

## **City of Hilliard, Ohio**

Independent Auditors' Report on Internal Control  
Over Financial Reporting and Compliance

Year Ended December 31, 2014





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Hilliard, Franklin County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 10, 2015

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AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Hilliard, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Ohio (the "City") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2015.

**Internal Control Over Financial Reporting**

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

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

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
May 29, 2015

# CITY OF HILLIARD, OHIO

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FRANKLIN COUNTY

## *Comprehensive Annual Financial Report*

For the Year Ended December 31, 2014

Prepared by:  
**Department of Finance**

David D. Delande  
**Director**

Greg A. Tantari  
**Deputy Director**

**CITY OF HILLIARD, OHIO**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2014**  
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# INTRODUCTORY SECTION

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May 29, 2015

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Hilliard (the City) for the year ended December 31, 2014. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark, Schaefer, Hackett & Co. has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2014. The Independent Auditors’ Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditors’ Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Government***

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

The Hilliard area was settled in the early 1800's and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950's when residential growth boomed. By December 12, 1960 the population had reached 5,000 and the Village of Hilliard became a City. The Mid-Ohio Regional Planning Commission estimates the population for the City to be 28,723 for 2014.

The City is serviced by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates that 38.8 percent of its students reside in the City.

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

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

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

Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organizations resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also

include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

The City's charter requires the Mayor to submit to Council on or before November 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 five days prior to the hearing date. The budget is on file with the City Clerk and available for inspection prior to the hearing date. Council adopts the budget either as submitted or amended after the public hearing but no later than January 31. This budget serves as the appropriation ordinance and is filed with the Franklin County Auditor's office.

This annual budget serves as the foundation for the City of Hilliard's financial planning and control. The 2014 budget was prepared by fund and department and object level. Department heads may transfer resources within the object as they see fit. The budget was approved by Council as required by the City's Charter.

### ***Local Economy and Long-term Financial Planning***

The City is included in the Columbus Metropolitan Statistical Area (MSA) which is ranked 32nd in the nation by population. This MSA had an annual average unemployment rate at the end of 2014 of 3.7 percent while the State of Ohio was at an annual average 5.6 percent unemployment rate at the end of 2014 according to the Ohio Labor Market Information site for the Ohio Department of Jobs and Family Services. Our employment mix insulates us somewhat from what is happening elsewhere in the state. Our largest employer is the Hilliard City School District which is the ninth largest district in the state according to the Ohio Department of Education. The list of our ten largest employers can be found in our statistical section and includes telecommunications, financial services, technology, marketing, insurance and manufacturing businesses.

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

### ***Relevant financial policies***

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

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

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

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

### ***Major initiatives***

#### **Development**

The City has adopted a proactive development strategy that combines successful public-private partnerships with a robust complement of development incentives. In 2014, these efforts resulted in over 147 new jobs attracted, and projected \$53,000,000 new private investment planned in 2015.

The City will have continued economic growth in 2015 due to new development as well as the relocation of Verizon Wireless from Dublin to Hilliard. This relocation brought in 1,500 jobs to the City with an increased workforce projection by an additional 700 additional employees. The Hilliard Dana Manufacturing Site Development project started development in 2013 and came into flourishing in 2014. This consisted of 90,000 square feet of new offices in two buildings (tenants – Ohio Health and Nationwide Children's Hospital); 89,000 square foot Giant Eagle grocery with a GET-GO gas station, car wash and convenience store; 13,000 square feet of additional retail; two restaurants; and a 420 unit Lifestyle Communities development.

#### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

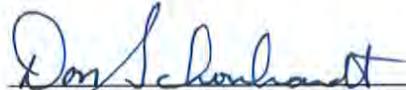
We wish to convey our appreciation to the City Administration and to the City Council for their support and for providing the necessary funds to prepare and publish this report.

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

Respectfully submitted,



David D. Delande  
Finance Director



Don Schonhardt  
Mayor



Government Finance Officers Association

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

Presented to

**City of Hilliard  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

**City of Hilliard, Ohio**

*Principal Officials*

*December 31, 2014*

Elected Officials

Name	Title	Term Expires	Service	Surety
Don Schonhardt	Mayor	12/31/2015	13	A
Nathan Painter	President of Council	12/31/2015	3	A
Les Carrier	Council	12/31/2017	1	A
Tom Baker	Council	12/31/2017	1	A
Albert J. Iosue	Council	12/31/2015	7	A
Kelly McGivern	Council	12/31/2017	7	A
Bill Utley	Council	12/31/2017	14	A
Joseph Erb	Council	12/31/2015	3	A

Appointed Officials

Name	Title	Term Expires	Service	Surety
David D. Delande	Director of Finance	Indefinite	20	A & B
Tracy Bradford	Director of Law	Indefinite	10	A
Don Schonhardt	Director of Safety	Indefinite	13	A
Clyde R. Seidle	Director of Service	Indefinite	11	A
Steven B. Mazer	Director of Parks and Recreation	Indefinite	7	A
David Meeks	Director of Economic Development	Indefinite	12	A
Gerry Edwards	Director of Human Resource	Indefinite	10	A
John F. Hall, III	Director of Land & Bldgs.	Indefinite	10	A
J. Douglas Francis	Chief of Police	Indefinite	6	A
Lynn Fasone	Clerk of Council	Indefinite	10	A

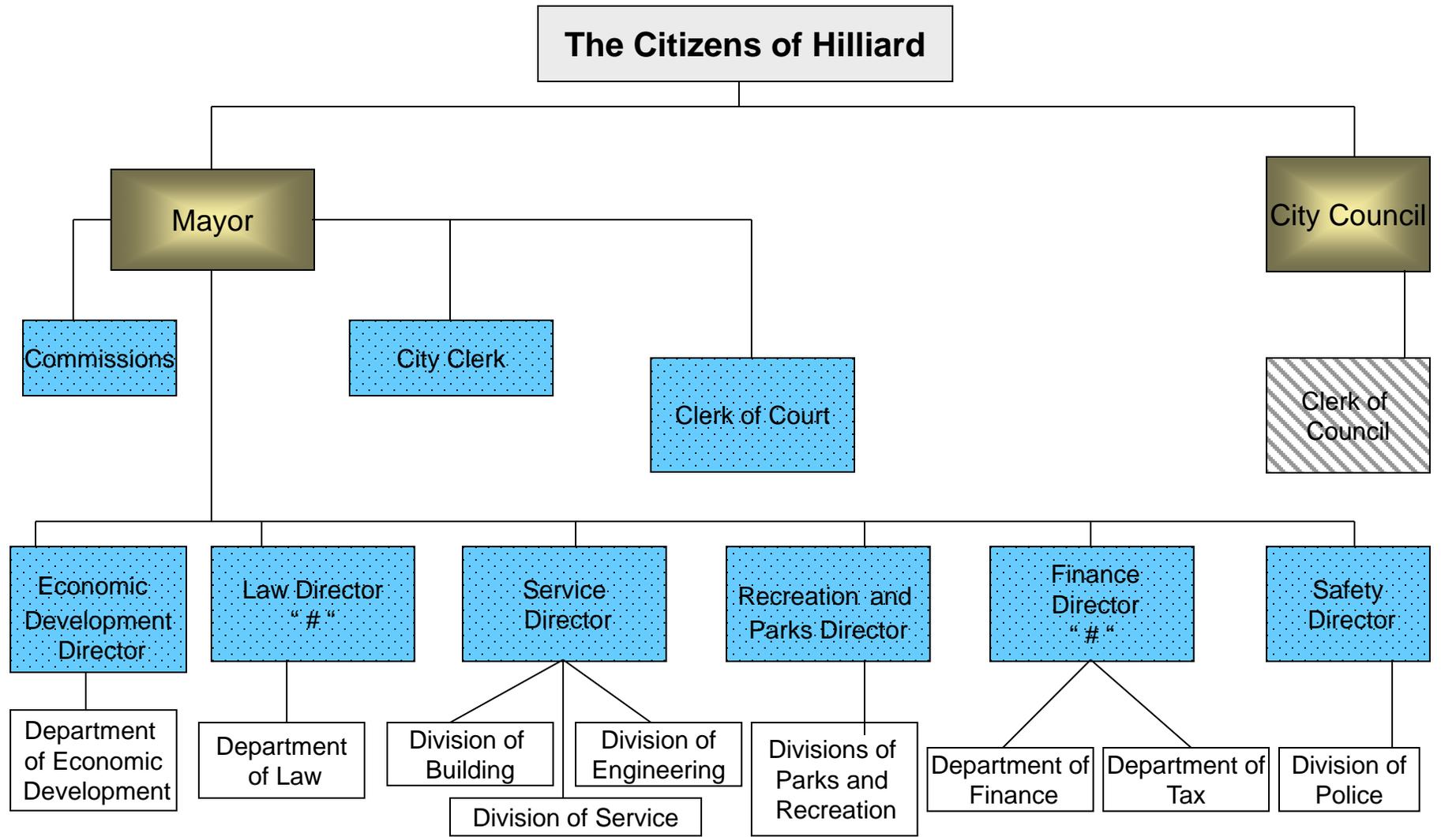
(A) National Casualty Insurance Company, \$1,000,000/\$1,000,000.

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

City Address:

City of Hilliard  
3800 Municipal Way  
Hilliard, OH 43026

# The City of Hilliard, Ohio Organizational Chart



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

Boards and Commissions

- Parks and Recreation
- Shade Tree Commission
- Board of Zoning Appeals
- Planning and Zoning Commission
- Tax Incentive Review Council
- Board of Tax Appeals
- Records Commission
- Civil Service Commission
- Environmental Sustainability
- Hilliard Housing Council for Community Reinvestment

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**FINANCIAL  
SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To City Council  
City of Hilliard, Ohio:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Ohio (the "City") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## ***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, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable cash flows and the respective budgetary comparisons for the General Fund, Street Maintenance and Repair Fund, Street Improvement Municipal Tax Fund, Water and Sewer Revenue Fund and TIF Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015 on our consideration of the City of Hilliard's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Hilliard's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
May 29, 2015

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**CITY OF HILLIARD, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014**  
*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, 2014.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased \$3,931,352 in 2014.
- General revenues accounted for \$32,450,092 or 65% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$17,229,821 or 35% of total revenues of \$49,679,913.
- The City had \$45,748,561 in expenses related to governmental activities. Program revenues of \$17,229,821 reduced the net cost of the City's functions to be financed from the City's general revenues to \$28,518,740.
- The City's unassigned fund balance of the General Fund totaled \$10,340,785 at year end, or 52% of General Fund expenditures.

**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 Position 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 Position and the Statement of Activities*

The analysis of the City as a whole begins with the Statement of Net Position 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

These two statements report the City's net position and changes to that position. 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*

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, Water and Sewer Revenue, and TIF 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 Position 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.

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current and other assets	\$ 48,279,268	\$ 45,263,033
Capital assets	<u>240,217,331</u>	<u>240,860,545</u>
<i>Total Assets</i>	<u>288,496,599</u>	<u>286,123,578</u>
<b>Deferred Outflows of Resources</b>	<u>1,814,901</u>	<u>1,499,841</u>
<b>Liabilities</b>		
Long-term liabilities	72,307,955	69,767,796
Other liabilities	<u>3,037,112</u>	<u>2,174,039</u>
<i>Total Liabilities</i>	<u>75,345,067</u>	<u>71,941,835</u>
<b>Deferred Inflows of Resources</b>	<u>5,530,073</u>	<u>10,176,576</u>
<b>Net Position</b>		
Net investment in capital assets	174,263,501	178,545,386
Restricted	19,459,624	13,239,396
Unrestricted	<u>15,713,235</u>	<u>13,720,226</u>
<i>Total Net Position</i>	<u>\$ 209,436,360</u>	<u>\$ 205,505,008</u>

The largest portion of the City's net position (83%) reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,713,235 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current year, the City is able to report positive balances in all reported categories of net position. The same situation held true for the prior year. The City's overall net position increased \$3,931,352 from the prior year. The reasons for this overall increase are discussed in the following section.

Table 2 shows the changes in net position for the years ended December 31, 2014 and 2013.

**Table 2  
Changes in Net Position**

	Governmental Activities	
	2014	2013
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 8,895,504	\$ 9,102,278
Operating grants and contributions	2,246,982	1,782,427
Capital grants and contributions	6,087,335	2,120,629
<i>Total program revenues</i>	<u>17,229,821</u>	<u>13,005,334</u>
General revenues:		
Property and other local taxes	1,418,846	1,483,891
Municipal income taxes	22,295,287	20,710,437
Payments in lieu of taxes	7,383,674	5,038,316
Grants and entitlements not restricted to specific programs	770,008	693,035
Investment earnings	73,377	33,531
Miscellaneous	508,900	356,074
<i>Total general revenues</i>	<u>32,450,092</u>	<u>28,315,284</u>
<i>Total revenues</i>	<u>49,679,913</u>	<u>41,320,618</u>
<b>Expenses</b>		
General government	6,234,614	4,396,977
Security of persons and property	11,406,237	8,377,988
Public health	194,357	186,809
Leisure time activities	3,347,217	3,282,870
Community environment	3,437,303	3,571,243
Basic utility services	7,407,729	8,804,498
Transportation	11,946,188	8,523,821
Interest and fiscal charges	1,774,916	2,326,249
<i>Total expenses</i>	<u>45,748,561</u>	<u>39,470,455</u>
<i>Change in net position</i>	3,931,352	1,850,163
<i>Net position, beginning of year</i>	<u>205,505,008</u>	<u>203,654,845</u>
<i>Net position, end of year</i>	<u>\$ 209,436,360</u>	<u>\$ 205,505,008</u>

The 2.0 percent income tax is generally 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 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.

The City's employment picture remains stable. All of the top ten employers for 2014 were included in the top ten listing for 2013. The largest employer spot was overtaken by Verizon Wireless during the year, with their relocation from Dublin to Hilliard.

In 2014, total revenue increased \$8,359,295 as compared to 2013. The increase in total General Revenues was \$4,134,808, while total Program Revenues increased \$4,224,487.

Under program revenues, the City experienced increases in capital grants and contributions, as the City received \$4.3 million in developer donated infrastructure during the year.

Under general revenues, the most significant changes occurred in municipal income taxes, as the City experienced continued growth, along with the relocation of Verizon Wireless into the City, and payments lieu of taxes, in which the City continued to receive catch up payments on delinquent payments from prior tax years.

Table 3 for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges of services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by general revenues.

**Table 3**

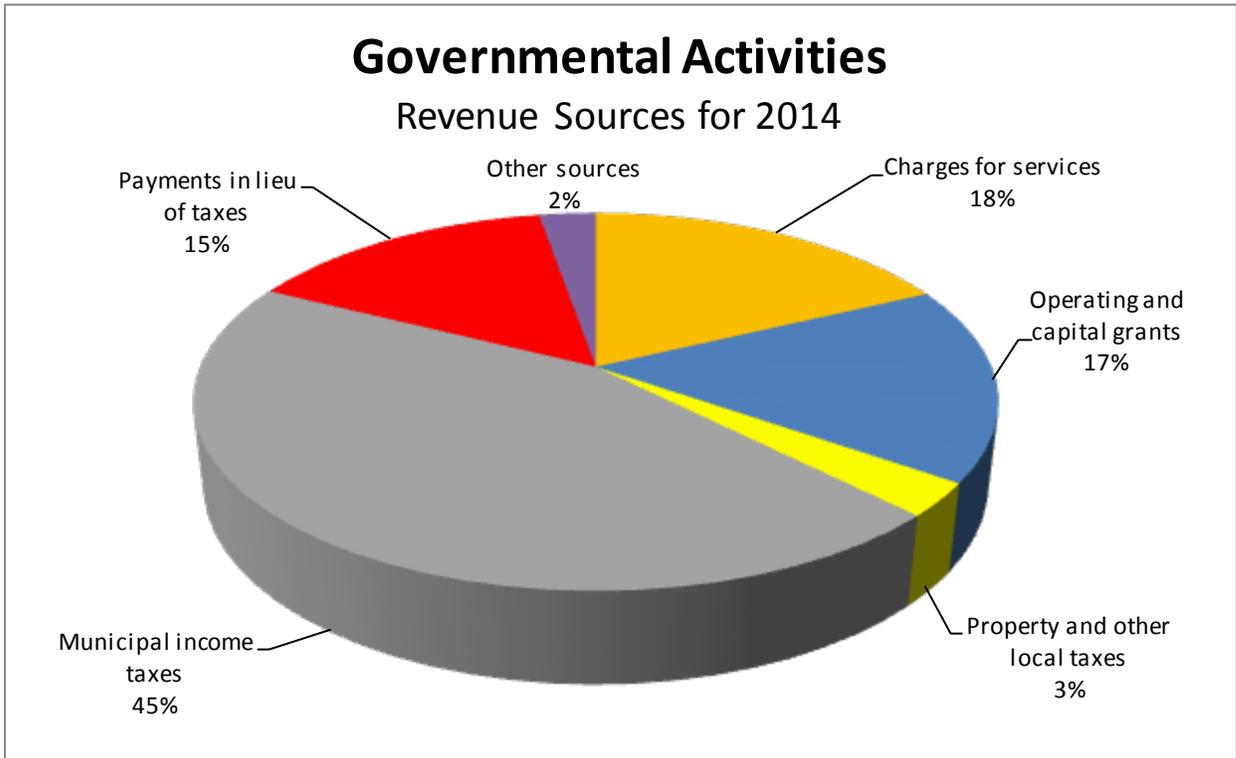
	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
General government	\$ 6,234,614	\$ (5,487,556)	\$ 4,396,977	\$ (3,568,231)
Security of persons and property	11,406,237	(10,438,338)	8,377,988	(7,371,511)
Public health	194,357	(194,357)	186,809	(186,809)
Leisure time activities	3,347,217	(2,309,712)	3,282,870	(1,799,241)
Community environment	3,437,303	(639,361)	3,571,243	(670,180)
Basic utility services	7,407,729	330,529	8,804,498	(4,750,697)
Transportation	11,946,188	(8,005,029)	8,523,821	(5,792,203)
Interest and fiscal charges	1,774,916	(1,774,916)	2,326,249	(2,326,249)
	<u>\$ 45,748,561</u>	<u>\$(28,518,740)</u>	<u>\$ 39,470,455</u>	<u>\$(26,465,121)</u>

It should be noted that 38% of the costs of services for governmental activities are paid by program revenues, including charges for services, operating grants, capital grants and other contributions. As shown by the total net costs of \$28,518,740, the majority of the City programs are funded by general revenues. A significant portion of the total general revenues consists of income taxes, property taxes and payments in lieu of taxes.

The Administration and City Council base spending decisions on how they will improve the quality of life for the citizens and business in Hilliard. The Administration and City Council committed to maintain and improve the City's investments by providing appropriations for capital assets, equipment and repairs. Overall the City had more capital improvement projects in 2014 than in 2013 and focused on preserving existing assets. These assets include street resurfacing, sidewalk replacements, safety and

street maintenance equipment and vehicles, as well as park and recreation equipment. Additionally during the year, the City invested in public safety with its \$2 million contribution to become a member of the Central Ohio Interoperable Radio System, a jointly governed organization for dispatching emergency response and law enforcement services across the region.

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 18% 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 17% of total revenues. The remaining revenues are primarily generated locally through 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.



**THE CITY’S GOVERNMENTAL FUNDS**

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

At December 31, 2014, the City’s governmental funds reported combined fund balances of \$35,357,330, an increase of \$5,102,935 in comparison with the prior year. Approximately 29% of this amount (\$10,326,122) constitutes unassigned fund balance, which is available for spending at the City’s discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$26,774), 2) restricted for particular purposes (\$20,434,858), 3) committed for particular purposes (\$4,379,822), or 4) assigned for particular purposes (\$189,754).

The General Fund ended the current year with a fund balance of \$10,779,283. Of this amount, \$10,340,785 is considered unassigned, which represents 52% of current year expenditures. The General Fund continues to rely heavily on the City's income tax as its primary source of revenue for operations. The fund balance increased \$1,268,908 in 2014, which was \$2.6 million less than the prior year's increase in fund balance. Total revenue decreased by about 4%, as business net profit estimated income tax payments were lower due to timing, while total expenditures increased by about 9%, with the start of new police union agreements and a new contract for dispatch services.

The increase of \$76,634 in the Street Maintenance and Repair Special Revenue Fund was consistent with prior year's increase, as the City continued its improvement and resurfacing efforts.

The Street Improvement Municipal Tax Special Revenue Fund decreased by \$455,403. This decrease was \$240,737 more than the prior year's decrease, due primarily to increases in personnel and road salt costs.

The Water and Sewer Revenue Special Revenue Fund's charges for services were adequate to cover its operations, with fund balance increasing by \$350,022. The increase in total revenue of approximately 34% was primarily attributable to increased capacity charges received from several construction projects in 2014.

The TIF Special Revenue Fund increased by \$1,170,403 due to the City continuing to receive catch up payments on delinquent payments from the Hickory Chase development, as new buyers have brought the development out of bankruptcy and property taxes current.

The Capital Improvement Municipal Tax Capital Projects Fund increased by \$2,861,662 primarily due to issuance of \$6.5 million in new notes to finance various capital improvements, with approximately \$1.7 million in unspent proceeds remaining as of December 31, 2014. The ending fund balance for the Capital Improvement Municipal Tax Fund was \$12,638,572.

### ***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 cash receipts, cash disbursements and encumbrances. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council as provided for in the City's charter. The legal level of control has been established by Council at the object level.

During 2014, the total amount of the General Fund budget was increased from \$22,027,562 to \$22,946,633, an adjustment of \$919,071 from the original budget, to account for additional recreational programs. However, actual expenditures were \$2,230,160 less than budgeted, due to lower than expected pool and program utilization and timing of certain projects and planning expenditures not occurring during the year as anticipated.

General Fund original and final budgeted revenues were \$21,406,895. Actual revenues were \$22,879,699, a difference of \$1,472,804 compared to final budget revenues, due to better than expected income tax collections, with increases in employment within the City, and permit revenue, with continued construction activity within the City.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

At December 31, 2014, the City's capital assets decreased \$643,214 to \$240,217,331.

**Table 4**  
**Capital Assets at Year-End**  
(Net of Depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 4,726,587	\$ 4,726,587
Construction in progress	4,737,316	-
Buildings	7,146,047	7,478,841
Improvements other than buildings	6,662,279	6,998,166
Machinery and equipment	1,734,756	1,478,039
Furniture and fixtures	180,442	220,773
Vehicles	1,002,804	1,011,830
Infrastructure	214,027,100	218,946,309
Totals	<u>\$ 240,217,331</u>	<u>\$ 240,860,545</u>

Capital Assets decreased primarily due to the annual depreciation of capital assets of \$11,633,218; partially offset by additions various City assets of \$11,082,310. See Note 7 of the Notes to the Basic Financial Statements for more detailed information.

## **Debt**

At December 31, 2014, the City of Hilliard had \$70,392,105 in debt outstanding.

**Table 5**  
**Outstanding Debt**

	Governmental Activities	
	2014	2013
OWDA loan payable	\$ 1,419,591	\$ 1,632,497
OPWC loan payable	2,566,598	2,675,815
General obligation bonds	47,050,000	50,370,000
General obligation notes	10,785,000	4,285,000
Capital leases	5,848,276	6,056,320
Premiums on bonds issued	2,722,640	2,759,330
Totals	<u>\$ 70,392,105</u>	<u>\$ 67,778,962</u>

The increase in outstanding debt is primarily due to the issuance of general obligation notes. In 2014, the City issued \$6,500,000 in new notes for various capital improvements. In addition, the City issued \$5,160,000 in refunding bonds to refund \$4,780,000 in Series 2007 bonds and rolled over \$4,285,000 in notes that were initially issued to fund capital improvements.

Generally, all general obligation bond and note issues will be paid through the Water and Sewer Revenue, Street Improvement Municipal Tax, and TIF Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund.

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

The City's overall 10.5 percent legal debt margin was \$87,583,120 as of December 31, 2014. The more restrictive unvoted legal debt margin within 5.5 percent was \$44,213,920 as of the same date.

See Note 14 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 David Delande, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.

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**CITY OF HILLIARD, OHIO**

## Statement of Net Position

December 31, 2014

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and investments	\$ 35,039,314
Cash and cash equivalents with fiscal agent	195,482
Accounts receivable	207,590
Municipal income tax receivable	5,908,739
Due from other governments	1,307,073
Payments in lieu of taxes receivable	4,284,378
Prepaid items	26,774
Property and other local taxes receivable	1,309,918
Nondepreciable capital assets	9,463,903
Depreciable capital assets, net	<u>230,753,428</u>
Total assets	<u>288,496,599</u>
 <b>Deferred Outflows of Resources</b>	
Deferred charges on refundings	<u>1,814,901</u>
 <b>Liabilities</b>	
Accounts payable	1,378,558
Accrued liabilities	300,000
Accrued wages payable	133,327
Matured compensated absences	271,644
Due to other governments	83,298
Accrued interest payable	268,970
Claims payable	226,000
Unearned revenue	375,315
Long-term liabilities:	
Due within one year	15,947,849
Due in more than one year	<u>56,360,106</u>
Total liabilities	<u>75,345,067</u>
 <b>Deferred Inflow of Resources</b>	
Property taxes	1,245,695
Payments in lieu of taxes	<u>4,284,378</u>
Total deferred inflows of resources	<u>5,530,073</u>
 <b>Net Position</b>	
Net investment in capital assets	174,263,501
Restricted for:	
Streets and transportation	7,493,507
Capital outlay	11,856,974
Other purposes	109,143
Unrestricted	<u>15,713,235</u>
Total net position	<u>\$ 209,436,360</u>

See accompanying notes to the basic financial statements.

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**CITY OF HILLIARD, OHIO**  
Statement of Activities  
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense)	
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	
			Capital Grants and Contributions	Total Governmental Activities	
Governmental activities:					
General government	\$ 6,234,614	\$ 743,059	\$ 3,999	\$ -	\$ (5,487,556)
Security of persons and property	11,406,237	895,958	63,469	8,472	(10,438,338)
Public health	194,357	-	-	-	(194,357)
Leisure time activities	3,347,217	1,037,505	-	-	(2,309,712)
Community environment	3,437,303	2,797,942	-	-	(639,361)
Basic utility services	7,407,729	3,421,040	-	4,317,218	330,529
Transportation	11,946,188	-	2,179,514	1,761,645	(8,005,029)
Interest and fiscal charges	1,774,916	-	-	-	(1,774,916)
Total governmental activities	<u>45,748,561</u>	<u>8,895,504</u>	<u>2,246,982</u>	<u>6,087,335</u>	<u>(28,518,740)</u>
General revenues:					
Property taxes levied for general purposes					1,418,846
Municipal income taxes levied for:					
General purposes					15,172,841
Transportation					1,536,470
Capital outlay					5,585,976
Payments in lieu of taxes					7,383,674
Grants and contributions not restricted to specific programs					770,008
Investment earnings					73,377
Miscellaneous					508,900
Total general revenues					<u>32,450,092</u>
Change in net position					3,931,352
Net position beginning of year					<u>205,505,008</u>
Net position end of year					<u>\$ 209,436,360</u>

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Balance Sheet  
 Governmental Funds  
 December 31, 2014

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Street Improvement Municipal Tax</u>
<b>Assets</b>			
Equity in pooled cash and cash equivalents	\$ 10,826,690	\$ 710,273	\$ 2,501,660
Cash and cash equivalents with fiscal agent	-	-	-
Receivables:			
Property and other local taxes	1,309,918	-	-
Payments in lieu of taxes	-	-	-
Municipal income taxes	4,254,292	-	177,262
Accounts	184,207	8,624	652
Due from other funds	43,556	-	-
Due from other governments	291,815	663,111	-
Prepaid items	26,774	-	-
Interfund receivable	8,669	-	-
Total assets	<u>\$ 16,945,921</u>	<u>\$ 1,382,008</u>	<u>\$ 2,679,574</u>
<b>Liabilities</b>			
Accounts payable	\$ 762,165	\$ 23,588	\$ 37,789
Accrued liabilities	300,000	-	-
Due to other funds	193,387	19,936	-
Interfund payable	-	-	-
Accrued wages payable	115,851	4,369	-
Matured compensated absences	257,020	2,439	-
Due to other governments	64,877	4,606	-
Unearned revenue	375,315	-	-
Total liabilities	<u>2,068,615</u>	<u>54,938</u>	<u>37,789</u>
<b>Deferred Inflows of Resources</b>			
Property taxes	1,245,695	-	-
Payments in lieu of taxes	-	-	-
Unavailable revenue	2,852,328	439,858	107,943
Total deferred inflows of resources	<u>4,098,023</u>	<u>439,858</u>	<u>107,943</u>
<b>Fund balances</b>			
Nonspendable	26,774	-	-
Restricted	-	887,212	-
Committed	221,970	-	2,533,842
Assigned	189,754	-	-
Unassigned	10,340,785	-	-
Total fund balances	<u>10,779,283</u>	<u>887,212</u>	<u>2,533,842</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,945,921</u>	<u>\$ 1,382,008</u>	<u>\$ 2,679,574</u>

See accompanying notes to the basic financial statements.

Water and Sewer Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,416,493	\$ 5,389,958	\$ 12,344,735	\$ 1,696,342	\$ 34,886,151
-	-	-	195,482	195,482
-	-	-	-	1,309,918
-	4,284,378	-	-	4,284,378
-	-	1,477,185	-	5,908,739
4,814	-	9,293	-	207,590
-	-	-	-	43,556
-	96,328	144,636	111,183	1,307,073
-	-	-	-	26,774
-	-	-	-	8,669
<u>\$ 1,421,307</u>	<u>\$ 9,770,664</u>	<u>\$ 13,975,849</u>	<u>\$ 2,003,007</u>	<u>\$ 48,178,330</u>
\$ 96,236	\$ -	\$ 437,749	\$ 21,031	\$ 1,378,558
-	-	-	-	300,000
37,610	-	-	18,805	269,738
-	-	-	8,669	8,669
8,738	-	-	4,369	133,327
7,312	-	-	4,873	271,644
9,212	-	-	4,603	83,298
-	-	-	-	375,315
<u>159,108</u>	<u>-</u>	<u>437,749</u>	<u>62,350</u>	<u>2,820,549</u>
-	-	-	-	1,245,695
-	4,284,378	-	-	4,284,378
-	96,328	899,528	74,393	4,470,378
<u>-</u>	<u>4,380,706</u>	<u>899,528</u>	<u>74,393</u>	<u>10,000,451</u>
-	-	-	-	26,774
243,500	5,389,958	12,638,572	1,275,616	20,434,858
1,018,699	-	-	605,311	4,379,822
-	-	-	-	189,754
-	-	-	(14,663)	10,326,122
<u>1,262,199</u>	<u>5,389,958</u>	<u>12,638,572</u>	<u>1,866,264</u>	<u>35,357,330</u>
<u>\$ 1,421,307</u>	<u>\$ 9,770,664</u>	<u>\$ 13,975,849</u>	<u>\$ 2,003,007</u>	<u>\$ 48,178,330</u>

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**CITY OF HILLIARD, OHIO**  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2014

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**Total governmental fund balances** \$ 35,357,330

*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 240,217,331

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds. 4,470,378

Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 153,345

Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	49,772,640	
Notes payable	10,785,000	
OWDA loans payable	1,419,591	
OPWC loans payable	2,566,598	
Capital lease payable	5,848,276	
Compensated absences payable	<u>1,915,850</u>	(72,307,955)

Accrued interest on long-term debt is not reported in the funds. (268,970)

Deferred outflows of resources from losses on refunding are amortized over the life of the bonds and are not reported in the funds. 1,814,901

**Net position of governmental activities** \$ 209,436,360

See accompanying notes and accountant's compilation report.

**CITY OF HILLIARD, OHIO**

## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Year Ended December 31, 2014

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Street Improvement Municipal Tax</u>
<b>Revenues</b>			
Property and other local taxes	\$ 1,441,796	\$ -	\$ -
Municipal income taxes	13,684,226	-	1,474,444
Payment in lieu of taxes	-	-	-
Intergovernmental	579,377	1,382,920	-
Charges for services	3,716,989	-	-
Licenses and permits	1,326,535	-	-
Fines and forfeitures	278,932	-	-
Investment income	72,759	473	-
Miscellaneous	93,731	70,463	326,242
Total revenues	<u>21,194,345</u>	<u>1,453,856</u>	<u>1,800,686</u>
<b>Expenditures</b>			
Current:			
General government	4,928,282	-	45,736
Security of persons and property	8,741,811	-	-
Public health	194,357	-	-
Leisure time activities	2,862,881	-	-
Community environment	3,199,954	-	-
Basic utility services	-	-	-
Transportation	-	1,377,222	1,911,097
Debt Service:			
Principal retirement	-	-	295,000
Interest and fiscal charges	-	-	4,256
Issuance costs	-	-	-
Total expenditures	<u>19,927,285</u>	<u>1,377,222</u>	<u>2,256,089</u>
Excess of revenues over (under) expenditures	<u>1,267,060</u>	<u>76,634</u>	<u>(455,403)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	1,848	-	-
Refunding bonds issued	-	-	-
Premium on issuance of bonds	-	-	-
Notes issued	-	-	-
Payment to escrow	-	-	-
Total other financing sources (uses)	<u>1,848</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,268,908	76,634	(455,403)
Fund balance, beginning of year	<u>9,510,375</u>	<u>810,578</u>	<u>2,989,245</u>
Fund balance, end of year	<u>\$ 10,779,283</u>	<u>\$ 887,212</u>	<u>\$ 2,533,842</u>

See accompanying notes to the basic financial statements.

Water and Sewer Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,441,796
-	-	5,069,096	-	20,227,766
-	7,383,674	-	-	7,383,674
-	234,579	1,481,445	871,987	4,550,308
2,070,565	-	-	968,023	6,755,577
-	-	639,797	1,873	1,968,205
-	-	-	58,543	337,475
-	-	-	145	73,377
17,601	-	374,366	50	882,453
<u>2,088,166</u>	<u>7,618,253</u>	<u>7,564,704</u>	<u>1,900,621</u>	<u>43,620,631</u>
-	-	1,841,987	65,912	6,881,917
-	-	2,748,762	144,967	11,635,540
-	-	-	-	194,357
-	-	1,464,927	84,432	4,412,240
-	-	126,717	-	3,326,671
1,481,657	-	185,181	814,133	2,480,971
-	4,709,892	1,199,507	960,468	10,158,186
185,000	1,205,000	6,830,167	-	8,515,167
71,487	532,958	1,052,167	-	1,660,868
-	-	147,271	-	147,271
<u>1,738,144</u>	<u>6,447,850</u>	<u>15,596,686</u>	<u>2,069,912</u>	<u>49,413,188</u>
<u>350,022</u>	<u>1,170,403</u>	<u>(8,031,982)</u>	<u>(169,291)</u>	<u>(5,792,557)</u>
-	-	-	-	1,848
-	-	5,160,000	-	5,160,000
-	-	435,398	-	435,398
-	-	10,785,000	-	10,785,000
-	-	(5,486,754)	-	(5,486,754)
-	-	10,893,644	-	10,895,492
350,022	1,170,403	2,861,662	(169,291)	5,102,935
912,177	4,219,555	9,776,910	2,035,555	30,254,395
<u>\$ 1,262,199</u>	<u>\$ 5,389,958</u>	<u>\$ 12,638,572</u>	<u>\$ 1,866,264</u>	<u>\$ 35,357,330</u>

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**CITY OF HILLIARD, OHIO**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 Year Ended December 31, 2014

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**Net change in fund balances - total governmental funds** \$ 5,102,935

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

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

Capital outlay	6,765,092
Depreciation expense	(11,633,218)

Governmental funds do not report the revenue from the contribution of capital assets since they do not represent current financial resources. However, the revenue is reported in the Statement of Activities as capital contributions. 4,317,218

In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds. (92,306)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,832,522

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (88,621)

Some expenses reported in the statement of activities do not require the use current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences	72,984
Interest on long-term debt	(47,171)
Amortization of bond premiums	245,610
Net change in deferred loss on refunding	315,060

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, these amounts consisted of general obligations bonds, OWDA and OPWC loans, and capital leases. 8,515,167

The issuance and refunding of general obligations bonds and notes are recorded as other financing sources and uses in the governmental funds, but are used to adjust bonds and notes payables on the statement of net position. (11,373,920)

**Change in net position of governmental activities** \$ 3,931,352

See accompanying notes and accountant's compilation report.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
General Fund  
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues:</b>				
Property and other local taxes	\$ 1,396,266	\$ 1,396,266	\$ 1,444,229	\$ 47,963
Municipal income taxes	14,541,273	14,541,273	15,450,993	909,720
Intergovernmental	578,170	578,170	578,283	113
Charges for services	3,544,436	3,559,436	3,680,036	120,600
Licenses and permits	876,250	876,250	1,322,225	445,975
Fines and forfeitures	350,000	350,000	283,138	(66,862)
Investment income	33,000	33,000	72,759	39,759
Miscellaneous	87,500	72,500	48,036	(24,464)
Total revenues	<u>21,406,895</u>	<u>21,406,895</u>	<u>22,879,699</u>	<u>1,472,804</u>
<b>Expenditures:</b>				
Current:				
General government	6,364,393	6,346,815	5,542,576	804,239
Security of persons and property	8,986,526	9,041,639	8,915,885	125,754
Public health	215,182	215,182	197,201	17,981
Leisure time activities	3,006,258	3,995,626	2,943,950	1,051,676
Community environment	<u>3,455,203</u>	<u>3,347,371</u>	<u>3,116,861</u>	<u>230,510</u>
Total expenditures	<u>22,027,562</u>	<u>22,946,633</u>	<u>20,716,473</u>	<u>2,230,160</u>
Excess of revenues over (under) expenditures	<u>(620,667)</u>	<u>(1,539,738)</u>	<u>2,163,226</u>	<u>3,702,964</u>
<b>Other financing sources:</b>				
Sale of assets	-	-	1,848	1,848
Net change in fund balance	(620,667)	(1,539,738)	2,165,074	3,704,812
Fund balance, beginning of year	6,834,487	6,834,487	6,834,487	
Prior year encumbrances appropriated	<u>626,594</u>	<u>626,594</u>	<u>626,594</u>	
Fund balance, end of year	<u>\$ 6,840,414</u>	<u>\$ 5,921,343</u>	<u>\$ 9,626,155</u>	

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Street Maintenance and Repair Fund  
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,349,900	\$ 1,349,900	\$ 1,381,696	\$ 31,796
Investment income	600	600	473	(127)
Miscellaneous	<u>39,500</u>	<u>39,500</u>	<u>65,510</u>	<u>26,010</u>
Total revenues	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,447,679</u>	<u>57,679</u>
<b>Expenditures:</b>				
Current:				
Transportation	<u>1,490,919</u>	<u>1,586,714</u>	<u>1,468,820</u>	<u>117,894</u>
Total expenditures	<u>1,490,919</u>	<u>1,586,714</u>	<u>1,468,820</u>	<u>117,894</u>
Net change in fund balance	(100,919)	(196,714)	(21,141)	175,573
Fund balance, beginning of year	527,233	527,233	527,233	
Prior year encumbrances appropriated	<u>106,253</u>	<u>106,253</u>	<u>106,253</u>	
Fund balance, end of year	<u>\$ 532,567</u>	<u>\$ 436,772</u>	<u>\$ 612,345</u>	

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Street Improvement Municipal Tax Fund  
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues:</b>				
Municipal income taxes	\$ 1,496,896	\$ 1,496,896	\$ 1,595,548	\$ 98,652
Miscellaneous	-	-	325,590	325,590
Total revenues	<u>1,496,896</u>	<u>1,496,896</u>	<u>1,921,138</u>	<u>424,242</u>
<b>Expenditures:</b>				
Current:				
General government	190,000	190,000	105,720	84,280
Transportation	2,164,474	2,489,474	2,469,443	20,031
Debt Service	<u>300,000</u>	<u>300,000</u>	<u>299,256</u>	<u>744</u>
Total expenditures	<u>2,654,474</u>	<u>2,979,474</u>	<u>2,874,419</u>	<u>105,055</u>
Net change in fund balance	(1,157,578)	(1,482,578)	(953,281)	529,297
Fund balance, beginning of year	2,350,150	2,350,150	2,350,150	
Prior year encumbrances appropriated	<u>589,473</u>	<u>589,473</u>	<u>589,473</u>	
Fund balance, end of year	<u>\$ 1,782,045</u>	<u>\$ 1,457,045</u>	<u>\$ 1,986,342</u>	

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Water and Sewer Revenue Fund  
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,978,000	\$ 1,978,000	\$ 2,070,565	\$ 92,565
Miscellaneous	7,000	7,000	12,787	5,787
Total revenues	<u>1,985,000</u>	<u>1,985,000</u>	<u>2,083,352</u>	<u>98,352</u>
<b>Expenditures:</b>				
Current:				
Basic utility services	2,409,406	2,400,996	1,852,329	548,667
Debt Service	<u>260,000</u>	<u>260,000</u>	<u>256,487</u>	<u>3,513</u>
Total expenditures	<u>2,669,406</u>	<u>2,660,996</u>	<u>2,108,816</u>	<u>552,180</u>
Net change in fund balance	(684,406)	(675,996)	(25,464)	650,532
Fund balance, beginning of year	816,531	816,531	816,531	
Prior year encumbrances appropriated	<u>196,221</u>	<u>196,221</u>	<u>196,221</u>	
Fund balance, end of year	<u>\$ 328,346</u>	<u>\$ 336,756</u>	<u>\$ 987,288</u>	

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

TIF Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues:</b>				
Payment in lieu of taxes	\$ 2,535,000	\$ 7,515,000	\$ 7,383,674	\$ (131,326)
Intergovernmental	155,000	239,000	234,579	(4,421)
Total revenues	<u>2,690,000</u>	<u>7,754,000</u>	<u>7,618,253</u>	<u>(135,747)</u>
<b>Expenditures:</b>				
Current:				
Transportation	453,765	4,854,965	4,748,423	106,542
Debt Service	<u>1,950,000</u>	<u>1,945,000</u>	<u>1,737,958</u>	<u>207,042</u>
Total expenditures	<u>2,403,765</u>	<u>6,799,965</u>	<u>6,486,381</u>	<u>313,584</u>
Net change in fund balance	286,235	954,035	1,131,872	177,837
Fund balance, beginning of year	4,165,790	4,165,790	4,165,790	
Prior year encumbrances appropriated	<u>53,766</u>	<u>53,766</u>	<u>53,766</u>	
Fund balance, end of year	<u>\$ 4,505,791</u>	<u>\$ 5,173,591</u>	<u>\$ 5,351,428</u>	

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**  
Statement of Net Position  
Internal Service Fund  
December 31, 2014

	<u>Insurance Trust</u>
<b>Assets</b>	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 153,163
Due from other funds	<u>226,182</u>
Total assets	<u>379,345</u>
<b>Liabilities</b>	
Current liabilities:	
Claims payable	<u>226,000</u>
Total liabilities	<u>226,000</u>
<b>Net Position</b>	
Unrestricted	<u>153,345</u>
Total net position	<u>\$ 153,345</u>

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**

Statement of Revenues, Expenses and Change in Net Position

Internal Service Fund

Year Ended December 31, 2014

	<u>Insurance Trust</u>
<b><i>Operating Revenues</i></b>	
Charges for services	<u>\$ 2,052,813</u>
<b><i>Operating Expenses</i></b>	
Claims	<u>2,141,434</u>
Total operating expenses	<u>2,141,434</u>
Change in net position	(88,621)
Net position beginning of year	<u>241,966</u>
Net position end of year	<u>\$ 153,345</u>

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**  
Statement of Cash Flows  
Internal Service Fund  
Year Ended December 31, 2014

	<u>Insurance Trust</u>
<b><i>Cash Flows from Operating Activities</i></b>	
Cash received from customers	\$ 1,950,570
Cash payments for claims	<u>(2,057,434)</u>
<i>Net cash from operating activities</i>	(106,864)
Cash and cash equivalents beginning of year	<u>260,027</u>
Cash and cash equivalents end of year	<u>\$ 153,163</u>
 <b>Reconciliation of operating loss to net cash from operating activities:</b>	
Operating loss	\$ (88,621)
Adjustments to reconcile operating loss to net cash from operating activities:	
Change in due from other funds	(102,243)
Change in claims payable	<u>84,000</u>
Net cash from operating activities	<u>\$ (106,864)</u>

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
December 31, 2014

**Assets**

Equity in pooled cash and cash equivalents	\$ 565,334
Cash and cash equivalents in segregated accounts	45,682
Accounts receivable	<u>24,607</u>
Total assets	<u>\$ 635,623</u>

**Liabilities**

Due to other governments	\$ 550,345
Deposits held and due to others	<u>85,278</u>
Total liabilities	<u>\$ 635,623</u>

See accompanying notes to the basic financial statements.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2014**

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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 most recently amended November 3, 2009, effective January 1, 2010.

**Reporting Entity**

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

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

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

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

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

The financial statements of the City of Hilliard have been prepared in conformity with 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 most significant of the City's accounting policies are described below.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-Wide Financial Statements*

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

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

*Fund Financial Statements*

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

**B. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**B. Fund Accounting - *continued***

*Governmental Funds*

Governmental funds are those through which most governmental functions of the City typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and governmental fund deferred inflows of resources and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

*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 a portion of the City's income tax collections to be used for repair and improvement of streets and highways.

*Water and Sewer Revenue Fund* – This fund is used to account for water and sewer tap fees and water and sewer surcharge revenues collected by the City of Columbus for the City of Hilliard. These revenues are used for upgrading and making minor repairs to water and sewer lines and paying debt related to these projects.

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

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

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**B. Fund Accounting - *continued***

*Proprietary Fund*

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

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

*Fiduciary Funds*

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

**C. Measurement Focus**

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**C. Measurement Focus - *continued***

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 Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activity.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the internal service and agency funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

*Revenues - Exchange and 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.

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. 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.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**D. Basis of Accounting - *continued***

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

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. 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”. Cash and cash equivalents that are held separately for Mayor’s Court and not held in the City treasury are recorded on the financial statements as “Cash and Cash Equivalents in Segregated Accounts.”

During 2014, the City invested in negotiable certificates of deposit, a money market account, and STAR Plus. STAR Plus is a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks. Investments are reported at fair value which is based on quoted market prices. Nonparticipating 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 2014 amounted to \$72,759 which includes \$50,839 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.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure is reported in the year in which services are consumed.

**G. Bond Premium, Deferred Charges on Refunding, and Debt Issuance Costs**

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

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

Debt issuance costs are expensed when incurred.

**H. Capital Assets**

The City's only capital assets are general capital assets and contributions of capital assets from developers. General capital assets usually result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of one thousand dollars, except for infrastructure which has a threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**H. Capital Assets - *continued***

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

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

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

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, and unavailable revenue. Receivables from property taxes and payment in lieu of taxes represent amounts that were levied and measurable as of December 31, 2014, but are intended to finance 2015 operations. These amounts have been recorded as deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represent receivables that will not be collected within the available period (sixty days after year-end).

**J. 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.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**J. Compensated Absences - *continued***

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.

**K. 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.

**L. Contributions of Capital**

Contributions of capital arise from outside contributions of capital assets, grants or outside contributions of resources restricted to capital acquisitions and construction.

**M. Net Position**

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**M. Net Position - *continued***

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

The government-wide Statement of Net Position reports \$19,459,624 of restricted net position, of which none was restricted by enabling legislation.

**N. 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.

**O. 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.

**P. 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.

**Q. Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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

**Q. Budgetary Process - *continued***

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

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budget (Non-GAAP) Basis, are presented for the General Fund and the Street Maintenance and Repair, Street Improvement Municipal Tax, Water and Sewer Revenue, and TIF Major Special Revenue Funds to provide a meaningful comparison of actual results with the budget.

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING - *continued***

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

	General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water and Sewer Revenue	TIF
GAAP Basis	\$ 1,268,908	\$ 76,634	\$ (455,403)	\$ 350,022	\$ 1,170,403
Funds reclassified	(37,714)	-	-	-	-
Revenue accruals	2,098,523	(6,177)	120,452	(4,814)	-
Expenditure accruals	(531,796)	6,330	(104,540)	58,533	(2)
Encumbrances	<u>(632,847)</u>	<u>(97,928)</u>	<u>(513,790)</u>	<u>(429,205)</u>	<u>(38,529)</u>
Budget Basis	<u>\$ 2,165,074</u>	<u>\$ (21,141)</u>	<u>\$ (953,281)</u>	<u>\$ (25,464)</u>	<u>\$ 1,131,872</u>

**NOTE 4 – DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that 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;

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 4 – DEPOSITS AND INVESTMENTS - *continued***

2. Bonds, 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;
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, \$11,767,729 of the City's bank balance of \$26,917,234 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, *continued***  
**Year Ended December 31, 2014**

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**NOTE 4 – DEPOSITS AND INVESTMENTS - *continued***

**Investments**

As of December 31, 2014, the City had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities		
		0 to 6 mos	7 to 12 mos	13 to 18 mos
5/3rd Government Money Market	\$ 2,287,217	\$ 2,287,217	\$ -	\$ -
Negotiable Certificates of Deposit	6,867,428	2,475,314	1,911,192	2,480,922
<b>Total</b>	<b>\$ 9,154,645</b>	<b>\$ 4,762,531</b>	<b>\$ 1,911,192</b>	<b>\$ 2,480,922</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* –Under normal circumstances, the 5/3<sup>rd</sup> Government Money Market Fund invests at least 80 percent of its assets in U.S. Government securities, repurchase agreements collateralized by these securities, and shares of money market investment companies that invest exclusively in these securities. The City’s investment policy limits investments to those authorized by State statute.

*Concentration of Credit Risk* – The City places no limit on the amount it may invest in any one issuer; however, investments are limited to low risk securities with the expectation of earning market rate of return. The City’s investments in 5/3<sup>rd</sup> Government Money Market and negotiable Certificates of Deposit represent 25% and 75%, respectively, of the City’s total investments.

**NOTE 5 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2014 with real property taxes.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 5 – PROPERTY TAXES - *continued***

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been included in deferred inflows of resources, since the current taxes were not levied to finance 2014 operations and the outstanding delinquencies were unavailable. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is reported as deferred inflows of resources since the current taxes were levied to finance a future period.

The full tax rate for all City operations for the year ended December 31, 2014, was \$1.60 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 853,468,360
Public Utility Property	13,915,640
Totals	<u>\$ 867,384,000</u>

Public Utility Property consists of both real property and tangible personal property.

**NOTE 6 – 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.

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.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, continued**  
**Year Ended December 31, 2014**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 4,726,587	\$ -	\$ -	\$ 4,726,587
Construction in progress	<u>-</u>	<u>4,737,316</u>	<u>-</u>	<u>4,737,316</u>
Total capital assets not being depreciated	<u>4,726,587</u>	<u>4,737,316</u>	<u>-</u>	<u>9,463,903</u>
<b>Capital assets being depreciated:</b>				
Buildings	11,557,905	5,495	-	11,563,400
Improvements other than buildings	10,249,009	83,822	(6,900)	10,325,931
Machinery and equipment	5,499,481	675,283	(282,481)	5,892,283
Furniture and fixtures	624,127	1,924	(3,570)	622,481
Vehicles	3,038,687	310,313	(228,005)	3,120,995
Infrastructure	<u>395,350,431</u>	<u>5,268,157</u>	<u>(454,858)</u>	<u>400,163,730</u>
Total capital assets being depreciated	<u>426,319,640</u>	<u>6,344,994</u>	<u>(975,814)</u>	<u>431,688,820</u>
Less accumulated depreciation:				
Buildings	(4,079,064)	(338,289)	-	(4,417,353)
Improvements other than buildings	(3,250,843)	(414,630)	1,821	(3,663,652)
Machinery and equipment	(4,021,442)	(418,566)	282,481	(4,157,527)
Furniture and fixtures	(403,354)	(42,255)	3,570	(442,039)
Vehicles	(2,026,857)	(315,333)	223,999	(2,118,191)
Infrastructure	<u>(176,404,122)</u>	<u>(10,104,145)</u>	<u>371,637</u>	<u>(186,136,630)</u>
Total accumulated depreciation	<u>(190,185,682)</u>	<u>(11,633,218)</u>	<u>883,508</u>	<u>(200,935,392)</u>
Total capital assets being depreciated, net	<u>236,133,958</u>	<u>(5,288,224)</u>	<u>(92,306)</u>	<u>230,753,428</u>
 Capital assets, net	 <u>\$ 240,860,545</u>	 <u>\$ (550,908)</u>	 <u>\$ (92,306)</u>	 <u>\$ 240,217,331</u>

For the year ended December 31, 2014, the value of the assets donated to the City was \$4,317,218.

Depreciation expense was charged to the governmental programs as follows:

General government	\$ 247,808
Security of persons and property	503,990
Leisure time activities	447,988
Community environment	116,988
Basic utility services	5,292,980
Transportation	<u>5,023,464</u>
Total depreciation expense	<u>\$ 11,633,218</u>

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 8 – RECEIVABLES**

Receivables at December 31, 2014, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, intergovernmental receivables arising from grants, entitlements and shared revenues, and interfund receivables. All receivables are considered fully collectible.

**NOTE 9 – 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, 2014, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. The employer contribution rate for pension benefits for 2014 was 14.0 percent. 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, 2014, 2013, and 2012 were \$762,493, \$800,370, and \$830,769, respectively; 100 percent has been contributed for all three years. Contributions to the member-directed plan for 2014 were \$29,416 made by the City and \$22,791 made by the plan members.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 9 – 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 or on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January 1, 2014 thru July 1, 2014, plan member were required to contribution 10.75 percent of their annual covered salary. From July 2, 2014 thru December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, the City was required to contribute 19.5 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, 2014, 2013, and 2012 were \$890,283, \$828,496, and \$832,229, respectively. The full amount has been contributed for all three years.

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment health care coverage, age-and-service retirees under the traditional pension and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB *Statement No. 45*. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.0 percent of covered payroll, the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS - *continued***

OPERS Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2 percent for both plans, as recommended by the OPERS actuary.

The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual City contributions for 2014, 2013, and 2012 which were used to fund postemployment benefits were \$104,945, \$57,146, and \$239,570, respectively.

**Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postemployment health care coverage to any person who receives or is eligible to receive a monthly service, disability or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in *GASB Statement No.45*.

The Ohio Revised Code allows, but does not mandate OP&F to provided OPEB benefits. Authority for the OP&F board of trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code. The Ohio Revised Code provides for contributions requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan member, currently, 19.5 percent of covered payroll for police. The Ohio Revised Code states that the employer contributions may not exceed 19.5 percent of covered payroll for police employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of trustees.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS - *continued***

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll throughout 2014. The amount of employer contributions allocated to the health care plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Sections 115 and 401(h).

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

The City's actual contributions for 2014, 2013 and 2012 that were allocated to fund the health care plan for police were \$23,147, \$154,100, and \$288,079, respectively.

**NOTE 11 – OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

*Accumulated Unpaid Vacation*

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

*Accumulated Unpaid Sick Leave*

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

**Deferred Compensation**

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 12 – CAPITAL LEASES - LESSEE DISCLOSURE**

The City has leases for a building, vehicles and equipment. The building lease meets the criteria of a capital lease as the present value of the minimum lease payments at the beginning of the lease equals the fair value of the leased property. While the vehicle and equipment leases meet the criteria 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

On June 25, 2007, the City entered into an agreement with Norwich Township (the "Township"), a separate legal entity, for the joint construction and management of a public safety building. The building was constructed and is owned and managed by the Township. Initially the Township paid the entire cost of the building construction. The City entered into a 30 year lease agreement with the Township under which the City will pay its allocated portion of the construction cost which totaled \$6,417,386. The lease agreement began upon completion of the building and the first lease payment was made on June 1, 2009. The present value of the minimum lease payments equals the cost of construction allocated to the City and has been included as a capital asset and a long term liability in the Statement of Net Position.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014 were as follows:

Year Ending December 31,	Safety Building and Equipment Leases
2015	\$ 476,240
2016	476,240
2017	389,679
2018	389,679
2019	389,679
2020-2024	1,948,396
2025-2029	1,948,396
2030-2034	1,948,400
2035-2038	1,558,720
Total	\$ 9,525,429
Less: amount representing interest	(3,677,153)
Present value of net minimum lease payments	\$ 5,848,276

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 13 – RISK MANAGEMENT**

**Property and Liability Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2014, 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.

**Health Insurance**

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

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. Total contributions to the program during 2014 were \$2,052,813. The claims liability of \$226,000 reported in the Insurance Trust Fund at December 31, 2014, 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 2012, 2013, and 2014 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2012	\$ 174,000	\$ 1,843,161	\$(1,784,161)	\$ 233,000
2013	233,000	1,721,214	(1,812,214)	142,000
2014	142,000	2,141,434	(2,057,434)	226,000

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, continued**  
**Year Ended December 31, 2014**

**NOTE 14 – LONG -TERM OBLIGATIONS**

Changes in governmental activities long-term obligations during 2014 were as follows:

Type/Issues	Beginning Balance	Issued	Retired	Refunded	Ending Balance	Due Within One Year
<b>Notes &amp; Loans Payable:</b>						
2005 OWDA Loan 3% \$2,234,466	\$ 1,632,497	\$ -	\$ (212,906)	\$ -	\$ 1,419,591	\$ 219,341
2012 OPWC Loan \$2,730,423	2,675,815	-	(109,217)	-	2,566,598	109,217
2013 Taxable Notes 1% \$4,285,000	4,285,000	-	(4,285,000)	-	-	-
2014 Tax-Exempt Notes 1% \$4,285,000	-	4,285,000	-	-	4,285,000	4,285,000
2014 Taxable Notes 1% \$6,500,000	-	6,500,000	-	-	6,500,000	6,500,000
<b>Total Notes &amp; Loans Payable</b>	<b>8,593,312</b>	<b>10,785,000</b>	<b>(4,607,123)</b>	<b>-</b>	<b>14,771,189</b>	<b>11,113,558</b>
<b>Unvoted General Obligation Bonds:</b>						
2005 Various Purpose and Refunding						
3.0 - 5.0% \$20,175,000	5,115,000	-	(1,095,000)	-	4,020,000	1,140,000
2007 Various Purpose & Refunding						
4.0 - 5.0% \$7,975,000	6,140,000	-	(320,000)	(4,780,000)	1,040,000	330,000
2009 Various Purpose						
2.25 - 5.0% \$15,540,000	12,470,000	-	(825,000)	-	11,645,000	650,000
2011 Various Purpose						
2.0 - 4.25% \$8,020,000	7,020,000	-	(435,000)	-	6,585,000	450,000
2012 Various Purpose						
2.0 - 5.0% \$11,085,000	10,920,000	-	(785,000)	-	10,135,000	825,000
2013 Refunding						
1.0 - 3.5% \$8,905,000	8,705,000	-	(120,000)	-	8,585,000	120,000
2014 Refunding						
2.0 - 4.0%, \$5,160,000	-	5,160,000	(120,000)	-	5,040,000	50,000
<b>Total General Obligation Bonds</b>	<b>50,370,000</b>	<b>5,160,000</b>	<b>(3,700,000)</b>	<b>(4,780,000)</b>	<b>47,050,000</b>	<b>3,565,000</b>
<b>Other Long-Term Obligations:</b>						
Compensated Absences	1,988,834	1,030,992	(1,103,976)	-	1,915,850	1,052,754
Premium on GO Bonds Issued	2,759,330	435,398	(245,610)	(226,478)	2,722,640	-
Capital Leases	6,056,320	-	(208,044)	-	5,848,276	216,537
<b>Total Other Long-Term Obligations</b>	<b>10,804,484</b>	<b>1,466,390</b>	<b>(1,557,630)</b>	<b>(226,478)</b>	<b>10,486,766</b>	<b>1,269,291</b>
<b>Total Long-Term Obligations</b>	<b>\$ 69,767,796</b>	<b>\$ 17,411,390</b>	<b>\$ (9,864,753)</b>	<b>\$ (5,006,478)</b>	<b>\$ 72,307,955</b>	<b>\$ 15,947,849</b>

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

Generally, all voted and unvoted general obligation bond issues and notes payable will be paid through the Street Improvement Municipal Tax, Water and Sewer Revenue and Tax Increment Financing Special Revenue Funds and the Capital Improvements Municipal Tax Capital Projects Fund.

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

**NOTE 14 – LONG -TERM OBLIGATIONS - *continued***

Capital leases were paid from the Capital Improvement Municipal Tax Capital Projects Fund.

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

In April 2014, the City issued \$5,160,000 of Refunding Bonds, Series 2014A. The bonds were issued to advance refund \$4,780,000 of Series 2007 Various Purpose Bonds. The bonds will mature December 1, 2027 and bear interest rates of 2.0% to 4.0%. The advance refunding reduced the City's total debt service payments over 14 years by \$389,164 to obtain an economic gain (difference between the present values of the debt service payments on the old and new bonds) of \$344,832.

In April 2014, the City issued \$4,285,000 in Series 2014B Various Purpose Tax-Exempt Notes to refinance notes originally issued for construction and improvements to infrastructure and utility systems. The notes bear interest of 1.0% and mature on April 27, 2015.

In April 2014, the City issued \$6,500,000 of Series 2014C Various Purpose Taxable Notes to finance construction, improvements and acquisition of equipment. The notes bear interest of 1.0% and mature on April 27, 2015.

As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$87,583,120 with an unvoted debt margin of \$44,213,920.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2014, are:

Year	OWDA Loans		General Obligation Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 219,341	\$ 40,955	\$ 3,565,000	\$ 2,364,829	\$ 109,217	\$ -
2016	225,971	34,326	3,385,000	2,251,129	109,217	-
2017	232,801	27,495	3,440,000	2,110,429	109,217	-
2018	239,837	20,459	3,500,000	1,736,004	109,217	-
2019	247,086	13,210	3,545,000	1,586,504	109,217	-
2020-2024	254,555	5,741	19,310,000	5,367,598	546,085	-
2025-2029	-	-	9,805,000	1,257,810	546,085	-
2030-2034	-	-	500,000	21,250	546,085	-
2035-2038	-	-	-	-	382,258	-
Totals	<u>\$ 1,419,591</u>	<u>\$ 142,186</u>	<u>\$ 47,050,000</u>	<u>\$ 16,695,553</u>	<u>\$ 2,566,598</u>	<u>\$ -</u>

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 15 – DUE TO / DUE FROM OTHER FUNDS**

Amounts due to/due from other funds at December 31, 2014 were as follows:

	Due From	Due To
Governmental Funds:		
General Fund	\$ 43,556	\$ 193,387
Street Maintenance and Repair Fund	-	19,936
Water and Sewer Revenue Fund	-	37,610
Nonmajor Governmental Funds	-	18,805
	43,556	269,738
 Internal Service Fund	 226,182	 -
	\$ 269,738	\$ 269,738

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur.

**NOTE 16 – FUND BALANCES**

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

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, continued**  
**Year Ended December 31, 2014**

**NOTE 16 – FUND BALANCES - continued**

Fund Balances	General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water and Sewer Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>								
Prepays	\$ 26,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,774
<b><i>Restricted for:</i></b>								
Infrastructure improvements	-	887,212	-	-	5,389,958	-	467,725	6,744,895
Public safety programs	-	-	-	-	-	-	109,143	109,143
Capital outlay	-	-	-	-	-	12,638,572	471,414	13,109,986
Utility improvements	-	-	-	243,500	-	-	227,334	470,834
<b><i>Total Restricted</i></b>	<b>-</b>	<b>887,212</b>	<b>-</b>	<b>243,500</b>	<b>5,389,958</b>	<b>12,638,572</b>	<b>1,275,616</b>	<b>20,434,858</b>
<b><i>Committed to:</i></b>								
Solid waste services	215,931	-	-	-	-	-	-	215,931
Utility operations	-	-	-	1,018,699	-	-	116,489	1,135,188
Branding services	6,039	-	-	-	-	-	-	6,039
Infrastructure improvements	-	-	2,533,842	-	-	-	-	2,533,842
Park maintenance	-	-	-	-	-	-	488,822	488,822
<b><i>Total committed</i></b>	<b>221,970</b>	<b>-</b>	<b>2,533,842</b>	<b>1,018,699</b>	<b>-</b>	<b>-</b>	<b>605,311</b>	<b>4,379,822</b>
<b><i>Assigned to:</i></b>								
Purchases on order	189,754	-	-	-	-	-	-	189,754
<b><i>Total assigned</i></b>	<b>189,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,754</b>
<b><i>Unassigned (deficit)</i></b>	<b>10,340,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,663)</b>	<b>10,326,122</b>
<b><i>Total Fund Balance</i></b>	<b>\$ 10,779,283</b>	<b>\$ 887,212</b>	<b>\$ 2,533,842</b>	<b>\$ 1,262,199</b>	<b>\$ 5,389,958</b>	<b>\$ 12,638,572</b>	<b>\$ 1,866,264</b>	<b>\$ 35,357,330</b>

**Minimum Fund Balance Policy**

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

**NOTE 17 – 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, 2014, there were two series of industrial revenue development bonds outstanding with an aggregate principal amount payable of \$1,315,000.

**NOTE 18 – CONTRACTUAL COMMITMENTS**

As of December 31, 2014, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expended	Balance 12/31/14
2K General Company	\$ 5,005,006	\$ 1,055,175	\$ 3,949,831
Burgess & Niple	503,750	82,851	420,899
Decker Construction	11,135	-	11,135
DLZ Ohio, Inc.	240,000	93,652	146,348
E.P. Ferris & Associates, Inc.	130,400	55,682	74,718
Edsall & Associates	100,000	84,706	15,294
Evans, Mechwart, Hambleton & Tilton	326,853	246,852	80,001
GPD Group	163,910	58,480	105,430
Hach Company	31,275	20,325	10,950
Layton, Inc.	104,817	93,205	11,612
LJB Engineering, Inc.	206,864	148,180	58,684
Meacham & Apel Architects	9,000	2,625	6,375
MS Consultants, Inc.	318,582	156,499	162,083
Nickolas Savko and Sons	568,000	508,244	59,756
OHM Advisors	360,000	126,481	233,519
Poggemeyer Design Group, Inc.	125,810	118,618	7,192
S&ME, Inc.	45,000	2,842	42,158
Site Maintenance	10,000	9,889	111
Stantec Consulting Services, Inc.	455,115	287,275	167,840
Strawser Paving Co., Inc.	2,456,928	2,122,621	334,307
URS Corporation	356,525	154,624	201,901
	<u>\$ 11,528,970</u>	<u>\$ 5,428,826</u>	<u>\$ 6,100,144</u>

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 18 – CONTRACTUAL COMMITMENTS - *continued***

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. There were outstanding encumbrances in the six major governmental funds and in the nonmajor funds at December 31, 2014: \$632,847 in the General Fund, \$97,928 in the Street Maintenance and Repair Fund, \$513,790 in the Street Improvement Municipal Tax Fund, \$429,205 in the Water and Sewer Revenue Fund, \$38,529 in the TIF Fund, \$5,869,556 in the Capital Improvement Municipal Tax Fund and \$857,990 in the Nonmajor Funds.

**NOTE 19 – RELATED ORGANIZATIONS**

**Hilliard Arts Council Corporation**

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

**Norwich Township**

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

**CITY OF HILLIARD, OHIO**  
**Notes to the Basic Financial Statements, *continued***  
**Year Ended December 31, 2014**

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**NOTE 19 – RELATED ORGANIZATIONS - *continued***

**Central Ohio Interoperable Radio System**

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

**NOTE 20 – CONTINGENT LIABILITIES**

**Federal and State Grants**

For the year ended December 31, 2014, 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.

**NOTE 21 – SUBSEQUENT EVENTS**

In April 2015, the City issued \$8,745,000 in Series 2015A General Obligation Various Purpose Bonds to advance refund \$2,775,000 of the Series 2009 General Obligation Various Purpose Bonds and retire the \$6,500,000 in Series 2014C Notes. The bonds bear interest between 2% - 4% and mature on December 1, 2027. The bonds bear interest of 4% and mature on December 1, 2035.

In April 2015, the City issued \$4,285,000 Series 2015B Various Purpose Notes to currently refund the Series 2014B Various Purpose Notes.

In April 2015, the City issued \$3,000,000 Series 2015C Various Purpose notes to finance various capital projects for the City.

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## **Supplementary Information**

### **Combining Statements And Individual Fund Schedules**

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# CITY OF HILLIARD, OHIO

## Major Fund Descriptions

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

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

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

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

### Major Special Revenue Funds:

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

The **Street Improvement Municipal Tax Fund** accounts for a portion of the City's income tax collections to be used for repair and improvement of streets and highways. In 2014, 3% of income tax collections were deposited into the fund.

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

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

### Major Capital Project Fund:

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

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Property and other local taxes	\$ 1,396,266	\$ 1,396,266	\$ 1,444,229	\$ 47,963
Municipal income taxes	14,541,273	14,541,273	15,450,993	909,720
Intergovernmental	578,170	578,170	578,283	113
Charges for services	3,544,436	3,559,436	3,680,036	120,600
Licenses and permits	876,250	876,250	1,322,225	445,975
Fines and forfeitures	350,000	350,000	283,138	(66,862)
Investment income	33,000	33,000	72,759	39,759
Miscellaneous	87,500	72,500	48,036	(24,464)
Total revenues	<u>21,406,895</u>	<u>21,406,895</u>	<u>22,879,699</u>	<u>1,472,804</u>
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal services	167,776	167,133	156,893	10,240
Contractual services	5,000	5,000	532	4,468
Materials and supplies	14,569	14,569	2,517	12,052
Total Mayor	<u>187,345</u>	<u>186,702</u>	<u>159,942</u>	<u>26,760</u>
City Council:				
Personal services	249,646	248,445	237,916	10,529
Contractual services	91,072	91,072	56,634	34,438
Materials and supplies	33,069	33,069	8,616	24,453
Total City Council	<u>373,787</u>	<u>372,586</u>	<u>303,166</u>	<u>69,420</u>
Clerk of Courts:				
Personal services	171,938	170,875	167,513	3,362
Contractual services	13,754	13,754	10,792	2,962
Materials and supplies	125,245	125,245	114,384	10,861
Total Clerk of Courts	<u>310,937</u>	<u>309,874</u>	<u>292,689</u>	<u>17,185</u>
Law:				
Personal services	247,989	247,083	217,974	29,109
Contractual services	7,795	7,795	4,142	3,653
Materials and supplies	127,480	127,480	88,183	39,297
Total Law	<u>383,264</u>	<u>382,358</u>	<u>310,299</u>	<u>72,059</u>

(continued)

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2014

(continued)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		From Final Budget
<b>Finance:</b>				
Personal services	675,304	671,335	621,727	49,608
Contractual services	54,645	54,645	30,935	23,710
Materials and supplies	112,000	112,000	60,647	51,353
Other	75,551	75,551	61,349	14,202
<b>Total Finance</b>	<b>917,500</b>	<b>913,531</b>	<b>774,658</b>	<b>138,873</b>
<b>Economic Development:</b>				
Personal services	172,572	171,598	165,501	6,097
Contractual services	19,905	19,905	12,281	7,624
Materials and supplies	35,000	35,000	27,000	8,000
<b>Total Economic Development</b>	<b>227,477</b>	<b>226,503</b>	<b>204,782</b>	<b>21,721</b>
<b>City Clerk:</b>				
Personal services	300	300	-	300
Contractual services	15,153	15,153	11,926	3,227
Materials and supplies	2,788	2,788	1,073	1,715
<b>Total City Clerk</b>	<b>18,241</b>	<b>18,241</b>	<b>12,999</b>	<b>5,242</b>
<b>Human Resources:</b>				
Personal services	334,363	331,935	324,241	7,694
Contractual services	13,976	13,976	6,119	7,857
Materials and supplies	40,040	40,040	38,560	1,480
<b>Total Human Resources</b>	<b>388,379</b>	<b>385,951</b>	<b>368,920</b>	<b>17,031</b>
<b>Public Building and Land:</b>				
Personal services	327,186	324,073	324,054	19
Contractual services	47,661	47,661	39,750	7,911
Materials and supplies	110,522	110,522	102,571	7,951
Utilities	578,059	578,059	531,178	46,881
<b>Total Public Building and Land</b>	<b>1,063,428</b>	<b>1,060,315</b>	<b>997,553</b>	<b>62,762</b>
<b>Information Technology:</b>				
Personal services	1,500	1,500	1,200	300
Contractual services	24,208	24,208	10,358	13,850
Materials and supplies	535,800	535,800	392,339	143,461
<b>Total Information Technology</b>	<b>561,508</b>	<b>561,508</b>	<b>403,897</b>	<b>157,611</b>
<b>Civil Service Commission:</b>				
Personal services	6,888	6,494	5,776	718
Contractual services	11,230	11,230	8,825	2,405
Materials and supplies	13,000	13,000	13,000	-
<b>Total Civil Service Commission</b>	<b>31,118</b>	<b>30,724</b>	<b>27,601</b>	<b>3,123</b>

(continued)

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2014

(continued)

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
Boards and Commissions:				
Personal services	39,321	37,138	37,138	-
Contractual services	5,500	5,500	2,526	2,974
Total Boards and Commissions	44,821	42,638	39,664	2,974
General Administrative:				
Personal services	122,900	122,196	117,989	4,207
Contractual services	32,250	32,250	31,794	456
Materials and supplies	601,438	601,438	568,248	33,190
Other	1,100,000	1,100,000	928,375	171,625
Total General Administrative	1,856,588	1,855,884	1,646,406	209,478
Total General Government	6,364,393	6,346,815	5,542,576	804,239
Security of Persons and Property:				
Police:				
Personal services	7,877,852	7,932,965	7,868,734	64,231
Contractual services	219,101	219,101	201,121	17,980
Materials and supplies	889,093	889,093	845,730	43,363
Other	480	480	300	180
Total Police	8,986,526	9,041,639	8,915,885	125,754
Total Security of Persons and Property	8,986,526	9,041,639	8,915,885	125,754
Public Health:				
County Health District:				
Contractual services	215,182	215,182	197,201	17,981
Total County Health District	215,182	215,182	197,201	17,981
Total Public Health	215,182	215,182	197,201	17,981
Leisure Time Activities:				
Recreation:				
Personal services	2,094,208	3,083,576	2,058,708	1,024,868
Contractual services	369,631	369,631	365,316	4,315
Materials and supplies	244,930	244,930	240,820	4,110
Utilities	267,098	267,098	253,804	13,294
Other	30,391	30,391	25,302	5,089
Total Recreation	3,006,258	3,995,626	2,943,950	1,051,676
Total Leisure Time Activities	3,006,258	3,995,626	2,943,950	1,051,676

(continued)

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2014

*(concluded)*

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
Community Environment:				
Service/Engineer:				
Personal services	609,393	605,434	573,520	31,914
Contractual services	35,892	35,892	28,024	7,868
Materials and supplies	2,105,157	2,105,157	2,031,700	73,457
Total Service/Engineer	<u>2,750,442</u>	<u>2,746,483</u>	<u>2,633,244</u>	<u>113,239</u>
Building Inspection:				
Personal services	554,784	550,911	438,319	112,592
Contractual services	15,615	15,615	10,936	4,679
Materials and supplies	127,362	27,362	27,362	-
Other	7,000	7,000	7,000	-
Total Building Inspection	<u>704,761</u>	<u>600,888</u>	<u>483,617</u>	<u>117,271</u>
Total Community Environment	<u>3,455,203</u>	<u>3,347,371</u>	<u>3,116,861</u>	<u>230,510</u>
Total Expenditures	<u>22,027,562</u>	<u>22,946,633</u>	<u>20,716,473</u>	<u>2,230,160</u>
Excess of Revenues Over (Under) Expenditures	<u>(620,667)</u>	<u>(1,539,738)</u>	<u>2,163,226</u>	<u>3,702,964</u>
<b>Other financing sources</b>				
Sale of assets	<u>-</u>	<u>-</u>	<u>1,848</u>	<u>1,848</u>
Net change in fund balance	(620,667)	(1,539,738)	2,165,074	3,704,812
Fund balance, beginning of year	6,834,487	6,834,487	6,834,487	
Prior year encumbrances appropriated	<u>626,594</u>	<u>626,594</u>	<u>626,594</u>	
Fund balance, end of year	<u>\$ 6,840,414</u>	<u>\$ 5,921,343</u>	<u>\$ 9,626,155</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Construction Inspection Fund<sup>(1)</sup>

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 350,000	\$ 350,000	\$ 355,214	\$ 5,214
Miscellaneous	-	-	44,043	44,043
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>399,257</u>	<u>49,257</u>
<b>Expenditures</b>				
Current:				
Community Environment:				
Personal services	284,590	282,708	251,108	31,600
Contractual services	18,090	18,090	900	17,190
Materials and supplies	335,239	335,239	209,913	125,326
Other	<u>15,000</u>	<u>15,000</u>	-	<u>15,000</u>
Total expenditures	<u>652,919</u>	<u>651,037</u>	<u>461,921</u>	<u>189,116</u>
Net change in fund balance	(302,919)	(301,037)	(62,664)	238,373
Fund balance, beginning of year	387,300	387,300	387,300	
Prior year encumbrances appropriated	<u>87,211</u>	<u>87,211</u>	<u>87,211</u>	
Fund balance, end of year	<u>\$ 171,592</u>	<u>\$ 173,474</u>	<u>\$ 411,847</u>	

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

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Police Benevolent Fund<sup>(1)</sup>

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 11,858	\$ 1,858
Donations	5,000	5,000	2,746	(2,254)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>14,604</u>	<u>(396)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Contractual services	15,625	14,125	8,441	5,684
Materials and supplies	6,768	6,768	5,000	1,768
Other	-	1,500	1,500	-
Total expenditures	<u>22,393</u>	<u>22,393</u>	<u>14,941</u>	<u>7,452</u>
Net change in fund balance	(7,393)	(7,393)	(337)	7,056
Fund balance, beginning of year	25,430	25,430	25,430	
Prior year encumbrances appropriated	2,393	2,393	2,393	
Fund balance, end of year	<u>\$ 20,430</u>	<u>\$ 20,430</u>	<u>\$ 27,486</u>	

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

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

## Street Maintenance and Repair Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,349,900	\$ 1,349,900	\$ 1,381,696	\$ 31,796
Investment income	600	600	473	(127)
Miscellaneous	39,500	39,500	65,510	26,010
Total revenues	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,447,679</u>	<u>57,679</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Personal services	658,309	654,104	606,438	47,666
Contractual services	599,335	772,135	720,296	51,839
Materials and supplies	233,275	160,475	142,086	18,389
Total expenditures	<u>1,490,919</u>	<u>1,586,714</u>	<u>1,468,820</u>	<u>117,894</u>
Net change in fund balance	(100,919)	(196,714)	(21,141)	175,573
Fund balance, beginning of year	527,233	527,233	527,233	
Prior year encumbrances appropriated	106,253	106,253	106,253	
Fund balance, end of year	<u>\$ 532,567</u>	<u>\$ 436,772</u>	<u>\$ 612,345</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
 Balances - Budget and Actual - Budget (Non-GAAP) Basis  
 Street Improvement Municipal Tax Fund  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Municipal income taxes	\$ 1,496,896	\$ 1,496,896	\$ 1,595,548	\$ 98,652
Miscellaneous	-	-	325,590	325,590
Total revenues	<u>1,496,896</u>	<u>1,496,896</u>	<u>1,921,138</u>	<u>424,242</u>
<b>Expenditures</b>				
Current:				
General Government:				
Materials and supplies	70,000	70,000	45,735	24,265
Other	<u>120,000</u>	<u>120,000</u>	<u>59,985</u>	<u>60,015</u>
Total General Government	<u>190,000</u>	<u>190,000</u>	<u>105,720</u>	<u>84,280</u>
Transportation:				
Materials and supplies	498,962	498,962	481,571	17,391
Capital outlay	<u>1,665,512</u>	<u>1,990,512</u>	<u>1,987,872</u>	<u>2,640</u>
Total Transportation	<u>2,164,474</u>	<u>2,489,474</u>	<u>2,469,443</u>	<u>20,031</u>
Debt Service	<u>300,000</u>	<u>300,000</u>	<u>299,256</u>	<u>744</u>
Total expenditures	<u>2,654,474</u>	<u>2,979,474</u>	<u>2,874,419</u>	<u>105,055</u>
Net change in fund balance	(1,157,578)	(1,482,578)	(953,281)	529,297
Fund balance, beginning of year	2,350,150	2,350,150	2,350,150	
Prior year encumbrances appropriated	<u>589,473</u>	<u>589,473</u>	<u>589,473</u>	
Fund balance, end of year	<u>\$ 1,782,045</u>	<u>\$ 1,457,045</u>	<u>\$ 1,986,342</u>	

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Water and Sewer Revenue Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 1,978,000	\$ 1,978,000	\$ 2,070,565	\$ 92,565
Miscellaneous	7,000	7,000	12,787	5,787
Total revenues	<u>1,985,000</u>	<u>1,985,000</u>	<u>2,083,352</u>	<u>98,352</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Personal services	1,061,170	1,052,760	1,015,486	37,274
Contractual services	146,035	146,035	103,371	42,664
Materials and supplies	595,347	595,347	467,986	127,361
Capital outlay	479,956	479,956	181,627	298,329
Utilities	116,898	116,898	83,859	33,039
Other	10,000	10,000	-	10,000
Total Basic Utility Services	<u>2,409,406</u>	<u>2,400,996</u>	<u>1,852,329</u>	<u>548,667</u>
Debt Service	<u>260,000</u>	<u>260,000</u>	<u>256,487</u>	<u>3,513</u>
Total expenditures	<u>2,669,406</u>	<u>2,660,996</u>	<u>2,108,816</u>	<u>552,180</u>
Net change in fund balance	(684,406)	(675,996)	(25,464)	650,532
Fund balance, beginning of year	816,531	816,531	816,531	
Prior year encumbrances appropriated	196,221	196,221	196,221	
Fund balance, end of year	<u>\$ 328,346</u>	<u>\$ 336,756</u>	<u>\$ 987,288</u>	

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

TIF Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Payment in lieu of taxes	\$ 2,535,000	\$ 7,515,000	\$ 7,383,674	\$ (131,326)
Intergovernmental	155,000	239,000	234,579	(4,421)
Total revenues	<u>2,690,000</u>	<u>7,754,000</u>	<u>7,618,253</u>	<u>(135,747)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Other	<u>453,765</u>	<u>4,854,965</u>	<u>4,748,423</u>	<u>106,542</u>
Total Transportation	<u>453,765</u>	<u>4,854,965</u>	<u>4,748,423</u>	<u>106,542</u>
Debt Service	<u>1,950,000</u>	<u>1,945,000</u>	<u>1,737,958</u>	<u>207,042</u>
Total expenditures	<u>2,403,765</u>	<u>6,799,965</u>	<u>6,486,381</u>	<u>313,584</u>
Net change in fund balance	286,235	954,035	1,131,872	177,837
Fund balance, beginning of year	4,165,790	4,165,790	4,165,790	
Prior year encumbrances appropriated	<u>53,766</u>	<u>53,766</u>	<u>53,766</u>	
Fund balance, end of year	<u>\$ 4,505,791</u>	<u>\$ 5,173,591</u>	<u>\$ 5,351,428</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
 Balances - Budget and Actual - Budget (Non-GAAP) Basis  
 Capital Improvement Municipal Tax Fund  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Municipal income taxes	\$ 5,346,056	\$ 5,346,056	\$ 5,698,386	\$ 352,330
Intergovernmental	1,800,000	1,800,000	1,615,093	(184,907)
Licenses and permits	200,000	200,000	639,797	439,797
Miscellaneous	25,000	25,000	288,183	263,183
Total revenues	<u>7,371,056</u>	<u>7,371,056</u>	<u>8,241,459</u>	<u>870,403</u>
<b>Expenditures</b>				
Current:				
General Government:				
Materials and supplies	416,435	449,437	383,433	66,004
Capital outlay	546,645	1,413,645	1,223,340	190,305
Other	270,000	659,681	596,212	63,469
Total General Government	<u>1,233,080</u>	<u>2,522,763</u>	<u>2,202,985</u>	<u>319,778</u>
Security of Persons and Property:				
Capital outlay	2,865,397	2,865,397	2,765,161	100,236
Total Security of Persons and Property	<u>2,865,397</u>	<u>2,865,397</u>	<u>2,765,161</u>	<u>100,236</u>
Leisure Time Activities:				
Materials and supplies	-	9,800	9,536	264
Capital outlay	6,222,889	6,213,089	5,420,497	792,592
Total Leisure Time Activities	<u>6,222,889</u>	<u>6,222,889</u>	<u>5,430,033</u>	<u>792,856</u>
Community Environment:				
Materials and supplies	125,000	125,000	125,000	-
Capital outlay	1,716	1,716	1,716	-
Total Community Environment	<u>126,716</u>	<u>126,716</u>	<u>126,716</u>	<u>-</u>
Basic Utility Services:				
Materials and supplies	1,836,770	1,836,770	271,541	1,565,229
Capital outlay	565,853	565,853	34,760	531,093
Total Basic Utility Services	<u>2,402,623</u>	<u>2,402,623</u>	<u>306,301</u>	<u>2,096,322</u>
Transportation:				
Materials and supplies	381,841	381,841	374,654	7,187
Capital outlay	2,200,076	2,200,076	2,094,713	105,363
Total Transportation	<u>2,581,917</u>	<u>2,581,917</u>	<u>2,469,367</u>	<u>112,550</u>

(continued)

**CITY OF HILLIARD, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Capital Improvement Municipal Tax Fund

Year Ended December 31, 2014

*(concluded)*

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final		
Debt Service	<u>3,785,546</u>	<u>13,795,866</u>	<u>13,570,967</u>	<u>224,899</u>
Total expenditures	<u>19,218,168</u>	<u>30,518,171</u>	<u>26,871,530</u>	<u>3,646,641</u>
Excess of revenues over/(under) expenditures	<u>(11,847,112)</u>	<u>(23,147,115)</u>	<u>(18,630,071)</u>	<u>4,517,044</u>
<b>Other financing sources (uses)</b>				
Sale of assets	5,000	5,000	-	(5,000)
Issuance of notes	6,500,000	10,900,000	10,785,000	(115,000)
Issuance of bonds	-	6,000,000	5,160,000	(840,000)
Premiums	-	-	512,288	512,288
Total other financing sources (uses)	<u>6,505,000</u>	<u>16,905,000</u>	<u>16,457,288</u>	<u>(447,712)</u>
Net change in fund balance	(5,342,112)	(6,242,115)	(2,172,783)	4,069,332
Fund balance, beginning of year	6,697,052	6,697,052	6,697,052	
Prior year encumbrances appropriated	<u>1,943,264</u>	<u>1,943,264</u>	<u>1,943,264</u>	
Fund balance, end of year	<u>\$ 3,298,204</u>	<u>\$ 2,398,201</u>	<u>\$ 6,467,533</u>	

# CITY OF HILLIARD, OHIO

## Nonmajor Fund Descriptions

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

# CITY OF HILLIARD, OHIO

## Nonmajor Fund Descriptions

### AGENCY FUNDS

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

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

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

**CITY OF HILLIARD, OHIO**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014

	Special Revenue Funds						Total Nonmajor Governmental Funds	
	County Municipal Motor Vehicle Tax	Park Maintenance	Police	Mayor's Court Computer	General Government Grants	Heritage Trail Dog Park		Storm Water Utility
<b>Assets</b>								
Equity in pooled cash and cash equivalents	\$ 240,006	\$ 960,136	\$ 43,750	\$ 65,393	\$ -	\$ 100	\$ 386,957	\$ 1,696,342
Cash and cash equivalents with fiscal agents	195,482	-	-	-	-	-	-	195,482
Due from other governments	111,183	-	-	-	-	-	-	111,183
<b>Total assets</b>	<b>\$ 546,671</b>	<b>\$ 960,136</b>	<b>\$ 43,750</b>	<b>\$ 65,393</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 386,957</b>	<b>\$ 2,003,007</b>
<b>Liabilities</b>								
Accounts payable	\$ 4,553	\$ -	\$ -	\$ -	\$ 5,994	\$ -	\$ 10,484	\$ 21,031
Due to other funds	-	-	-	-	-	-	18,805	18,805
Interfund payable	-	-	-	-	8,669	-	-	8,669
Accrued wages payable	-	-	-	-	-	-	4,369	4,369
Matured compensated absences	-	-	-	-	-	-	4,873	4,873
Due to other governments	-	-	-	-	-	-	4,603	4,603
<b>Total liabilities</b>	<b>4,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,663</b>	<b>-</b>	<b>43,134</b>	<b>62,350</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	74,393	-	-	-	-	-	-	74,393
<b>Total deferred inflows of resources</b>	<b>74,393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,393</b>
<b>Fund balances</b>								
Restricted	467,725	471,414	43,750	65,393	-	-	227,334	1,275,616
Committed	-	488,722	-	-	-	100	116,489	605,311
Unassigned (deficit)	-	-	-	-	(14,663)	-	-	(14,663)
<b>Total fund balances</b>	<b>467,725</b>	<b>960,136</b>	<b>43,750</b>	<b>65,393</b>	<b>(14,663)</b>	<b>100</b>	<b>343,823</b>	<b>1,866,264</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 546,671</b>	<b>\$ 960,136</b>	<b>\$ 43,750</b>	<b>\$ 65,393</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 386,957</b>	<b>\$ 2,003,007</b>

**CITY OF HILLIARD, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2014

	Special Revenue Funds							Total Nonmajor Governmental Funds
	County Municipal Motor Vehicle Tax	Park Maintenance	Police	Mayor's Court Computer	General Government Grants	Heritage Trail Dog Park	Storm Water Utility	
<b>Revenues</b>								
Intergovernmental	\$ 798,793	\$ -	\$ 8,472	\$ -	\$ 64,722	\$ -	\$ -	\$ 871,987
Charges for services	-	257,345	-	-	-	-	710,678	968,023
Licenses and permits	-	1,873	-	-	-	-	-	1,873
Fines and forfeitures	-	-	41,457	17,086	-	-	-	58,543
Investment income	145	-	-	-	-	-	-	145
Miscellaneous	-	50	-	-	-	-	-	50
<b>Total Revenues</b>	<b>798,938</b>	<b>259,268</b>	<b>49,929</b>	<b>17,086</b>	<b>64,722</b>	<b>-</b>	<b>710,678</b>	<b>1,900,621</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	65,912	-	-	-	65,912
Security of persons and property	-	-	61,482	-	83,485	-	-	144,967
Leisure time activities	-	84,432	-	-	-	-	-	84,432
Basic utility services	-	-	-	-	-	-	814,133	814,133
Transportation	960,468	-	-	-	-	-	-	960,468
<b>Total expenditures</b>	<b>960,468</b>	<b>84,432</b>	<b>61,482</b>	<b>65,912</b>	<b>83,485</b>	<b>-</b>	<b>814,133</b>	<b>2,069,912</b>
Net change in fund balances	(161,530)	174,836	(11,553)	(48,826)	(18,763)	-	(103,455)	(169,291)
Fund balance, beginning of year	629,255	785,300	55,303	114,219	4,100	100	447,278	2,035,555
Fund balance, end of year	\$ 467,725	\$ 960,136	\$ 43,750	\$ 65,393	\$ (14,663)	\$ 100	\$ 343,823	\$ 1,866,264

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

County Municipal Motor Vehicle Tax Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 799,262	\$ 801,901	\$ 2,639
Investment income	200	145	(55)
Total revenues	<u>799,462</u>	<u>802,046</u>	<u>2,584</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Contractual services	138,004	135,113	2,891
Materials and supplies	144,379	119,890	24,489
Capital outlay	<u>761,000</u>	<u>761,000</u>	<u>-</u>
Total expenditures	<u>1,043,383</u>	<u>1,016,003</u>	<u>27,380</u>
Net change in fund balance	(243,921)	(213,957)	29,964
Fund balance, beginning of year	566,499	566,499	
Prior year encumbrances appropriated	<u>52,383</u>	<u>52,383</u>	
Fund balance, end of year	<u>\$ 374,961</u>	<u>\$ 404,925</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Park Maintenance Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Charges for services	\$ 40,000	\$ 257,345	\$ 217,345
Licences and permits	60,000	1,873	(58,127)
Miscellaneous	-	50	50
Total revenues	<u>100,000</u>	<u>259,268</u>	<u>159,268</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Contractual services	7,432	7,432	-
Materials and supplies	21,962	14,460	7,502
Capital outlay	<u>587,150</u>	<u>105,446</u>	<u>481,704</u>
Total expenditures	<u>616,544</u>	<u>127,338</u>	<u>489,206</u>
Net change in fund balance	(516,544)	131,930	648,474
Fund balance, beginning of year	762,056	762,056	
Prior year encumbrances appropriated	<u>23,244</u>	<u>23,244</u>	
Fund balance, end of year	<u>\$ 268,756</u>	<u>\$ 917,230</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Police Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 38,050	\$ 41,480	\$ 3,430
Total revenues	<u>38,050</u>	<u>41,480</u>	<u>3,430</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Contractual services	48,672	33,309	15,363
Materials and supplies	15,000	14,047	953
Other	<u>11,430</u>	<u>5,992</u>	<u>5,438</u>
Total expenditures	<u>75,102</u>	<u>53,348</u>	<u>21,754</u>
Net change in fund balance	(37,052)	(11,868)	25,184
Fund balance, beginning of year	52,825	52,825	
Prior year encumbrances appropriated	<u>2,453</u>	<u>2,453</u>	
Fund balance, end of year	<u>\$ 18,226</u>	<u>\$ 43,410</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Mayor's Court Computer Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 20,000	\$ 17,006	\$ (2,994)
<b>Expenditures</b>			
Current:			
General Government:			
Contractual services	8,188	1,188	7,000
Materials and supplies	14,000	-	14,000
Capital outlay	<u>77,000</u>	<u>76,277</u>	<u>723</u>
Total expenditures	<u>99,188</u>	<u>77,465</u>	<u>21,723</u>
 Net change in fund balance	 (79,188)	 (60,459)	 18,729
 Fund balance, beginning of year	 111,767	 111,767	
Prior year encumbrances appropriated	<u>1,188</u>	<u>1,188</u>	
Fund balance, end of year	<u>\$ 33,767</u>	<u>\$ 52,496</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Government Grants Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 606,000	\$ 77,538	\$ (528,462)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Materials and supplies	<u>89,432</u>	<u>89,299</u>	<u>133</u>
Total Security of Persons and Property	<u>89,432</u>	<u>89,299</u>	<u>133</u>
Leisure Time Activities:			
Capital outlay	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Leisure Time Activities	<u>500,000</u>	<u>500,000</u>	<u>-</u>
General Government:			
Contractual services	<u>13,000</u>	<u>12,837</u>	<u>163</u>
Total General Government	<u>13,000</u>	<u>12,837</u>	<u>163</u>
Total expenditures	<u>602,432</u>	<u>602,136</u>	<u>296</u>
Net change in fund balance	3,568	(524,598)	(528,166)
Fund balance, beginning of year	(90,900)	(90,900)	
Prior year encumbrances appropriated	<u>87,932</u>	<u>87,932</u>	
Fund balance, end of year	<u>\$ 600</u>	<u>\$ (527,566)</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Heritage Trail Dog Park Fund  
Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
Fund balance, beginning of year	\$ 100	\$ 100	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ 100</u>	<u>\$ 100</u>	

**CITY OF HILLIARD, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Storm Water Utility Fund

Year Ended December 31, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<b>Revenues</b>			
Charges of services	\$ 835,000	\$ 714,893	\$ (120,107)
Total revenues	<u>835,000</u>	<u>714,893</u>	<u>(120,107)</u>
<b>Expenditures</b>			
Current:			
Basic Utility Services:			
Personal services	524,380	509,883	14,497
Contractual services	20,701	16,750	3,951
Materials and supplies	779,563	451,103	328,460
Capital outlay	<u>9,629</u>	<u>9,629</u>	<u>-</u>
Total expenditures	<u>1,334,273</u>	<u>987,365</u>	<u>346,908</u>
Net change in fund balance	(499,273)	(272,472)	226,801
Fund balance, beginning of year	204,148	204,148	
Prior year encumbrances appropriated	<u>300,236</u>	<u>300,236</u>	
Fund balance, end of year	<u>\$ 5,111</u>	<u>\$ 231,912</u>	

**CITY OF HILLIARD, OHIO**

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2014

	<u>Mayor's Court</u>	<u>Escrow</u>	<u>Total</u>
<b>Assets</b>			
Equity in pooled cash and cash equivalents	\$ -	\$ 565,334	\$ 565,334
Cash and cash equivalents in segregated accounts	45,682	-	45,682
Accounts receivable	<u>-</u>	<u>24,607</u>	<u>24,607</u>
Total assets	<u>\$ 45,682</u>	<u>\$ 589,941</u>	<u>\$ 635,623</u>
<b>Liabilities</b>			
Due to other governments	\$ -	\$ 550,345	\$ 550,345
Deposits held and due to others	<u>45,682</u>	<u>39,596</u>	<u>85,278</u>
Total liabilities	<u>\$ 45,682</u>	<u>\$ 589,941</u>	<u>\$ 635,623</u>

**CITY OF HILLIARD, OHIO**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b><u>Mayor's Court</u></b>				
<b><i>Assets</i></b>				
Cash and cash equivalents in segregated accounts	\$ 31,298	\$ 401,148	\$ 386,764	\$ 45,682
<b><i>Liabilities</i></b>				
Deposits held and due to others	\$ 31,298	\$ 401,148	\$ 386,764	\$ 45,682
<b><u>Escrow</u></b>				
<b><i>Assets</i></b>				
Equity in pooled cash and cash equivalents	\$ 267,507	\$ 1,682,334	\$ 1,384,507	\$ 565,334
Accounts receivable	12,240	24,607	12,240	24,607
Total assets	<u>\$ 279,747</u>	<u>\$ 1,706,941</u>	<u>\$ 1,396,747</u>	<u>\$ 589,941</u>
<b><i>Liabilities</i></b>				
Due to other governments	\$ 240,151	\$ 1,706,941	\$ 1,396,747	\$ 550,345
Deposits held and due to others	39,596	-	-	39,596
Total liabilities	<u>\$ 279,747</u>	<u>\$ 1,706,941</u>	<u>\$ 1,396,747</u>	<u>\$ 589,941</u>
<b><u>Total - All Agency Funds</u></b>				
<b><i>Assets</i></b>				
Equity in pooled cash and cash equivalents	\$ 267,507	\$ 1,682,334	\$ 1,384,507	\$ 565,334
Cash and cash equivalents in segregated accounts	31,298	401,148	386,764	45,682
Accounts receivable	12,240	24,607	12,240	24,607
Total assets	<u>\$ 311,045</u>	<u>\$ 2,108,089</u>	<u>\$ 1,783,511</u>	<u>\$ 635,623</u>
<b><i>Liabilities</i></b>				
Due to other governments	\$ 240,151	\$ 1,706,941	\$ 1,396,747	\$ 550,345
Deposits held and due to others	70,894	401,148	386,764	85,278
Total liabilities	<u>\$ 311,045</u>	<u>\$ 2,108,089</u>	<u>\$ 1,783,511</u>	<u>\$ 635,623</u>

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**STATISTICAL  
SECTION**

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# Statistical Section

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

## Contents

### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial position has changed over time. 94 - 99

### **Revenue Capacity**

These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the income and property taxes. 100 - 106

### **Debt Capacity**

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. 107 - 110

### **Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. 111 - 112

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 113 - 115

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

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

	2005	2006	2007	2008	2009	2010	2011 (restated) <sup>1</sup>	2012	2013	2014
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 191,791,297	\$ 194,266,629	\$ 194,544,533	\$ 196,643,631	\$ 197,699,834	\$ 193,490,449	\$ 191,936,312	\$ 184,681,665	\$ 178,545,386	\$ 174,263,501
Restricted	7,644,212	10,403,551	11,216,411	8,542,365	14,573,975	14,458,902	9,067,789	8,746,450	13,239,396	19,459,624
Unrestricted	<u>2,978,034</u>	<u>3,576,842</u>	<u>3,990,110</u>	<u>714,167</u>	<u>3,388,558</u>	<u>2,940,978</u>	<u>6,906,732</u>	<u>10,226,730</u>	<u>13,720,226</u>	<u>15,713,235</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 202,413,543</u>	<u>\$ 208,247,022</u>	<u>\$ 209,751,054</u>	<u>\$ 205,900,163</u>	<u>\$ 215,662,367</u>	<u>\$ 210,890,329</u>	<u>\$ 207,910,833</u>	<u>\$ 203,654,845</u>	<u>\$ 205,505,008</u>	<u>\$ 209,436,360</u>

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 283,480	\$ 373,983	\$ 634,187	\$ 1,375,717	\$ 1,451,333	\$ 698,795	\$ 718,663	\$ 779,745	\$ 817,496	\$ 743,059
Security of Persons and Property	485,887	329,690	548,501	475,615	620,598	1,032,105	974,688	1,009,245	978,586	895,958
Leisure Time Activities	762,776	807,415	947,124	912,731	933,107	942,536	1,033,362	1,109,563	1,453,629	1,037,505
Community Environment	984,579	1,581,760	1,651,109	1,008,345	596,596	1,540,679	1,459,453	1,920,796	2,901,063	2,797,942
Basic Utility Services	2,260,677	1,089,731	627,636	1,491,249	1,018,487	1,466,740	2,069,699	1,954,915	2,951,504	3,421,040
Transportation	522,999	641,549	565,459	-	-	-	-	-	-	-
Operating Grants, Contributions, and Interest	2,791,933	1,361,193	1,444,572	2,090,172	1,422,622	1,312,293	1,287,341	1,483,970	1,782,427	2,246,982
Capital Grants, Contributions and Interest	1,089,917	10,203,671	6,141,117	2,586,835	20,966,177	4,106,822	6,544,552	415,449	2,120,629	6,087,335
<i>Total Governmental Activities Program Revenues</i>	<i>9,182,248</i>	<i>16,388,992</i>	<i>12,559,705</i>	<i>9,940,664</i>	<i>27,008,920</i>	<i>11,099,970</i>	<i>14,087,758</i>	<i>8,673,683</i>	<i>13,005,334</i>	<i>17,229,821</i>
<b>Expenses:</b>										
Governmental Activities:										
Current:										
General Government	3,984,242	4,210,860	4,217,469	4,778,348	4,346,672	4,820,699	5,889,987	5,881,654	4,396,977	6,234,614
Security of Persons and Property	6,783,077	7,212,982	7,625,286	8,131,423	8,483,744	8,553,689	8,440,519	8,228,460	8,377,988	11,406,237
Public Health	121,642	139,691	146,530	157,065	169,063	171,913	165,311	182,270	186,809	194,357
Leisure Time Activities	2,589,446	2,539,900	2,700,744	3,256,451	3,069,040	2,911,718	3,272,969	3,252,501	3,282,870	3,347,217
Community Environment	2,861,784	2,552,865	4,800,863	7,370,811	4,704,774	3,091,413	2,621,951	3,491,170	3,571,243	3,437,303
Basic Utility Services	2,590,791	5,999,457	6,487,321	5,990,167	6,812,986	7,254,778	6,604,081	7,407,870	8,804,498	7,407,729
Transportation	2,295,447	5,305,089	4,650,580	4,500,438	8,596,950	8,404,994	7,940,453	7,490,224	8,523,821	11,946,188
Interest and Fiscal Charges	1,265,446	1,798,693	1,808,435	1,966,780	2,516,290	2,599,540	2,639,621	2,775,651	2,326,249	1,774,916
<i>Total Governmental Activities Expenses</i>	<i>\$ 22,491,875</i>	<i>\$ 29,759,537</i>	<i>\$ 32,437,228</i>	<i>\$ 36,151,483</i>	<i>\$ 38,699,519</i>	<i>\$ 37,808,744</i>	<i>\$ 37,574,892</i>	<i>\$ 38,709,800</i>	<i>\$ 39,470,455</i>	<i>\$ 45,748,561</i>
<i>Net Expenses</i>	<i>\$ (13,309,627)</i>	<i>\$ (13,370,545)</i>	<i>\$ (19,877,523)</i>	<i>\$ (26,210,819)</i>	<i>\$ (11,690,599)</i>	<i>\$ (26,708,774)</i>	<i>\$ (23,487,134)</i>	<i>\$ (30,036,117)</i>	<i>\$ (26,465,121)</i>	<i>\$ (28,518,740)</i>

(continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 1,569,065	\$ 1,732,640	\$ 1,902,363	\$ 1,939,885	\$ 1,682,554	\$ 1,924,647	\$ 1,978,442	\$ 1,490,038	\$ 1,483,891	\$ 1,418,846
Other Local Taxes	151,566	15,127	-	-	-	-	-	-	-	-
Municipal Income Tax Levied for General Purposes	9,047,632	9,353,451	8,720,561	10,808,397	11,470,507	10,996,978	12,292,843	14,350,910	14,337,297	15,172,841
Municipal Income Tax Levied for Transportation	1,739,073	1,821,584	1,744,110	2,161,680	747,888	384,371	885,947	466,492	1,212,529	1,536,470
Municipal Income Tax Levied for Capital Outlay	3,562,629	3,389,484	3,488,226	4,323,358	4,072,798	3,946,978	4,392,930	4,939,135	5,160,611	5,585,976
Payments in Lieu of Taxes	372,122	173,881	2,769,280	1,375,625	1,846,750	2,391,513	1,243,970	3,008,635	5,038,316	7,383,674
Grants and Entitlements not Restricted to Specific Programs	1,168,131	1,463,590	1,413,857	1,209,800	1,099,064	1,695,078	2,301,949	1,105,845	693,035	770,008
Unrestricted Contributions	1,500	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	572,014	773,438	820,603	355,084	156,648	141,361	60,420	57,494	33,531	73,377
Miscellaneous	179,397	480,829	522,555	186,099	376,594	455,810	581,217	361,580	356,074	508,900
<b>Total Governmental Activities</b>	<b>\$ 18,363,129</b>	<b>\$ 19,204,024</b>	<b>\$ 21,381,555</b>	<b>\$ 22,359,928</b>	<b>\$ 21,452,803</b>	<b>\$ 21,936,736</b>	<b>\$ 23,737,718</b>	<b>\$ 25,780,129</b>	<b>\$ 28,315,284</b>	<b>\$ 32,450,092</b>
<b>Change in Net Position</b>	<b>\$ 5,053,502</b>	<b>\$ 5,833,479</b>	<b>\$ 1,504,032</b>	<b>\$ (3,850,891)</b>	<b>\$ 9,762,204</b>	<b>\$ (4,772,038)</b>	<b>\$ 250,584</b>	<b>\$ (4,255,988)</b>	<b>\$ 1,850,163</b>	<b>\$ 3,931,352</b>

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

<b>Function / Program:</b>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
General Government	\$ 308,753	\$ 373,983	\$ 634,187	\$ 1,376,705	\$ 1,543,528	\$ 698,795	\$ 718,663	\$ 990,070	\$ 828,746	\$ 747,058
Security of Persons and Property	675,137	455,519	600,843	588,599	620,598	1,052,600	974,688	1,009,245	1,006,477	967,899
Leisure Time Activities	762,776	807,415	947,124	913,231	933,107	992,536	1,053,018	1,109,563	1,483,629	1,037,505
Community Environment	1,205,739	1,581,760	1,651,109	1,327,813	596,596	1,540,679	1,459,453	2,089,648	2,901,063	2,797,942
Basic Utility Services	2,260,677	7,279,672	774,748	1,870,366	8,633,325	2,436,329	5,214,730	2,036,875	4,053,801	7,738,258
Transportation	3,969,166	5,890,643	7,951,694	3,863,950	14,681,766	4,379,031	4,667,206	1,438,282	2,731,618	3,941,159
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 9,182,248</b>	<b>\$ 16,388,992</b>	<b>\$ 12,559,705</b>	<b>\$ 9,940,664</b>	<b>\$ 27,008,920</b>	<b>\$ 11,099,970</b>	<b>\$ 14,087,758</b>	<b>\$ 8,673,683</b>	<b>\$ 13,005,334</b>	<b>\$ 17,229,821</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,179	\$ 26,723	\$ 25,268	\$ 26,774
Committed	-	-	-	-	-	-	204,888	186,706	224,637	221,970
Assigned	-	-	-	-	-	-	520,519	300,101	113,892	189,754
Unassigned	-	-	-	-	-	-	3,055,755	5,132,224	9,146,578	10,340,785
Reserved	2,755,118	580,680	239,375	116,547	139,582	188,231	-	-	-	-
Unreserved	192,489	2,605,051	3,521,255	3,183,859	3,073,796	3,161,504	-	-	-	-
<b>Total General Fund</b>	<b>2,947,607</b>	<b>3,185,731</b>	<b>3,760,630</b>	<b>3,300,406</b>	<b>3,213,378</b>	<b>3,349,735</b>	<b>3,809,341</b>	<b>5,645,754</b>	<b>9,510,375</b>	<b>10,779,283</b>
<b>All Other Governmental Funds</b>										
Restricted	-	-	-	-	-	-	8,287,493	10,453,741	16,177,842	20,434,858
Committed	-	-	-	-	-	-	5,773,016	4,961,934	4,566,178	4,157,852
Unassigned	-	-	-	-	-	-	(12,904)	(12,904)	-	(14,663)
Reserved	8,249,125	5,294,723	4,502,398	5,032,205	3,245,086	6,622,551	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	2,073,997	1,769,638	5,518,127	7,388,881	6,240,285	6,615,484	-	-	-	-
Debt Service Funds	23,993	9,854	264	264	(13,717)	(12,904)	-	-	-	-
Capital Projects Funds	3,105,646	3,179,637	856,293	(7,260,811)	3,150,492	434,163	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>13,452,761</b>	<b>10,253,852</b>	<b>10,877,082</b>	<b>5,160,539</b>	<b>12,622,146</b>	<b>13,659,294</b>	<b>14,047,605</b>	<b>15,402,771</b>	<b>20,744,020</b>	<b>24,578,047</b>
<b>Total Governmental Funds</b>	<b>\$ 16,400,368</b>	<b>\$ 13,439,583</b>	<b>\$ 14,637,712</b>	<b>\$ 8,460,945</b>	<b>\$ 15,835,524</b>	<b>\$ 17,009,029</b>	<b>\$ 17,856,946</b>	<b>\$ 21,048,525</b>	<b>\$ 30,254,395</b>	<b>\$ 35,357,330</b>

Note: On January 1, 2011, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances for years prior to 2011 have not been reclassified.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Property and Other Local Taxes	\$ 1,713,495	\$ 1,733,726	\$ 1,905,010	\$ 1,938,359	\$ 1,719,684	\$ 1,936,497	\$ 1,981,224	\$ 1,489,345	\$ 1,559,706	\$ 1,441,796
Municipal Income Taxes	13,936,390	14,356,448	15,780,108	16,639,707	15,912,550	16,050,554	17,436,327	18,739,268	20,843,443	20,227,766
Payment in Lieu of Taxes	372,122	173,881	2,769,280	599,118	1,529,580	2,331,405	2,333,600	3,008,635	5,038,316	7,383,674
Intergovernmental	5,179,408	3,636,055	3,189,358	6,242,515	3,264,109	7,464,964	7,103,146	2,765,621	3,021,748	4,550,308
Charges for Services	4,152,126	3,658,956	3,610,180	4,387,135	3,466,922	4,278,597	4,741,570	5,474,971	6,372,169	6,755,577
Licenses and Permits	800,580	1,138,388	1,011,571	871,346	968,911	1,745,589	1,183,422	827,486	2,174,933	1,968,205
Fines and Forfeitures	310,490	307,939	286,805	367,636	320,788	292,669	330,873	397,752	389,424	337,475
Contributions and Donations	53,282	-	-	-	-	-	-	-	-	-
Investment Income	585,975	810,003	841,297	381,963	156,648	141,361	60,420	57,494	33,531	73,377
Special Assessments	22,755	85,288	91,765	98,734	28,981	813	-	-	-	-
Rent	37,202	-	-	-	-	-	-	-	-	-
Other	179,397	151,529	590,831	124,153	377,758	390,760	552,819	358,221	355,886	882,453
<b>Total Revenues</b>	<b>27,343,222</b>	<b>26,052,213</b>	<b>30,076,205</b>	<b>31,650,666</b>	<b>27,745,931</b>	<b>34,633,209</b>	<b>35,723,401</b>	<b>33,118,793</b>	<b>39,789,156</b>	<b>43,620,631</b>
<b>Expenditures:</b>										
Current:										
General Government	3,987,625	4,315,806	4,105,156	5,092,918	4,375,856	4,857,636	5,821,506	5,922,196	4,828,215	6,881,917
Security of Persons and Property	6,496,423	7,111,652	7,507,956	8,152,818	15,107,209	8,282,776	7,943,336	8,022,112	8,436,061	11,635,540
Public Health	121,642	139,691	146,530	157,065	169,063	171,913	165,311	182,270	186,809	194,357
Leisure Time Activities	2,417,118	3,509,050	4,855,085	4,656,844	3,103,714	4,456,087	2,803,019	2,852,567	3,256,275	4,412,240
Community Environment	5,861,294	6,248,593	5,565,363	9,413,956	5,833,755	5,357,924	3,301,309	3,373,556	3,444,028	3,326,671
Basic Utility Services	2,582,123	1,277,178	1,599,361	1,195,029	2,544,706	1,937,183	1,697,650	2,362,492	3,264,874	2,480,971
Transportation	22,013,004	6,325,373	5,389,484	4,852,648	6,746,273	8,544,315	10,472,973	3,893,437	5,171,459	10,158,186
Debt Service:										
Principal Retirement	1,661,573	1,935,962	2,471,327	2,398,986	2,357,284	2,629,411	2,945,653	3,580,068	4,016,158	8,515,167
Interest and Fiscal Charges	1,581,315	1,692,436	2,062,148	1,907,169	2,939,932	2,637,382	2,899,735	2,870,941	2,275,495	1,660,868
Issuance Costs	-	-	-	-	-	-	-	-	153,222	147,271
<b>Total Expenditures</b>	<b>46,722,117</b>	<b>32,555,741</b>	<b>33,702,410</b>	<b>37,827,433</b>	<b>43,177,792</b>	<b>38,874,627</b>	<b>38,050,492</b>	<b>33,059,639</b>	<b>35,032,596</b>	<b>49,413,188</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(19,378,895)</i>	<i>(6,503,528)</i>	<i>(3,626,205)</i>	<i>(6,176,767)</i>	<i>(15,431,861)</i>	<i>(4,241,418)</i>	<i>(2,327,091)</i>	<i>59,154</i>	<i>4,756,560</i>	<i>(5,792,557)</i>
<b>Other Financing Sources (Uses):</b>										
Proceeds from Sale of Capital Assets	-	329,300	343,739	-	-	65,050	28,398	3,359	18,785	1,848
Issuance of General Obligation Bonds	21,997,543	-	7,975,000	-	15,540,000	-	8,020,000	2,480,000	8,905,000	-
Issuance of Bond Anticipation Notes	-	1,900,000	-	-	-	5,300,000	-	-	4,285,000	10,785,000
OWDA and OPWC Loans Issued	1,893,334	323,443	-	-	-	-	17,689	413,790	-	-
Premium on Debt	727,207	-	475,595	-	849,054	49,873	15,982	1,364,417	484,152	435,398
Refunding Bonds Issued	6,462,457	-	-	-	-	-	-	8,605,000	-	5,160,000
Payment on Refunded Bonds or Notes	(6,462,457)	-	(3,970,000)	-	-	-	(5,300,000)	(9,734,141)	(9,243,627)	(5,486,754)
Inception of Capital Lease	402,632	990,000	-	-	6,417,386	-	392,939	-	-	-
Transfers - In	37,871	-	-	-	441,137	-	-	-	-	-
Transfers - Out	(37,871)	-	-	-	(441,137)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>25,020,716</b>	<b>3,542,743</b>	<b>4,824,334</b>	<b>-</b>	<b>22,806,440</b>	<b>5,414,923</b>	<b>3,175,008</b>	<b>3,132,425</b>	<b>4,449,310</b>	<b>10,895,492</b>
<b>Net Change in Fund Balances</b>	<b>\$ 5,641,821</b>	<b>\$ (2,960,785)</b>	<b>\$ 1,198,129</b>	<b>\$ (6,176,767)</b>	<b>\$ 7,374,579</b>	<b>\$ 1,173,505</b>	<b>\$ 847,917</b>	<b>\$ 3,191,579</b>	<b>\$ 9,205,870</b>	<b>\$ 5,102,935</b>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	14.0%	15.9%	17.5%	14.9%	17.1%	17.7%	19.6%	21.0%	19.8%	23.9%

**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
2005	\$ 10,567,780	75%	\$ 1,463,816	10%	\$ 12,031,596	86%	\$ 2,025,941	14%	\$ 14,057,537
2006	11,093,880	75%	1,603,193	11%	12,697,073	86%	2,046,361	14%	14,743,434
2007	10,939,771	73%	1,879,695	13%	12,819,466	86%	2,070,616	14%	14,890,082
2008	13,152,852	78%	2,071,126	12%	15,223,978	90%	1,649,651	10%	16,873,629
2009	13,448,644	78%	1,959,748	11%	15,408,392	90%	1,771,029	10%	17,179,421
2010	13,465,563	77%	1,847,800	11%	15,313,363	88%	2,090,483	12%	17,403,846
2011	14,006,015	79%	2,066,913	12%	16,072,928	91%	1,665,297	9%	17,738,225
2012	14,755,373	77%	2,041,808	11%	16,797,181	88%	2,286,614	12%	19,083,795
2013	15,349,860	74%	2,234,458	10%	17,584,318	84%	3,257,488	16%	20,841,806
2014	16,261,933	71%	2,343,605	11%	18,605,538	82%	4,188,367	18%	22,793,905

Source: City Income Tax Division

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

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

Year	General Fund	Capital Improvement Municipal Tax Fund	Street Improvement Municipal Tax Fund	Total	Percentage Increase/ (Decrease)
2005	\$ 8,574,750	\$ 3,514,384	\$ 1,714,950	\$ 13,804,084	4.31%
2006	9,176,483	3,318,697	1,786,190	14,281,370	3.46%
2007	9,092,540	3,637,017	1,818,507	14,548,064	1.87%
2008	10,204,465	4,081,786	2,040,893	16,327,144	12.23%
2009	11,496,626	4,083,246	753,112	16,332,984	0.04%
2010	12,165,853	4,014,340	527,842	16,708,035	2.30%
2011	12,184,246	4,341,568	840,456	17,366,270	3.94%
2012	13,395,426	4,633,040	503,694	18,532,160	6.71%
2013	14,040,629	5,057,600	1,200,169	20,298,398	9.53%
2014	15,151,065	5,578,415	1,535,563	22,265,043	9.69%

Source: City Income Tax Department

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

**City of Hilliard, Ohio**  
*Principal Income Taxpayers - Withholding Accounts*  
 2014 and 2005

<u>Range of Withholding Amount</u>	<u>2014</u>		<u>2005</u>	
	<u>Number of Withholding Accounts</u>	<u>Percentage of Total Withholding Revenue</u>	<u>Number of Withholding Accounts</u>	<u>Percentage of Total Withholding Revenue</u>
\$500,001 and higher	4	27.26%	2	21.46%
\$300,001 - 500,000	2	4.13%	2	6.60%
\$100,001 - 300,000	12	12.42%	10	12.95%
\$55,001 - 100,000	29	<u>13.23%</u>	17	<u>11.23%</u>
Total		57.04%		52.24%
All Others		<u>42.96%</u>		<u>47.76%</u>
Total Withholding Accounts		<u><u>100.00%</u></u>		<u><u>100.00%</u></u>

Source: City Income Tax Department

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

Tax Year	Real Property (1)						Personal Property (2)			Total		Estimated Actual Value of Taxable Property	Total Direct Tax Rate
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Public Utility	General	Total	Valuation	% Growth		
2005	\$ 640,343,800	\$ 974,340	\$ 113,505,210	\$ 47,059,140	\$ 46,920	\$ 801,929,410	\$ 17,946,440	\$ 28,462,274	\$ 46,408,714	\$ 848,338,124	11.84%	\$ 2,476,861,742	1.60
2006	662,229,120	1,064,560	120,462,930	48,742,120	64,150	832,562,880	16,471,610	22,239,765	38,711,375	871,274,255	2.70%	2,533,596,586	1.60
2007	672,823,870	1,312,410	106,999,610	46,780,960	89,200	828,006,050	9,627,660	13,930,309	23,557,969	851,564,019	-2.26%	2,459,963,447	1.60
2008	686,405,600	1,426,860	113,450,470	50,466,490	80,650	851,830,070	10,072,070	2,691,967	12,764,037	864,594,107	1.53%	2,484,856,348	1.60
2009	684,289,450	1,460,720	138,984,940	50,031,110	90,590	874,856,810	10,394,370	1,345,983	11,740,353	886,597,163	2.54%	2,546,552,298	1.60
2010	685,969,370	1,508,590	126,497,550	51,110,680	90,260	865,176,450	11,735,180	-	11,735,180	876,911,630	-1.09%	2,518,873,434	1.60
2011	648,863,550	220,850	133,992,270	49,254,890	95,680	832,427,240	12,894,340	-	12,894,340	845,321,580	-3.60%	2,429,940,903	1.60
2012	650,106,670	202,650	132,537,670	48,868,730	102,050	831,817,770	12,999,270	-	12,999,270	844,817,040	-0.06%	2,428,619,280	1.60
2013	653,620,850	202,650	125,794,790	48,969,180	108,720	828,696,190	13,663,980	-	13,663,980	842,360,170	-0.29%	2,422,359,320	1.60
2014	676,482,330	334,970	130,957,970	45,693,090	113,600	853,581,960	13,802,040	-	13,802,040	867,384,000	2.97%	2,494,013,760	1.60

Source: Franklin County Auditor

(1) Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal.

(2) Prior to 2006, the assessed valuation for personal property was based on varying percentages of true value (25 percent was used in the assessed values above). House Bill 66 (the State's biennial budget for fiscal years 2006-2007) phased out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property (which is public utility property) will be eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax. In the first five years, local governments are reimbursed fully for the lost revenue (based on 2004 values); in the following seven years, the reimbursements are phased out.

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

<u>Tax Year</u>	<u>City of Hilliard General Fund</u>	<u>Hilliard City School District</u>	<u>Franklin County</u>	<u>Metropolitan Library</u>	<u>Norwich Township</u>	<u>Vocational School</u>	<u>Total</u>
2005	\$ 1.60	\$ 73.14	\$ 18.44	\$ 2.20	\$ 17.50	\$ 0.50	\$ 113.38
2006	1.60	75.89	18.44	2.20	17.50	1.30	116.93
2007	1.60	75.89	18.49	2.20	17.50	1.30	116.98
2008	1.60	82.79	18.02	2.20	17.50	1.30	123.41
2009	1.60	82.85	18.07	2.20	17.50	1.30	123.52
2010	1.60	82.95	18.07	2.80	17.50	1.30	124.22
2011	1.60	89.35	18.07	2.80	17.50	1.60	130.92
2012	1.60	89.45	18.47	2.80	17.50	1.60	131.42
2013	1.60	89.45	18.47	2.80	21.62	1.60	135.54
2014	1.60	89.55	18.47	2.80	21.62	1.60	135.64

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Principal Property Tax Payers - Real Property*  
2014 and 2005

Taxpayer	2014			2005		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
MCI International Inc.	\$ 9,137,530	1	1.07			
LSREF3 Bravo Ohio LLC	7,385,000	2	0.87			
Trueman LP	5,454,900	3	0.64			
Ansmil LLC	4,384,220	4	0.51			
National Retail	4,200,020	5	0.49			
One Mill Run LP	3,850,010	6	0.45			
Crystal Lake Apartments	3,162,320	7	0.37	3,160,620	4	0.39
Continental Hilliard	3,160,680	8	0.37			
Homewood Corp	3,025,770	9	0.35			
Echo Continental Hilliard	2,912,890	10	0.34			
United Dominion Realty LP				6,580,000	1	0.82
Talcott III Mill Run LLC				6,484,780	2	0.81
First Industrial LP				4,025,010	3	0.50
Cadlerocks Hilliard				2,975,000	5	0.37
Home Depot USA Inc				2,975,000	6	0.37
Clearview Hilliard LP				2,415,010	7	0.30
Armstrong World				2,240,010	8	0.28
CompuServe Inc.				2,237,310	9	0.28
Target Corporation				2,022,860	10	0.25
Total Top 10 Real Property	46,673,340		5.47	35,115,600		4.37
All Others	806,908,620		94.53	766,813,810		95.63
Total Real Property Assessed Valuation	<u>\$ 853,581,960</u>		<u>100.00%</u>	<u>\$ 801,929,410</u>		<u>100.00%</u>

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

<u>Collection Year</u>	<u>Total Tax Levy (1) (2)</u>	<u>Current Tax Collections (1) (3)</u>	<u>Percent of Current Levy Collected (3)</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2005	\$ 1,211,106	\$ 1,187,941	98.09%	\$ 19,395	\$ 1,207,336
2006	1,379,069	1,336,249	96.90%	34,813	1,371,062
2007	1,416,496	1,363,825	96.28%	30,971	1,394,796
2008	1,458,263	1,307,442	89.66%	32,214	1,339,656
2009	1,431,361	1,365,022	95.37%	65,393	1,430,415
2010	1,473,382	1,456,360	98.84%	51,583	1,507,943
2011	1,463,918	1,443,836	98.63%	26,067	1,469,903
2012	1,417,184	1,401,052	98.86%	23,016	1,424,068
2013	1,449,224	1,199,654	82.78%	36,053	1,235,707
2014	1,365,550	1,466,149	107.37%	27,364	1,493,513

Source: Franklin County Auditor

- (1) State reimbursement of rollback and homestead exemptions are included
- (2) Amounts listed include penalties and interest
- (3) The County does not identify delinquent collections by the year for which the tax was levied. Additionally, the County implemented internal reporting changes that affected the collection amounts being reported in 2013 and 2014.

**City of Hilliard, Ohio**  
*Computation of All Direct and Overlapping Governmental Debt*  
 December 31, 2014

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
<b>Direct</b>			
City of Hilliard			
Loans Payable	\$ 3,986,189		\$ 3,986,189
General Obligation Bonds	47,050,000		47,050,000
General Obligation Notes	10,785,000		10,785,000
Capital Leases	<u>5,848,276</u>		<u>5,848,276</u>
Total Direct Debt	<u>67,669,465</u>	100.00%	<u>67,669,465</u>
<b>Overlapping Subdivisions</b>			
Hilliard City School District	128,169,887	36.00%	46,141,159
Dublin City School District	143,673,554	0.07%	100,571
Franklin County	287,698,589	3.29%	9,465,284
Washington Township	1,550,000	0.06%	930
Tolles Career & Technical Center	2,045,000	18.21%	372,395
Solid Waste Authority of Central Ohio	<u>105,790,000</u>	3.15%	<u>3,332,385</u>
Total Overlapping Debt	<u>668,927,030</u>		<u>59,412,724</u>
Total Direct and Overlapping Debt	<u>\$ 736,596,495</u>		<u>\$ 127,082,189</u>

Source: Franklin County Auditor

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

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

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

Collection Year	Net Bonded Debt	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2005	\$ 36,178,444	\$ 2,476,861,742	28,158	1.46	\$ 1,284.84
2006	34,480,429	2,533,596,586	28,557	1.36	1,207.42
2007	40,915,361	2,459,963,447	28,730	1.66	1,424.13
2008	38,994,698	2,484,856,348	28,850	1.57	1,351.64
2009	53,372,658	2,546,552,298	28,927	2.10	1,845.08
2010	50,786,564	2,518,873,434	28,935	2.02	1,755.19
2011	55,994,999	2,429,940,903	29,250	2.30	1,914.36
2012	55,859,717	2,428,619,280	28,524	2.30	1,958.34
2013	53,129,330	2,422,359,320	28,595	2.19	1,857.99
2014	49,772,640	2,494,013,760	28,723	2.00	1,732.85

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

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

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
2005	\$ 2,156,000	\$ 1,893,334	\$ 36,178,444	\$ 195,000	\$ 403,267	\$ 40,826,045	28,158	\$ 991,894	\$ 1,450	4.12
2006	3,970,000	2,216,777	34,480,429	135,000	1,263,305	42,065,511	28,557	1,037,619	1,473	4.05
2007	2,300,000	2,216,777	40,915,361	70,000	811,978	46,314,116	28,730	1,082,087	1,612	4.28
2008	11,390,000	2,216,777	38,994,698	-	342,992	52,944,467	28,850	1,100,022	1,835	4.81
2009	-	2,216,777	53,372,658	-	6,313,094	61,902,529	28,927	1,106,226	2,140	5.60
2010	5,300,000	2,216,777	50,786,564	-	6,168,683	64,472,024	28,935	1,112,464	2,228	5.80
2011	-	2,127,163	55,994,999	-	6,448,272	64,570,434	29,250	1,175,499	2,208	5.49
2012	-	4,569,580	55,859,717	-	6,256,210	66,685,507	28,524	1,218,773	2,338	5.47
2013	4,285,000	4,308,312	53,129,330	-	6,056,320	67,778,962	28,595	1,254,377	2,370	5.40
2014	10,785,000	3,986,189	49,772,640	-	5,848,276	70,392,105	28,723	N/A	2,451	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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Assessed Valuation	\$ 867,384,000	\$ 842,360,170	\$ 844,817,040	\$ 845,321,580	\$ 876,911,630	\$ 886,597,163	\$ 864,594,107	\$ 851,564,019	\$ 871,274,255	\$ 848,338,124
Overall debt limitation - 10.5% of assessed valuation	91,075,320	88,447,818	88,705,789	88,758,766	92,075,721	93,092,702	90,782,381	89,414,222	91,483,797	89,075,503
Total Indebtedness as of 12/31	57,835,000	50,370,000	53,130,000	54,320,000	54,325,000	51,510,000	49,270,000	42,110,000	37,825,000	37,731,000
Less Exempt Debt:										
Self Supporting										
Special Assessment	-	-	-	-	-	-	-	70,000	135,000	195,000
1999 Cemetery Road Refunding-Voted	-	-	-	-	-	-	-	-	-	195,000
1982 Water	-	-	-	-	-	-	-	20,000	45,000	65,000
1999A Various Purpose-Water portion(28%)	-	-	-	-	-	-	51,800	100,800	148,400	193,200
2002 Various Purpose-Water portion(39%)	-	-	-	62,400	120,900	177,450	232,050	284,700	335,400	386,100
2005 Various Purpose-Water portion(39%)	1,567,800	1,994,850	5,569,200	5,904,600	6,228,300	6,542,250	6,862,050	7,174,050	7,478,250	7,731,750
Total Self Supporting	1,567,800	1,994,850	5,569,200	5,967,000	6,349,200	6,719,700	7,145,900	7,649,550	8,142,050	8,766,050
Income Tax Supported										
1992 Various Purpose	-	-	-	-	-	-	-	-	215,000	420,000
1999 Various Purpose(72%)	-	-	-	-	-	-	133,200	259,200	381,600	496,800
2002 Various Purpose(61%)	-	-	-	97,600	189,100	277,550	362,950	445,300	524,600	603,900
2003 Various Purpose	-	-	245,000	3,655,000	3,880,000	4,100,000	4,310,000	4,510,000	4,710,000	4,910,000
2009 Various Purpose	11,645,000	12,470,000	13,270,000	14,055,000	14,810,000	15,540,000	-	-	-	-
2011 Various Purpose	6,585,000	7,020,000	7,445,000	7,865,000	-	-	-	-	-	-
2012 Various Purpose	10,135,000	10,920,000	7,445,000	-	-	-	-	-	-	-
2013 Various Purpose	8,585,000	8,705,000	-	-	-	-	-	-	-	-
2014 Various Purpose	5,040,000	-	-	-	-	-	-	-	-	-
Notes	10,785,000	4,285,000	-	-	5,300,000	-	11,390,000	2,300,000	3,970,000	2,156,000
Total Income Tax Supported	52,775,000	43,400,000	28,405,000	25,672,600	24,179,100	19,917,550	16,196,150	7,514,500	9,801,200	8,586,700
Amount available in the debt service fund	-	-	-	-	-	-	-	-	-	-
Total Exempt Debt	54,342,800	45,394,850	33,974,200	31,639,600	30,528,300	26,637,250	23,342,050	15,164,050	17,943,250	17,352,750
Net Debt Subject to Limitation	3,492,200	4,975,150	19,155,800	22,680,400	23,796,700	24,872,750	25,927,950	26,945,950	19,881,750	20,378,250
Legal debt margin within 10.5% limitation	\$ 87,583,120	\$ 83,472,668	\$ 69,549,989	\$ 66,078,366	\$ 68,279,021	\$ 68,219,952	\$ 64,854,431	\$ 62,468,272	\$ 71,602,047	\$ 68,697,253
Percentage of Net Debt to Assessed Value	0.40%	0.59%	2.27%	2.68%	2.71%	2.81%	3.00%	3.16%	2.28%	2.40%
Percentage of Legal Debt Limit	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Percentage of Legal Debt Margin	10.10%	9.91%	8.23%	7.82%	7.79%	7.69%	7.50%	7.34%	8.22%	8.10%
Unvoted debt limitation 5.5% of assessed valuation	\$ 47,706,120	\$ 46,329,809	\$ 46,464,937	\$ 46,492,687	\$ 48,230,140	\$ 48,762,844	\$ 47,552,676	\$ 46,836,021	\$ 47,920,084	\$ 46,658,597
Total Indebtedness as of 12/31	57,835,000	50,370,000	53,130,000	54,320,000	54,325,000	51,510,000	49,270,000	42,110,000	37,825,000	37,731,000
Less Total Exempt Debt	54,342,800	45,394,850	33,974,200	31,639,600	30,528,300	26,637,250	23,342,050	15,164,050	17,943,250	17,352,750
Net Debt Subject to Limitation	3,492,200	4,975,150	19,155,800	22,680,400	23,796,700	24,872,750	25,927,950	26,945,950	19,881,750	20,378,250
Legal debt margin within 5.5% limitation	\$ 44,213,920	\$ 41,354,659	\$ 27,309,137	\$ 23,812,287	\$ 24,433,440	\$ 23,890,094	\$ 21,624,726	\$ 19,890,071	\$ 28,038,334	\$ 26,280,347
Percentage of Net Debt to Assessed Value	0.40%	0.59%	2.27%	2.68%	2.71%	2.81%	3.00%	3.16%	2.28%	2.40%
Percentage of Legal Debt Limit	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Percentage of Legal Debt Margin	5.10%	4.91%	3.23%	2.82%	2.79%	2.69%	2.50%	2.34%	3.22%	3.10%

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

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

Year	Population (1)	Total Personal Income (2)	Per Capita Income (5)	School Enrollment (6)	Unemployment Rate (3)	Total Assessed Property Value (4)
2004	26,844	\$ 916,132	\$ 34,128	14,529	5.4%	\$ 758,561,614
2005	28,158	991,894	35,226	14,760	5.2%	848,338,124
2006	28,557	1,037,619	36,335	14,949	4.5%	871,274,255
2007	28,730	1,082,087	37,664	15,173	4.7%	851,564,019
2008	28,850	1,100,022	38,129	15,136	6.1%	864,594,107
2009	28,927	1,106,226	38,242	15,523	8.8%	886,597,163
2010	28,935	1,112,464	38,447	15,634	7.6%	876,911,630
2011	29,250	1,175,499	40,188	15,689	6.3%	845,321,580
2012	28,524	1,218,773	42,728	15,726	5.4%	844,817,040
2013	28,595	1,254,377	43,867	15,758	5.2%	842,360,170
2014	28,723	N/A	N/A	15,864	3.7%	867,384,000

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*  
 2014 and 2005

Employer	2014			2005		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cellco Partnership dba Verizon	1,716	1	7.18%			
Hilliard City Schools	1,685	2	7.05%	2,315	1	13.53%
BMW Financial Services	562	3	2.35%			
MCI Telecommunications	484	4	2.03%	574	2	3.35%
Sedgwick Claims Mgmt Inc.	330	5	1.38%			
Echosphere LLC	296	6	1.24%			
Micro Center Inc.	286	7	1.20%	283	4	1.65%
R. E. Rich Family Holding Corp.	274	8	1.15%			
City of Hilliard	133	9	0.56%	143	10	0.84%
Advanced Drainage Systems	111	10	0.46%			
Redemtech, Inc.				205	6	1.20%
Arctic Express				266	5	1.55%
Novus/Discover Card Services, Inc.				315	3	1.84%
Baesman Printing Corp				185	7	1.08%
S & G Manufacturing Group				179	8	1.05%
Rich Products Mfg. Corp.				159	9	0.93%
Total Employees	5,877		24.60%	4,624		27.04%
All Other Employers	18,009		75.40%	12,486		72.96%
Total Employment within the City	<u>23,886</u>		<u>100.00%</u>	<u>17,110</u>		<u>100.00%</u>

Source: City Income Tax Department

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

Function/Program	2005		2006		2007		2008		2009		2010		2011		2012		2013		2014	
	Full-Time	All																		
General Government	49	49	47	47	48	48	49	49	47	47	45	45	47	47	45	45	44	44	44	44
Security of Persons and Property	50	50	49	49	50	50	49	50	49	49	48	48	48	48	47	47	40	40	40	40
Leisure Time Activities	22	32	23	35	23	35	23	35	21	32	19	29	18	28	18	28	18	28	18	28
Basic Utility Services	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Transportation	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	20	20	20	20
<i>Total Number of Employees</i>	<u>143</u>	<u>153</u>	<u>141</u>	<u>153</u>	<u>143</u>	<u>155</u>	<u>143</u>	<u>156</u>	<u>139</u>	<u>150</u>	<u>134</u>	<u>144</u>	<u>135</u>	<u>145</u>	<u>132</u>	<u>142</u>	<u>123</u>	<u>133</u>	<u>123</u>	<u>133</u>

Source: City Payroll Records

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

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Government Center	1	1	1	1	1	1	1	1	1	1
Security of Persons and Property:										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire/EMS Stations (1)	3	3	3	3	3	3	3	3	3	3
Leisure Time Activities:										
Number of Parks	21	21	21	21	21	22	23	23	24	24
Park Area (acres)	285.0	285.0	285.0	285.0	285.0	285.5	316	316	324	324
Number of Playgrounds	11	11	11	11	11	11	11	10	10	10
Number of Swimming Pools	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Basic Utility Services:										
Miles of Water Mains	113	127	128	128	129.3	130.1	131.9	131.9	132.4	133.5
Miles of Sanitary Sewers	117	135	140	140	142	142.7	144.7	145.3	146	147.5
Miles of Storm Sewers	122	107	118	118	122.4	123.4	126.7	126.8	127.56	128.56
Transportation										
Miles of Streets	102	103	107	107	110.3	111.4	112.9	112.9	114	115
Number of Street Lights	1,445	1,458	1,536	1,536	1,705	1,739	1,805	1,805	1,897	1,917
Number of Traffic Signal Systems	N/A	31	32	34	33	34	36	36	36	36

(1) Fire Protection provided by Norwich Township

N/A - Information not available

Source: City capital asset records

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government:</b>										
Active Income Tax Accounts										
Individual	10,007	10,343	11,841	14,765	15,536	16,654	16,901	18,397	17,734	17,788
Business	2,457	2,539	2,766	2,829	1,389	1,425	3,007	1,664	3,650	1,866
Withholding	3,097	3,243	2,883	3,050	1,662	1,708	4,427	2,546	5,339	2,842
<b>Clerk of Courts:</b>										
Traffic Court Cases	2,922	2,177	2,085	3,114	2,018	1,879	2,440	2,153	2,962	2,472
<b>Security of Persons and Property:</b>										
Police Calls	57,170	55,017	55,204	54,606	47,473	46,017	46,048	47,798	51,864	50,934
Physical Arrests	1,771	1,782	1,938	1,901	932	874	1,017	1,570	1,662	1,051
Citations	4,699	3,579	3,660	4,649	3,446	3,005	3,779	3,352	4,076	4,118
Parking Violations	93	91	108	51	20	65	44	38	207	374
<b>Leisure Time Activities:</b>										
Swimming Pool Revenue	388,633	328,198	423,731	512,572	548,545	611,778	656,037	724,922	709,491	608,941
Community Center Revenue	207,862	230,356	227,528	206,194	209,620	233,181	236,675	244,395	263,564	274,665
Senior Center Revenue	87,730	88,115	81,938	93,851	92,555	86,919	69,882	81,937	91,734	80,191

Source: Department annual reports

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



# Dave Yost • Auditor of State

**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  
JULY 23, 2015**