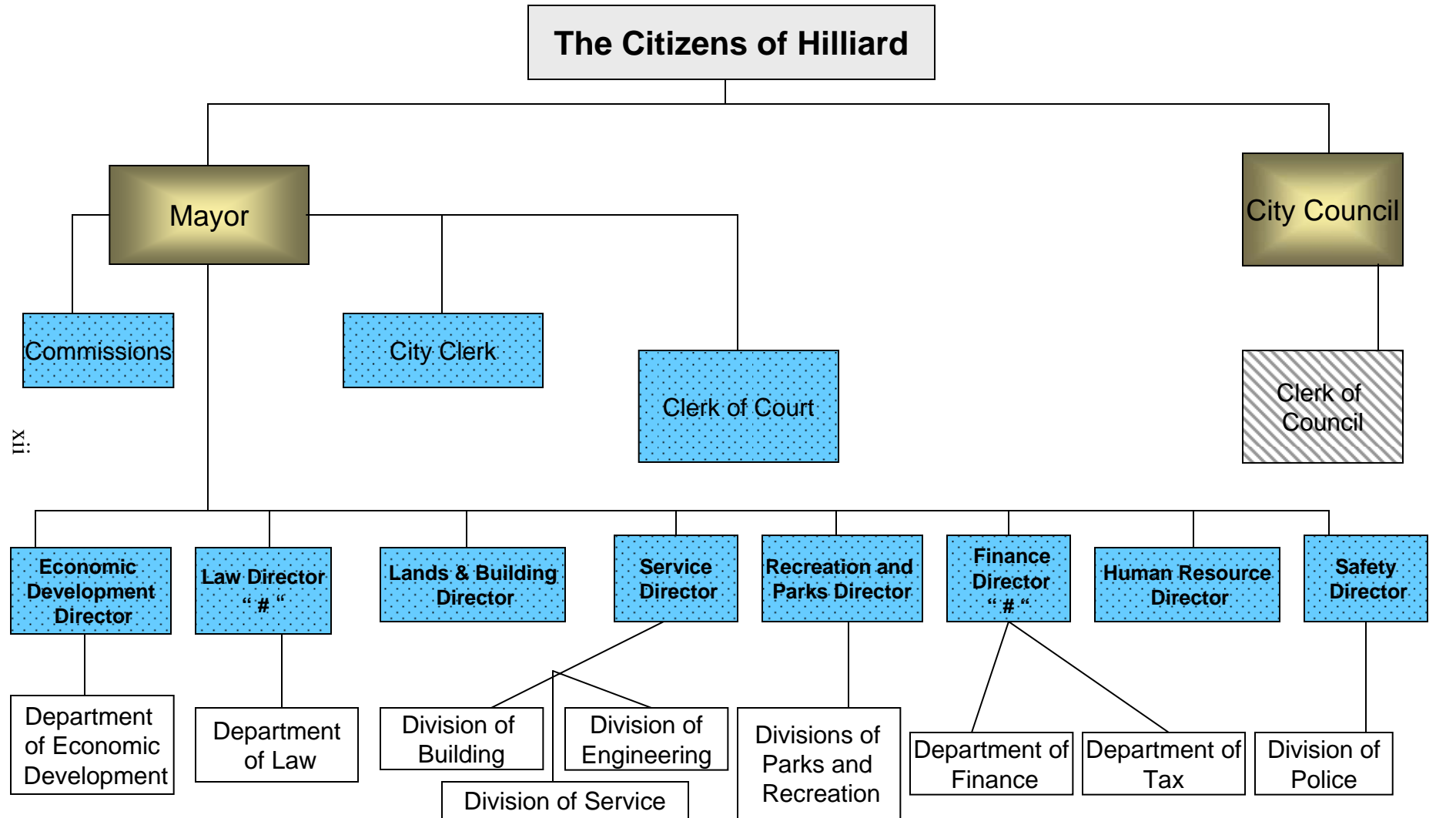
Appointed Officials

Name	Title	Term Expires	Service	Surety
Michelle Kelly-Underwood	Director of Finance	Indefinite	2	A & B
Pamela A. DeDent	Director of Law	Indefinite	2	A
Pamela A. DeDent	Director of Safety	Indefinite	2	A
Clyde R. Seidle	Director of Service	Indefinite	2	A
John M. Brennan	Director of Parks and Recreation	Indefinite	6	A
David Meeks	Director of Economic Development	Indefinite	3	A
Gerry Edwards	Director of Human Resources	Indefinite	1	A
John F. Hall, III	Director of Land & Bldgs.	Indefinite	1	A
Rodney D. Garnett	Chief of Police	Indefinite	18.5	A
Lynn Greenler	Clerk of Council	Indefinite	1	A




(A) National Casualty Insurance Company, \$1,000,000/\$1,000,000.

(B) US Fidelity Insurance Company, \$1,000,000 Bond.

# The City of Hilliard, Ohio Organizational Chart



ix:

-  Elected Officials
-  Appointed by the Mayor
-  Appointed by Council
- "#" Consent by Council

- Boards and Commissions
- Parks and Recreation
- Planning and Zoning Commission
- Graphics Commission

- Shade Tree Commission
- Old Hilliard Corporation
- Civil Service Commission

- Board of Zoning Appeals
- Tax Incentive Review Council
- Board of Tax Appeals





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio, (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Street Maintenance and Repair, Street Improvement Municipal Tax, and Water Revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical sections to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

June 20, 2006

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Hilliard's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the year ended December 31, 2005.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets increased \$5,053,502 during 2005.
- General revenues accounted for \$18,363,129 or 66.67% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$9,182,248 or 33.33% of total revenues of \$27,545,377.
- The City had \$22,491,875 in expenses related to governmental activities, while only \$9,182,248 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property and income taxes) of \$18,363,129 were adequate to provide for the remaining cost of these programs.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Hilliard's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The 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 the amount of funds available for future spending. The fund financial statements focus on 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 Assets and the Statement of Activities*

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Hilliard is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

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These two statements report the City's net assets and changes to those assets. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of the City Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Hilliard's major funds are the General Fund, the Street Maintenance and Repair, Street Improvement Municipal Tax, and Water Revenue Special Revenue Funds, and the Capital Improvement Municipal Tax Capital Projects Fund.

**Governmental Funds** – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

**Proprietary Fund** – Proprietary funds use the same measurement focus and basis of accounting as the Government-Wide Financial Statements. The internal service fund is used to report 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.

**Fiduciary Funds** – The City's fiduciary funds are agency funds. All of the City's fiduciary funds are reported in a separate Statement of Fiduciary Assets and Liabilities – Agency Funds. We exclude these activities from the City's other financial statements, because the City cannot use these assets to finance its own operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

**THE CITY AS A WHOLE**

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1  
 Net Assets  
 Governmental Activities

	2005	2004
<b>Assets</b>		
Current and Other Assets	\$23,881,961	\$17,401,113
Capital Assets	40,457,149	18,241,492
<i>Total Assets</i>	<i>64,339,110</i>	<i>35,642,605</i>
<b>Liabilities</b>		
Long-Term Liabilities	41,886,968	18,648,427
Other Liabilities	4,362,757	3,958,295
<i>Total Liabilities</i>	<i>46,249,725</i>	<i>22,606,722</i>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	7,467,139	2,607,404
Restricted for:		
Other Purposes	4,912,322	5,144,120
Debt Service	357,079	295,638
Capital Outlay	2,374,811	2,511,267
Unrestricted	2,978,034	2,477,454
<i>Total Net Assets</i>	<i>\$18,089,385</i>	<i>\$13,035,883</i>

Net assets of the City's governmental activities increased \$5,053,502 during 2005. Net Capital Assets increased 22,215,657 due to additional construction in progress primarily for road improvements. Long-term liabilities increased due to the issuance of general obligation bonds for the Trueman Boulevard project and other various capital improvements.

Table 2, on the following page, shows the highlights of the City's revenues and expenses. These two main components are subtracted to yield the change in net assets. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program revenues and general revenues. Program revenues are defined as charges for services, grants, contributions, and interest restricted to be used for a specific program. General revenues include taxes, unrestricted grants, and unrestricted investment earnings.

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

Table 2 shows the changes in net assets for the years ended December 31, 2005 and 2004.

Table 2  
Change in Net Assets  
Governmental Activities

	2005	2004
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$5,300,398	\$3,849,590
Operating Grants and Contributions	1,498,612	1,349,952
Capital Grants, Contributions, and Interest	2,383,238	343,049
<i>Total Program Revenues</i>	<u>9,182,248</u>	<u>5,542,591</u>
General Revenues:		
Property and Other Local Taxes	1,720,631	1,580,512
Municipal Income Taxes	14,349,334	13,606,085
Payments in Lieu of Taxes	372,122	101,508
Grants and Entitlements not Restricted to Specific Programs	1,168,131	1,220,891
Unrestricted Investment Earnings	572,014	100,411
Unrestricted Contributions	1,500	0
Miscellaneous	179,397	176,016
<i>Total General Revenues</i>	<u>18,363,129</u>	<u>16,785,423</u>
<i>Total Revenues</i>	<u>27,545,377</u>	<u>22,328,014</u>
<b>Program Expenses</b>		
General Government	3,984,242	3,412,918
Security of Persons and Property	6,783,077	7,028,605
Public Health	121,642	119,086
Leisure Time Activities	2,589,446	2,714,029
Community Environment	2,861,784	1,403,235
Basic Utility Services	2,590,791	2,105,383
Transportation	2,295,447	2,552,428
Interest and Fiscal Charges	1,265,446	817,887
<i>Total Expenses</i>	<u>22,491,875</u>	<u>20,153,571</u>
<i>Increase in Net Assets</i>	5,053,502	2,174,443
<i>Net Assets at Beginning of Year</i>	<u>13,035,883</u>	<u>10,861,440</u>
<i>Net Assets at End of Year</i>	<u>\$18,089,385</u>	<u>\$13,035,883</u>

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

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**Governmental Activities**

The 2.0 percent income tax is the largest source of revenue for the City of Hilliard. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either bimonthly, monthly, or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Since 1995, local income tax revenue has increased annually an average of 6.7%. During 2005, the City's vision continued to focus on economic expansion and to promote the economic base.

The significant increase in Capital Grants, Contributions, and Interest is due to revenues received from the City of Columbus and the State of Ohio for various construction projects and roadwork development. The increase in Charges for Services was due to the change in the billing method for waste collection services and the implementation of a fleet fund for vehicle maintenance during 2005. The City now receives a gross amount and then remits the entire payment to Local Waste Services. In the past, the City received the net amount.

The significant increase in Community Environment expense was due to the additional judgment payable incurred during the year and the change in the billing method for waste services.

Administration and City Council have a quality of life commitment to the citizens and businesses located in Hilliard. With this in mind, City Council's commitment is to maintain and improve the City's investments through appropriations for capital assets, equipment, and repairs. These assets included street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

Governmental program expenses for 2005 were as follows:

General Government	17.71%
Security of Persons and Property	30.16%
Public Health	0.54%
Leisure Time Activities	11.51%
Community Environment	12.72%
Basic Utility Services	11.52%
Transportation	10.21%
Interest and Fiscal Charges	5.63%
	<u>100.00%</u>

As indicated above, citizen safety and well-being is emphasized.

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 19.24% of total revenues. Revenues provided by sources other than City residents in the form of operating and capital grants restricted to a certain program comprise another 14.09%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

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## **THE CITY'S FUNDS**

Information about the City's major governmental funds begins on page 14. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$27,343,222 and expenditures of \$46,722,117. As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$16,400,368, an increase of \$5,641,821 in comparison with the prior year. Unreserved undesignated fund balance equals \$7,958,754. The remaining fund balance of \$8,441,614 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or Federal government.

The General Fund balance of \$2,947,607 continues to rely heavily on the City's income tax as its primary source of revenue for operations, which kept the balance and activity of the fund consistent to prior years. The slight increase during the year of \$197,949 was due to the increase in income taxes collected and the change in the billing method for waste services, which caused an increase in charges for services revenue and community environment expenditures.

The increase of \$150,562 in the Street Maintenance and Repair Special Revenue Fund was primarily due to an increase in the gasoline excise tax revenue received during the year.

The Street Improvement Municipal Tax Special Revenue Fund decreased by \$72,660 due primarily to an increase in transportation expenditures for the purchase of road right of way.

The Water Revenue Special Revenue Fund decreased by \$781,761 due to an increase in basic utility services for additional capital improvements during the year.

The Capital Improvement Municipal Tax Capital Projects Fund increased by \$5,648,826 mainly due to the issuance of general obligation bonds with a significant amount of unspent proceeds for the Trueman Boulevard project and other capital projects. Intergovernmental revenue also increased, due to monies received from the State of Ohio for roadwork development and from the City of Columbus for the Upper Scioto Project.

A transfer was made during the year ended December 31, 2005 in the amount of \$37,871 from nonmajor governmental funds to the General Fund. The transfer was made to move the remaining balance from the General Obligation Bond Debt Service Fund to the General Fund. Rather than transferring monies from the Street Maintenance and Repair, Water Revenue, and Capital Improvement Municipal Tax funds to the Debt Service Fund as the City had done in the past, principal and interest payments will now be made directly from the respective funds.

### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The appropriations resolution 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 major object level within each department and fund.



**City of Hilliard, Ohio**  
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During 2005, there were various revisions to the General Fund budget, which resulted in final appropriations increasing \$590,392 from original appropriations. The increase was due to higher health insurance claims during the first half of the year.

General Fund final budgeted revenues were \$13,906,332, an increase of \$884,322 from original budgeted revenues of \$13,022,010. The increase was primarily in income tax revenue, due to an anticipation of increase in revenue after the first quarter of income taxes. Actual revenues were \$14,264,476, a difference of \$358,144 compared to final budget revenues. The most significant increase was in charges for services revenue due to revenues received from waste collection services for the change in the billing method with Local Waste Collections.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Table 3  
 Capital Assets  
 (Net of Depreciation)  
 Governmental Activities

	2005	2004
Land	\$3,656,627	\$3,181,627
Road Right-of-Way	931,343	0
Construction in Progress	16,306,188	4,200,594
Buildings	2,862,847	2,987,487
Improvements Other Than Buildings	1,287,150	1,385,181
Machinery and Equipment	835,860	930,010
Furniture and Fixtures	177,928	197,449
Vehicles	607,059	764,214
Infrastructure	13,792,147	4,594,930
Totals	\$40,457,149	\$18,241,492

An increase of \$12,105,594 occurred in construction in progress primarily due to additional work on Britton Parkway, the Hilliard Storm Project, and the Trueman Boulevard (North) Project. An increase of \$9,197,217 occurred in infrastructure primarily due to the completion of the Trueman Boulevard (South) Project. See Note 10 of the Notes to the Basic Financial Statements for more detailed information.

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2005*  
*Unaudited*

**Debt**

At December 31, 2005, the City of Hilliard had \$40,343,588 in debt outstanding.

Table 4  
 Outstanding Debt at Year-End  
 Governmental Activities

	2005	2004
Notes Payable	\$2,156,000	\$2,227,000
OWDA Loan Payable	1,893,334	0
General Obligation Bonds	34,897,543	14,255,000
Special Assessment Bonds	195,000	430,000
Capital Leases	403,267	1,208
Premium on Bonds Issued	798,444	109,252
<b>Totals</b>	<b>\$40,343,588</b>	<b>\$17,022,460</b>

During 2005, the City issued general obligation bonds and refunding bonds in the amount of \$28,460,000 for the Trueman Boulevard project, other capital improvements, to refund certain prior bonds of the City issued to finance and refinance various permanent improvement projects. The City also received OWDA loans in the amount of \$1,893,334 during the year for the construction of sewer system expansion.

All general obligation bond issues and the notes payable will be paid through the Water Revenue and Street Improvement Municipal Tax Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund.

The OWDA loans will be paid from the Capital Improvements Municipal Tax Capital Projects Fund.

Special assessment bonds will be paid with special assessment revenue from the Special Assessment Bond Retirement Fund.

The City's overall 10.5 percent legal debt margin was \$51,539,503 as of December 31, 2005. The more restrictive unvoted legal debt margin within 5.5 percent was \$9,122,597 as of the same date. See Note 17 of the Notes to the Basic Financial Statements for more detailed information about the City's debt.

**CONTACTING THE CITY'S FINANCE DEPARTMENT**

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 Michelle Kelly-Underwood, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.

## Basic Financial Statements

**City of Hilliard, Ohio**  
*Statement of Net Assets*  
*December 31, 2005*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$16,541,597
Cash and Cash Equivalents with Fiscal Agents	98,204
Accrued Interest Receivable	11,750
Accounts Receivable	195
Municipal Income Taxes Receivable	3,163,470
Due from Other Governments	1,630,362
Payments in Lieu of Taxes Receivable	63,259
Prepaid Items	27,464
Property and Other Local Taxes Receivable	1,377,820
Deferred Charges	427,733
Special Assessments Receivable	334,285
Cash and Cash Equivalents with Escrow Agent	205,822
Nondepreciable Capital Assets	20,894,158
Depreciable Capital Assets	26,962,829
Accumulated Depreciation	(7,399,838)
	<b>64,339,110</b>
<i>Total Assets</i>	
<b>Liabilities</b>	
Accounts Payable	438,675
Contracts Payable	659,669
Retainage Payable	258,814
Accrued Wages Payable	171,163
Matured Compensated Absences	81,005
Due to Other Governments	479,769
Accrued Interest Payable	140,483
Claims Payable	246,969
Judgments Payable	655,350
Deferred Revenue	1,230,860
Long-Term Liabilities:	
Due Within One Year	2,688,674
Due in More Than One Year	39,198,294
	<b>46,249,725</b>
<i>Total Liabilities</i>	
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	7,467,139
Restricted for:	
Streets and Transportation	2,718,831
Basic Utility Services	1,463,493
Other Purposes	729,998
Debt Service	357,079
Capital Outlay	2,374,811
Unrestricted	2,978,034
	<b>\$18,089,385</b>
<i>Total Net Assets</i>	

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2005

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions, and Interest	Total Governmental Activities
<b>Governmental Activities</b>					
General Government	\$3,984,242	\$283,480	\$0	\$25,273	(\$3,675,489)
Security of Persons and Property	6,783,077	485,887	189,250	0	(6,107,940)
Public Health	121,642	0	0	0	(121,642)
Leisure Time Activities	2,589,446	762,776	0	0	(1,826,670)
Community Environment	2,861,784	984,579	0	221,160	(1,656,045)
Basic Utility Services	2,590,791	2,260,677	0	0	(330,114)
Transportation	2,295,447	522,999	1,309,362	2,136,805	1,673,719
Interest and Fiscal Charges	1,265,446	0	0	0	(1,265,446)
<i>Total Governmental Activities</i>	<u>\$22,491,875</u>	<u>\$5,300,398</u>	<u>\$1,498,612</u>	<u>\$2,383,238</u>	<u>(13,309,627)</u>
<b>General Revenues</b>					
					1,569,065
					151,566
					9,047,632
					1,739,073
					3,562,629
					372,122
					1,168,131
					572,014
					1,500
					179,397
<i>Total General Revenues</i>					<u>18,363,129</u>
<i>Change in Net Assets</i>					5,053,502
<i>Net Assets at Beginning of Year</i>					<u>13,035,883</u>
<i>Net Assets at End of Year</i>					<u>\$18,089,385</u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2005*

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,247,166	\$145,711	\$855,587
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Cash and Cash Equivalents with Escrow Agent	0	0	0
Receivables:			
Property and Other Local Taxes	1,361,736	0	0
Payments in Lieu of Taxes	0	0	0
Municipal Income Taxes	2,109,269	0	351,400
Accounts	0	0	195
Special Assessments	0	0	0
Accrued Interest	11,750	0	0
Due from Other Governments	749,454	729,030	144,713
Prepaid Items	27,464	0	0
Interfund Receivable	67,350	0	0
<i>Total Assets</i>	<u>\$6,574,189</u>	<u>\$874,741</u>	<u>\$1,351,895</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$98,986	\$2,004	\$218,410
Contracts Payable	0	0	22,195
Retainage Payable	0	0	0
Interfund Payable	0	0	0
Accrued Wages Payable	146,804	11,289	0
Matured Compensated Absences	79,326	126	0
Due to Other Governments	416,332	36,299	0
Judgments Payable	0	0	0
Deferred Revenue	2,885,134	508,007	183,458
<i>Total Liabilities</i>	<u>3,626,582</u>	<u>557,725</u>	<u>424,063</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	192,489	9,818	2,232,037
Unreserved, Undesignated, (Deficit) Reported in:			
General Fund	2,755,118	0	0
Special Revenue Funds	0	307,198	(1,304,205)
Debt Service Funds	0	0	0
Capital Projects Funds	0	0	0
<i>Total Fund Balances</i>	<u>2,947,607</u>	<u>317,016</u>	<u>927,832</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,574,189</u>	<u>\$874,741</u>	<u>\$1,351,895</u>

See accompanying notes to the basic financial statements

Water Revenue	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
\$1,010,473	\$9,325,179	\$2,925,866	\$16,509,982
0	0	98,204	98,204
0	205,822	0	205,822
0	0	16,084	1,377,820
0	0	63,259	63,259
0	702,801	0	3,163,470
0	0	0	195
0	0	334,285	334,285
0	0	0	11,750
0	0	7,165	1,630,362
0	0	0	27,464
0	0	0	67,350
<u>\$1,010,473</u>	<u>\$10,233,802</u>	<u>\$3,444,863</u>	<u>\$23,489,963</u>
\$11,436	\$35,035	\$72,804	\$438,675
0	630,439	7,035	659,669
0	258,814	0	258,814
0	0	67,350	67,350
3,809	0	9,261	171,163
460	0	1,093	81,005
9,859	0	17,279	479,769
131,070	0	524,280	655,350
0	366,916	334,285	4,277,800
<u>156,634</u>	<u>1,291,204</u>	<u>1,033,387</u>	<u>7,089,595</u>
5,402	5,904,700	97,168	8,441,614
0	0	0	2,755,118
848,437	0	2,222,567	2,073,997
0	0	23,993	23,993
0	3,037,898	67,748	3,105,646
<u>853,839</u>	<u>8,942,598</u>	<u>2,411,476</u>	<u>16,400,368</u>
<u>\$1,010,473</u>	<u>\$10,233,802</u>	<u>\$3,444,863</u>	<u>\$23,489,963</u>

**City of Hilliard, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2005*

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**Total Governmental Fund Balances** \$16,400,368

***Amounts reported for governmental activities in the Statement of Net Assets are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	3,656,627
Road Right-of-Way	931,343
Construction in Progress	16,306,188
Buildings	4,982,294
Improvements Other Than Buildings	2,277,782
Machinery and Equipment	2,856,328
Furniture and Fixtures	495,616
Vehicles	1,867,925
Infrastructure	14,482,884
Accumulated Depreciation	<u>(7,399,838)</u>

Total 40,457,149

Bond issuance costs, reported as an expenditure in governmental funds, are allocated as an expense over the life of the debt on a full accrual basis. 427,733

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 Assets. (215,354)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property and Other Local Taxes	41,433
Municipal Income Taxes	1,819,931
Intergovernmental	839,979
Special Assessments	334,285
Accrued Interest	<u>11,312</u>

Total 3,046,940

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued Interest	(140,483)
Premium on Debt Issued	(798,444)
Bond Anticipation Note	(2,156,000)
General Obligation Bonds	(34,897,543)
Special Assessment Bonds	(195,000)
OWDA Loans	(1,893,334)
Capital Lease	(403,267)
Compensated Absences	<u>(1,543,380)</u>

Total (42,027,451)

*Net Assets of Governmental Activities* \$18,089,385

See accompanying notes to the basic financial statements



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**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
<b>Revenues</b>			
Property and Other Local Taxes	\$1,561,929	\$0	\$0
Municipal Income Taxes	8,657,442	0	1,731,488
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,433,086	1,205,626	1,072,161
Charges for Services	1,517,389	0	0
Licenses and Permits	460,995	0	0
Fines and Forfeitures	283,480	0	0
Rent	37,202	0	0
Contributions and Donations	1,500	0	0
Investment Income	526,726	3,441	0
Special Assessments	0	0	0
Other	46,722	8,241	0
<i>Total Revenues</i>	<u>14,526,471</u>	<u>1,217,308</u>	<u>2,803,649</u>
<b>Expenditures</b>			
Current:			
General Government	3,492,704	0	0
Security of Persons and Property	6,412,708	0	0
Public Health	121,642	0	0
Leisure Time Activities	2,344,686	0	0
Community Environment	1,979,653	0	0
Basic Utility Services	15,000	0	0
Transportation	0	1,066,746	1,847,283
Debt Service:			
Principal Retirement	0	0	743,250
Interest and Fiscal Charges	0	0	285,776
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>14,366,393</u>	<u>1,066,746</u>	<u>2,876,309</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>160,078</u>	<u>150,562</u>	<u>(72,660)</u>
<b>Other Financing Sources (Uses)</b>			
General Obligation Bonds Issued	0	0	0
Refunding Bonds Issued	0	0	0
Premium on Debt Issued	0	0	0
Proceeds of OWDA Loans	0	0	0
Inception of Capital Lease	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Transfers - In	37,871	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>37,871</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	197,949	150,562	(72,660)
<i>Fund Balances at Beginning of Year - Restated (Note 3)</i>	<u>2,749,658</u>	<u>166,454</u>	<u>1,000,492</u>
<i>Fund Balances at End of Year</i>	<u>\$2,947,607</u>	<u>\$317,016</u>	<u>\$927,832</u>

See accompanying notes to the basic financial statements

Water Revenue	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
\$0	\$0	\$151,566	\$1,713,495
0	3,547,460	0	13,936,390
0	289,148	82,974	372,122
0	1,064,644	403,891	5,179,408
902,667	0	1,732,070	4,152,126
0	0	339,585	800,580
0	0	27,010	310,490
0	0	0	37,202
0	0	51,782	53,282
0	7,566	48,242	585,975
0	0	22,755	22,755
0	123,512	922	179,397
<u>902,667</u>	<u>5,032,330</u>	<u>2,860,797</u>	<u>27,343,222</u>
0	493,013	1,908	3,987,625
0	16,021	67,694	6,496,423
0	0	0	121,642
0	36,931	35,501	2,417,118
71,070	3,262,664	547,907	5,861,294
1,395,558	249,977	921,588	2,582,123
0	18,451,290	647,685	22,013,004
141,100	697,223	80,000	1,661,573
76,700	825,729	21,738	1,209,943
0	371,372	0	371,372
<u>1,684,428</u>	<u>24,404,220</u>	<u>2,324,021</u>	<u>46,722,117</u>
<u>(781,761)</u>	<u>(19,371,890)</u>	<u>536,776</u>	<u>(19,378,895)</u>
0	22,020,000	0	22,020,000
0	6,440,000	0	6,440,000
0	727,207	0	727,207
0	1,893,334	0	1,893,334
0	402,632	0	402,632
0	(6,462,457)	0	(6,462,457)
0	0	0	37,871
0	0	(37,871)	(37,871)
<u>0</u>	<u>25,020,716</u>	<u>(37,871)</u>	<u>25,020,716</u>
(781,761)	5,648,826	498,905	5,641,821
<u>1,635,600</u>	<u>3,293,772</u>	<u>1,912,571</u>	<u>10,758,547</u>
<u>\$853,839</u>	<u>\$8,942,598</u>	<u>\$2,411,476</u>	<u>\$16,400,368</u>

**City of Hilliard, 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, 2005*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$5,641,821</b>
<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. In the current period, these amounts are:	
Capital Outlay	23,476,980
Depreciation	<u>(1,159,831)</u>
Excess of Capital Outlay over Depreciation Expense	22,317,149
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 sale.	
Loss on Disposal of Capital Assets	(101,492)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability.	
	(402,632)
The internal service fund used by management to charge the cost of insurance to individual funds is reported in the entity-wide Statement of Activities	
	(45,444)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	7,335,000
Bond Anticipation Note Principal Payments	71,000
Special Assessment Bond Principal Payments	235,000
Capital Lease Principal Payments	<u>573</u>
	7,641,573
Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:	
Property and Other Taxes	7,136
Municipal Income Taxes	412,944
Intergovernmental	(206,482)
Special Assessments	(22,755)
Investment Income	<u>11,312</u>
	202,155
The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.	
General Obligation Bonds	(28,460,000)
Unamortized Loss on Refunding Bonds	482,457
OWDA Loans	(1,893,334)
Premium on Debt Issued	(727,207)
Current Year Bond Issuance Costs	<u>371,372</u>
	(30,226,712)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and bond issuance costs are recognized as expenditures when incurred, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and bond issuance costs are deferred and amortized. The additional amount of interest and fiscal charges on the Statement of Activities is the result of the following:	
Increase in Accrued Interest	(72,759)
Amortization of Premium on General Obligation Bond	38,015
Amortization of Bond Issuance Costs (Deferred Charges)	<u>(20,759)</u>
	(55,503)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:	
Decrease in Compensated Absences	<u>82,587</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$5,053,502</u></u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property and Other Local Taxes	\$1,310,410	\$1,399,400	\$1,527,622	\$128,222
Municipal Income Taxes	8,098,385	8,648,345	8,574,750	(73,595)
Intergovernmental	1,263,262	1,349,050	1,352,273	3,223
Charges for Services	1,419,232	1,518,328	1,494,716	(23,612)
Licenses and Permits	466,571	498,256	460,995	(37,261)
Fines and Forfeitures	276,241	295,000	280,759	(14,241)
Rent	48,038	51,300	37,202	(14,098)
Contributions and Donations	0	0	1,500	1,500
Investment Income	99,871	106,653	487,906	381,253
Other	40,000	40,000	46,753	6,753
<i>Total Revenues</i>	<u>13,022,010</u>	<u>13,906,332</u>	<u>14,264,476</u>	<u>358,144</u>
<b>Expenditures</b>				
Current:				
General Government	3,436,185	3,922,993	3,679,507	243,486
Security of Persons and Property	6,402,518	6,502,240	6,438,591	63,649
Public Health	121,674	121,674	121,642	32
Leisure Time Activities	2,295,675	2,485,001	2,414,533	70,468
Community Environment	2,243,471	2,043,007	1,989,206	53,801
Basic Utility Services	0	15,000	15,000	0
<i>Total Expenditures</i>	<u>14,499,523</u>	<u>15,089,915</u>	<u>14,658,479</u>	<u>431,436</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,477,513)</u>	<u>(1,183,583)</u>	<u>(394,003)</u>	<u>789,580</u>
<b>Other Financing Sources (Uses)</b>				
Transfers - In	0	0	37,871	37,871
Advances - Out	(250,000)	(290,000)	0	290,000
<i>Total Other Financing Sources (Uses)</i>	<u>(250,000)</u>	<u>(290,000)</u>	<u>37,871</u>	<u>327,871</u>
<i>Net Change in Fund Balance</i>	<u>(1,727,513)</u>	<u>(1,473,583)</u>	<u>(356,132)</u>	<u>1,117,451</u>
<i>Fund Balance at Beginning of Year</i>	1,860,334	1,860,334	1,860,334	0
Prior Year Encumbrances Appropriated	407,393	407,393	407,393	0
<i>Fund Balance at End of Year</i>	<u>\$540,214</u>	<u>\$794,144</u>	<u>\$1,911,595</u>	<u>\$1,117,451</u>

See accompanying notes to the basic financial statement:

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Repair Fund  
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,057,000	\$1,057,000	\$1,146,646	\$89,646
Investment Income	0	0	3,441	3,441
Other	0	0	9,474	9,474
<i>Total Revenues</i>	1,057,000	1,057,000	1,159,561	102,561
<b>Expenditures</b>				
Current:				
Transportation	1,056,938	1,094,887	1,077,059	17,828
<i>Net Change in Fund Balance</i>	62	(37,887)	82,502	120,389
<i>Fund Balance at Beginning of Year</i>	42,222	42,222	42,222	0
Prior Year Encumbrances Appropriated	9,165	9,165	9,165	0
<i>Fund Balance at End of Year</i>	<u>\$51,449</u>	<u>\$13,500</u>	<u>\$133,889</u>	<u>\$120,389</u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Improvement Municipal Tax Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,729,669	\$4,022,416	\$1,714,950	(\$2,307,466)
Intergovernmental	0	927,253	927,253	0
<i>Total Revenues</i>	<u>1,729,669</u>	<u>4,949,669</u>	<u>2,642,203</u>	<u>(2,307,466)</u>
<b>Expenditures</b>				
Current:				
Transportation	452,800	4,835,250	4,630,630	204,620
Debt Service:				
Principal Retirement	743,250	743,250	743,250	0
Interest and Fiscal Charges	426,750	426,750	285,776	140,974
<i>Total Expenditures</i>	<u>1,622,800</u>	<u>6,005,250</u>	<u>5,659,656</u>	<u>345,594</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	106,869	(1,055,581)	(3,017,453)	(1,961,872)
<b>Other Financing Uses</b>				
Transfers - Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	56,869	(1,105,581)	(3,017,453)	(1,911,872)
<i>Fund Balance at Beginning of Year</i>	694,039	694,039	694,039	0
Prior Year Encumbrances Appropriated	704,450	704,450	704,450	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$1,455,358</u>	<u>\$292,908</u>	<u>(\$1,618,964)</u>	<u>(\$1,911,872)</u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water Revenue Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$630,000	\$630,000	\$913,313	\$283,313
<b>Expenditures</b>				
Current:				
Basic Utility Services	435,691	1,686,529	1,656,993	29,536
Debt Service:				
Principal Retirement	141,100	141,100	141,100	0
Interest and Fiscal Charges	108,900	108,900	76,700	32,200
<i>Total Expenditures</i>	<u>685,691</u>	<u>1,936,529</u>	<u>1,874,793</u>	<u>61,736</u>
<i>Net Change in Fund Balance</i>	(55,691)	(1,306,529)	(961,480)	345,049
<i>Fund Balance at Beginning of Year</i>	1,317,323	1,317,323	1,317,323	0
Prior Year Encumbrances Appropriated	637,794	637,794	637,794	0
<i>Fund Balance at End of Year</i>	<u>\$1,899,426</u>	<u>\$648,588</u>	<u>\$993,637</u>	<u>\$345,049</u>

See accompanying notes to the basic financial statements



**City of Hilliard, Ohio**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*December 31, 2005*

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	<u>Insurance Trust</u>
<b>Assets</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$31,615
<b>Liabilities</b>	
Current Liabilities:	
Claims Payable	<u>246,969</u>
<b>Net Assets</b>	
Unrestricted (Deficit)	<u><u>(\$215,354)</u></u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Fund  
For the Year Ended December 31, 2005*

	Insurance Trust
<b>Operating Revenues</b>	
Charges for Services	\$1,742,276
<b>Operating Expenses</b>	
Contractual Services	37,495
Claims	1,603,600
Other	146,625
<i>Total Operating Expenses</i>	1,787,720
<i>Change in Net Assets</i>	(45,444)
<i>Net Assets (Deficit) at Beginning of Year</i>	(169,910)
<i>Net Assets (Deficit) at End of Year</i>	(\$215,354)

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Year Ended December 31, 2005

	Insurance Trust
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$1,742,276
Cash Payments for Services	(184,120)
Cash Payments for Claims	(1,538,448)
<i>Net Cash Provided by Operating Activities</i>	19,708
<i>Cash and Cash Equivalents Beginning of Year</i>	11,907
<i>Cash and Cash Equivalents End of Year</i>	\$31,615
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>	
Operating Loss	(\$45,444)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:</b>	
Increase in Claims Payable	65,152
<i>Net Cash Provided by Operating Activities</i>	\$19,708
See accompanying notes to the basic financial statements	

**City of Hilliard, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2005*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$123,590
Cash and Cash Equivalents in Segregated Accounts	<u>22,538</u>
<i>Total Assets</i>	<u><u>\$146,128</u></u>
 <b>Liabilities</b>	
Due to Other Governments	\$123,590
Deposits Held and Due to Others	<u>22,538</u>
<i>Total Liabilities</i>	<u><u>\$146,128</u></u>

See accompanying notes to the basic financial statements

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Hilliard (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted January 1, 1963, and was amended June 2, 1993.

**Reporting Entity**

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

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

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

The City is associated with the Hilliard Arts Council Corporation which is defined as a Related Organization. This organization is presented in Note 21 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Hilliard have been prepared in conformity with generally accepted accounting principles (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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. 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 Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Government-Wide Financial Statements**

The Statement of Net Assets 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. The statements usually distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities; however, the City has no activities which are reported as business-type.

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

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**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 liabilities is reported as fund balance. The following are the City's major governmental funds:

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

Street Maintenance and Repair Fund – This fund is used to account for that portion of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

Street Improvement Municipal Tax Fund – This fund is used to account for 12.5 percent of the City's income tax collections to be used for repair and improvement of streets and highways.

Water Revenue Fund – This fund is used to account for water tap fees and water surcharge revenues collected by the City of Columbus for the City of Hilliard. These revenues are used for upgrading and making minor repairs to waterlines.

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

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

Proprietary Fund

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

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

Fiduciary Funds

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Measurement Focus**

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

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 and current liabilities 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 all liabilities associated with the operation of this fund are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activity.

**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 revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On 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.



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, payments in lieu of taxes, grants, entitlements, shared revenues, and donations. On the accrual basis, revenue from property taxes/payments in lieu of taxes is 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. 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, and local government assistance), and grants.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but were levied to finance 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**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.

**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 Cash Equivalents" on the financial statements. Monies held by the Franklin County Engineer are presented in the financial statements as "Cash and Cash Equivalents with Fiscal Agent". Deposits held in trust by LaSalle Bank National Association for unspent lease proceeds are presented on the financial statements as "Cash and Cash Equivalents with Escrow Agent." Cash and cash equivalents that are held separately for Mayor's Court and not held in the City treasury are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

During 2005, the City invested in Federal Home Loan Mortgage Company Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Bonds, negotiable certificates of deposit, repurchase agreements, and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005. Investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts, such as repurchase agreements, are reported at cost.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2005 amounted to \$526,726, which includes \$455,786 assigned from other funds.

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure is reported in the year in which services are consumed.

**Bond Premium/Unamortized Bond Issuance Costs/Loss**

Bond premiums and issuance costs 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 of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

The accounting loss on refunded 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.

**Capital Assets**

The City's only capital assets are general capital assets. 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 Assets 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 fair market values on the date received. The City maintains a capitalization threshold of one 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.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

All capital assets except for land, road right of way, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
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, sidewalks, water lines, sewer lines, and storm sewers. The City only reports the amounts acquired after 2002 and plans to report prior years’ amounts in 2006.

**Compensated Absences**

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time for all employees.

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

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

**Interfund Balances**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivables” and “Interfund Payables.” Interfund balances are eliminated on the government-wide Statement of Net Assets.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accrued Liabilities And Long-Term Obligations**

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

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

**Reservations Of Fund Balance**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, and the operation of police programs.

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

The government-wide Statement of Net Assets reports \$7,644,212 of restricted net assets, of which \$2,474,476 is restricted by enabling legislation.

**Interfund Transaction**

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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**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.

**Accounting Estimates**

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

**Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution 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 major object level within each department and fund.

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

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND BALANCES**

**Changes in Accounting Principles**

During 2005, the City implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3”, GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,” GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section,” and GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34.”

GASB Statement No. 40 creates new disclosure requirements for deposits and investments, related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the City’s financial statements for 2005.

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the City’s financial statements for 2005.

GASB Statement No. 44 defines the requirements for the statistical tables in the Comprehensive Annual Financial Report.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining when net assets should be reported as restricted. The implementation of this new statement had no effect on the City’s financial statements for 2005.

**Restatement of Fund Balances**

During the year 2005, changes were discovered in estimates for judgments payable from the prior year. The effect of these changes resulted in the following restatements of fund balances:

	Street Improvement Municipal Tax	Water Revenue	Nonmajor
Fund Balances, December 31, 2004	\$700,492	\$1,695,600	\$2,152,571
Judgments Payable	300,000	(60,000)	(240,000)
Adjusted Fund Balance, December 31, 2004	<u>\$1,000,492</u>	<u>\$1,635,600</u>	<u>\$1,912,571</u>

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 4 – COMPLIANCE AND ACCOUNTABILITY**

**Compliance**

The Street Improvement Municipal Tax Fund had estimated receipts greater than actual receipts by \$2,307,466 and a deficit fund balance on a budgetary basis of \$1,618,964. This is due to appropriations and resources being estimated for an entire road project and the project not being completed at year-end. This will be remedied in the following year upon completion of the project. The full amount of the deficit budgetary fund balance will be covered by contractual amounts to be received from the City of Columbus and ODOT when the project is completed.

**Accountability**

At December 31, 2005, the Insurance Trust Fund had deficit net assets of \$215,354. The General Fund is liable for any deficits and will provide operating transfers when cash is required, not when accruals occur.

**NOTE 5 – 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 Fund and the Street Maintenance and Repair, Street Improvement Municipal Tax, and Water Revenue Special Revenue Funds to provide a meaningful comparison of actual results with the budget.

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

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 reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (continued)**

*Net Change in Fund Balances*

	General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water Revenue
GAAP Basis	\$197,949	\$150,562	(\$72,660)	(\$781,761)
Revenue Accruals	(220,232)	(57,747)	(161,388)	10,646
Expenditure Accruals	(28,003)	1,509	(310,705)	(173,529)
Encumbrances	(264,083)	(11,822)	(2,472,642)	(16,836)
Unrecorded Cash - 2004	29,725	0	1,851	0
Unrecorded Cash - 2005	(71,488)	0	(1,909)	0
Budget Basis	<u>(\$356,132)</u>	<u>\$82,502</u>	<u>(\$3,017,453)</u>	<u>(\$961,480)</u>

**NOTE 6 - 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 Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Interim monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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. Bond, notes, debentures, or any other obligations or securities 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two 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;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$2,603,270 of the City's bank balance of \$2,943,843 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 6 - DEPOSITS AND INVESTMENTS (continued)**

**Investments**

As of December 31, 2005, the City had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
Federal Home Loan Mortgage Company (FHLMC) Notes	\$247,340	\$247,340	\$0
Federal National Mortgage Association (FNMA) Notes	248,360	248,360	0
Federal Home Loan Bank Bonds	328,350	0	328,350
Negotiable Certificates of Deposit	693,404	693,404	0
Repurchase Agreement	12,823,000	12,823,000	0
STAROhio	1,056,126	1,056,126	0
<b>Totals</b>	<b><u>\$15,396,580</u></b>	<b><u>\$15,068,230</u></b>	<b><u>\$328,350</u></b>

*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* – Federal Home Loan Mortgage Company Notes, Federal National Mortgage Association Notes, and Federal Home Loan Bank Bonds and the underlying securities of the repurchase agreement carry a rating of Aaa by Moody’s. STAROhio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City’s investment policy limits investments to those authorized by State statute.

*Concentration of Credit Risk* – The City places no limit on the amount it may invest in any one issuer; however, investments are limited to low risk securities with the expectation of earning market rate of return. The City’s investments in the Federal Home Loan Mortgage Company Notes, Federal National Mortgage Association Notes, and Federal Home Loan Bank Bonds, negotiable certificates of deposit, and repurchase agreements, represents 1.61 percent, 1.61 percent, 2.13 percent, 4.50 percent, and 83.28 percent, respectively, of the City’s total investments.

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 7 - PROPERTY TAXES** (continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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 and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all City operations for the year ended December 31, 2005, was \$1.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$783,936,050
Tangible Personal Property	46,408,714
Public Utility Property	17,993,360
Totals	<u>\$848,338,124</u>

**NOTE 8 - MUNICIPAL INCOME TAX**

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 8 – MUNICIPAL INCOME TAX (continued)**

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, Street Improvement Municipal Tax Special Revenue Fund, and the Capital Improvements Municipal Tax Capital Projects Fund as required by City Administrative Code.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2005, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, special assessments, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenues, and interfund receivables. All receivables are considered fully collectible. Special assessments expected to be collected in more than one year for the City amount to \$241,469. Delinquent special assessments at December 31, 2005 was \$1,164.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government Assistance	\$38,690
Local Government	490,920
Estate Tax	114,788
Homestead, Rollback and Exemption	63,633
Gas Tax	600,647
Motor Vehicle Tax	128,383
BMV Immobilization Fee	510
Sewer Surcharge	7,165
Norwich Township Police Contract	22,163
COPS Grant	18,750
ODOT Grant	144,713
Total Intergovernmental Receivable	<u>\$1,630,362</u>

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

**NOTE 10 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005, was as follows:

	<u>Balance At</u> 1/1/2005	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> 12/31/2005
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$3,181,627	\$475,000	\$0	\$3,656,627
Road Right-of-Way	0	931,343	0	931,343
Construction in Progress	4,200,594	13,494,727	(1,389,133)	16,306,188
Total Capital Assets Not Being Depreciated	<u>7,382,221</u>	<u>14,901,070</u>	<u>(1,389,133)</u>	<u>20,894,158</u>
Depreciable Capital Assets:				
Buildings	4,982,294	0	0	4,982,294
Improvements Other Than Buildings	2,277,782	0	0	2,277,782
Machinery and Equipment	2,655,873	214,271	(13,816)	2,856,328
Furniture and Fixtures	495,616	0	0	495,616
Vehicles	1,923,199	162,210	(217,484)	1,867,925
Infrastructure	4,894,322	9,588,562	0	14,482,884
Total Depreciable Capital Assets	<u>17,229,086</u>	<u>9,965,043</u>	<u>(231,300)</u>	<u>26,962,829</u>
Less Accumulated Depreciation:				
Buildings	(1,994,807)	(124,640)	0	(2,119,447)
Improvements Other Than Buildings	(892,601)	(98,031)	0	(990,632)
Machinery and Equipment	(1,725,863)	(308,421)	13,816	(2,020,468)
Furniture and Fixtures	(298,167)	(19,521)	0	(317,688)
Vehicles	(1,158,985)	(217,873)	115,992	(1,260,866)
Infrastructure	(299,392)	(391,345)	0	(690,737)
Total Accumulated Depreciation	<u>(6,369,815)</u>	<u>(1,159,831)</u>	<u>129,808</u>	<u>(7,399,838)</u>
Depreciable Capital Assets, Net	<u>10,859,271</u>	<u>8,805,212</u>	<u>(101,492)</u>	<u>19,562,991</u>
Governmental Activities Capital Assets, Net	<u>\$18,241,492</u>	<u>\$23,706,282</u>	<u>(\$1,490,625)</u>	<u>\$40,457,149</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$69,372
Security of Persons and Property	320,135
Leisure Time Activities	200,165
Community Environment	29,421
Basic Utility Services	41,546
Transportation	499,192
Total Depreciation Expense	<u>\$1,159,831</u>

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions, plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$465,366, \$509,503, and \$439,272 respectively; 72.05 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$8,114 made by the City and \$12,935 made by the plan members.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

**Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers. The City has no firefighters. Contributions are authorized by State statute. The City's required contributions to the OP&F for the years ended December 31, 2005, 2004, and 2003 were \$359,166, \$394,748, and \$347,352, respectively. The full amount has been contributed for 2004 and 2003. 74.46 percent has been contributed for 2005.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** (continued)

The number of active contributing participants in the traditional and combined plans was 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$194,918. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment health care benefits were \$236,897 for police. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 13 - 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 two years worth of accruals. 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 their estate) is paid 50 percent of accumulated sick leave up to a maximum payment of 500 hours.

**Deferred Compensation**

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

**NOTE 14 - OPERATING LEASE - LESSEE DISCLOSURE**

The City leases a vactor under a noncancelable operating lease. Operating lease payments are reported as program expenditures in financial statements. Total operating lease payments in 2005 totaled \$27,363 in the Sewer Capacity and Benefit Special Revenue Fund.

The following is a schedule of the future minimum lease payments:

<u>Year Ending December 31,</u>	<u>Total Payments</u>
2006	\$27,363
2007	27,363
2008	27,363
Total	<u><u>\$82,089</u></u>

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE**

In a prior period, the City entered into a lease agreement for the purchase of a copier. During 2005, the City entered into a lease agreement for the purchase of vehicles and equipment. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. At year-end, the City had \$205,822 in unspent proceeds held with an escrow agent for leased assets not yet delivered.

Capital assets acquired by lease have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$258,626, which is equal to the present value of the future minimum lease payments at the time of acquisition. Capital assets acquired through capital lease are less than the capital lease payable amount due to cash received from a lease purchase agreement that is held in a separate bank account for the purchase of various equipment and vehicles in the amount of \$205,822, which is recorded as "Cash and Cash Equivalents with Escrow Agents" on the financial statements. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in 2005 totaled \$573.

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and Equipment	\$96,416
Vehicles	162,210
Less: Accumulated Depreciation	(3,946)
Total	\$254,680

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005.

Year	Total Payments
2006	\$145,020
2007	144,345
2008	144,345
Total	433,710
Less: Amount Representing Interest	(30,443)
Present Value of Minimum Lease Payments	\$403,267

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 16 - 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 2005, 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.

**Workers' Compensation**

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated on accident history and administrative cost.

**Health Insurance**

The City maintains a self-funded health insurance program with claims processed by Polaris Benefits on behalf of the City. The Insurance Trust Fund (an internal service fund) was created in 1989 to account for and finance the health insurance program. As an integral part of the health insurance program, stop loss coverage has been purchased covering claims in excess of \$10,000 per individual and \$1,000,000 per occurrence.

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. Total contributions to the program during 2005 were \$1,742,276. The claims liability of \$246,969 reported in the Insurance Trust Fund at December 31, 2005, 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 2004 and 2005 were:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2004	\$165,467	\$1,385,661	(\$1,369,311)	\$181,817
2005	181,817	1,603,600	(1,538,448)	246,969

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

**NOTE 17 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations during 2005, were as follows:

Types/ Issues	Balance 1/01/05	Issued	Retired	Balance 12/31/05	Due Within One Year
<u>Notes Payable:</u>					
2004 Various Purpose Improvements Variable \$2,227,000	\$2,227,000	\$0	\$71,000	\$2,156,000	\$86,000
<u>Loan Payable:</u>					
2005 OWDA Loan 3% \$1,893,334	0	1,893,334	0	1,893,334	50,437
<u>Voted General Obligation Bonds:</u>					
1999 Cemetery Road Refunding 5.1 - 5.15% \$2,235,000	535,000	0	340,000	195,000	195,000
<u>Unvoted General Obligation Bonds:</u>					
1982 Water Improvement - 12.125% \$560,000	90,000	0	25,000	65,000	20,000
1992 Various Purpose Improvements 12.125% \$2,280,000	615,000	0	195,000	420,000	205,000
1995 Various Purpose Improvements 3.9 - 5.75% \$3,510,000	2,360,000	0	2,360,000	0	0
1999 Various Purpose Improvements 5.1 - 5.15% \$1,500,000	840,000	0	150,000	690,000	160,000
2002 Various Purpose Improvements 3.0 - 5.375% \$4,950,000	4,715,000	0	3,725,000	990,000	130,000
2003 Various Purpose Improvements 3.0 - 4.25% \$5,280,000	5,100,000	0	190,000	4,910,000	200,000
2005 Various Purpose and Refunding 3.0 - 5.0% \$20,175,000	0	20,175,000	350,000	19,825,000	650,000
Unamortized Loss	0	(482,457)	0	(482,457)	0
2005 Trueman Boulevard Project 3.0 - 5.0% \$8,285,000	0	8,285,000	0	8,285,000	100,000
Total Unvoted General Obligation Bonds	<u>13,720,000</u>	<u>27,977,543</u>	<u>6,995,000</u>	<u>34,702,543</u>	<u>1,465,000</u>
Total General Obligation Bonds	<u>\$14,255,000</u>	<u>\$27,977,543</u>	<u>\$7,335,000</u>	<u>\$34,897,543</u>	<u>\$1,660,000</u>

(continued)

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 17 - LONG-TERM OBLIGATIONS (continued)**

Types/Issues	Balance 1/01/05	Issued	Retired	Balance 12/31/05	Due Within One Year
<b>Special Assessment Bonds with Governmental Commitment:</b>					
1998 Lyman Drive Extension 7.35% \$780,000	\$250,000	\$0	\$55,000	\$195,000	\$60,000
1989 Hilliard Technology Park 7.199% \$463,000	180,000	0	180,000	0	0
<b>Total Special Assessment Bonds Payable</b>	<b>430,000</b>	<b>0</b>	<b>235,000</b>	<b>195,000</b>	<b>60,000</b>
<b>Other Long-Term Obligations:</b>					
Compensated Absences	1,625,967	680,580	763,167	1,543,380	702,275
Premium General Obligation Bonds Issued	109,252	727,207	38,015	798,444	0
Capital Leases	1,208	402,632	573	403,267	129,962
<b>Total Other Long-Term Obligations</b>	<b>1,736,427</b>	<b>1,810,419</b>	<b>801,755</b>	<b>2,745,091</b>	<b>832,237</b>
<b>Total - General Long-Term Obligations</b>	<b>\$18,648,427</b>	<b>\$31,681,296</b>	<b>\$8,442,755</b>	<b>\$41,886,968</b>	<b>\$2,688,674</b>

During 2005, the City received \$1,893,334 in OWDA loans for the purpose of a sewer system expansion. The OWDA loans will be paid from the Capital Improvements Municipal Tax Capital Projects Fund.

During 2005, the City issued \$20,175,000 in general obligation bonds for Phase II of the Trueman Boulevard Project, other capital improvements, and to refund certain bonds of the City issued to finance and refinance various permanent improvement projects. The bonds refunded include the 1995 Various Purpose general obligation bonds, a portion of the 2002 Various Purpose general obligation bonds, and the 1989 Hilliard Technology park special assessment bonds in the amounts of \$2,200,000, \$3,600,000, and \$180,000, respectively. Proceeds of \$6,462,457 were deposited with an escrow agent to be used to pay the outstanding amount of the bonds. As a result, \$5,980,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. The refunding resulted in a difference of \$482,457 between the net carrying amount of the old debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. Total debt service payments decreased by \$219,154 as a result of the refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$142,046. The bonds maturing on December 1, 2027 will be subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount to be Redeemed
2025	\$315,000
2026	325,000

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 17 - LONG-TERM OBLIGATIONS** (continued)

The remaining principal amount of \$340,000 of such bonds will mature at stated maturity on December 1, 2027.

During 2005, the City issued general obligation bonds in the amount of \$8,285,000 for Phase I of the Trueman Boulevard Project. Of these bonds, \$6,145,000 are serial bonds and \$2,140,000 are term bonds. The bonds were issued for a 20-year period with final maturity during 2025.

The term bonds issued at \$940,000 and \$1,200,000 and maturing on December 1, 2019 and December 1, 2024, respectively, will be subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount to be Redeemed</u>
2018	\$460,000
2019	480,000
2023	585,000
2024	615,000

All voted and unvoted general obligation bond issues and notes payable will be paid through the Street Improvement Municipal Tax and Water Revenue Special Revenue Funds and the Capital Improvements Municipal Tax Capital Projects Fund.

The special assessment bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Special Assessment Bonds will be paid from the Special Assessment Bond Retirement Fund. During 2005 the remaining \$180,000 balance of the 1989 Hilliard Technology Park special assessment bonds were re-financed with the 2005 Various Purpose and Refunding Bonds, as previously noted. The derived Hilliard Technology Park special assessment revenue will continue to be assessed and accumulated in the Special Assessment Bond Retirement Fund for this purpose. Payments from the Special Assessment Bond Retirement Fund will be made on the Hilliard Technology Park portion of the special assessment bonds included in the refinancing. During 2005, the payment represented \$25,000 of principal on the 2005 Various Purpose and Refunding Bonds.

Capital leases will be paid from the Capital Improvement Municipal Tax Capital Projects Fund.

Compensated absences will be paid from the General Fund, and the Street Maintenance and Repair, Fleet, Sewer Revenue, and Construction Inspection Special Revenue Funds.

As of December 31, 2005, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$51,539,503 with an unvoted debt margin of \$9,122,597. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2005, are:

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**NOTE 17 - LONG-TERM OBLIGATIONS (continued)**

Year	Notes Payable		OWDA Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$86,000	\$84,520	\$50,437	\$28,400	\$1,660,000	\$1,465,408
2007	88,000	81,040	103,154	54,518	1,790,000	1,418,158
2008	91,000	77,460	106,273	51,401	1,610,000	1,351,653
2009	94,000	73,760	109,485	48,189	1,650,000	1,295,440
2010	97,000	69,940	112,794	44,880	1,480,000	1,238,704
2011-2015	528,000	288,520	617,216	171,153	8,325,000	5,360,407
2016-2020	612,000	174,680	716,303	72,067	8,965,000	3,592,802
2021-2025	560,000	45,600	77,672	1,165	9,235,000	1,353,062
2026-2027	0	0	0	0	665,000	43,969
Totals	<u>\$2,156,000</u>	<u>\$895,520</u>	<u>\$1,893,334</u>	<u>\$471,773</u>	<u>\$35,380,000</u>	<u>\$17,119,603</u>

Year	Special Assessment Bonds With Governmental Commitment	
	Principal	Interest
2006	\$60,000	\$14,382
2007	65,000	9,956
2008	70,000	5,162
Totals	<u>\$195,000</u>	<u>\$29,500</u>

**NOTE 18 – CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2005, there were five series of industrial revenue development bonds outstanding with an aggregate principal amount payable of \$9,809,000.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
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**NOTE 19 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At December 31, 2005, the General Fund had an interfund receivable and the Nonmajor Governmental Funds had an interfund payable of \$67,350. General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the General Fund for advancing monies to other funds due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund reimburses the General Fund for the initial advance.

A transfer was made during the year ended December 31, 2005 in the amount of \$37,871 from Nonmajor Governmental Funds to the General Fund. The transfer was made to move the remaining balance from the General Obligation Bond Debt Service Fund to the General Fund.

**NOTE 20 - CONTRACTUAL COMMITMENTS**

As of December 31, 2005, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expended	Balance 12/31/2005
RD Zande and Associates	\$1,579,724	\$1,427,583	\$152,141
George J Igel	482,303	480,984	1,319
Miller Pavement	788,472	502,140	286,332
MS Consultants	191,585	119,936	71,649
Fields Excavating	400,711	387,206	13,505
Trucco Construction	1,686,381	1,666,145	20,236
DLZ	1,797,664	1,719,771	77,893
M-E Turnkey Services	429,674	362,767	66,907
Complete General Construction	8,553,903	5,760,065	2,793,838
Rocky Fork Company	176,509	95,252	81,257
Burgess and Niple	843,000	210,750	632,250
Trueman Boulevard LLC	5,137,932	4,820,367	317,565
Total	<u>\$22,067,858</u>	<u>\$17,552,966</u>	<u>\$4,514,892</u>

**NOTE 21 - RELATED ORGANIZATION**

**Hilliard Arts Council Corporation**

The Hilliard Arts Council Corporation is statutorily created as a separate and distinct political subdivision of the State. The authority 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 appropriations, hire and fire their own staff, authorize expenditures, and do not rely on the City to finance deficits. The City cannot influence the Corporation's operations, nor does the Corporation represent a potential financial benefit or burden to the City.



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**NOTE 22 - CONTINGENT LIABILITIES**

**Federal and State Grants**

For the period January 1, 2005, to December 31, 2005, 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 in legal proceedings. At December 31, 2005, the City had judgments payable of \$655,350. This was for the final payment to First Industrial, LP regarding eminent domain for right-of-way. The full amount was paid by the City on January 11, 2006. The City is of the opinion that the ultimate disposition of all other claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**NOTE 23 – SUBSEQUENT EVENTS**

On February 7, 2006, the City entered into an additional lease purchase agreement with LaSalle Bank National Association in the amount of \$990,000 for various equipment and vehicles. The lease period is three years with principal and interest payments beginning on February 7, 2007.

**City of Hilliard, Ohio**  
*Nonmajor Fund Descriptions*

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**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organization, or other governments, or major capital projects) that are legally restricted to expenditures for specified purposes.

**Nonmajor Special Revenue Funds**

**County Municipal Motor Vehicle Tax Fund**

To account 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.

**Fleet Fund**

To account for charges for services provided and used for expenditures related to gasoline, repair and maintenance of vehicles and fleet equipment.

**Community Development Block Grant Fund (CDBG)**

To account for federal grant monies to be used for storm sewer improvements.

**Tax Increment Financing Fund (TIF)**

To account for real estate taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property.

**Park Maintenance Fund**

To account for public use fees collected on all lots developed in the City and the expenditures for all park maintenance, repair, and upkeep.

**Police Fund**

To account 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.

**Mayor's Court Computer Fund**

To account for court fees to be used to maintain and upgrade the computer system in the Mayor's court.

**Sewer Revenue Fund**

To account for sewer surcharge revenues collected by the City of Columbus for Hilliard and 20 percent of sewer tap fees which are to be used for upgrading and repairing sewer lines.

**Sewer Capacity and Benefit Fund**

To account for system capacity charges and 80 percent of sewer tap fees which are to be used to maintain sewer lift stations.

*(continued)*

**City of Hilliard, Ohio**  
*Nonmajor Fund Descriptions*  
(continued)

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**Construction Inspection Fund**

To account for the construction inspection fees and landscape deposits made by developers. Expenditures are payments to the inspectors and refunds of landscape deposits.

**Debt Service Funds**

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

**Nonmajor Debt Service Funds**

**General Obligation Bond Retirement Fund**

In the past, this fund accounted for resources used for payment of principal, interest, and fiscal charges on general obligation debt. During the year, the balance was transferred to the General Fund and payment of principal, interest, and fiscal charges on general obligation debt will be made directly from the other funds.

**Special Assessment Bond Retirement Fund**

To account for resources that are used for payment of principal, interest and fiscal charges on special assessment debt.

**Capital Projects Funds**

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

**Nonmajor Capital Projects Fund**

**Britton Road Improvement Fund**

To account for debt proceeds used to finance major repairs to Britton Road.

**City of Hilliard, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,834,125	\$23,993	\$67,748	\$2,925,866
Cash and Cash Equivalents with Fiscal Agent	98,204	0	0	98,204
Receivables:				
Property and Other Local Taxes	16,084	0	0	16,084
Payments in Lieu of Taxes	63,259	0	0	63,259
Special Assessments	0	334,285	0	334,285
Due from Other Governments	7,165	0	0	7,165
<i>Total Assets</i>	<u>\$3,018,837</u>	<u>\$358,278</u>	<u>\$67,748</u>	<u>\$3,444,863</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$72,804	\$0	\$0	\$72,804
Contracts Payable	7,035	0	0	7,035
Interfund Payable	67,350	0	0	67,350
Accrued Wages Payable	9,261	0	0	9,261
Matured Compensated Absences	1,093	0	0	1,093
Due to Other Governments	17,279	0	0	17,279
Judgments Payable	524,280	0	0	524,280
Deferred Revenue	0	334,285	0	334,285
<i>Total Liabilities</i>	<u>699,102</u>	<u>334,285</u>	<u>0</u>	<u>1,033,387</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	97,168	0	0	97,168
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,222,567	0	0	2,222,567
Debt Service Funds	0	23,993	0	23,993
Capital Projects Funds	0	0	67,748	67,748
<i>Total Fund Balances</i>	<u>2,319,735</u>	<u>23,993</u>	<u>67,748</u>	<u>2,411,476</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,018,837</u>	<u>\$358,278</u>	<u>\$67,748</u>	<u>\$3,444,863</u>

**City of Hilliard, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$151,566	\$0	\$0	\$151,566
Payments in Lieu of Taxes	82,974	0	0	82,974
Intergovernmental	403,891	0	0	403,891
Charges for Services	1,732,070	0	0	1,732,070
Licenses and Permits	339,585	0	0	339,585
Fines and Forfeitures	27,010	0	0	27,010
Contributions and Donations	51,782	0	0	51,782
Investment Income	22,969	25,273	0	48,242
Special Assesments	0	22,755	0	22,755
Other	922	0	0	922
<i>Total Revenues</i>	<u>2,812,769</u>	<u>48,028</u>	<u>0</u>	<u>2,860,797</u>
<b>Expenditures</b>				
Current:				
General Government	1,908	0	0	1,908
Security of Persons and Property	67,694	0	0	67,694
Leisure Time Activities	35,501	0	0	35,501
Community Environment	547,907	0	0	547,907
Basic Utility Services	921,588	0	0	921,588
Transportation	647,685	0	0	647,685
Debt Service:				
Principal Retirement	0	80,000	0	80,000
Interest and Fiscal Charges	0	21,738	0	21,738
<i>Total Expenditures</i>	<u>2,222,283</u>	<u>101,738</u>	<u>0</u>	<u>2,324,021</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	590,486	(53,710)	0	536,776
<b>Other Financing Uses</b>				
Transfers - Out	0	(37,871)	0	(37,871)
<i>Net Change in Fund Balances</i>	590,486	(91,581)	0	498,905
<i>Fund Balances at Beginning of Year - Restated (Note 3)</i>	<u>1,729,249</u>	<u>115,574</u>	<u>67,748</u>	<u>1,912,571</u>
<i>Fund Balances at End of Year</i>	<u>\$2,319,735</u>	<u>\$23,993</u>	<u>\$67,748</u>	<u>\$2,411,476</u>

**City of Hilliard, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2005*

	County Municipal Motor Vehicle Tax	Fleet	CDBG	TIF
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$751,061	\$40,234	\$335,877	\$248,757
Cash and Cash Equivalents with Fiscal Agent	98,204	0	0	0
Receivables:				
Property and Other Local Taxes	16,084	0	0	0
Payments in Lieu of Taxes	0	0	0	63,259
Due from Other Governments	0	0	0	0
<i>Total Assets</i>	<u>\$865,349</u>	<u>\$40,234</u>	<u>\$335,877</u>	<u>\$312,016</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$131	\$19,059	\$0	\$0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Wages Payable	0	3,029	0	0
Matured Compensated Absences	0	0	0	0
Due to Other Governments	0	0	0	0
Judgments Payable	0	0	0	0
<i>Total Liabilities</i>	<u>131</u>	<u>22,088</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	21,595	0	0
Unreserved, Undesignated (Deficit)	865,218	(3,449)	335,877	312,016
<i>Total Fund Balances</i>	<u>865,218</u>	<u>18,146</u>	<u>335,877</u>	<u>312,016</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$865,349</u>	<u>\$40,234</u>	<u>\$335,877</u>	<u>\$312,016</u>

Park Maintenance	Police	Mayor's Court Computer	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Total Nonmajor Special Revenue Funds
\$147,785	\$103,797	\$31,526	\$133,321	\$343,056	\$698,711	\$2,834,125
0	0	0	0	0	0	98,204
0	0	0	0	0	0	16,084
0	0	0	0	0	0	63,259
0	0	0	7,165	0	0	7,165
<u>\$147,785</u>	<u>\$103,797</u>	<u>\$31,526</u>	<u>\$140,486</u>	<u>\$343,056</u>	<u>\$698,711</u>	<u>\$3,018,837</u>
\$437	\$0	\$0	\$44,288	\$8,889	\$0	\$72,804
0	0	0	0	7,035	0	7,035
0	67,350	0	0	0	0	67,350
0	0	0	3,809	0	2,423	9,261
0	0	0	0	0	1,093	1,093
0	0	0	9,203	1,028	7,048	17,279
0	0	0	0	131,070	393,210	524,280
<u>437</u>	<u>67,350</u>	<u>0</u>	<u>57,300</u>	<u>148,022</u>	<u>403,774</u>	<u>699,102</u>
3,527	262	0	12,391	57,790	1,603	97,168
<u>143,821</u>	<u>36,185</u>	<u>31,526</u>	<u>70,795</u>	<u>137,244</u>	<u>293,334</u>	<u>2,222,567</u>
<u>147,348</u>	<u>36,447</u>	<u>31,526</u>	<u>83,186</u>	<u>195,034</u>	<u>294,937</u>	<u>2,319,735</u>
<u>\$147,785</u>	<u>\$103,797</u>	<u>\$31,526</u>	<u>\$140,486</u>	<u>\$343,056</u>	<u>\$698,711</u>	<u>\$3,018,837</u>

**City of Hilliard, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2005*

	County Municipal Motor Vehicle			
	Tax	Fleet	CDBG	TIF
<b>Revenues</b>				
Property and Other Local Taxes	\$151,566	\$0	\$0	\$0
Payments in Lieu of Taxes	0	0	0	82,974
Intergovernmental	89,196	0	250,001	0
Charges for Services	0	522,999	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Contributions Donations	0	0	0	0
Investment Income	22,919	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>263,681</u>	<u>522,999</u>	<u>250,001</u>	<u>82,974</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	141,850	504,853	0	982
<i>Total Expenditures</i>	<u>141,850</u>	<u>504,853</u>	<u>0</u>	<u>982</u>
<i>Net Change in Fund Balances</i>	121,831	18,146	250,001	81,992
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>743,387</u>	<u>0</u>	<u>85,876</u>	<u>230,024</u>
<i>Fund Balances at End of Year</i>	<u><u>\$865,218</u></u>	<u><u>\$18,146</u></u>	<u><u>\$335,877</u></u>	<u><u>\$312,016</u></u>



Park Maintenance	Police	Mayor's Court Computer	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$151,566
0	0	0	0	0	0	82,974
0	64,694	0	0	0	0	403,891
28,301	0	0	221,633	417,321	541,816	1,732,070
30,435	0	0	309,150	0	0	339,585
0	4,072	22,938	0	0	0	27,010
0	51,782	0	0	0	0	51,782
0	50	0	0	0	0	22,969
0	0	0	922	0	0	922
<u>58,736</u>	<u>120,598</u>	<u>22,938</u>	<u>531,705</u>	<u>417,321</u>	<u>541,816</u>	<u>2,812,769</u>
0	0	1,908	0	0	0	1,908
0	67,694	0	0	0	0	67,694
35,501	0	0	0	0	0	35,501
0	0	0	0	71,070	476,837	547,907
0	0	0	485,469	435,026	1,093	921,588
0	0	0	0	0	0	647,685
<u>35,501</u>	<u>67,694</u>	<u>1,908</u>	<u>485,469</u>	<u>506,096</u>	<u>477,930</u>	<u>2,222,283</u>
23,235	52,904	21,030	46,236	(88,775)	63,886	590,486
<u>124,113</u>	<u>(16,457)</u>	<u>10,496</u>	<u>36,950</u>	<u>283,809</u>	<u>231,051</u>	<u>1,729,249</u>
<u>\$147,348</u>	<u>\$36,447</u>	<u>\$31,526</u>	<u>\$83,186</u>	<u>\$195,034</u>	<u>\$294,937</u>	<u>\$2,319,735</u>

**City of Hilliard, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2005*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Investment Income	\$0	\$25,273	\$25,273
Special Assessments	0	22,755	22,755
<i>Total Revenues</i>	0	48,028	48,028
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	0	80,000	80,000
Interest and Fiscal Charges	0	21,738	21,738
<i>Total Expenditures</i>	0	101,738	101,738
<i>Excess of Revenues Under Expenditures</i>	0	(53,710)	(53,710)
<b>Other Financing Uses</b>			
Transfers - Out	(37,871)	0	(37,871)
<i>Net Change in Fund Balances</i>	(37,871)	(53,710)	(91,581)
<i>Fund Balances at Beginning of Year</i>	37,871	77,703	115,574
<i>Fund Balances at End of Year</i>	\$0	\$23,993	\$23,993

**City of Hilliard, Ohio**  
*Agency Fund Descriptions*

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

**Mayor's Court Fund**

To account for the collection and distribution of court fines and forfeitures.

**Columbus Escrow Fund**

To account for the collection and distribution of charges for plumbing and electrical inspections provided by the City of Columbus, Franklin County Board of Health, and electrical contractors. This fund also accounts for the collection and remittance of sewer capacity charges to the City of Columbus.

**City of Hilliard, Ohio**  
*Combining Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2005*

	Mayor's Court	Columbus Escrow	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$123,590	\$123,590
Cash and Cash Equivalents in Segregated Accounts	22,538	0	22,538
<i>Total Assets</i>	<u>\$22,538</u>	<u>\$123,590</u>	<u>\$146,128</u>
<b>Liabilities</b>			
Due to Other Governments	\$0	\$123,590	\$123,590
Deposits Held and Due to Others	22,538	0	22,538
<i>Total Liabilities</i>	<u>\$22,538</u>	<u>\$123,590</u>	<u>\$146,128</u>

**City of Hilliard, Ohio**  
*Combining Statement of Changes In Assets and Liabilities*  
*Agency Funds*  
*For The Year Ended December 31, 2005*

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<b><u>Mayor's Court</u></b>				
<b>Assets</b>				
Cash And Cash Equivalents in Segregated Accounts	\$10,383	\$22,538	\$10,383	\$22,538
<b>Liabilities</b>				
Deposits Held And Due To Others	\$10,383	\$22,538	\$10,383	\$22,538
 <b><u>Columbus Escrow</u></b>				
<b>Assets</b>				
Equity In Pooled Cash And Cash Equivalents	\$115,287	\$453,110	\$444,807	\$123,590
<b>Liabilities</b>				
Due To Other Governments	\$115,287	\$453,110	\$444,807	\$123,590
 <b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$115,287	\$453,110	\$444,807	\$123,590
Cash And Cash Equivalents in Segregated Accounts	10,383	22,538	10,383	22,538
<i>Total Assets</i>	\$125,670	\$475,648	\$455,190	\$146,128
<b>Liabilities</b>				
Due to Other Governments	\$115,287	\$453,110	\$444,807	\$123,590
Deposits Held And Due To Others	10,383	22,538	10,383	22,538
<i>Total Liabilities</i>	\$125,670	\$475,648	\$455,190	\$146,128

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Local Taxes	\$1,310,410	\$1,399,400	\$1,527,622	\$128,222
Municipal Income Taxes	8,098,385	8,648,345	8,574,750	(73,595)
Intergovernmental	1,263,262	1,349,050	1,352,273	3,223
Charges for Services	1,419,232	1,518,328	1,494,716	(23,612)
Licenses and Permits	466,571	498,256	460,995	(37,261)
Fines and Forfeitures	276,241	295,000	280,759	(14,241)
Rent	48,038	51,300	37,202	(14,098)
Contributions and Donations	0	0	1,500	1,500
Investment Income	99,871	106,653	487,906	381,253
Other	40,000	40,000	46,753	6,753
<i>Total Revenues</i>	<u>13,022,010</u>	<u>13,906,332</u>	<u>14,264,476</u>	<u>358,144</u>
<b>Expenditures</b>				
Current:				
General Government				
Hilliard Convention				
Other	50,000	66,000	64,339	1,661
Mayor				
Personal Services	107,813	112,292	108,582	3,710
Contractual Services	0	388	388	0
Materials and Supplies	32,700	24,201	16,050	8,151
Total Mayor	<u>140,513</u>	<u>136,881</u>	<u>125,020</u>	<u>11,861</u>
City Council				
Personal Services	97,602	98,997	92,028	6,969
Contractual Services	0	2,500	0	2,500
Materials and Supplies	37,500	44,341	31,831	12,510
Total City Council	<u>135,102</u>	<u>145,838</u>	<u>123,859</u>	<u>21,979</u>
City Clerk				
Personal Services	59,773	57,808	55,962	1,846
Contractual Services	82,000	77,020	76,132	888
Materials and Supplies	12,000	13,110	11,959	1,151
Other	15,000	15,000	15,000	0
Total City Clerk	<u>168,773</u>	<u>162,938</u>	<u>159,053</u>	<u>3,885</u>
Law				
Personal Services	192,106	197,795	193,938	3,857
Contractual Services	45,000	109,845	109,600	245
Materials and Supplies	7,000	7,083	4,584	2,499
Total Law	<u>244,106</u>	<u>314,723</u>	<u>308,122</u>	<u>6,601</u>
Finance				
Personal Services	551,195	582,930	570,006	12,924
Contractual Services	95,000	100,830	90,029	10,801
Materials and Supplies	55,100	66,150	54,535	11,615
Other	29,500	29,500	15,994	13,506
Total Finance	<u>730,795</u>	<u>779,410</u>	<u>730,564</u>	<u>48,846</u>
Economic Development				
Personal Services	97,694	104,384	102,255	2,129
Contractual Services	5,000	5,000	5,000	0
Materials and Supplies	1,000	2,050	2,050	0
Total Economic Development	<u>\$103,694</u>	<u>\$111,434</u>	<u>\$109,305</u>	<u>\$2,129</u>

*(continued)*

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*  
*(continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Clerk				
Personal Services	\$66,559	\$71,648	\$69,817	\$1,831
Contractual Services	8,500	8,581	6,917	1,664
Total Clerk	75,059	80,229	76,734	3,495
Human Resources				
Personal Services	361,429	366,859	353,843	13,016
Contractual Services	2,999	2,999	2,999	0
Materials and Supplies	5,000	6,722	5,138	1,584
Total Human Resources	369,428	376,580	361,980	14,600
Public Building and Land				
Personal Services	81,225	107,294	106,289	1,005
Contractual Services	470,000	534,620	533,643	977
Materials and Supplies	69,000	73,588	71,548	2,040
Total Public Building and Land	620,225	715,502	711,480	4,022
Electronic Data Processing				
Personal Services	73,361	77,461	74,111	3,350
Contractual Services	60,000	73,500	67,632	5,868
Materials and Supplies	29,700	31,700	30,790	910
Total Electronic Data Processing	163,061	182,661	172,533	10,128
Boards and Commissions				
Personal Services	38,000	38,000	35,108	2,892
Contractual Services	6,000	6,000	0	6,000
Materials and Supplies	8,700	9,838	4,094	5,744
Total Boards and Commissions	52,700	53,838	39,202	14,636
General Administrative				
Personal Services	0	75,665	24,389	51,276
Contractual Services	193,729	233,729	226,887	6,842
Materials and Supplies	75,000	105,789	100,989	4,800
Capital Outlay	0	49,854	34,854	15,000
Other	314,000	331,922	310,197	21,725
Total General Administrative	582,729	796,959	697,316	99,643
Total General Government	3,436,185	3,922,993	3,679,507	243,486
Security of Persons and Property				
Police				
Personal Services	6,061,818	6,133,611	6,085,431	48,180
Contractual Services	209,500	228,379	223,672	4,707
Materials and Supplies	131,000	140,050	129,313	10,737
Other	200	200	175	25
Total Security of Persons and Property	6,402,518	6,502,240	6,438,591	63,649
Public Health				
County Health District				
Contractual Services	\$121,674	\$121,674	\$121,642	\$32

*(continued)*

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*  
*(continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities				
Recreation				
Personal Services	\$1,604,075	\$1,799,403	\$1,791,905	\$7,498
Contractual Services	318,500	306,258	284,341	21,917
Materials and Supplies	337,100	343,340	305,872	37,468
Capital Outlay	36,000	36,000	32,415	3,585
Total Leisure Time Activities	2,295,675	2,485,001	2,414,533	70,468
Community Environment				
Service/Engineer				
Personal Services	601,198	599,956	573,506	26,450
Contractual Services	1,145,000	938,000	937,318	682
Materials and Supplies	35,000	29,443	23,412	6,031
Other	15,000	5,000	0	5,000
Total Service/Engineer	1,796,198	1,572,399	1,534,236	38,163
Building Inspection				
Personal Services	347,773	373,221	363,150	10,071
Contractual Services	45,000	45,000	45,000	0
Materials and Supplies	19,500	17,387	12,808	4,579
Other	35,000	35,000	34,012	988
Total Building Inspection	447,273	470,608	454,970	15,638
Total Community Environment	2,243,471	2,043,007	1,989,206	53,801
Basic Utility Services				
General Utility				
Contractual Services	0	15,000	15,000	0
<i>Total Expenditures</i>	14,499,523	15,089,915	14,658,479	431,436
<i>Excess of Revenues Under Expenditures</i>	(1,477,513)	(1,183,583)	(394,003)	789,580
<b>Other Financing Sources (Uses)</b>				
Transfers - In	0	0	37,871	37,871
Transfers - Out	(250,000)	(290,000)	0	290,000
<i>Total Other Financing Sources (Uses)</i>	(250,000)	(290,000)	37,871	327,871
<i>Net Change in Fund Balance</i>	(1,727,513)	(1,473,583)	(356,132)	1,117,451
<i>Fund Balance at Beginning of Year</i>	1,860,334	1,860,334	1,860,334	0
Prior Year Encumbrances Appropriated	407,393	407,393	407,393	0
<i>Fund Balance at End of Year</i>	\$540,214	\$794,144	\$1,911,595	\$1,117,451



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,057,000	\$1,057,000	\$1,146,646	\$89,646
Investment Income	0	0	3,441	3,441
Other	0	0	9,474	9,474
<i>Total Revenues</i>	<u>1,057,000</u>	<u>1,057,000</u>	<u>1,159,561</u>	<u>102,561</u>
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	762,938	800,343	797,143	3,200
Contractual Services	55,000	55,323	40,811	14,512
Materials and Supplies	239,000	239,221	239,105	116
<i>Total Expenditures</i>	<u>1,056,938</u>	<u>1,094,887</u>	<u>1,077,059</u>	<u>17,828</u>
<i>Net Change in Fund Balance</i>	62	(37,887)	82,502	120,389
<i>Fund Balance at Beginning of Year</i>	42,222	42,222	42,222	0
Prior Year Encumbrances Appropriated	<u>9,165</u>	<u>9,165</u>	<u>9,165</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$51,449</u>	<u>\$13,500</u>	<u>\$133,889</u>	<u>\$120,389</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Improvement Municipal Tax Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,729,669	\$4,022,416	\$1,714,950	(\$2,307,466)
Intergovernmental	0	927,253	927,253	0
<i>Total Revenues</i>	<u>1,729,669</u>	<u>4,949,669</u>	<u>2,642,203</u>	<u>(2,307,466)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	0	80,916	80,916	0
Capital Outlay	392,800	4,694,334	4,493,774	200,560
Other	60,000	60,000	55,940	4,060
Total Transportation	<u>452,800</u>	<u>4,835,250</u>	<u>4,630,630</u>	<u>204,620</u>
Debt Service:				
Principal Retirement	743,250	743,250	743,250	0
Interest and Fiscal Charges	426,750	426,750	285,776	140,974
Total Debt Service	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,029,026</u>	<u>140,974</u>
<i>Total Expenditures</i>	<u>1,622,800</u>	<u>6,005,250</u>	<u>5,659,656</u>	<u>345,594</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	106,869	(1,055,581)	(3,017,453)	(1,961,872)
<b>Other Financing Uses</b>				
Transfers - Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	56,869	(1,105,581)	(3,017,453)	(1,911,872)
<i>Fund Balance at Beginning of Year</i>	694,039	694,039	694,039	0
Prior Year Encumbrances Appropriated	704,450	704,450	704,450	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$1,455,358</u>	<u>\$292,908</u>	<u>(\$1,618,964)</u>	<u>(\$1,911,872)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water Revenue Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$630,000	\$630,000	\$913,313	\$283,313
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	291,091	332,065	316,682	15,383
Contractual Services	12,500	159,954	159,849	105
Materials and Supplies	116,100	117,471	109,434	8,037
Capital Outlay	10,000	1,069,739	1,069,739	0
Other	6,000	7,300	1,289	6,011
Total Basic Utility Services	435,691	1,686,529	1,656,993	29,536
Debt Service				
Principal Retirement	141,100	141,100	141,100	0
Interest and Fiscal Charges	108,900	108,900	76,700	32,200
Total Debt Service	250,000	250,000	217,800	32,200
<i>Total Expenditures</i>	685,691	1,936,529	1,874,793	61,736
<i>Net Change in Fund Balance</i>	(55,691)	(1,306,529)	(961,480)	345,049
<i>Fund Balance at Beginning of Year</i>	1,317,323	1,317,323	1,317,323	0
Prior Year Encumbrances Appropriated	637,794	637,794	637,794	0
<i>Fund Balance at End of Year</i>	\$1,899,426	\$648,588	\$993,637	\$345,049

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Municipal Tax Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$3,459,338	\$3,459,338	\$3,514,384	\$55,046
Payments in Lieu of Taxes	0	289,148	289,148	0
Intergovernmental	0	1,064,644	1,064,644	0
Interest	0	10,981	7,566	(3,415)
Other	0	14,196	123,512	109,316
<i>Total Revenues</i>	3,459,338	4,838,307	4,999,254	160,947
<b>Expenditures</b>				
Current:				
General Government				
Capital Outlay	0	1,671,219	611,073	1,060,146
Security of Persons and Property				
Capital Outlay	0	124,661	124,486	175
Leisure Time Activities				
Capital Outlay	0	80,914	37,655	43,259
Community Environment				
Capital Outlay	0	7,859,485	7,434,359	425,126
Other	0	120,939	111,879	9,060
Total Community Environment	0	7,980,424	7,546,238	434,186
Basic Utility Services				
Contractual Services	0	56,292	52,717	3,575
Materials and Supplies	0	65,530	65,530	0
Capital Outlay	0	298,073	298,073	0
Total Basic Utility Services	0	419,895	416,320	3,575
Transportation				
Contractual Services	0	1,794,490	1,794,490	0
Capital Outlay	2,474,661	18,019,105	17,919,543	99,562
Total Transportation	2,474,661	19,813,595	19,714,033	99,562
Debt Service:				
Principal Retirement	696,650	696,650	696,650	0
Interest and Fiscal Charges	174,289	825,627	825,627	0
Bond Issuance Costs	0	383,235	371,372	11,863
Total Debt Service	870,939	1,905,512	1,893,649	11,863
<i>Total Expenditures</i>	3,345,600	31,996,220	30,343,454	1,652,766
<i>Excess of Revenues Over (Under) Expenditures</i>	113,738	(27,157,913)	(25,344,200)	1,813,713
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	22,020,000	22,020,000	0
Refunding Bonds Issued	0	6,440,000	6,440,000	0
Proceeds of OWDA Loans	0	1,893,334	1,893,334	0
Premium on Debt Issued	0	648,046	727,207	79,161
Payment to Refunded Bond Escrow Agent	0	(6,462,457)	(6,462,457)	0
<i>Total Other Financing Sources (Uses)</i>	0	24,538,923	24,618,084	79,161
<i>Net Change in Fund Balance</i>	113,738	(2,618,990)	(726,116)	1,892,874
<i>Fund Balance at Beginning of Year</i>	1,345,493	1,345,493	1,345,493	0
Prior Year Encumbrances Appropriated	2,079,770	2,079,770	2,079,770	0
<i>Fund Balance at End of Year</i>	\$3,539,001	\$806,273	\$2,699,147	\$1,892,874

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget (Non-GAAP Basis) and Actual  
 Insurance Trust Fund  
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,800,000	\$2,100,000	\$1,742,276	(\$357,724)
<b>Expenses</b>				
Contractual Services	32,500	41,901	37,495	4,406
Claims	1,446,250	1,719,243	1,538,448	180,795
Other	146,250	163,856	146,625	17,231
<i>Total Expenses</i>	<u>1,625,000</u>	<u>1,925,000</u>	<u>1,722,568</u>	<u>202,432</u>
<i>Net Change in Fund Equity</i>	175,000	175,000	19,708	(155,292)
<i>Fund Equity at Beginning of Year</i>	<u>11,907</u>	<u>11,907</u>	<u>11,907</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$186,907</u></u>	<u><u>\$186,907</u></u>	<u><u>\$31,615</u></u>	<u><u>(\$155,292)</u></u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 County Municipal Motor Vehicle Tax Fund  
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Local Taxes	\$200,000	\$200,000	\$141,627	(\$58,373)
Intergovernmental	140,000	140,000	0	(140,000)
Investment Income	0	0	22,919	22,919
<i>Total Revenues</i>	<u>340,000</u>	<u>340,000</u>	<u>164,546</u>	<u>(175,454)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	0	125,000	79,865	45,135
Contractual Services	175,000	206,966	51,236	155,730
Materials and Supplies	70,000	30,703	30,315	388
<i>Total Expenditures</i>	<u>245,000</u>	<u>362,669</u>	<u>161,416</u>	<u>201,253</u>
<i>Net Change in Fund Balance</i>	95,000	(22,669)	3,130	25,799
<i>Fund Balance at Beginning of Year</i>	715,105	715,105	715,105	0
Prior Year Encumbrances Appropriated	32,669	32,669	32,669	0
<i>Fund Balance at End of Year</i>	<u>\$842,774</u>	<u>\$725,105</u>	<u>\$750,904</u>	<u>\$25,799</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fleet Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$411,000	\$527,000	\$522,999	(\$4,001)
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	201,768	217,768	216,123	1,645
Materials and Supplies	208,550	308,550	306,835	1,715
<i>Total Expenditures</i>	<u>410,318</u>	<u>526,318</u>	<u>522,958</u>	<u>3,360</u>
<i>Net Change in Fund Balance</i>	682	682	41	(641)
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$682</u>	<u>\$682</u>	<u>\$41</u>	<u>(\$641)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*CDBG Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$65,000	\$65,000	\$335,877	\$270,877
<b>Expenditures</b>				
Current:				
Community Environment				
Materials and Supplies	40,000	40,000	0	40,000
<i>Net Change in Fund Balance</i>	25,000	25,000	335,877	310,877
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$335,877</u>	<u>\$310,877</u>



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*TIF Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Payment in Lieu of Taxes	\$75,000	\$75,000	\$82,741	\$7,741
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	<u>75,000</u>	<u>75,000</u>	<u>982</u>	<u>74,018</u>
<i>Net Change in Fund Balance</i>	0	0	81,759	81,759
<i>Fund Balance at Beginning of Year</i>	<u>166,998</u>	<u>166,998</u>	<u>166,998</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$166,998</u></u>	<u><u>\$166,998</u></u>	<u><u>\$248,757</u></u>	<u><u>\$81,759</u></u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Maintenance Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$28,301	\$28,301
Licenses and Permits	45,000	45,000	30,435	(14,565)
<i>Total Revenues</i>	<u>45,000</u>	<u>45,000</u>	<u>58,736</u>	<u>13,736</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Materials and Supplies	0	4,948	4,485	463
Capital Outlay	45,000	45,738	34,543	11,195
<i>Total Expenditures</i>	<u>45,000</u>	<u>50,686</u>	<u>39,028</u>	<u>11,658</u>
<i>Net Change in Fund Balance</i>	0	(5,686)	19,708	25,394
<i>Fund Balance at Beginning of Year</i>	118,427	118,427	118,427	0
Prior Year Encumbrances Appropriated	5,686	5,686	5,686	0
<i>Fund Balance at End of Year</i>	<u>\$124,113</u>	<u>\$118,427</u>	<u>\$143,821</u>	<u>\$25,394</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$67,350	\$67,350	\$64,694	(\$2,656)
Fines and Forfeitures	\$4,000	\$7,000	\$4,347	(2,653)
Contributions and Donations	45,000	80,000	51,782	(28,218)
Investment Income	0	0	50	50
<i>Total Revenues</i>	<u>116,350</u>	<u>154,350</u>	<u>120,873</u>	<u>(33,477)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Capital Outlay	67,350	71,032	3,683	67,349
Other	54,000	94,600	64,273	30,327
<i>Total Expenditures</i>	<u>121,350</u>	<u>165,632</u>	<u>67,956</u>	<u>97,676</u>
<i>Net Change in Fund Balance</i>	(5,000)	(11,282)	52,917	64,199
<i>Fund Balance at Beginning of Year</i>	46,935	46,935	46,935	0
Prior Year Encumbrances Appropriated	3,683	3,683	3,683	0
<i>Fund Balance at End of Year</i>	<u>\$45,618</u>	<u>\$39,336</u>	<u>\$103,535</u>	<u>\$64,199</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Mayor's Court Computer Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$17,000	\$17,000	\$22,785	\$5,785
<b>Expenditures</b>				
Current:				
General Government				
Contractual Services	0	720	720	0
Materials and Supplies	15,000	15,000	1,908	13,092
<i>Total Expenditures</i>	15,000	15,720	2,628	13,092
<i>Net Change in Fund Balance</i>	2,000	1,280	20,157	18,877
<i>Fund Balance at Beginning of Year</i>	8,813	8,813	8,813	0
Prior Year Encumbrances Appropriated	720	720	720	0
<i>Fund Balance at End of Year</i>	<u>\$11,533</u>	<u>\$10,813</u>	<u>\$29,690</u>	<u>\$18,877</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Revenue Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$160,000	\$160,000	\$223,415	\$63,415
Licenses and Permits	400,000	400,000	309,150	(90,850)
Other	0	0	922	922
<i>Total Revenues</i>	<u>560,000</u>	<u>560,000</u>	<u>533,487</u>	<u>(26,513)</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	280,307	289,870	255,193	34,677
Contractual Services	100,000	109,492	83,340	26,152
Materials and Supplies	124,800	127,225	119,871	7,354
Other	47,500	42,397	42,397	0
<i>Total Expenditures</i>	<u>552,607</u>	<u>568,984</u>	<u>500,801</u>	<u>68,183</u>
<i>Net Change in Fund Balance</i>	7,393	(8,984)	32,686	41,670
<i>Fund Balance at Beginning of Year</i>	38,804	38,804	38,804	0
Prior Year Encumbrances Appropriated	<u>9,297</u>	<u>9,297</u>	<u>9,297</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$55,494</u>	<u>\$39,117</u>	<u>\$80,787</u>	<u>\$41,670</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Capacity and Benefit Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$250,000	\$345,000	\$417,321	\$72,321
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	0	1,379	1,379	0
Contractual Services	0	208,186	208,186	0
Materials and Supplies	0	3,500	3,500	0
Capital Outlay	250,000	612,849	417,366	195,483
<i>Total Expenditures</i>	250,000	825,914	630,431	195,483
<i>Net Change in Fund Balance</i>	0	(480,914)	(213,110)	267,804
<i>Fund Balance at Beginning of Year</i>	11,292	11,292	11,292	0
Prior Year Encumbrances Appropriated	480,051	480,051	480,051	0
<i>Fund Balance at End of Year</i>	\$491,343	\$10,429	\$278,233	\$267,804

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Construction Inspection Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$305,000	\$305,000	\$541,816	\$236,816
Other	185,000	185,000	0	(185,000)
<i>Total Revenues</i>	<u>490,000</u>	<u>490,000</u>	<u>541,816</u>	<u>51,816</u>
<b>Expenditures</b>				
Current:				
Community Environment				
Personal Services	259,185	265,754	251,771	13,983
Contractual Services	107,000	107,000	1,246	105,754
Materials and Supplies	13,500	25,979	15,485	10,494
Other	15,000	15,000	8,000	7,000
<i>Total Expenditures</i>	<u>394,685</u>	<u>413,733</u>	<u>276,502</u>	<u>137,231</u>
<i>Excess of Revenues Over Expenditures</i>	95,315	76,267	265,314	189,047
<b>Other Financing Uses</b>				
Transfers-Out	(30,000)	(30,000)	0	(30,000)
<i>Net Change in Fund Balance</i>	65,315	46,267	265,314	219,047
<i>Fund Balance at Beginning of Year</i>	413,329	413,329	413,329	0
Prior Year Encumbrances Appropriated	14,548	14,548	14,548	0
<i>Fund Balance at End of Year</i>	<u>\$493,192</u>	<u>\$474,144</u>	<u>\$693,191</u>	<u>\$219,047</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	1,934,350	2,430,650	0	2,430,650
Interest and Fiscal Charges	0	749,350	0	749,350
<i>Total Expenditures</i>	1,934,350	3,180,000	0	3,180,000
<i>Excess of Revenues Under Expenditures</i>	(1,934,350)	(3,180,000)	0	3,180,000
<b>Other Financing Sources (Uses)</b>				
Transfers - In	2,000,000	3,170,000	0	(3,170,000)
Transfers - Out	0	0	(37,871)	(37,871)
<i>Total Other Financing Sources (Uses)</i>	2,000,000	3,170,000	(37,871)	(3,207,871)
<i>Net Change in Fund Balance</i>	65,650	(10,000)	(37,871)	(27,871)
<i>Fund Balance at Beginning of Year</i>	37,871	37,871	37,871	0
<i>Fund Balance at End of Year</i>	\$103,521	\$27,871	\$0	(\$27,871)



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$99,282	\$99,282	\$83,593	(\$15,689)
Investment Income	25,718	25,718	25,718	0
<i>Total Revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>109,311</u>	<u>(15,689)</u>
<b>Expenditures</b>				
Current:				
General Government				
Contractual Services	1,000	1,000	0	1,000
Debt Service:				
Principal Retirement	85,000	85,000	80,000	5,000
Interest and Fiscal Charges	39,500	38,500	21,738	16,762
Total Debt Service	<u>124,500</u>	<u>123,500</u>	<u>101,738</u>	<u>21,762</u>
<i>Total Expenditures</i>	<u>125,500</u>	<u>124,500</u>	<u>101,738</u>	<u>22,762</u>
<i>Net Change in Fund Balance</i>	(500)	500	7,573	7,073
<i>Fund Balance at Beginning of Year</i>	<u>16,420</u>	<u>16,420</u>	<u>16,420</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$15,920</u>	<u>\$16,920</u>	<u>\$23,993</u>	<u>\$7,073</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Britton Road Improvement Fund  
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	0	103,570	40,503	63,067
<i>Net Change in Fund Balance</i>	0	(103,570)	(40,503)	63,067
<i>Fund Balance at Beginning of Year</i>	4,701	4,701	4,701	0
Prior Year Encumbrances Appropriated	103,550	103,550	103,550	0
<i>Fund Balance at End of Year</i>	<u>\$108,251</u>	<u>\$4,681</u>	<u>\$67,748</u>	<u>\$63,067</u>

*STATISTICAL TABLES*

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This part of City of Hilliard’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City’s overall financial health.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	93-101
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	102-108
These schedules contain information to help the reader assess the City’s most significant local revenue sources.	
Debt Capacity	109-113
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	114-115
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	116-121
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented *GASB Statement No. 34* in fiscal year 2003.

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**City of Hilliard, Ohio**  
*Net Assets by Component*  
*Last Three Years*  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$199,152	\$2,607,404	\$7,467,139
Restricted	7,793,770	7,951,025	7,644,212
Unrestricted	<u>2,868,518</u>	<u>2,477,454</u>	<u>2,978,034</u>
<i>Total Governmental Activities Net Assets</i>	<u><u>\$10,861,440</u></u>	<u><u>\$13,035,883</u></u>	<u><u>\$18,089,385</u></u>

**City of Hilliard, Ohio**  
*Changes in Net Assets*  
*Last Three Years*  
*(accrual basis of accounting)*

	2003	2004	2005
<b>Program Revenues:</b>			
Charges for Services:			
General Government	\$446,690	\$292,407	\$283,480
Security of Persons and Property	369,528	21,355	485,887
Public Health	7,549	0	0
Leisure Time Activities	311,797	1,073,092	762,776
Community Environment	697,261	861,651	984,579
Basic Utility Services	2,066,611	1,600,842	2,260,677
Transportation	400	243	522,999
Operating Grants, Contributions, and Interest	1,671,998	1,349,952	1,498,612
Capital Grants, Contributions and Interest	42,085	343,049	2,383,238
<i>Total Program Revenues</i>	<u>5,613,919</u>	<u>5,542,591</u>	<u>9,182,248</u>
<b>Expenses:</b>			
Current:			
General Government	3,294,036	3,412,918	3,984,242
Security of Persons and Property	5,466,993	7,028,605	6,783,077
Public Health	119,086	119,086	121,642
Leisure Time Activities	2,853,827	2,714,029	2,589,446
Community Environment	1,699,270	1,403,235	2,861,784
Basic Utility Services	2,866,382	2,105,383	2,590,791
Transportation	871,604	2,552,428	2,295,447
Interest and Fiscal Charges	799,779	817,887	1,265,446
<i>Total Expenses</i>	<u>17,970,977</u>	<u>20,153,571</u>	<u>22,491,875</u>
<i>Net Expenses</i>	<u>(\$12,357,058)</u>	<u>(\$14,610,980)</u>	<u>(\$13,309,627)</u>

(continued)

**City of Hilliard, Ohio**  
*Changes in Net Assets (Continued)*  
*Last Three Years*  
*(accrual basis of accounting)*

	2003	2004	2005
<b>General Revenues:</b>			
Property Taxes Levied for General Purposes	\$1,350,028	\$1,371,968	\$1,569,065
Other Local Taxes	188,743	208,544	151,566
Municipal Income Taxes Levied for General Purposes	7,919,613	8,500,614	9,047,632
Municipal Income Taxes Levied for Transportation	1,587,233	1,700,792	1,739,073
Municipal Income Taxes Levied for Capital Outlay	3,164,966	3,404,679	3,562,629
Payments in Lieu of Taxes	128,918	101,508	372,122
Grants and Entitlements not Restricted to Specific Programs	1,823,489	1,220,891	1,168,131
Unrestricted Investment Earnings	108,125	100,411	572,014
Unrestricted Contributions	0	0	1,500
Miscellaneous	163,714	176,016	179,397
<i>Total General Revenues</i>	<u>16,434,829</u>	<u>16,785,423</u>	<u>18,363,129</u>
<i>Change in Net Assets</i>	<u>\$4,077,771</u>	<u>\$2,174,443</u>	<u>\$5,053,502</u>

**City of Hilliard, Ohio**  
*Program Revenues by Function/Program*  
*Last Three Years*  
*(accrual basis of accounting)*

<b>Function / Program:</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Government	\$488,775	\$356,580	\$308,753
Security of Persons and Property	414,850	275,581	675,137
Public Health	7,549	0	0
Leisure Time Activities	311,797	1,073,092	762,776
Community Environment	924,675	1,142,997	1,205,739
Basic Utility Services	2,066,611	1,600,842	2,260,677
Transportation	1,399,662	1,093,499	3,969,166
<i>Total Program Revenues</i>	<u><u>\$5,613,919</u></u>	<u><u>\$5,542,591</u></u>	<u><u>\$9,182,248</u></u>



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**City of Hilliard, Ohio**  
*Fund Balances - Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund					
Reserved	\$373,972	\$316,079	\$292,048	\$376,216	\$442,849
Unreserved	<u>2,740,907</u>	<u>3,286,604</u>	<u>4,698,081</u>	<u>3,780,785</u>	<u>2,644,057</u>
<i>Total General Fund</i>	<u>3,114,879</u>	<u>3,602,683</u>	<u>4,990,129</u>	<u>4,157,001</u>	<u>3,086,906</u>
All Other Governmental Funds					
Reserved	1,162,761	2,035,795	1,913,021	5,074,879	6,049,060
Unreserved, Undesignated (Deficit)					
Reported in:					
Special Revenue Funds	1,651,106	2,045,986	1,566,430	1,664,230	2,278,017
Debt Service Funds	26,171	54,094	51,329	28,087	247,012
Capital Projects Funds	<u>(654,835)</u>	<u>(4,633,591)</u>	<u>(3,851,165)</u>	<u>(4,086,992)</u>	<u>(6,190,574)</u>
<i>Total All Other Governmental Funds</i>	<u>2,185,203</u>	<u>(497,716)</u>	<u>(320,385)</u>	<u>2,680,204</u>	<u>2,383,515</u>
<i>Total Governmental Funds</i>	<u>\$5,300,082</u>	<u>\$3,104,967</u>	<u>\$4,669,744</u>	<u>\$6,837,205</u>	<u>\$5,470,421</u>

2001	2002	2003	2004	2005
\$282,109	\$128,159	\$85,739	\$295,376	\$192,489
2,459,691	3,383,257	2,880,514	2,454,282	2,755,118
2,741,800	3,511,416	2,966,253	2,749,658	2,947,607
2,511,091	2,638,898	1,189,946	3,047,955	8,249,125
4,016,547	5,048,777	4,769,321	3,188,558	2,073,997
65,144	70,044	95,211	115,574	23,993
(7,224,981)	1,074,214	538,776	1,656,802	3,105,646
(632,199)	8,831,933	6,593,254	8,008,889	13,452,761
\$2,109,601	\$12,343,349	\$9,559,507	\$10,758,547	\$16,400,368

**City of Hilliard, Ohio**  
*Changes in Fund Balances - Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

	1996	1997	1998	1999	2000
<b>Revenues:</b>					
Property and Other Local Taxes (1)	\$10,460,055	\$11,199,907	\$13,498,773	\$13,661,200	\$15,468,124
Municipal Income Taxes (1)	0	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Intergovernmental	2,187,335	2,025,852	2,199,226	2,510,280	2,414,608
Charges for Services	1,743,219	1,325,672	1,783,013	1,666,570	2,130,192
Licenses and Permits	491,935	346,811	387,125	351,828	312,497
Fines and Forfeitures	192,374	217,496	227,632	228,963	232,035
Rent	0	0	0	0	0
Contributions and Donations	28,104	30,443	39,915	36,228	52,678
Investment Income	418,973	467,983	389,020	546,231	827,150
Special Assessments	198,456	193,399	171,474	167,103	158,117
Other	201,766	171,141	125,789	58,354	101,306
<b>Total Revenues</b>	<b>15,922,217</b>	<b>15,978,704</b>	<b>18,821,967</b>	<b>19,226,757</b>	<b>21,696,707</b>
<b>Expenditures:</b>					
Current:					
General Government	3,093,689	2,680,336	2,540,230	4,396,185	4,665,711
Security of Persons and Property	3,525,523	3,994,781	4,395,104	4,760,546	5,253,978
Public Health	55,924	61,979	64,784	77,937	86,423
Leisure Time Activities	1,447,065	1,706,528	1,988,345	2,304,495	2,468,887
Community Environment	699,920	617,115	861,126	1,052,595	1,293,415
Basic Utility Services	1,209,784	1,198,919	1,378,198	1,422,919	1,385,469
Transportation	1,724,518	1,284,805	1,975,372	1,614,934	2,225,509
Capital Outlay (2)	2,998,488	4,968,489	2,430,611	1,357,045	3,848,416
Debt Service:					
Principal Retirement	768,728	812,063	819,612	856,155	927,000
Interest and Fiscal Charges	910,213	848,804	803,808	794,500	912,958
Issuance Costs	0	0	0	0	0
<b>Total Expenditures</b>	<b>16,433,852</b>	<b>18,173,819</b>	<b>17,257,190</b>	<b>18,637,311</b>	<b>23,067,766</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(511,635)</i>	<i>(2,195,115)</i>	<i>1,564,777</i>	<i>589,446</i>	<i>(1,371,059)</i>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	1,594,957	0
Refunding Bonds Issued	0	0	0	2,348,603	0
Notes Issued	0	0	0	0	4,275
Premium on Debt Issued	0	0	0	0	0
Proceeds of OWDA Loans	0	0	0	0	0
Inception of Capital Lease	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(2,365,545)	0
Transfers - In	1,448,359	1,777,507	1,695,001	1,489,098	2,003,942
Transfers - Out	(1,448,359)	(1,777,507)	(1,695,001)	(1,489,098)	(2,003,942)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,578,015</b>	<b>4,275</b>
<b>Net Change in Fund Balances</b>	<b>(\$511,635)</b>	<b>(\$2,195,115)</b>	<b>\$1,564,777</b>	<b>\$2,167,461</b>	<b>(\$1,366,784)</b>
<i>Debt Service as a Percentage of Noncapital Expenditures (2)</i>	<i>12.5%</i>	<i>12.6%</i>	<i>10.9%</i>	<i>9.6%</i>	<i>9.6%</i>

(1) Prior to 2002, the City did not break out property and income taxes

(2) Beginning in 2003, the City began tracking capital outlay in the functions for which the items were acquired. The capital expenditures within the various functions can be obtained from the Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

2001	2002	2003	2004	2005
\$14,391,477	\$1,399,359	\$1,526,743	\$1,665,011	\$1,713,495
0	12,730,316	12,661,195	13,247,597	13,936,390
0	0	128,918	101,508	372,122
2,388,382	3,385,935	3,243,655	2,827,540	5,179,408
2,923,646	3,403,048	3,058,344	3,042,601	4,152,126
532,984	408,948	546,158	474,459	800,580
188,598	251,060	251,034	296,966	310,490
0	47,197	44,300	35,564	37,202
45,155	43,318	45,147	53,377	53,282
804,385	139,298	166,204	164,584	585,975
124,586	167,246	83,025	79,579	22,755
588,720	193,247	163,714	176,016	179,397
<u>21,987,933</u>	<u>22,168,972</u>	<u>21,918,437</u>	<u>22,164,802</u>	<u>27,343,222</u>
4,188,601	3,363,543	3,545,179	3,303,940	3,987,625
4,984,686	5,119,813	6,234,905	6,623,283	6,496,423
102,506	116,275	119,086	119,086	121,642
2,457,256	2,394,556	2,800,886	2,528,337	2,417,118
1,310,297	1,377,966	1,640,914	1,285,139	5,861,294
1,611,830	1,639,017	3,419,312	2,618,772	2,582,123
2,517,213	2,359,052	4,668,718	4,700,834	22,013,004
6,108,413	5,029,990	0	0	0
937,000	800,000	9,185,000	1,215,608	1,661,573
1,130,951	660,269	903,981	799,579	1,209,943
0	0	85,690	0	371,372
<u>25,348,753</u>	<u>22,860,481</u>	<u>32,603,671</u>	<u>23,194,578</u>	<u>46,722,117</u>
<u>(3,360,820)</u>	<u>(691,509)</u>	<u>(10,685,234)</u>	<u>(1,029,776)</u>	<u>(19,378,895)</u>
0	257,705	0	0	0
0	4,950,000	5,280,000	0	22,020,000
0	0	0	0	6,440,000
0	5,700,000	2,500,000	2,227,000	0
0	17,552	121,392	0	727,207
0	0	0	0	1,893,334
0	0	0	1,816	402,632
0	0	0	0	(6,462,457)
2,037,569	2,904,195	2,829,026	1,884,495	37,871
<u>(2,037,569)</u>	<u>(2,904,195)</u>	<u>(2,829,026)</u>	<u>(1,884,495)</u>	<u>(37,871)</u>
<u>0</u>	<u>10,925,257</u>	<u>7,901,392</u>	<u>2,228,816</u>	<u>25,020,716</u>
<u>(\$3,360,820)</u>	<u>\$10,233,748</u>	<u>(\$2,783,842)</u>	<u>\$1,199,040</u>	<u>\$5,641,821</u>
10.7%	8.2%	37.7%	10.0%	14.0%

**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	
1996	\$7,461,144	78%	\$1,035,538	11%	\$8,496,682	89%	\$1,039,413	11%	\$9,536,095
1997	8,541,265	78	1,112,440	10	9,653,705	88	1,367,218	12	11,020,923
1998	9,299,486	76	1,238,775	10	10,538,261	86	1,699,101	14	12,237,362
1999	10,295,175	80	1,258,417	10	11,553,592	90	1,336,983	10	12,890,575
2000	10,930,764	80	1,311,397	10	12,242,161	90	1,429,268	10	13,671,429
2001	10,999,660	81	1,402,541	10	12,402,201	91	1,130,850	9	13,533,051
2002	10,549,917	80	1,414,197	11	11,964,114	91	1,143,743	9	13,107,857
2003	10,429,574	80	1,408,464	11	11,838,038	91	1,198,322	9	13,036,360
2004	10,373,704	77	1,520,520	11	11,894,224	88	1,684,780	12	13,579,004
2005	10,563,371	76	1,435,381	10	11,998,752	86	1,996,325	14	13,995,077

Source: City Income Tax Department

(1) These 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	Street Improvement Municipal Tax Fund	Capital Improvement Municipal Tax Fund	Total	Percentage Increase/ (Decrease)
1996	\$5,960,060	\$2,384,024	\$1,192,012	\$9,536,095	15.39%
1997	6,888,077	2,755,231	1,377,615	11,020,923	15.57
1998	7,648,351	3,059,341	1,529,670	12,237,362	11.04
1999	8,056,609	3,222,644	1,611,322	12,890,575	5.34
2000	8,544,643	3,417,857	1,708,929	13,671,429	6.06
2001	8,458,157	3,383,263	1,691,631	13,533,051	(1.01)
2002	8,192,411	3,276,964	1,638,482	13,107,857	(3.14)
2003	8,147,725	3,259,090	1,629,545	13,036,360	(0.55)
2004	8,486,878	3,394,751	1,697,375	13,579,004	4.16
2005	8,746,923	3,498,769	1,749,385	13,995,077	3.38

Source: City Income Tax Department

(1) These amounts are reported gross and do not take into account tax refunds.

**City of Hilliard, Ohio**  
*Principal Income Taxpayers - Withholding Accounts*  
 2005 and 1996

Range of Withholding Amount	2005		1996	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	2	21.46%	2	14.97%
\$300,001 - 500,000	2	6.60	0	0.00
\$100,001 - 300,000	10	12.95	9	23.40
\$55,001 - 100,000	17	11.23	13	15.82
Total		52.24		54.19
All Others		47.76		45.81
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*

Collection Year	Real Property	Tangible Personal Property	Public Utility Property	Total Taxable Assessed Value	Estimated Actual Value of Taxable Property
1996	\$375,958,820	\$54,300,913	\$19,257,710	\$449,517,443	\$1,346,393,738
1997	396,902,200	62,190,825	20,296,580	479,389,605	1,440,759,814
1998	421,012,750	60,902,842	20,399,890	502,315,482	1,504,790,339
1999	490,788,860	70,229,428	20,593,850	581,612,138	1,742,011,169
2000	520,706,420	76,476,995	19,792,520	616,975,935	1,850,190,666
2001	542,010,270	68,687,135	15,138,450	625,835,855	1,866,601,965
2002	625,119,360	73,219,911	19,971,850	718,311,121	2,135,997,387
2003	655,409,990	57,686,187	17,714,230	730,810,407	2,153,956,805
2004	691,676,960	49,482,834	17,401,820	758,561,614	2,223,870,708
2005	783,936,050	46,408,714	17,993,360	848,338,124	2,476,861,742

Source: Franklin County Auditor

Assessed valuation for real property is based upon 35% of estimated true value set by county appraisal, and tangible personal property is valued at 25% of true value of capital assets and 23% of listed value for inventory. Public utility real property is assessed at 35% of true value and public utility tangible personal property is currently assessed at varying percentages of true value.

**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	Overlapping Rates					Total
		Hilliard City School District	Franklin County	Metropolitan Library	Norwich Township	Vocational School	
1996	\$1.60	\$60.65	\$14.82	\$2.20	\$11.50	\$1.60	\$92.37
1997	1.60	60.28	15.12	2.20	11.50	1.60	92.30
1998	1.60	59.71	17.54	2.20	17.50	1.60	100.15
1999	1.60	59.71	17.64	2.20	17.50	1.60	100.25
2000	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2001	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2002	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2003	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2004	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2005	1.60	73.14	18.44	2.20	17.50	0.50	113.38

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Principal Property Tax Payers - Real Property*  
2005 and 1996

Taxpayer	2005			1996		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
United Dominion Realty	\$6,580,000	1	0.84%	-	-	-
Talcott III Mill Run LLC	6,484,780	2	0.83	-	-	-
First Industrial LP	4,025,010	3	0.51	-	-	-
Crystal Lake Apartments	3,160,620	4	0.40	-	-	-
Cadlerocks Hilliard	2,975,000	5	0.38	-	-	-
Home Depot USA Inc	2,975,000	6	0.38	-	-	-
Clearview Hilliard LP	2,415,010	7	0.31	-	-	-
Armstrong World	2,240,010	8	0.29	\$1,985,060	9	0.53%
CompuServe Inc	2,237,310	9	0.29	-	-	-
Target Corporation	2,022,860	10	0.26	-	-	-
Columbus Southern Power Company	-	-	-	9,007,510	1	2.40
Ohio Bell Telephone Company	-	-	-	6,236,420	2	1.66
Columbia Gas of Ohio, Inc.	-	-	-	3,859,270	3	1.03
Pier Set, Inc.	-	-	-	3,575,880	4	0.95
Heritage Golf Club, LP	-	-	-	2,949,890	5	0.78
Real Estate Finance Trust 1995-K-4	-	-	-	2,792,810	6	0.74
TR Properties, Inc. & TR Development V Inc.	-	-	-	2,757,820	7	0.73
Red Roof Inns, Inc.	-	-	-	2,350,370	8	0.63
Tri-Columbus Associates	-	-	-	1,920,200	10	0.51
Total Real Property	35,115,600		4.49	37,435,230		9.96
All Others	748,820,450		95.51	338,523,590		90.04
Total Real Property Assessed Valuation	<u>\$783,936,050</u>		<u>100.00%</u>	<u>\$375,958,820</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)	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1996	\$553,325	\$530,722	95.92%	\$7,502	\$538,224	97.27%
1997	636,876	606,399	95.21	15,227	621,626	97.61
1998	764,962	749,963	98.04	27,096	777,059	101.58
1999	818,899	809,787	98.89	19,134	828,921	101.22
2000	951,953	927,709	97.45	19,405	947,114	99.49
2001	983,178	962,455	97.89	27,112	989,567	100.65
2002	1,008,998	951,977	94.35	59,665	1,011,642	100.26
2003	1,131,059	1,159,650	102.53	29,381	1,189,031	105.13
2004	1,167,957	1,223,735	104.78	102,181	1,325,916	113.52
2005	1,211,106	1,187,941	98.09	19,395	1,207,336	99.69

Source: Franklin County Auditor

- (1) State reimbursement of rollback and homestead exemptions are included  
(2) Amounts listed include penalties and interest. Allocations of delinquent collections to prior periods are unavailable

**City of Hilliard, Ohio**  
*Computation of All Direct and Overlapping Governmental Debt*  
 December 31, 2005

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
<b>Direct</b>			
City of Hilliard			
Notes Payable	\$2,156,000		2,156,000
Loans Payable	1,893,334		1,893,334
General Obligation Bonds	35,380,000		35,380,000
Special Assessment Bonds	195,000		195,000
Capital Leases	403,267		403,267
	<u>40,027,601</u>	100.00%	<u>40,027,601</u>
<b>Overlapping Subdivisions</b>			
Hilliard City School District	109,201,772	35.65	38,930,432
Dublin City School District	105,939,196	0.08	84,751
Franklin County	144,596,863	3.01	4,352,366
Washington Township	2,500,000	0.01	250
Total Overlapping Debt	<u>362,237,831</u>		<u>43,367,799</u>
Grand Total	<u><u>\$402,265,432</u></u>		<u><u>\$83,395,400</u></u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

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

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

**City of Hilliard, Ohio**  
*Ratio of Net General Obligation Bonded Debt to Estimated  
 Actual Value and Net 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
1996	\$10,161,628	\$1,346,393,738	17,903	0.75%	\$567.59
1997	9,393,691	1,440,759,814	18,774	0.65	500.36
1998	8,618,667	1,504,790,339	20,908	0.57	412.22
1999	9,285,913	1,742,011,169	22,058	0.53	420.98
2000	8,089,966	1,850,190,666	24,230	0.44	333.88
2001	7,389,856	1,866,601,965	24,969	0.40	295.96
2002	11,585,172	2,135,997,387	25,555	0.54	453.34
2003	15,862,129	2,153,956,805	25,996	0.74	610.18
2004	16,874,129	2,223,870,708	26,844	0.76	628.60
2005	35,575,000	2,476,861,742	28,158	1.44	1,263.41

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

(2) Source: Franklin County Auditor

(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 Assessment Bonds	Capital Leases	Total Outstanding Debt	Population (1)	Personal Income (2)	Debt Per Capita	Percentage of Personal Income
1996	\$4,604,000	\$0	\$9,020,000	\$1,150,000	\$133,098	\$14,907,098	17,903	\$439,841	\$833	3.39%
1997	5,160,000	0	8,380,000	1,048,000	63,035	14,651,035	18,774	490,640	780	2.99
1998	4,700,000	0	7,715,000	946,000	10,423	13,371,423	20,908	577,374	640	2.32
1999	6,050,000	0	8,475,000	839,000	1,268	15,365,268	22,058	636,395	697	2.41
2000	8,750,000	0	7,660,000	732,000	0	17,142,000	24,230	744,903	707	2.30
2001	8,250,000	0	6,795,000	660,000	0	15,705,000	24,969	784,826	629	2.00
2002	5,700,000	0	11,015,000	590,000	0	17,305,000	25,555	824,864	677	2.10
2003	0	0	15,385,000	515,000	0	15,900,000	25,996	852,513	612	1.87
2004	2,227,000	0	14,255,000	430,000	1,208	16,913,208	26,844	916,132	630	1.85
2005	2,156,000	1,893,334	35,380,000	195,000	403,267	40,027,601	28,158	N/A	1,422	N/A

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

(2) Computation of per capita personal income multiplied by population (in thousands)

N/A - Information not available

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

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

	2005	2004	2003	2002
Total Assessed Valuation	\$848,338,124	\$758,561,614	\$730,810,407	\$718,311,121
Overall debt limitation - 10.5% of assessed valuation	<u>89,075,503</u>	<u>79,648,969</u>	<u>76,735,093</u>	<u>75,422,668</u>
Net Debt Subject to Limitation	37,536,000	15,947,000	15,385,000	16,715,000
Less amount available in the debt service fund	<u>0</u>	<u>37,871</u>	<u>37,871</u>	<u>19,828</u>
Total Net Debt Subject to Limitation	<u>37,536,000</u>	<u>15,909,129</u>	<u>15,347,129</u>	<u>16,695,172</u>
Legal debt margin within 10.5% limitation	<u>\$51,539,503</u>	<u>\$63,739,840</u>	<u>\$61,387,964</u>	<u>\$58,727,496</u>
Legal Debt Margin as a Percentage of the Debt Limit	57.9%	80.0%	80.0%	77.9%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	\$46,658,597	\$41,720,889	\$40,194,572	\$39,507,112
Net Debt Subject to Limitation	<u>37,536,000</u>	<u>15,947,000</u>	<u>15,385,000</u>	<u>15,415,000</u>
Less amount available in the debt service fund	<u>0</u>	<u>37,871</u>	<u>37,871</u>	<u>19,828</u>
Total Net Debt Subject to Limitation	<u>37,536,000</u>	<u>15,909,129</u>	<u>15,347,129</u>	<u>15,395,172</u>
Legal debt margin within 10% limitation	<u>\$9,122,597</u>	<u>\$25,811,760</u>	<u>\$24,847,443</u>	<u>\$24,111,940</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	19.6%	61.9%	61.8%	61.0%

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



2001	2000	1999	1998	1997	1996
\$625,835,855	\$616,975,935	\$581,612,138	\$502,315,482	\$479,389,605	\$449,517,443
65,712,765	64,782,473	61,069,274	52,743,126	50,335,909	47,199,332
15,045,000	16,410,000	14,525,000	12,415,000	13,540,000	13,624,000
65,144	302,034	28,087	42,333	34,309	8,372
14,979,856	16,107,966	14,496,913	12,372,667	13,505,691	13,615,628
<u>\$50,732,909</u>	<u>\$48,674,507</u>	<u>\$46,572,361</u>	<u>\$40,370,459</u>	<u>\$36,830,218</u>	<u>\$33,583,704</u>
77.2%	75.1%	76.3%	76.5%	73.2%	71.2%
\$34,420,972	\$33,933,676	\$31,988,668	\$27,627,352	\$26,366,428	\$24,723,459
15,045,000	16,410,000	14,525,000	12,415,000	13,540,000	10,949,000
65,144	302,034	28,087	42,333	34,309	8,372
14,979,856	16,107,966	14,496,913	12,372,667	13,505,691	10,940,628
<u>\$19,441,116</u>	<u>\$17,825,710</u>	<u>\$17,491,755</u>	<u>\$15,254,685</u>	<u>\$12,860,737</u>	<u>\$13,782,831</u>
56.5%	52.5%	54.7%	55.2%	48.8%	55.7%

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Income (5)</u>	<u>School Enrollment (6)</u>	<u>Unemployment Rate Franklin County Area (3)</u>	<u>Total Assessed Property Value (4)</u>
1996	17,903	\$439,841	\$24,568	10,668	3.2%	\$449,517,443
1997	18,774	490,640	26,134	11,224	2.7%	479,389,605
1998	20,908	577,374	27,615	12,003	2.5%	502,315,482
1999	22,058	636,395	28,851	12,492	2.5%	581,612,138
2000	24,230	744,903	30,743	12,873	2.4%	616,975,935
2001	24,969	784,826	31,432	13,252	2.8%	625,835,855
2002	25,555	824,864	32,278	13,674	4.4%	718,311,121
2003	25,996	852,513	32,794	14,220	4.9%	730,810,407
2004	26,844	916,132	34,128	14,529	5.4%	758,561,614
2005	28,158	N/A	N/A	14,760	5.2%	848,338,124

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  
(6) Hilliard City School District

**City of Hilliard, Ohio**

*Principal Employers*

2005 and 1997 (1)

Employer	2005			1997		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	2,315	1	13.53%	1,696	1	10.12%
CompuServe, Inc.	574	2	3.35	1,049	2	6.26
Novus/Discover Card Services	315	3	1.84	440	6	2.62
Micro Electronics, Inc.	283	4	1.65	658	4	3.92
Artic Express	266	5	1.55	277	8	1.65
Redemtech, Inc.	205	6	1.20	-	-	-
Baesman Printing Corp	185	7	1.08	-	-	-
S & G Manufacturing Group	179	8	1.05	-	-	-
Rich Products Mfg.	159	9	0.93	-	-	-
City of Hilliard	143	10	0.84	147	10	0.88
Red Roof Inns, Inc.	-	-	-	664	3	3.96
Gates McDonald & Co.	-	-	-	534	5	3.19
Medex, Inc.	-	-	-	407	7	2.43
ITW-Nifco, Inc.	-	-	-	236	9	1.41
Total Employees	4,624		27.02	6,108		36.44
All Other Employers	12,486		72.98	10,658		63.56
Total Employment within the City	17,110		100.00%	16,766		100.00%

Source: City Income Tax Department

(1) Information for 1996 was not available.

**City of Hilliard, Ohio**  
*City Government Employees by Function/Program*  
*Last Nine Years (1)*

Function/Program	1997		1998		1999		2000		2001	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	40	40	45	50	42	52	54	61	60	66
Security of Persons and Property	41	41	42	42	43	43	44	44	46	46
Leisure Time Activities	18	36	17	32	17	28	19	32	21	34
Basic Utility Services	12	13	9	9	8	8	10	11	9	9
Transportation	17	17	20	20	23	23	22	22	20	20
<i>Total Number of Employees</i>	<u>128</u>	<u>147</u>	<u>133</u>	<u>153</u>	<u>133</u>	<u>154</u>	<u>149</u>	<u>170</u>	<u>156</u>	<u>175</u>

(1) Information for 1996 was not available.

Source: City Payroll Records

2002		2003		2004		2005	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
62	67	35	35	48	48	49	49
45	45	50	50	50	50	50	50
19	33	23	35	20	32	22	32
11	11	14	14	4	4	1	1
19	19	21	21	21	21	21	21
<u>156</u>	<u>175</u>	<u>143</u>	<u>155</u>	<u>143</u>	<u>155</u>	<u>143</u>	<u>153</u>

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

Function/Program	1996	1997	1998	1999	2000
<b>General Government:</b>					
Government Center	1	1	1	1	1
<b>Security of Persons and Property:</b>					
Number of Police Stations	1	1	1	1	1
Number of Fire/EMS Stations (1)	1	1	1	1	2
<b>Leisure Time Activities:</b>					
Number of Parks	18	18	18	18	18
Park Area (acres)	227.0	227.0	227.0	227.0	239.9
Number of Playgrounds	10	10	10	10	11
Number of Swimming Pools	2	2	2	2	2
Number of Ball Fields	17	28	28	28	28
Number of Tennis Courts	6	6	6	6	6
Number of Community Centers	1	1	1	1	1
Number of Senior Centers	1	1	1	1	1
<b>Basic Utility Services:</b>					
Miles of Water Mains	75	75	75	97	97
Miles of Sanitary Sewers	65	65	65	118	118
Miles of Storm Sewers	66	66	66	85	85
<b>Transportation:</b>					
Miles of Streets	N/A	N/A	N/A	N/A	N/A
Number of Street Lights	366	369	369	419	419

(1) Fire Protection provided by Norwich Township

N/A - Information not available

Source: City capital asset records

2001	2002	2003	2004	2005
1	1	1	1	1
1	1	1	1	1
2	2	3	3	3
18	18	18	21	21
239.9	239.9	256.9	285.0	285.0
11	11	11	11	11
2	2	2	2	2
28	28	28	28	28
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
105	105	126	114	113
120	120	151	130	117
96	96	141	108	122
N/A	N/A	N/A	N/A	102
480	480	1,636	1,405	1,445

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

Function/Program	1996	1997	1998	1999	2000	2001
<b>General Government:</b>						
Active Income Tax Accounts						
Individual	N/A	N/A	8500	8,625	8,932	9,200
Business	N/A	N/A	1900	2,020	2,390	2,100
Withholding	N/A	N/A	2200	2,300	2,630	3,024
<b>Clerk of Courts:</b>						
Traffic Court Cases	N/A	2,716	2,974	2,284	2,322	2,405
<b>Security of Persons and Property:</b>						
Police calls	38,691	40,600	40,595	40,170	42,926	42,370
Physical Arrests	1,820	1,752	2,034	1,842	1,957	1,760
Citations	3,693	3,194	3,838	3,088	3,282	3,202
Parking Violations	115	111	94	65	74	78
<b>Leisure Time Activities:</b>						
Swimming Pool Revenue	\$357,658	\$332,075	\$374,012	\$427,427	\$428,918	\$458,228
Community Center Revenue	172,136	187,946	205,085	209,157	217,005	233,949
Senior Center Revenue	54,078	62,236	73,078	84,730	54,471	94,933

Source: Department annual reports

N/A - Information not available



2002	2003	2004	2005
9,360	9,253	9,368	10,007
2,296	2,303	2,378	2,457
3,075	3,290	3,152	3,097
2,865	2,469	2,754	2,922
48,807	48,001	56,286	57,170
1,853	1,805	2,061	1,771
3,966	3,686	4,470	4,699
74	80	80	93
\$479,925	\$471,468	\$401,414	\$388,633
254,261	273,369	225,431	207,862
106,500	89,219	86,209	87,730

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**Auditor of State  
Betty Montgomery**

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Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF HILLIARD**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 31, 2006**