

## **City of Hilliard, Ohio**

Schedule of Expenditures of Federal Awards and  
Office of Management and Budget Circular A-133 Reports

Year Ended December 31, 2008





Mary Taylor, CPA  
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, 2008 through December 31, 2008. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 2, 2009

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**CITY OF HILLIARD, OHIO**

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>			
<i>(Passed through Franklin County Board of County Commissioners)</i>			
Community Development Block Grant	B04-UC-39-0002	14.218	\$ <u>250,000</u>
Total U.S. Department of Housing and Urban Development			<u>250,000</u>
<u>Federal Emergency Management Agency</u>			
<i>(Passed through Ohio Department of Public Safety)</i>			
Disaster Grants - Public Assistance	FEMA-EM-3286-OH	97.036	52,112
Disaster Grants - Public Assistance	FEMA-EM-1805-OH	97.036	<u>204,813</u>
Total Federal Emergency Management Agency			<u>256,925</u>
Total Federal Awards			\$ <u>506,925</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The schedule of expenditures of federal awards includes the federal grant activity of the City of Hilliard, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B - MATCHING REQUIREMENTS**

Certain federal programs require the City to contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal matching funds is not included on the Schedule.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council  
City of Hilliard, Ohio:

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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 13, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

We noted certain matters that we reported to management of the City in a separate letter dated May 13, 2009.

This report is intended solely for the information and use of the City's management, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
May 13, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the City Council  
City of Hilliard, Ohio:

**Compliance**

We have audited the compliance of the City of Hilliard, Ohio (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2008, and have issued our report thereon dated May 13, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City's management, the Ohio Auditor of State and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Harknett & Co.*

Cincinnati, Ohio  
May 13, 2009

**CITY OF HILLIARD, OHIO  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2008**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to the financial statements noted?	none

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major program:	
• <i>CFDA 97.036 – Disaster Grants - Public Assistance</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**CITY OF HILLIARD, OHIO  
Schedule of Prior Audit Findings  
Year Ended December 31, 2008**

**Finding 2007-1 – Audit Adjustments**

During the course of our audit, we identified material misstatements in the financial statements for the year under audit that were not initially identified by the City's internal control over financial reporting. Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustments were necessary to correct errors in the City's conversion process.

- **Revenue Recognition.** The City recorded an intergovernmental receivable and revenue of approximately \$1.1 million in the Street Improvement Municipal Tax Fund as of December 31, 2007. However, the grant was not received during the City's available period which is sixty days after year-end and thus, the receivable should have been reported as deferred revenue in the government fund financials rather than recorded as revenue.
- **Major Fund Determinations.** Governmental Accounting Standards Board Statement No. 34 requires significant funds to be presented as major funds in the basic financial statements based upon certain criteria and thresholds. The Tax Increment Financing Fund met these requirements but was not initially identified as a major fund during the conversion process.

**Status:** *Corrected.*

# CITY OF HILLIARD, OHIO

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FRANKLIN COUNTY

## *Comprehensive Annual Financial Report*

For the Year Ended December 31, 2008

Prepared by:  
**Department of Finance**

Michelle Kelly-Underwood  
**Director**

David D. Delande  
**Deputy Director**



**City of Hilliard, Ohio**  
*Comprehensive Annual Financial Report*  
*For The Year Ended December 31, 2008*  
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*Comprehensive Annual Financial Report*  
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Don Schonhardt, Mayor

# City of Hilliard

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

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May 13, 2009

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, 2008. 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 unqualified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2008. 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 complement 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 eleven square miles. Rail service is provided by CSX and private air service is available five miles to the north and south by Don Scott Field and Bolton Field, respectively. The City is twenty miles from Port Columbus International Airport and offers immediate access to interstate highways I-70 and I-270 via three major interchanges. The City is situated 833 feet above sea level and experiences mean temperatures of 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 28,850 for 2008.

The City is serviced by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates that 39.356 percent of its students reside in the City.

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

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

The reporting entity is comprised of the primary government. The primary government consists of all 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 December 15<sup>th</sup> of each year a budget for the following year. Council sets the date and place of a public hearing on the budget and gives notice of the meeting time and place in a newspaper of general circulation at least seven days prior to the hearing 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 2008 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 at the fund level.

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

The City is included in the Columbus Metropolitan Statistical Area which is ranked 32nd in the nation by population. The City continues to experience growth in its population and in its income tax due to a strong residential, commercial, and industrial tax base, a very diverse labor force, and an unemployment rate below the state and national averages. According to the U.S. Census Bureau, central Ohio remains among the state's fastest growing regions.

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 need 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.

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 2008 the City experienced the

same slowdown in revenue collection during the last quarter of the year as did the rest of the country. Expenditures exceeded revenues for the year, therefore decreasing available fund balance. The City's General Fund cash balance was 13.5 percent of expenditures. The City continues to work toward the twenty five percent 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***

The Hickory Chase Community District was created in 2007 under Chapter 349 of the Ohio Revised Code to issue debt for public infrastructure within the approximately 77 acre district. The district is being developed by Columbus Campus, LLC and will consist of a continuing care retirement community to be known as Hickory Chase.

The private construction value is estimated to be \$232 million when fully built in 2017. The community will have 1500 units upon completion and the first building will be occupied July 1, 2009. Individual units range in size from 674 square feet to 1,818 square feet and the entrance deposits range from \$175,000 to \$450,000.

The district issued debt April 23, 2008 to fund public infrastructure improvements. The first phase of the public improvements, which included roads and intersections, was completed in January of 2009. The City has not and will not issue debt for this project and is not liable for debt service on bonds issued by the district. The City created a Tax Increment Financing district and will transfer payments in lieu of property taxes to the district to pay for the debt.

The City's development department is encouraging elder care/"baby boomer" targeted businesses to locate in the area surrounding the district. The Tremont Club, an age restricted residential community is adjacent to the area along with a 90-bed nursing and physical rehabilitation facility and a 100-bed assisted living facility. These projects provide critical mass to attract high income tax value professional and medical service and related industries.

### ***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, 2007. This was the seventeenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish

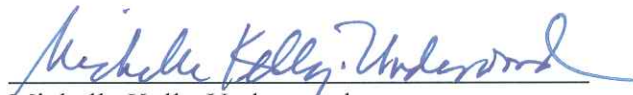
an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

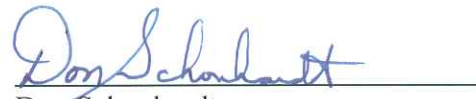
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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 David D. Delande, Deputy Finance Director, for his special attention to the project.

Respectfully submitted,

  
Michelle Kelly-Underwood  
Finance Director

  
Don Schonhardt  
Mayor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hilliard  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. R. R. T."

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



**City of Hilliard, Ohio**

*Principal Officials*

*December 31, 2008*

Elected Officials

Name	Title	Term Expires	Service	Surety
Don Schonhardt	Mayor	12/31/2011	7	A
Bill Uttley	President of Council	12/31/2009	7	A
Kim Allison	Council	12/31/2009	4	A
Brett Sciotto	Council	12/31/2009	7	A
Albert J. Iosue	Council	12/31/2011	1	A
Kelly McGivern	Council	12/31/2011	1	A
Daniel J. Nichter	Council	12/31/2011	1	A
Tim Roberts	Council	12/31/2011	5	A

Appointed Officials

Name	Title	Term Expires	Service	Surety
Michelle Kelly-Underwood	Director of Finance	Indefinite	5	A & B
Pamela A DeDent	Director of Law	Indefinite	5	A
Pamela A DeDent	Director of Safety	Indefinite	5	A
Clyde R. Seidle	Director of Service	Indefinite	5	A
Steven B. Mazer	Director of Parks and Recreation	Indefinite	1	A
David Meeks	Director of Economic Development	Indefinite	6	A
Gerry Edwards	Director of Human Resource	Indefinite	4	A
John F. Hall, III	Director of Land & Bldgs.	Indefinite	4	A
Rodney D. Garnett	Chief of Police	Indefinite	21.5	A
Lynn Greenler	Clerk of Council	Indefinite	4	A

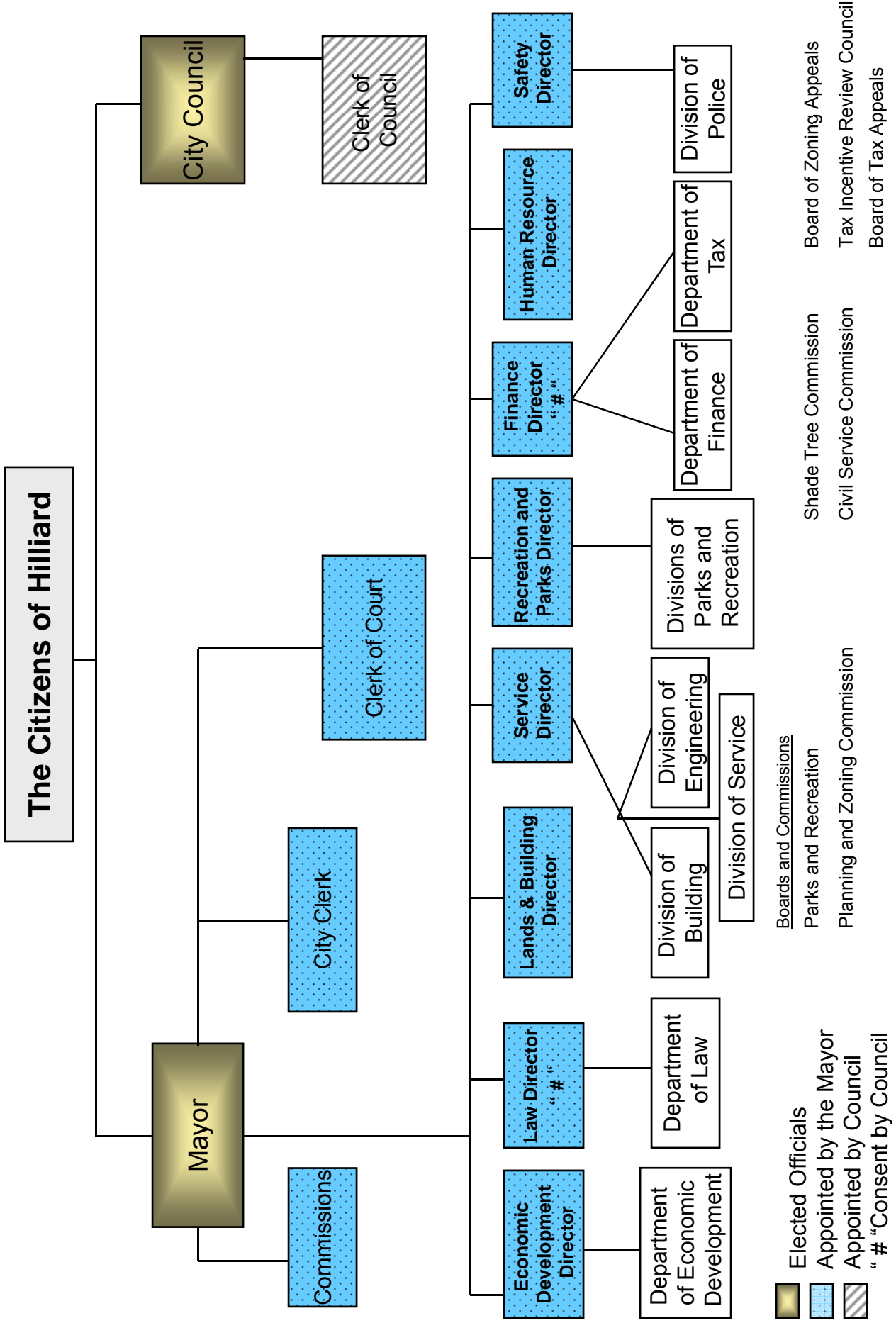
(A) National Casualty Insurance Company, \$1,000,000/\$1,000,000.

(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



## INDEPENDENT AUDITORS' REPORT

To City Council  
City of Hilliard, Ohio:

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund, Street Maintenance and Repair Fund, Street Improvement Municipal Income Tax Fund, Water Revenue Fund and TIF Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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p. 513.241.3111  
f. 513.241.1212

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hilliard, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
May 13, 2009

**City of Hilliard, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*Unaudited*

**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, 2008.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets decreased \$3,850,891 during 2008.
- General revenues accounted for \$22,359,928 or 69% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$9,940,664 or 31% of total revenues of \$32,300,592.
- The City had \$36,151,483 in expenses related to governmental activities, while only \$9,940,664 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property and income taxes) of \$22,359,928 were inadequate to provide for the remaining cost of these programs resulting in the \$3,850,891 decrease in total net assets.

**USING THIS ANNUAL FINANCIAL REPORT**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

**REPORTING THE CITY AS A WHOLE**

*Statement of Net Assets and the Statement of Activities*

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

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

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

### *Fund Financial Statements*

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

**Proprietary Fund** – Proprietary funds use the same measurement focus and basis of accounting as the Government-Wide Financial Statements. The internal service fund is used to report activities that provide services to the City's other funds and departments; therefore it has been included in the governmental activities in the Government-Wide Financial Statements.

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

**THE CITY AS A WHOLE**

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City’s net assets for 2008 compared to 2007.

**Table 1**  
**Net Assets**  
**Governmental Activities**

	2008	2007
<b>Assets</b>		
Current and Other Assets	\$ 27,354,120	\$ 24,481,563
Capital Assets	237,256,544	237,566,014
<i>Total Assets</i>	<u>264,610,664</u>	<u>262,047,577</u>
<b>Liabilities</b>		
Long-Term Liabilities	43,021,258	45,256,386
Other Liabilities	15,689,243	7,040,137
<i>Total Liabilities</i>	<u>58,710,501</u>	<u>52,296,523</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	196,643,631	194,544,533
Restricted for:		
Other Purposes	8,310,922	7,690,430
Debt Service	264	264
Capital Outlay	231,179	3,525,717
Unrestricted	714,167	3,990,110
<i>Total Net Assets</i>	<u>\$ 205,900,163</u>	<u>\$ 209,751,054</u>

Net assets of the City’s governmental activities decreased \$3,850,891 during 2008. Net Capital Assets decreased \$309,470 due to depreciation expense being greater than capital asset additions. Long-term liabilities decreased due to 2008 principal retirements.

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

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

Table 2 shows the changes in net assets for the years ended December 31, 2008 and 2007.

**Table 2**  
**Change in Net Assets**  
**Governmental Activities**

	2008	2007
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 5,263,657	\$ 4,974,016
Operating Grants and Contributions	2,090,172	1,444,572
Capital Grants, Contributions, and Interest	2,586,835	6,141,117
<i>Total Program Revenues</i>	9,940,664	12,559,705
General Revenues:		
Property and Other Local Taxes	1,939,885	1,902,363
Municipal Income Taxes	17,293,435	13,952,897
Payments in Lieu of Taxes	1,375,625	2,769,280
Grant and Entitlements not		
Restricted to Specific Programs	1,209,800	1,413,857
Unrestricted Investment Earnings	355,084	820,603
Miscellaneous	186,099	522,555
<i>Total General Revenues</i>	22,359,928	21,381,555
<i>Total Revenues</i>	32,300,592	33,941,260
<b>Program Expense</b>		
General Government	4,778,348	4,217,469
Security of Persons and Property	8,131,423	7,625,286
Public Health	157,065	146,530
Leisure Time Activities	3,256,451	2,700,744
Community Environment	7,370,811	4,800,863
Basic Utility Services	5,990,167	6,487,321
Transportation	4,500,438	4,650,580
Interest and Fiscal Charges	1,966,780	1,808,435
<i>Total Expenses</i>	36,151,483	32,437,228
<i>Increase in Net Assets</i>	(3,850,891)	1,504,032
<i>Net Assets at Beginning of Year</i>	209,751,054	208,247,022
<i>Net Assets at End of Year</i>	205,900,163	209,751,054



## Governmental Activities

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

Since 1999, local income tax revenue has increased annually an average of 3.3 percent. During 2008, the City's vision continued to focus on economic development and chose capital projects based on their potential return on investment. Consequently, the City has a diverse tax base which is anchored by the Hilliard City School District, the City's largest employer.

The Municipal Income Tax as reported in the Change in Net Assets increased \$3,340,538 from 2007. This increase is due to a combination of growth in our tax base and the transition of income tax collection to Regional Income Tax Agency (RITA) during 2007.

Our Payments in Lieu of Taxes amount as reported in the Change in Net Assets decreased by \$1,393,655 from 2007. The amount received in 2007 is attributable to one of our Tax Increment Financing districts finally being recognized as tax exempt. The payments received during 2007 included amounts that were non-recurring payments.

The Miscellaneous amount reported in the Change in New Assets decreased by \$336,456 due to the sale of City land in 2007, which was reported in Miscellaneous.

Total General Revenues were up \$978,373 from 2007 to 2008 but total Program Revenues were down \$2,619,041 from 2007 to 2008 resulting in total revenues decreasing 4.8 percent in 2008. This is primarily due to a decrease in capital contributions of streets, water lines and sewer lines from developers from \$4,373,261 in 2007 to \$61,946 in 2008.

Governmental program expenses for 2008 were as follows:

General Government	13.22%
Security of Persons and Property	22.49%
Public Health	0.43%
Leisure Time Activities	9.01%
Community Environment	20.39%
Basic Utility Services	16.57%
Transportation	12.45%
Interest and Fiscal Charges	<u>5.44%</u>
	<u>100.00%</u>

Program expenses were up 11 percent from 2007 to 2008. Some of the increase is attributable to across the board wage increases of from 3 to 3.5 percent which would affect most categories. The Community Environment category had the largest increase because of contractual services for the Capacity, Management, Operation & Maintenance Program and landscaping. The increase in Leisure Time Activities is due to the expanded operations at the newly renovated Municipal swimming pool.

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 council committed

to maintain and improve the City's investments by providing appropriations for capital assets, equipment and repairs. These assets include street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment. As indicated above, citizen safety and well-being is emphasized.

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 16.3% of total revenues. Revenues provided by sources other than City residents in the form of operating and capital grants restricted to a certain program comprise another 14.5%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

## **THE CITY'S FUNDS**

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$31,650,666 and expenditures of \$37,827,433. As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$8,460,945, a decrease of \$6,176,767 in comparison with the prior year. Unreserved fund balance equals \$3,314,687. The remaining fund balance of \$5,146,258 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or Federal government.

The General Fund balance of \$3,300,406 continues to rely heavily on the City's income tax as its primary source of revenue for operations, which kept the balance and activity of the fund consistent to prior years. The decrease during the year of \$460,224 was due to the decrease in investment income in 2008.

The increase of \$64,701 in the Street Maintenance and Repair Special Revenue Fund was primarily due to an increase in the gasoline excise tax revenue received during the year.

The Street Improvement Municipal Tax Special Revenue Fund increased by \$2,038,007 due primarily to an increase in intergovernmental revenues in 2008.

The Water Revenue Special Revenue Fund decreased by \$182,024 due a decrease in capacity fees collected in 2008.

The Capital Improvement Municipal Tax Capital Projects Fund decreased by \$7,038,494 mainly due to the expenditure of note proceeds received in 2007 on capital improvement projects during 2008.

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

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

During 2008, there were various revisions to the General Fund budget, which resulted in final appropriations decreasing \$54 thousand from original appropriations.

General Fund original and final budgeted revenues were \$17,520,000 and \$17,512,867, respectively. Actual revenues were \$16,793,514, a difference of \$726,486 compared to final budget revenues.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets (Net of Depreciation) Governmental Activities

	<u>2008</u>	<u>2007</u>
Land	\$ 4,047,464	\$ 3,499,927
Road Right-of-Way	4,317,532	3,150,011
Construction in Progress	5,229,740	2,148,373
Buildings	2,559,486	2,673,995
Improvement Other Than Buildings	6,162,287	3,499,717
Machinery and Equipment	899,262	968,480
Furniture and Fixtures	338,399	185,287
Vehicles	1,405,839	1,247,642
Infrastructure	<u>212,296,535</u>	<u>220,192,582</u>
Totals	<u>\$ 237,256,544</u>	<u>\$ 237,566,014</u>

An increase of \$3,081,367 occurred in construction in progress primarily due to on-going construction on the following projects: Britton Parkway, Main Street/Cemetery/Scioto Darby Road Triangle, Main Street Improvement, Hilliard-Rome Road. See Note 10 of the Notes to the Basic Financial Statements for more detailed information.

### *Debt*

At December 31, 2008, the City of Hilliard had \$41,137,800 in debt outstanding.

### Outstanding Debt at Year End Governmental Activities

	<u>2008</u>	<u>2007</u>
OWDA Loan Payable	\$ 2,216,777	\$ 2,216,777
General Obligation Bonds	37,463,333	39,301,403
Special Assessment Bonds	-	70,000
Capital Leases	342,992	811,978
Premium on Bonds Issued	<u>1,114,698</u>	<u>1,175,361</u>
Totals	<u>\$ 41,137,800</u>	<u>\$ 43,575,519</u>

The decrease in outstanding debt is due to principal payments made during 2008. Generally, all general obligation bond issues and the notes payable will be paid through the Water Revenue and

Street Improvement Municipal Tax Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund. The 1998 Lyman Drive Extension Special Assessment Bonds will be paid from the Special Assessment Bond Retirement Fund.

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

The City's overall 10.5 percent legal debt margin was \$52,902,381 as of December 31, 2008. The more restrictive unvoted legal debt margin within 5.5 percent was \$9,672,676 as of the same date.

On August 28, 2008 the City issued series 2008 Bond Anticipation Notes in the amount of \$11,390,000. The proceeds were used for various City improvements and to pay the 2008 Bond Anticipation Notes. The premium on the notes issued was \$55,811 and the underwriter's discount and cost of issuance totaled \$54,079. The coupon rate was 2.25% and the notes mature on August 27, 2009.

See Note 16 of the Notes to the Basic Financial Statements for more detailed information about the City's debt.

### **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Michelle Kelly-Underwood, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.

## **BASIC FINANCIAL STATEMENTS**

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**City of Hilliard, Ohio**  
*Statement of Net Assets*  
*December 31, 2008*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 18,286,467
Cash and Cash Equivalents with Fiscal Agents	164,263
Accounts Receivable	143,394
Municipal Income Tax Receivable	3,809,718
Due from Other Governments	2,059,709
Payments in Lieu of Taxes Receivable	776,507
Prepaid Items	26,948
Property and Other Local Taxes Receivable	1,317,233
Deferred Charges	524,887
Special Assessments Receivable	30,145
Cash and Cash Equivalents with Escrow Agent	214,849
Nondepreciable Capital Assets	13,594,736
Depreciable Capital Assets	361,293,584
Accumulated Depreciation	<u>(137,631,776)</u>
<i>Total Assets</i>	<u>264,610,664</u>
<b>Liabilities</b>	
Accounts Payable	1,019,820
Accrued Wages Payable	310,501
Matured Compensated Absences	243,396
Due to Other Governments	612,853
Accrued Interest Payable	243,343
Claims Payable	267,000
Unearned Revenue	1,602,330
Notes Payable	11,390,000
Long-Term Liabilities:	
Due Within One Year	3,174,003
Due in More Than One Year	<u>39,847,255</u>
<i>Total Liabilities</i>	<u>58,710,501</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	196,643,631
Restricted for:	
Streets and Transportation	4,090,781
Basic Utility Services	1,362,310
Other Purposes	2,857,831
Debt Service	264
Capital Outlay	231,179
Unrestricted	<u>714,167</u>
<i>Total Net Assets</i>	<u><u>\$ 205,900,163</u></u>

The notes to the basic financial statements are an integral part of this statement.

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**City of Hilliard, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Interest	Total Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 4,778,348	\$ 1,375,717	\$ 988	\$ -	\$ (3,401,643)
Security of Persons and Property	8,131,423	475,615	112,984	-	(7,542,824)
Public Health	157,065	-	-	-	(157,065)
Leisure Time Activities	3,256,451	912,731	500	-	(2,343,220)
Community Environment	7,370,811	1,008,345	319,468	-	(6,042,998)
Basic Utility Services	5,990,167	1,491,249	82,117	297,000	(4,119,801)
Transportation	4,500,438	-	1,574,115	2,289,835	(636,488)
Interest and Fiscal Charges	1,966,780	-	-	-	(1,966,780)
<i>Total Governmental Activities</i>	<u>\$ 36,151,483</u>	<u>\$ 5,263,657</u>	<u>\$ 2,090,172</u>	<u>\$ 2,586,835</u>	<u>(26,210,819)</u>
		<b>General Revenues</b>			
		Property Taxes Levied for General Purposes			1,939,885
		Municipal Income Taxes Levied for:			
		General Purposes			10,808,397
		Transportation			2,161,680
		Capital Outlay			4,323,358
		Payments in Lieu of Taxes			1,375,625
		Grants and Entitlements not Restricted to Specific Purposes			1,209,800
		Unrestricted Investment Earnings			355,084
		Miscellaneous			186,099
		<i>Total General Revenues</i>			<u>22,359,928</u>
		<i>Change in Net Assets</i>			(3,850,891)
		<i>Net Assets at Beginning of Year</i>			<u>209,751,054</u>
		<i>Net Assets at End of Year</i>			<u>\$ 205,900,163</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Hilliard, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2008*

	<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	\$ 2,629,716	369,090	2,988,396
Cash and Cash Equivalents with Fiscal Agents	-	-	-
Cash and Cash Equivalents with Escrow Agent	-	-	-
Receivables:			
Property and Other Local Taxes Receivable	1,317,233	-	-
Payments in Lieu of Taxes Receivable	-	-	-
Municipal Income Tax Receivable	2,381,074	-	476,215
Accounts	140,078	3,316	-
Special Assessments Receivable	-	-	-
Due from Other Governments	635,060	653,562	407,131
Prepaid Items	26,948	-	-
Interfund Receivable	<u>47,155</u>	<u>86,065</u>	<u>-</u>
<i>Total Assets</i>	<u>\$ 7,177,264</u>	<u>1,112,033</u>	<u>3,871,742</u>
<b>Liabilities</b>			
Accounts Payable	142,519	4,062	17,133
Due to Other Fund	134,118	1,600	-
Interfund Payable	-	-	-
Accrued Wages Payable	267,274	20,904	-
Matured Compensated Absences	228,622	9,081	-
Due to Other Governments	495,295	17,590	-
Deferred Revenue	2,609,030	448,552	490,642
Notes Payable	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities</i>	<u>3,876,858</u>	<u>501,789</u>	<u>507,775</u>
<b>Fund Balances</b>			
Reserve for Encumbrances	116,547	45,135	702,524
Unreserved (Deficit), Reported in:			
General Fund	3,183,859	-	-
Special Revenue Funds	-	565,109	2,661,443
Debt Service Funds	-	-	-
Capital Project Funds	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Fund Balance</i>	<u>3,300,406</u>	<u>610,244</u>	<u>3,363,967</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 7,177,264</u>	<u>1,112,033</u>	<u>3,871,742</u>

See accompanying notes to the basic financial statements.

<u>Water Revenue</u>	<u>TIF</u>	<u>Capital Improvement Municipal Tax</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
204,657	1,815,003	8,095,377	2,172,692	\$ 18,274,931
-	-	-	164,263	164,263
-	-	214,849	-	214,849
-	-	-	-	1,317,233
-	776,507	-	-	776,507
-	-	952,429	-	3,809,718
-	-	-	-	143,394
-	-	-	30,145	30,145
-	-	53,614	310,342	2,059,709
-	-	-	-	26,948
<u>32,258</u>	<u>-</u>	<u>-</u>	<u>39,335</u>	<u>204,813</u>
<u>236,915</u>	<u>2,591,510</u>	<u>9,316,269</u>	<u>2,716,777</u>	<u>\$ 27,022,510</u>
-	-	836,362	19,744	1,019,820
998	-	-	4,017	140,733
-	-	-	204,813	204,813
7,071	-	-	15,252	310,501
-	-	-	5,693	243,396
6,566	79,342	-	14,060	612,853
-	776,507	213,629	101,089	4,639,449
-	-	11,390,000	-	11,390,000
<u>14,635</u>	<u>855,849</u>	<u>12,439,991</u>	<u>364,668</u>	<u>18,561,565</u>
98	-	4,204,837	79,611	5,148,752
-	-	-	-	3,183,859
222,182	1,735,661	-	2,204,486	7,388,881
-	-	-	264	264
-	-	(7,328,559)	67,748	(7,260,811)
<u>222,280</u>	<u>1,735,661</u>	<u>(3,123,722)</u>	<u>2,352,109</u>	<u>8,460,945</u>
<u>236,915</u>	<u>2,591,510</u>	<u>9,316,269</u>	<u>2,716,777</u>	<u>\$ 27,022,510</u>

**City of Hilliard, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2008*

---

**Total Governmental Fund Balances** 8,460,945

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

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

Land	4,047,464
Road Right-of-Way	4,317,532
Construction in Progress	5,229,740
Buildings	5,056,068
Improvements Other Than Buildings	7,590,526
Machinery and Equipment	3,729,234
Furniture and Fixtures	697,608
Vehicles	3,233,970
Infrastructure	340,986,178
Accumulated Depreciation	<u>(137,631,776)</u>

Total 237,256,544

Bond issuance costs, reported as an expenditure in governmental funds,  
 are allocated as an expense over the life of the debt on the full accrual basis. 524,887

An internal service fund is used by management to charge the costs of  
 insurance to individual funds. The assets and liabilities of the internal  
 service fund are included in governmental activities in the Statement  
 of Net Assets. (114,731)

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

Property and Other Local Taxes	54,353
Municipal Income Taxes	854,519
Intergovernmental	2,098,102
Special Assessments	<u>30,145</u>

Total 3,037,119

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

Accrued Interest	(243,343)
Premium on Debt Issued	(1,114,698)
General Obligation Bonds	(37,463,333)
OWDA Loans	(2,216,777)
Capital Lease	(342,992)
Compensated Absences	<u>(1,883,458)</u>

Total (43,264,601)

*Net Assets of Governmental Activities* \$ 205,900,163

See accompanying notes to the basic financial statements.

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**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Street Improvement Municipal Tax</u>
<b>Revenues</b>			
Property and Other Local Taxes	\$ 1,938,359	-	-
Municipal Income Taxes	10,399,816	-	2,079,964
Payments in Lieu of Taxes	-	-	-
Intergovernmental	1,138,436	1,267,571	1,111,363
Charges for Services	2,046,871	-	-
Licenses and Permits	522,056	-	-
Fines and Forfeitures	340,100	-	-
Investment Income	352,368	8,031	-
Special Assessments	-	-	-
Miscellaneous	67,869	3,391	1,109
<i>Total Revenues</i>	<u>16,805,875</u>	<u>1,278,993</u>	<u>3,192,436</u>
<b>Expenditures</b>			
Current:			
General Government	4,067,653	-	-
Security of Persons and Property	7,663,753	-	-
Public Health	157,065	-	-
Leisure Time Activities	2,773,484	-	-
Community Environment	2,604,144	-	-
Basic Utility Services	-	-	-
Transportation	-	1,214,292	896,399
Debt Service:			
Principal Retirement	-	-	112,750
Interest and Fiscal Charges	-	-	145,280
<i>Total Expenditures</i>	<u>17,266,099</u>	<u>1,214,292</u>	<u>1,154,429</u>
<i>Net Changes in Fund Balances</i>	(460,224)	64,701	2,038,007
<i>Fund Balances at Beginning of Year</i>	<u>3,760,630</u>	<u>545,543</u>	<u>1,325,960</u>
<i>Fund Balances at End of Year</i>	<u>\$ 3,300,406</u>	<u>610,244</u>	<u>3,363,967</u>

See accompanying notes to the basic financial statements.

Water Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
-	-	-	-	\$ 1,938,359
-	-	4,159,927	-	16,639,707
-	599,118	-	-	599,118
-	-	1,871,152	853,993	6,242,515
407,185	-	-	1,933,079	4,387,135
-	-	297,000	52,290	871,346
-	-	-	27,536	367,636
-	-	4,390	17,174	381,963
-	-	-	98,734	98,734
-	-	398	51,386	124,153
<u>407,185</u>	<u>599,118</u>	<u>6,332,867</u>	<u>3,034,192</u>	<u>31,650,666</u>
-	-	1,022,639	2,626	5,092,918
-	-	458,153	30,912	8,152,818
-	-	-	-	157,065
-	-	1,661,190	222,170	4,656,844
-	-	5,546,361	1,263,451	9,413,956
589,209	-	96,858	508,962	1,195,029
-	488,516	1,602,536	650,905	4,852,648
-	-	-	-	-
-	562,350	1,617,991	105,895	2,398,986
-	392,294	1,365,633	3,962	1,907,169
<u>589,209</u>	<u>1,443,160</u>	<u>13,371,361</u>	<u>2,788,883</u>	<u>37,827,433</u>
(182,024)	(844,042)	(7,038,494)	245,309	(6,176,767)
<u>404,304</u>	<u>2,579,703</u>	<u>3,914,772</u>	<u>2,106,800</u>	<u>14,637,712</u>
<u>222,280</u>	<u>1,735,661</u>	<u>(3,123,722)</u>	<u>2,352,109</u>	<u>\$ 8,460,945</u>

**City of Hilliard, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2008*

---

**Net Change in Fund Balances - Total Governmental Funds** (6,176,767)

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

Governmental Funds report capital outlay as expenditures. However, in the Statement of  
Activities, the cost of these assets is allocated over their estimated useful lives as depreciation  
expense. In the current period, these amounts are:

Capital Outlay	8,942,421	
Depreciation	(9,280,390)	
Excess of Depreciation Expense over Capital Outlay		(337,969)

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.

Contributed Capital		61,946
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In the Statement of Activities, only the gain on sale of capital assets is reported. However, in the  
governmental funds, the proceeds from the sale increase financial resources. Thus, the change in  
net assets differs from the change in fund balance by the book value of the capital assets sold.

(33,447)

The internal service fund used by management to charge the cost of insurance to individual funds  
is reported in the entity-wide Statement of Activities.

(89,418)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the  
repayment reduces long-term liabilities on the Statement of Net Assets. In the current year,  
these amounts consist of:

General Obligation Bond Principal Payments	1,860,000	
Special Assessment Bond Principal Payments	70,000	
Capital Lease Principal Payments	468,986	
		2,398,986

Some revenues that will not be collected for several months after the City's year-end are not  
considered "available" revenues and are deferred in the governmental funds. Deferred  
revenues changed by these amounts this year:

Property and Other Taxes	1,526	
Municipal Income Taxes	653,728	
Intergovernmental	31,460	
Special Assessments	(98,734)	
		587,980

Interest on long-term debt in the Statement of Activities differs from the amount reported in the  
governmental funds because interest is recognized as an expenditure in the funds when it is due and  
bond issuance costs are recognized as expenditures when incurred, and thus requires the use of current  
financial resources. In the Statement of Activities, however, interest expense is recognized as interest  
accrues, regardless of when it is due and bond issuance costs are deferred and amortized. The additional  
amount of interest and fiscal charges on the Statement of Activities is the result of the following:

Increase in Accrued Interest	(69,193)	
Amortization of Loss on Refunding Bonds	(21,930)	
Amortization of Premium on General Obligation Bonds	60,663	
Amortization of Bond Issuance Costs (Deferred Charges)	(29,151)	
		(59,611)

Some items reported in the Statement of Activities do not require the use of current financial  
resources and therefore are not reported as expenditures in the governmental funds. These  
activities consist of:

Increase in Compensated Absences		(202,591)
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*Changes in Net Assets of Governmental Activities* \$ (3,850,891)

See accompanying notes to the basic financial statements.



**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,899,834	\$ 1,899,834	\$ 1,938,121	\$ 38,287
Municipal Income Taxes	10,500,000	10,500,000	10,204,465	(295,535)
Intergovernmental	1,192,676	1,185,543	1,227,022	41,479
Charges for Services	1,893,996	1,921,901	2,063,651	141,750
Licenses and Permits	776,502	748,597	603,252	(145,345)
Fines and Forfeitures	265,712	265,712	336,766	71,054
Investment Income	927,178	928,266	352,368	(575,898)
Miscellaneous	64,102	63,014	67,869	4,855
<i>Total Revenues</i>	<u>17,520,000</u>	<u>17,512,867</u>	<u>16,793,514</u>	<u>(719,353)</u>
<b>Expenditures</b>				
Current:				
General Government	4,345,584	4,344,596	4,133,809	210,787
Security of Persons and Property	7,486,663	7,486,663	7,811,922	(325,259)
Public Health	145,000	145,000	157,065	(12,065)
Leisure Time Activities	2,742,179	2,742,179	2,775,123	(32,944)
Community Environment	2,928,614	2,875,313	2,626,315	248,998
<i>Total Expenditures</i>	<u>17,648,040</u>	<u>17,593,751</u>	<u>17,504,234</u>	<u>89,517</u>
<i>Net Change in Fund Balance</i>	(128,040)	(80,884)	(710,720)	(629,836)
<i>Fund Balance at Beginning of Year</i>	2,627,442	2,627,442	2,627,442	-
Prior Year Encumbrances Appropriated	456,608	456,608	456,608	-
<i>Fund Balance at End of Year</i>	<u>\$ 2,956,010</u>	<u>\$ 3,003,166</u>	<u>\$ 2,373,330</u>	<u>\$ (629,836)</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Repair Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$ 1,265,900	\$ 1,247,613	\$ 1,268,193	\$ 20,580
Investment Income	8,000	8,000	8,031	31
Miscellaneous	10,000	10,000	9,926	(74)
<i>Total Revenues</i>	<u>1,283,900</u>	<u>1,265,613</u>	<u>1,286,150</u>	<u>20,537</u>
<b>Expenditures</b>				
Current:				
Transportation	<u>1,288,165</u>	<u>1,399,813</u>	<u>1,267,167</u>	<u>132,646</u>
<i>Total Expenditures</i>	<u>1,288,165</u>	<u>1,399,813</u>	<u>1,267,167</u>	<u>132,646</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,265)</u>	<u>(134,200)</u>	<u>18,983</u>	<u>153,183</u>
<i>Net Change in Fund Balance</i>	(4,265)	(134,200)	18,983	153,183
<i>Fund Balance at Beginning of Year</i>	355,046	355,046	355,046	-
Prior Year Encumbrances Appropriated	<u>31,930</u>	<u>31,930</u>	<u>31,930</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 382,711</u>	<u>\$ 252,776</u>	<u>\$ 405,959</u>	<u>\$ 153,183</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Street Improvement Municipal Tax Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes	\$ 2,060,000	\$ 2,060,000	\$ 2,040,893	\$ (19,107)
Intergovernmental	-	-	1,092,755	1,092,755
Other	-	-	1,109	1,109
<i>Total Revenues</i>	<u>2,060,000</u>	<u>2,060,000</u>	<u>3,134,757</u>	<u>1,074,757</u>
<b>Expenditures</b>				
Current:				
Transportation	2,778,000	2,954,250	2,924,427	29,823
Debt Service:				
Principal Retirement	310,000	310,000	112,750	197,250
Interest and Fiscal Charges	410,000	410,000	145,280	264,720
<i>Total Expenditures</i>	<u>3,498,000</u>	<u>3,674,250</u>	<u>3,182,457</u>	<u>491,793</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,438,000)</u>	<u>(1,614,250)</u>	<u>(47,700)</u>	<u>1,566,550</u>
<i>Net Change in Fund Balance</i>	(1,438,000)	(1,614,250)	(47,700)	1,566,550
<i>Fund Balance (Deficit) at Beginning of Year</i>	294,617	294,617	294,617	-
Prior Year Encumbrances Appropriated	<u>2,018,000</u>	<u>2,018,000</u>	<u>2,018,000</u>	-
<i>Fund Balance at End of Year</i>	<u>\$ 874,617</u>	<u>\$ 698,367</u>	<u>\$ 2,264,917</u>	<u>\$ 1,566,550</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Water Revenue Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$ 210,000	\$ 210,000	\$ 407,185	\$ 197,185
Miscellaneous	35,000	35,000	-	(35,000)
<i>Total Revenues</i>	<u>245,000</u>	<u>245,000</u>	<u>407,185</u>	<u>162,185</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services	659,835	618,789	595,215	23,574
<i>Total Expenditures</i>	<u>659,835</u>	<u>618,789</u>	<u>595,215</u>	<u>23,574</u>
<i>Net Change in Fund Balance</i>	(414,835)	(373,789)	(188,030)	185,759
<i>Fund Balance (Deficit) at Beginning of Year</i>	55,504	55,504	55,504	-
Prior Year Encumbrances Appropriated	369,343	369,343	369,343	-
<i>Fund Balance at End of Year</i>	<u>\$ 10,012</u>	<u>\$ 51,058</u>	<u>\$ 236,817</u>	<u>\$ 185,759</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Hilliard, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*TIF Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Payment in Lieu of Taxes	\$ 600,000	\$ 3,872,575	\$ 3,178,515	\$ (694,060)
<i>Total Revenues</i>	<u>600,000</u>	<u>3,872,575</u>	<u>3,178,515</u>	<u>(694,060)</u>
<b>Expenditures</b>				
Current:				
Transportation	-	-	409,174	(409,174)
Debt Service:				
Principal Retirement	-	2,187,699	562,350	1,625,349
Interest and Fiscal Charges	-	982,879	392,294	590,585
Total Debt Service	<u>-</u>	<u>3,170,578</u>	<u>954,644</u>	<u>2,215,934</u>
<i>Total Expenditures</i>	<u>-</u>	<u>3,170,578</u>	<u>1,363,818</u>	<u>1,806,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>600,000</u>	<u>701,997</u>	<u>1,814,697</u>	<u>1,112,700</u>
<i>Net Change in Fund Balance</i>	600,000	701,997	1,814,697	1,112,700
<i>Fund Balance at Beginning of Year</i>	<u>306</u>	<u>306</u>	<u>306</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 600,306</u>	<u>\$ 702,303</u>	<u>\$ 1,815,003</u>	<u>\$ 1,112,700</u>

**City of Hilliard, Ohio**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*December 31, 2008*

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	Insurance Trust
<b>Assets</b>	
Current Assets;	
Equity in Pooled Cash and Cash Equivalents	\$ 11,536
Due from Other Funds	<u>140,733</u>
<i>Total Assets</i>	<u>\$ 152,269</u>
<b>Liabilities</b>	
Current Liabilities:	
Claims Payable	<u>\$ 267,000</u>
<i>Total Liabilities</i>	<u>267,000</u>
<b>Net Assets</b>	
Unrestricted Deficit	<u>\$ (114,731)</u>

See accompanying notes to the basic financial statements.

**City of Hilliard, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Fund  
For the Year Ended December 31, 2008*

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	Insurance Trust
<b>Operating Revenues</b>	
Charges for Services	<u>\$ 1,838,080</u>
<b>Operating Expenses</b>	
Contractual Services	190,450
Claims	<u>1,737,048</u>
<i>Total Operating Expenses</i>	<u>1,927,498</u>
<i>Change in Net Assets</i>	(89,418)
<i>Net Assets (Deficit) at Beginning of Year</i>	<u>(25,313)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u>\$ (114,731)</u>

See accompanying notes to the basic financial statements.

**City of Hilliard, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Year Ended December 31, 2008

	Insurance Trust
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 1,805,195
Cash Payments for Services	(190,450)
Cash Payments for Claims	(1,624,048)
<i>Net Cash Used in Operating Activities</i>	(9,303)
<i>Cash and Cash Equivalents Beginning of Year</i>	20,839
<i>Cash and Cash Equivalents End of Year</i>	\$ 11,536
 <b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>	
Operating Loss	\$ (89,418)
 <b>Adjustments to Reconcile Operating Loss to Net Cash Provided by/Used in Operating Activities:</b>	
Increase in Due from Other Funds	(32,885)
Increase in Claims Payable	113,000
<i>Net Cash Used in Operating Activities</i>	\$ (9,303)

See accompanying notes to the basic financial statements.



**City of Hilliard, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2008*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	\$ 160,716
Cash and Cash Equivalents in Segregated Accounts	<u>25,715</u>

*Total Assets* \$ 186,431

**Liabilities**

Due to Other Governments	\$ 160,716
Deposits Held and Due to Others	<u>25,715</u>

*Total Liabilities* \$ 186,431

See accompanying notes to the basic financial statements.

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**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

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

**Reporting Entity**

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

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

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

The City is associated with the Hilliard Arts Council Corporation which is defined as a Related Organization. This organization is presented in Note 20 to the basic financial statements.

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

The financial statements of the City of Hilliard have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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**Basis Of Presentation**

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**Fund Accounting**

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

*Governmental Funds*

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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

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

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

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

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

*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 for a particular purpose.

*Proprietary Fund*

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

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

*Fiduciary Funds*

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

**Measurement Focus**

*Government-Wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

*Fund Financial Statements*

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

Like the government-wide statements, the proprietary fund type is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activity.

**Basis of Accounting**

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

*Revenues - Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "Available" means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, payments in lieu of taxes, grants, entitlements, shared revenues, and donations. On the accrual basis, revenue from property taxes/payments in lieu of taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from municipal income taxes is recognized in the year in which the income is earned. Revenue from grants, entitlements, shared revenues, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

*Unearned Revenue*

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but were levied to finance 2009 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as unearned revenue.

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

*Expenses/Expenditures*

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

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

**Cash and Cash Equivalents**

To improve cash management, cash received by the City, except cash held by a fiscal or escrow agent and cash held in a segregated account, is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Monies held by the Franklin County Engineer are presented in the financial statements as "Cash and Cash Equivalents with Fiscal Agent". Deposits held in trust by LaSalle Bank National Association for unspent lease proceeds are presented on the financial statements as "Cash and Cash Equivalents with Escrow Agent." Cash and cash equivalents that are held separately for Mayor's Court and not held in the City treasury are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During 2008, the City invested in Federal Home Loan Mortgage Company Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Bonds, negotiable certificates of deposit, repurchase agreements, and STAROhio. All of the City's negotiable certificates of deposit matured during 2008. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008. Investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2008 amounted to \$352,368, which includes \$281,859 assigned from other funds.

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008, 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.

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

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

The accounting loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

**Capital Assets**

The City's only capital assets are general capital assets 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 Assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of one thousand dollars, 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. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	20-40 years
Improvements Other Than Buildings	15-30 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	7-20 years
Vehicles	5-20 years



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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Infrastructure

10-50 years

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

**Compensated Absences**

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

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

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

**Accrued Liabilities And Long-Term Obligations**

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

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

**Reservations Of Fund Balance**

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

**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.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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**Net Assets**

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

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

The government-wide Statement of Net Assets reports \$8,542,365 of restricted net assets, of which \$76,921 is restricted by enabling legislation.

**Interfund Transaction**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Operating Revenues and Expenses**

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

**Accounting Estimates**

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

**Budgetary Process**

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

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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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 - CHANGES IN ACCOUNTING PRINCIPLES***

**Changes in Accounting Principles**

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. In November 2006, GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. The provisions of the statement are effective for fiscal periods beginning after December 15, 2007. The City has determined that adoption of this statement does not have an impact on the City's financial statements.

***NOTE 4 - COMPLIANCE AND ACCOUNTABILITY***

**Accountability**

At December 31, 2008, the Capital Improvement Municipal Tax Fund and the Insurance Trust Fund had deficit net assets of \$3,123,722 and \$114,731, respectively. The General Fund is liable for any deficits and will provide operating transfers when cash is required, not when accruals occur.

***NOTE 5 - BUDGETARY BASIS OF ACCOUNTING***

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

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

	Street General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water Revenue	TIF
GAAP Basis	\$ (460,224)	\$ 64,701	\$ 2,038,007	\$ (182,024)	\$ (844,042)
Revenue Accruals	(12,361)	7,157	(57,679)	-	2,579,397
Expenditure Accruals	20,930	(3,679)	(1,308,373)	(5,907)	79,342
Encumbrances	(259,065)	(49,196)	(719,655)	(99)	-
Budget Basis	<u>\$ (710,720)</u>	<u>\$ 18,983</u>	<u>\$ (47,700)</u>	<u>\$ (188,030)</u>	<u>\$ 1,814,697</u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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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, \$1,319,943 of the City's bank balance of \$2,149,139 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*  
*For the Year Ended December 31, 2008*

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**Investments**

As of December 31, 2008, the City had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 2
FHLB Bonds	\$ 1,001,095	\$ -	\$ 1,001,095
Repurchase Agreement	4,226,000	4,226,000	-
5/3rd Government Money Market	5,182,203	5,182,203	-
STAROhio	6,197,201	6,197,201	-
<b>Totals</b>	<b>\$ 16,606,499</b>	<b>\$ 15,605,404</b>	<b>\$ 1,001,095</b>

*Interest Rate Risk* – The City’s investment policy requires that an investment mature within two years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. The City’s policy states that all investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated.

*Credit Risk* – Federal Home Loan Bank Bonds and the underlying securities of the repurchase agreement carry a rating of Aaa by Moody’s. STAROhio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. 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 Federal Home Loan Bank Bonds, repurchase agreements, and 5/3<sup>rd</sup> Government Money Market represent 6 percent, 25.4 percent, and 31.2 percent, respectively, of the City’s total investments.

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. As prescribed by Ohio House Bill 66, tax on tangible personal property tax is being phased out through a reduction in the assessed value subject to tax and will be completely phased out by 2009. The assessment percentage for all tangible personal property, including inventory, was 12.5 percent for tax year 2007 and 6.25 percent for tax year 2008.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is unearned.

The full tax rate for all City operations for the year ended December 31, 2008, was \$1.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 851,749,420
Tangible Personal Property	2,691,967
Public Utility Property	10,152,720
Totals	\$ 864,594,107

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

**NOTE 8 – MUNICIPAL INCOME TAX**

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

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*  
*For the Year Ended December 31, 2008*

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**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2008, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, special assessments, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenues, and interfund receivables. All receivables are considered fully collectible. Special assessments expected to be collected in more than one year for the City amount to \$30,145.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government	\$ 491,822
Estate Tax	59,694
Homestead, Rollback and Exemption	74,149
Gas Tax	495,572
Motor Vehicle Tax	261,120
City of Columbus	383,827
FEMA Grant	204,813
OPWC Grant	53,614
ODOT Grant	23,304
Other	<u>11,794</u>
Total Intergovernmental Receivables	<u>\$ 2,059,709</u>



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

**NOTE 10 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance at 1/1/2008	Additions	Deletions	Balance at 12/31/2008
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 3,499,927	550,037	(2,500)	4,047,464
Road Right-of-Way	3,150,011	1,167,521	-	4,317,532
Construction in Progress	2,148,373	4,148,598	(1,067,231)	5,229,740
Total Capital Assets, not being depreciated	<u>8,798,311</u>	<u>5,866,156</u>	<u>(1,069,731)</u>	<u>13,594,736</u>
Depreciable Capital Assets:				
Buildings	5,044,241	11,827	-	5,056,068
Improvements Other Than Buildings	4,715,306	2,875,220	-	7,590,526
Machinery and Equipment	3,566,008	214,667	(51,441)	3,729,234
Furniture and Fixtures	526,539	177,339	(6,270)	697,608
Vehicle	2,810,626	430,474	(7,130)	3,233,970
Infrastructure	340,725,816	495,915	(235,553)	340,986,178
Total Depreciable Capital Assets	<u>357,388,536</u>	<u>4,205,442</u>	<u>(300,394)</u>	<u>361,293,584</u>
Less Accumulated Depreciation:				
Buildings	(2,370,246)	(126,336)	-	(2,496,582)
Improvements Other Than Buildings	(1,215,589)	(212,650)	-	(1,428,239)
Machinery and Equipment	(2,597,528)	(273,184)	40,740	(2,829,972)
Furniture and Fixtures	(341,252)	(23,147)	5,190	(359,209)
Vehicle	(1,562,984)	(272,277)	7,130	(1,828,131)
Infrastructure	(120,533,234)	(8,372,796)	216,387	(128,689,643)
Total Accumulated Depreciation	<u>(128,620,833)</u>	<u>(9,280,390)</u>	<u>269,447</u>	<u>(137,631,776)</u>
Depreciable Capital Assets, Net	<u>228,767,703</u>	<u>(5,074,948)</u>	<u>(30,947)</u>	<u>223,661,808</u>
Governmental Activities Capital Assets, Net	<u>\$ 237,566,014</u>	<u>791,208</u>	<u>(1,100,678)</u>	<u>237,256,544</u>

For the year ended December 31, 2008, the value of the donated storm sewer infrastructure donated to the City by developers was \$61,946.

Depreciation expense was charged to the governmental programs as follows:

General Government	\$ 99,350
Security of Persons and Property	197,788
Leisure Time Activities	319,502
Community Environment	48,357
Basic Utility Services	4,951,350
Transportation	3,664,043
Total Depreciation Expense	<u>\$ 9,280,390</u>

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

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

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

For the year ended December 31, 2008, 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 City required employees to contribute 1.5 percent, and the City paid the remaining 8.5 percent of participants' gross salaries, along with the required employer portion. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.75 percent. The employer contribution rate for pension benefits for 2008 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$636,947, \$558,983, and \$469,885, respectively; 100 percent has been contributed for 2008, 2007 and 2006. Contributions to the member-directed plan for 2008 were \$28,595 made by the City and \$20,425 made by the plan members.

**Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers. The City required

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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employees to contribute .5 percent, and the City paid the remaining 9.5 percent of participants' gross salaries, along with the required employer portion. 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, 2008, 2007, and 2006 were \$567,704, \$583,874, and \$398,034, respectively. The full amount has been contributed for 2007 and 2006. 76.14 percent has been contributed for 2008.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postemployment healthcare coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The cost-sharing multiple employer defined benefit postemployment healthcare plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement to qualifying members. Members of the member-directed plan do not qualify for postemployment healthcare coverage. The healthcare coverage provided by the retirement system meets the definition of an Other Post Employment Benefit (OPEB) as described in *GASB Statement No. 45*.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare based on authority granted by State statute. OPERS Post Employment Healthcare 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 healthcare benefits. The 2008 local government employer contribution rate was 14 percent of covered payroll (17.4 percent for public safety and law enforcement). Active members do not make contributions to the OPEB Plan. OPERS' postemployment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). For 2008, the employer contribution allocated to the healthcare plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits provide, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual City contributions for 2008, 2007, and 2006 which were used to fund postemployment benefits were \$318,474, \$219,979, and \$229,835, respectively.

On September 9, 2004, the OPERS Retirement Board adopted Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the healthcare plan.

**Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postemployment healthcare coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare 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 healthcare coverage to eligible participants and to establish and

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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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 and 24 percents of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contributions may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for healthcare in two separate accounts. One for healthcare 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.

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 healthcare benefits. For the year ended December 31, 2008, the employer contributions allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare 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 healthcare 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 2008, 2007 and 2006 that were allocated to fund the healthcare plan for police were \$257,992, \$261,067, and 262,533, respectively.

***NOTE 13 - OTHER EMPLOYEE BENEFITS***

**Compensated Absences**

*Accumulated Unpaid Vacation*

City employees earn vacation leave at varying rates based upon length of service. Vacation can accumulate to a maximum of 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 AIM, Mass Mutual, ING or Ohio Public Employees Deferred Compensation Plans. These plans were created in accordance with Internal Revenue Code Section 457.

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

**NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE**

In a prior period, the City entered into a lease agreement for the purchase of a copier. During 2005 and 2006, the City entered into lease agreements for the purchase of vehicles and equipment. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. At year-end, the City had \$214,849 in unspent proceeds and interest earned held with an escrow agent for leased assets not yet delivered.

Capital assets acquired by lease have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,293,492, which is equal to the present value of the future minimum lease payments at the time of acquisition. Capital assets acquired through capital lease are less than the capital lease payable amount due to cash received from a lease purchase agreement that is held in a separate bank account for the purchase of various equipment and vehicles in the amount of \$214,849, which is recorded as "Cash and Cash Equivalents with Escrow Agents" on the financial statements. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in 2008 totaled \$468,986.

The assets acquired through capital leases are as follows:

	Governmental Activities
Buildings	\$ 35,566
Machinery and Equipment	363,822
Vehicles	894,104
Less: Accumulated Depreciation	(392,156)
Total	\$ 901,336

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2008.

Year Ending December 31,	Total Payments
2009	\$ 356,678
Total	356,678
Less: Amount Representing Interest	(13,686)
Present Value of Minimum Lease Payments	\$ 342,992

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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**NOTE 15 - 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 2008, the City contracted with several different insurance providers for property, liability, and automobile insurance.

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in the level of coverage from the prior year.

**Workers' Compensation**

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

**Health Insurance**

The City maintains a self-funded health insurance program with claims processed by 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 2008 were \$1,838,080. The claims liability of \$267,000 reported in the Insurance Trust Fund at December 31, 2008, 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 2006, 2007 and 2008 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2006	\$ 246,969	\$ 1,626,819	\$ (1,490,488)	\$ 383,300
2007	383,300	1,665,827	(1,895,127)	154,000
2008	154,000	1,737,048	(1,624,048)	267,000

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
For the Year Ended December 31, 2008

**NOTE 16 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations during 2008 were as follows:

Types/Issues	Balance at 1/1/2008	Issued	Retired	Balance at 12/31/2008	Due Within One Year
<u>Loans Payable:</u>					
2005 OWDA Loan 3% \$2,472,265	2,216,777	-	-	2,216,777	-
<u>Unvoted General Obligation Bonds:</u>					
1982 Water Improvement					
12.125% \$560,000	20,000	-	20,000	-	-
1999 Various Purpose Improvement					
5.1 - 5.15% \$1,500,000	360,000	-	175,000	185,000	185,000
2002 Various Purpose Improvement					
3.0 - 5.375% \$4,950,000	730,000	-	135,000	595,000	140,000
2003 Various Purpose Improvement					
3.0 - 4.25% \$5,280,000	4,510,000	-	200,000	4,310,000	210,000
2005 Various Purpose and Refunding					
3.0 - 5.0% \$20,175,000	18,395,000	-	800,000	17,595,000	820,000
Unamortized Loss	(438,597)	-	(21,930)	(416,667)	-
2005 Trueman Boulevard Project					
3.0 - 5.0% \$8,285,000	7,915,000	-	280,000	7,635,000	295,000
2007 Various Purpose & Refunding					
4.0 - 5.0% \$7,975,000	7,810,000	-	250,000	7,560,000	260,000
Total General Obligation Bonds	<u>39,301,403</u>	<u>-</u>	<u>1,838,070</u>	<u>37,463,333</u>	<u>1,910,000</u>
Special Assessment Bonds with					
<u>Governmental Commitment:</u>					
1998 Lyman Drive Extension					
7.35% \$780,000	70,000	-	70,000	-	-
<u>Other Long-Term Obligations:</u>					
Compensated Absences	1,680,867	779,600	577,009	1,883,458	921,011
Premium General Obligation Bonds Issued	1,175,361	-	60,663	1,114,698	-
Capital Leases	811,978	-	468,986	342,992	342,992
Total Other Long-Term Obligations	<u>3,668,206</u>	<u>779,600</u>	<u>1,106,658</u>	<u>3,341,148</u>	<u>1,264,003</u>
Total General Long-Term Obligations	<u>\$ 45,256,386</u>	<u>\$779,600</u>	<u>\$ 3,014,728</u>	<u>\$ 43,021,258</u>	<u>\$ 3,174,003</u>

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

The OWDA 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 and Tax Increment Financing Special Revenue Funds and the Capital Improvements Municipal Tax Capital Projects Fund. The 1998 Lyman Drive Extension Special Assessment Bonds will be paid from the Special Assessment Bond Retirement Fund.

The special assessment bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

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

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

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$52,902,381 with an unvoted debt margin of \$9,672,676. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2008, are:

Year	OWDA Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2009	\$ -	\$ 74,437	\$ 1,910,000	\$ 1,648,290
2010	-	74,437	1,755,000	1,580,880
2011	216,215	72,827	1,815,000	1,518,904
2012	222,750	66,292	1,895,000	1,455,692
2013	229,483	59,560	1,965,000	1,386,538
2014-2018	1,255,743	189,468	10,485,000	5,705,751
2019-2023	292,586	21,045	12,305,000	3,200,124
2024-2027	-	-	5,750,000	567,107
Totals	<u>\$ 2,216,777</u>	<u>\$ 558,066</u>	<u>\$ 37,880,000</u>	<u>\$ 17,063,286</u>

**NOTE 17 – SHORT-TERM BOND ANTICIPATION NOTES**

On August 28, 2008 the City issued series 2008 Bond Anticipation Notes in the amount of \$11,390,000. The proceeds were used for various City improvements and to pay the 2007 Bond Anticipation Notes. The premium on the notes issued was \$55,811 and the underwriter's discount and cost of issuance totaled \$54,079. The coupon rate was 2.25% and the notes mature on August 27, 2009.

Issuances and maturities of short-term notes during 2008 were as follows:

Types/Issues	Balance at 1/1/2008	Issued	Retired	Balance at 12/31/2008
2007 Bond Anticipation Notes	2,300,000	-	2,300,000	-
2008 Bond Anticipation Notes	-	11,390,000	-	11,390,000
Total	<u>2,300,000</u>	<u>11,390,000</u>	<u>2,300,000</u>	<u>11,390,000</u>



**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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**NOTE 18 – CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2008, there were five series of industrial revenue development bonds outstanding with an aggregate principal amount payable of \$7,945,000.

**NOTE 19 - CONTRACTUAL COMMITMENTS**

As of December 31, 2008, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expended	Balance 12/31/2008
Bird Houk Collaborative	\$ 574,900	\$ 268,505	\$ 306,395
Brookside Lawn Service	446,232	320,180	126,052
Burgess & Niple	368,000	31,957	336,043
Complete General	1,997,889	944,814	1,053,075
Decker Construction	1,100,000	903,652	196,348
DLZ	597,000	287,085	309,915
E.P. Ferris	369,735	348,440	21,295
John Eramo & Sons Inc	727,000	-	727,000
Mark Finchum Excavation	74,250	67,700	6,550
M-E Turnkey	454,074	420,616	33,458
Ohio Valley AV	50,000	43,422	6,578
R.B. Jergens	295,000	173,245	121,755
Stantec Consulting Services	50,000	43,597	6,403
Ultimax, Inc	239,816	226,260	13,556
URS Corporation	358,000	344,345	13,655
WEC Engineers of Ohio, Inc	24,945	23,976	969
Various utilities	1,750,000	1,318,705	431,295
Totals	<u>\$ 9,476,841</u>	<u>\$ 5,766,499</u>	<u>\$ 3,710,342</u>

**NOTE 20 – RELATED ORGANIZATION**

**Hilliard Arts Council Corporation**

The Hilliard Arts Council Corporation is statutorily created as a separate and distinct political subdivision of the State. The authority is governed by an eleven member Board of Trustees appointed as follows: four members appointed by the Hilliard City Council, one member appointed by the Hilliard Area Chamber of

**City of Hilliard, Ohio**  
*Notes to the Basic Financial Statements, continued*  
*For the Year Ended December 31, 2008*

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Commerce, one member appointed by the Hilliard Recreation and Parks Director, one member appointed by the Hilliard City School District, and four members appointed by the Mayor of the City of Hilliard. The Trustees adopt their own appropriations, hire and fire their own staff, authorize expenditures, and do not rely on the City to finance deficits. The City cannot influence the Corporation's operations, nor does the Corporation represent a potential financial benefit or burden to the City.

***NOTE 21 - CONTINGENT LIABILITIES***

**Federal and State Grants**

For the period January 1, 2008, to December 31, 2008, 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.

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

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**Special Revenue Funds**

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

**County Municipal Motor Vehicle Tax Fund**

To account for funds received from the City's permissive motor vehicle license tax and from the County's permissive motor vehicle license tax restricted for use of maintaining certain roadways within the City.

**Fleet Fund**

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

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

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

**Park Maintenance Fund**

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

**Police Fund**

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

**Mayor's Court Computer Fund**

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

**General Government Grants**

To account for revenue and expenditures related to grants received from various sources.

**Sewer Revenue Fund**

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

**Sewer Capacity and Benefit Fund**

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

*(continued)*

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

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**Construction Inspection Fund**

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

**Debt Service Funds**

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

**Special Assessment Bond Retirement Fund**

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

**Capital Projects Funds**

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

**Britton Road Improvement Fund**

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

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**City of Hilliard, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2008*

	County Municipal Motor Vehicle Tax	Fleet	CDBG	Park Maintenance
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 208,049	10,327	335,877	140,524
Cash and Cash Equivalents with Fiscal Agents	164,263	-	-	-
Special Assessments Receivable	-	-	-	-
Due from Other Governments	103,130	-	-	-
Interfund Receivable	-	-	-	-
<i>Total Assets</i>	<u>\$ 475,442</u>	<u>10,327</u>	<u>335,877</u>	<u>140,524</u>
<b>Liabilities</b>				
Accounts Payable	2,477	-	-	1,452
Due to Other Fund	-	-	-	-
Interfund Payable	-	-	-	-
Accrued Wages Payable	-	-	-	-
Matured Compensated Absences	-	-	-	-
Due to Other Governments	1,623	-	-	-
Deferred Revenue	70,944	-	-	-
<i>Total Liabilities</i>	<u>75,044</u>	<u>-</u>	<u>-</u>	<u>1,452</u>
<b>Fund Balances</b>				
Reserve for Encumbrances	4,034	-	-	20,568
Unreserved, Reported in:				
Special Revenue Funds	396,364	10,327	335,877	118,504
Debt Service Funds	-	-	-	-
Capital Project Funds	-	-	-	-
<i>Total Fund Balance</i>	<u>400,398</u>	<u>10,327</u>	<u>335,877</u>	<u>139,072</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 475,442</u>	<u>10,327</u>	<u>335,877</u>	<u>140,524</u>

<b>Special Revenue</b>						<b>Total Nonmajor Special Revenue Funds</b>
<b>Police</b>	<b>Mayor's Court Computer</b>	<b>General Government Grants</b>	<b>Sewer Revenue</b>	<b>Sewer Capacity and Benefit</b>	<b>Construction Inspection</b>	
40,314	84,622	-	584,607	542,131	158,229	2,104,680
-	-	-	-	-	-	164,263
-	-	-	-	-	-	-
-	-	204,813	-	-	2,399	310,342
-	-	-	32,283	-	7,052	39,335
<u>40,314</u>	<u>84,622</u>	<u>204,813</u>	<u>616,890</u>	<u>542,131</u>	<u>167,680</u>	<u>2,618,620</u>
-	-	-	4,182	-	11,633	19,744
-	-	-	1,010	-	3,007	4,017
-	-	204,813	-	-	-	204,813
-	-	-	7,071	-	8,181	15,252
-	-	-	-	-	5,693	5,693
-	-	-	6,728	-	5,709	14,060
-	-	-	-	-	-	70,944
-	-	204,813	18,991	-	34,223	334,523
2,836	4,362	-	-	-	47,811	79,611
37,478	80,260	-	597,899	542,131	85,646	2,204,486
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>40,314</u>	<u>84,622</u>	<u>-</u>	<u>597,899</u>	<u>542,131</u>	<u>133,457</u>	<u>2,284,097</u>
<u>40,314</u>	<u>84,622</u>	<u>204,813</u>	<u>616,890</u>	<u>542,131</u>	<u>167,680</u>	<u>2,618,620</u>

(continued)

**City of Hilliard, Ohio**  
*Combining Balance Sheet, continued*  
*Nonmajor Governmental Funds*  
*December 31, 2008*

	<b><i>Debt Service</i></b>	<b><i>Capital Projects</i></b>	<b><i>Total</i></b>
	Special Assessment Bond Retirement	Britton Road Improvement Fund	<b><i>Nonmajor Governmental Funds</i></b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 264	67,748	2,172,692
Cash and Cash Equivalents with Fiscal Agents	-	-	164,263
Special Assessments Receivable	30,145	-	30,145
Due from Other Governments	-	-	310,342
Interfund Receivable	-	-	39,335
<i>Total Assets</i>	<u>\$ 30,409</u>	<u>67,748</u>	<u>2,716,777</u>
<b>Liabilities</b>			
Accounts Payable	-	-	19,744
Due to Other Fund	-	-	4,017
Interfund Payable	-	-	204,813
Accrued Wages Payable	-	-	15,252
Matured Compensated Absences	-	-	5,693
Due to Other Governments	-	-	14,060
Deferred Revenue	30,145	-	101,089
<i>Total Liabilities</i>	<u>30,145</u>	<u>-</u>	<u>364,668</u>
<b>Fund Balances</b>			
Reserve for Encumbrances	-	-	79,611
Unreserved, Reported in:			
Special Revenue Funds	-	-	2,204,486
Debt Service Funds	264	-	264
Capital Project Funds	-	67,748	67,748
<i>Total Fund Balance</i>	<u>264</u>	<u>67,748</u>	<u>2,352,109</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 30,409</u>	<u>67,748</u>	<u>2,716,777</u>



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**City of Hilliard, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2008*

	County Municipal Motor Vehicle Tax	Fleet	CDBG	Park Maintenance
<b>Revenues</b>				
Intergovernmental	347,068	-	250,000	-
Charges for Services	-	-	-	38,594
Licenses and Permits	-	-	-	52,290
Fines and Forfeitures	-	-	-	-
Investment Income	6,051	-	-	-
Special Assessments	-	-	-	-
Miscellaneous	-	-	-	3,650
<i>Total Revenues</i>	<u>353,119</u>	<u>-</u>	<u>250,000</u>	<u>94,534</u>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Security of Persons and Property	-	-	-	-
Leisure Time Activities	-	-	-	222,170
Community Environment	-	-	250,000	-
Basic Utility Services	-	-	-	-
Transportation	545,773	780	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<i>Total Expenditures</i>	<u>545,773</u>	<u>780</u>	<u>250,000</u>	<u>222,170</u>
<i>Net Changes in Fund Balances</i>	(192,654)	(780)	-	(127,636)
<i>Fund Balances at Beginning of Year</i>	<u>593,052</u>	<u>11,107</u>	<u>335,877</u>	<u>266,708</u>
<i>Fund Balances at End of Year</i>	<u>\$ 400,398</u>	<u>\$ 10,327</u>	<u>\$ 335,877</u>	<u>\$ 139,072</u>

<b>Special Revenue</b>						<b>Total Nonmajor Special Revenue Funds</b>
Police	Mayor's Court Computer	General Government Grants	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	
-	-	256,925	-	-	-	853,993
9,675	-	-	857,332	226,732	800,746	1,933,079
-	-	-	-	-	-	52,290
4,118	23,418	-	-	-	-	27,536
-	-	-	-	-	-	6,051
-	-	-	-	-	-	-
47,736	-	-	-	-	-	51,386
<u>61,529</u>	<u>23,418</u>	<u>256,925</u>	<u>857,332</u>	<u>226,732</u>	<u>800,746</u>	<u>2,924,335</u>
-	1,638	988	-	-	-	2,626
30,912	-	-	-	-	-	30,912
-	-	-	-	-	-	222,170
6,192	-	69,468	-	-	937,791	1,263,451
-	-	82,117	340,669	86,176	-	508,962
-	-	104,352	-	-	-	650,905
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>37,104</u>	<u>1,638</u>	<u>256,925</u>	<u>340,669</u>	<u>86,176</u>	<u>937,791</u>	<u>2,679,026</u>
24,425	21,780	-	516,663	140,556	(137,045)	245,309
15,889	62,842	-	81,236	401,575	270,502	2,038,788
<u>\$ 40,314</u>	<u>\$ 84,622</u>	<u>\$ -</u>	<u>\$ 597,899</u>	<u>\$ 542,131</u>	<u>\$ 133,457</u>	<u>\$ 2,284,097</u>

(continued)

**City of Hilliard, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2008*

	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
	Special Assessment Bond Retirement	Britton Road Improvement Fund	<b>Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	-	-	853,993
Charges for Services	-	-	1,933,079
Licenses and Permits	-	-	52,290
Fines and Forfeitures	-	-	27,536
Investment Income	11,123	-	17,174
Special Assessments	98,734	-	98,734
Miscellaneous	-	-	51,386
<i>Total Revenues</i>	<u>109,857</u>	<u>-</u>	<u>3,034,192</u>
<b>Expenditures</b>			
Current:			
General Government	-	-	2,626
Security of Persons and Property	-	-	30,912
Leisure Time Activities	-	-	222,170
Community Environment	-	-	1,263,451
Basic Utility Services	-	-	508,962
Transportation	-	-	650,905
Debt Service:			
Principal Retirement	105,895	-	105,895
Interest and Fiscal Charges	3,962	-	3,962
<i>Total Expenditures</i>	<u>109,857</u>	<u>-</u>	<u>2,788,883</u>
<i>Net Changes in Fund Balances</i>	-	-	245,309
<i>Fund Balances at Beginning of Year</i>	<u>264</u>	<u>67,748</u>	<u>2,106,800</u>
<i>Fund Balances at End of Year</i>	<u>\$ 264</u>	<u>\$ 67,748</u>	<u>\$ 2,352,109</u>

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

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

**Mayor's Court Fund**

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

**Columbus Escrow Fund**

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

**City of Hilliard, Ohio**  
*Combining Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2008*

<b>Assets</b>	<u>Mayor's Court</u>	<u>Columbus Escrow</u>	<u>Total</u>
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 160,716	\$ 160,716
Cash and Cash Equivalents in Segregated Accounts	<u>25,715</u>	<u>-</u>	<u>25,715</u>
<i>Total Assets</i>	<u>\$ 25,715</u>	<u>\$ 160,716</u>	<u>\$ 186,431</u>
<b>Liabilities</b>			
Due to Other Governments	\$ -	\$ 160,716	\$ 160,716
Deposits Held and Due to Others	<u>25,715</u>	<u>-</u>	<u>25,715</u>
<i>Total Liabilities</i>	<u>\$ 25,715</u>	<u>\$ 160,716</u>	<u>\$ 186,431</u>

**City of Hilliard, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2008*

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b><u>Mayor's Court</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 22,795	\$ 465,826	\$ 462,906	\$ 25,715
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 22,795	\$ 465,826	\$ 462,906	\$ 25,715
<b><u>Columbus Escrow</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 115,600	\$ 478,255	\$ 433,139	\$ 160,716
<b>Liabilities</b>				
Due to Other Governments	\$ 115,600	\$ 478,255	\$ 433,139	\$ 160,716
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 115,600	\$ 478,255	\$ 433,139	\$ 160,716
Cash and Cash Equivalents in Segregated Accounts	22,795	465,826	462,906	25,715
	<u>\$ 138,395</u>	<u>\$ 944,081</u>	<u>\$ 896,045</u>	<u>\$ 186,431</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 115,600	\$ 478,255	\$ 433,139	\$ 160,716
Deposits Held and Due to Others	22,795	465,826	462,906	25,715
	<u>\$ 138,395</u>	<u>\$ 944,081</u>	<u>\$ 896,045</u>	<u>\$ 186,431</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,899,834	\$ 1,899,834	\$ 1,938,121	\$ 38,287
Municipal Income Taxes	10,500,000	10,500,000	10,204,465	(295,535)
Intergovernmental	1,192,676	1,185,543	1,227,022	41,479
Charges for Services	1,893,996	1,921,901	2,063,651	141,750
Licenses and Permits	776,502	748,597	603,252	(145,345)
Fines and Forfeitures	265,712	265,712	336,766	71,054
Investment Income	927,178	928,266	352,368	(575,898)
Miscellaneous	64,102	63,014	67,869	4,855
<i>Total Revenues</i>	<u>17,520,000</u>	<u>17,512,867</u>	<u>16,793,514</u>	<u>(719,353)</u>
<b>Expenditures</b>				
Current:				
General Government				
Mayor				
Personal Services	206,123	206,123	146,761	59,362
Contractual Services	14,000	14,000	6,960	7,040
Materials and Supplies	11,000	11,000	1,799	9,201
Total Mayor	<u>231,123</u>	<u>231,123</u>	<u>155,520</u>	<u>75,603</u>
City Council				
Personal Services	152,461	152,461	151,467	994
Contractual Services	28,000	28,000	6,817	21,183
Materials and Supplies	41,810	41,810	12,772	29,038
Total City Council	<u>222,271</u>	<u>222,271</u>	<u>171,056</u>	<u>51,215</u>
Clerk of Courts				
Personal Services	143,125	143,125	148,487	(5,362)
Contractual Services	91,834	91,834	85,072	6,762
Materials and Supplies	16,197	16,197	11,577	4,620
Other	5,000	5,000	-	5,000
Total Clerk of Courts	<u>256,156</u>	<u>256,156</u>	<u>245,136</u>	<u>11,020</u>
Law				
Personal Services	197,704	197,704	204,839	(7,135)
Contractual Services	84,774	84,774	75,771	9,003
Materials and Supplies	7,000	7,000	2,733	4,267
Total Law	<u>289,478</u>	<u>289,478</u>	<u>283,343</u>	<u>6,135</u>

(continued)



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2008*  
*(continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Finance				
Personal Services	593,894	592,906	581,630	11,276
Contractual Services	121,209	121,209	99,395	21,814
Materials and Supplies	38,573	38,573	38,437	136
Other	48,898	48,898	52,915	(4,017)
Total Finance	<u>802,574</u>	<u>801,586</u>	<u>772,377</u>	<u>29,209</u>
Economic Development				
Personal Services	199,402	199,402	166,896	32,506
Contractual Services	5,000	5,000	3,600	1,400
Materials and Supplies	14,000	14,000	8,781	5,219
Total Economic Development	<u>218,402</u>	<u>218,402</u>	<u>179,277</u>	<u>39,125</u>
City Clerk				
Personal Services	73,628	73,628	50,169	23,459
Contractual Services	5,000	5,000	-	5,000
Materials and Supplies	10,592	10,592	8,240	2,352
Total City Clerk	<u>89,220</u>	<u>89,220</u>	<u>58,409</u>	<u>30,811</u>
Human Resources				
Personal Services	179,080	179,080	192,048	(12,968)
Contractual Services	32,157	34,857	34,487	370
Materials and Supplies	17,000	14,300	8,505	5,795
Total Human Resources	<u>228,237</u>	<u>228,237</u>	<u>235,040</u>	<u>(6,803)</u>
Public Building and Land				
Personal Services	297,840	297,840	261,626	36,214
Contractual Services	103,160	103,160	94,619	8,541
Materials and Supplies	52,617	52,617	43,129	9,488
Utilities	381,214	381,214	453,300	(72,086)
Total Public Building and Land	<u>834,831</u>	<u>834,831</u>	<u>852,674</u>	<u>(17,843)</u>
Information Technology				
Personal Services	84,933	84,933	85,784	(851)
Contractual Services	136,570	136,570	111,970	24,600
Materials and Supplies	24,500	24,500	12,763	11,737
Total Information Technology	<u>246,003</u>	<u>246,003</u>	<u>210,517</u>	<u>35,486</u>
Civil Service Commission				
Personal Services	5,628	5,628	5,628	-
Contractual Services	12,000	12,000	12,000	-
Materials and Supplies	9,000	9,000	8,893	107
Total Civil Service Commission	<u>26,628</u>	<u>26,628</u>	<u>26,521</u>	<u>107</u>

(continued)

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2008*  
*(continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Boards and Commissions				
Personal Services	53,684	53,684	56,642	(2,958)
Materials and Supplies	1,500	1,500	-	1,500
Total Boards and Commissions	<u>55,184</u>	<u>55,184</u>	<u>56,642</u>	<u>(1,458)</u>
General Administrative				
Personal Services	107,832	107,832	140,715	(32,883)
Contractual Services	350,345	350,345	384,334	(33,989)
Materials and Supplies	127,300	127,300	112,308	14,992
Other	260,000	260,000	249,940	10,060
Total General Administrative	<u>845,477</u>	<u>845,477</u>	<u>887,297</u>	<u>(41,820)</u>
Total General Government	<u>4,345,584</u>	<u>4,344,596</u>	<u>4,133,809</u>	<u>210,787</u>
Security of Persons and Property				
Police				
Personal Services	7,080,665	7,080,665	7,445,125	(364,460)
Contractual Services	254,294	254,294	223,288	31,006
Materials and Supplies	151,377	151,377	143,209	8,168
Other	327	327	300	27
Total Police	<u>7,486,663</u>	<u>7,486,663</u>	<u>7,811,922</u>	<u>(325,259)</u>
Total Security of Persons and Property	<u>7,486,663</u>	<u>7,486,663</u>	<u>7,811,922</u>	<u>(325,259)</u>
Public Health				
County Health District				
Contractual Services	145,000	145,000	157,065	(12,065)
Total County Health District	<u>145,000</u>	<u>145,000</u>	<u>157,065</u>	<u>(12,065)</u>
Total Public Health	<u>145,000</u>	<u>145,000</u>	<u>157,065</u>	<u>(12,065)</u>
Leisure Time Activities				
Recreation				
Personal Services	1,994,908	1,994,908	2,021,616	(26,708)
Contractual Services	193,300	193,300	181,935	11,365
Materials and Supplies	336,516	336,516	332,100	4,416
Utilities	181,384	181,384	206,719	(25,335)
Other	36,071	36,071	32,753	3,318
Total Recreation	<u>2,742,179</u>	<u>2,742,179</u>	<u>2,775,123</u>	<u>(32,944)</u>
Total Leisure Time Activities	<u>2,742,179</u>	<u>2,742,179</u>	<u>2,775,123</u>	<u>(32,944)</u>

(continued)

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2008*  
*(continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Community Environment				
Service/Engineer				
Personal Services	666,928	638,624	625,295	13,329
Contractual Services	1,470,742	1,450,333	1,343,048	107,285
Materials and Supplies	33,983	29,395	14,488	14,907
Other	15,000	15,000	3,924	11,076
Total Service/Engineer	<u>2,186,653</u>	<u>2,133,352</u>	<u>1,986,755</u>	<u>146,597</u>
Building Inspection				
Personal Services	498,710	498,710	502,086	(3,376)
Contractual Services	216,162	216,162	123,222	92,940
Materials and Supplies	19,839	19,839	8,227	11,612
Other	7,250	7,250	6,025	1,225
Total Building Inspection	<u>741,961</u>	<u>741,961</u>	<u>639,560</u>	<u>102,401</u>
Total Community Environment	<u>2,928,614</u>	<u>2,875,313</u>	<u>2,626,315</u>	<u>248,998</u>
<i>Total Expenditures</i>	<u>17,648,040</u>	<u>17,593,751</u>	<u>17,504,234</u>	<u>89,517</u>
<i>Net Change in Fund Balance</i>	(128,040)	(80,884)	(710,720)	(629,836)
<i>Fund Balance at Beginning of Year</i>	2,627,442	2,627,442	2,627,442	-
Prior Year Encumbrances Appropriated	<u>456,608</u>	<u>456,608</u>	<u>456,608</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,956,010</u>	<u>\$ 3,003,166</u>	<u>\$ 2,373,330</u>	<u>\$ (629,836)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Repair Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$ 1,265,900	\$ 1,247,613	\$ 1,268,193	\$ 20,580
Investment Income	8,000	8,000	8,031	31
Miscellaneous	10,000	10,000	9,926	(74)
<i>Total Revenues</i>	<u>1,283,900</u>	<u>1,265,613</u>	<u>1,286,150</u>	<u>20,537</u>
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	1,047,045	995,111	926,142	68,969
Contractual Services	101,154	98,357	76,992	21,365
Materials and Supplies	139,966	306,345	264,033	42,312
Total Transportation	<u>1,288,165</u>	<u>1,399,813</u>	<u>1,267,167</u>	<u>132,646</u>
<i>Total Expenditures</i>	<u>1,288,165</u>	<u>1,399,813</u>	<u>1,267,167</u>	<u>132,646</u>
<i>Net Change in Fund Balance</i>	(4,265)	(134,200)	18,983	153,183
<i>Fund Balance at Beginning of Year</i>	355,046	355,046	355,046	-
Prior Year Encumbrances Appropriated	31,930	31,930	31,930	-
<i>Fund Balance at End of Year</i>	<u>\$ 382,711</u>	<u>\$ 252,776</u>	<u>\$ 405,959</u>	<u>\$ 153,183</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Street Improvement Municipal Tax Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes	\$ 2,060,000	\$ 2,060,000	\$ 2,040,893	\$ (19,107)
Intergovernmental	-	-	1,092,755	1,092,755
Other	-	-	1,109	1,109
<i>Total Revenues</i>	<u>2,060,000</u>	<u>2,060,000</u>	<u>3,134,757</u>	<u>1,074,757</u>
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	631,967	808,217	832,026	(23,809)
Capital Outlay	2,086,033	2,086,033	2,044,533	41,500
Other	60,000	60,000	47,868	12,132
Total Transportation	<u>2,778,000</u>	<u>2,954,250</u>	<u>2,924,427</u>	<u>29,823</u>
Debt Service				
Principal Retirement	310,000	310,000	112,750	197,250
Interest and Fiscal Charges	410,000	410,000	145,280	264,720
Total Debt Service	<u>720,000</u>	<u>720,000</u>	<u>258,030</u>	<u>461,970</u>
<i>Total Expenditures</i>	<u>3,498,000</u>	<u>3,674,250</u>	<u>3,182,457</u>	<u>491,793</u>
<i>Net Change in Fund Balance</i>	(1,438,000)	(1,614,250)	(47,700)	1,566,550
<i>Fund Balance (Deficit) at Beginning of Year</i>	294,617	294,617	294,617	-
Prior Year Encumbrances Appropriated	<u>2,018,000</u>	<u>2,018,000</u>	<u>2,018,000</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 874,617</u>	<u>\$ 698,367</u>	<u>\$ 2,264,917</u>	<u>\$ 1,566,550</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Water Revenue Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 210,000	\$ 210,000	\$ 407,185	\$ 197,185
Miscellaneous	35,000	35,000	-	(35,000)
<i>Total Revenues</i>	<u>245,000</u>	<u>245,000</u>	<u>407,185</u>	<u>162,185</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	292,791	274,254	273,364	890
Contractual Services	2,500	2,500	-	2,500
Materials and Supplies	4,000	1,383	1,778	(395)
Capital Outlay	360,544	340,652	320,073	20,579
Total Basic Utility Services	<u>659,835</u>	<u>618,789</u>	<u>595,215</u>	<u>23,574</u>
<i>Total Expenditures</i>	<u>659,835</u>	<u>618,789</u>	<u>595,215</u>	<u>23,574</u>
<i>Net Change in Fund Balance</i>	(414,835)	(373,789)	(188,030)	185,759
<i>Fund Balance (Deficit) at Beginning of Year</i>	55,504	55,504	55,504	-
Prior Year Encumbrances Appropriated	369,343	369,343	369,343	-
<i>Fund Balance at End of Year</i>	<u>\$ 10,012</u>	<u>\$ 51,058</u>	<u>\$ 236,817</u>	<u>\$ 185,759</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*TIF Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Payment in Lieu of Taxes	\$ 600,000	\$ 3,872,575	\$ 3,178,515	\$ (694,060)
<i>Total Revenues</i>	<u>600,000</u>	<u>3,872,575</u>	<u>3,178,515</u>	<u>(694,060)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Other	-	-	409,174	(409,174)
Total Transportation	-	-	409,174	(409,174)
Debt Service:				
Principal Retirement	-	2,187,699	562,350	1,625,349
Interest and Fiscal Charges	-	982,879	392,294	590,585
Total Debt Service	-	3,170,578	954,644	2,215,934
<i>Total Expenditures</i>	<u>-</u>	<u>3,170,578</u>	<u>1,363,818</u>	<u>1,806,760</u>
<i>Net Change in Fund Balance</i>	600,000	701,997	1,814,697	1,112,700
<i>Fund Balance at Beginning of Year</i>	<u>306</u>	<u>306</u>	<u>306</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 600,306</u>	<u>\$ 702,303</u>	<u>\$ 1,815,003</u>	<u>\$ 1,112,700</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balances - Budget (Non-GAAP Basis) and Actual  
Capital Improvement Municipal Tax Fund  
For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$ 4,090,000	\$ 4,090,000	\$ 4,081,786	\$ (8,214)
Intergovernmental	-	276,000	1,817,538	1,541,538
Licenses and Permits	200,000	200,000	297,000	97,000
Miscellaneous	-	-	398	398
<b>Total Revenues</b>	<b>4,290,000</b>	<b>4,566,000</b>	<b>6,196,722</b>	<b>1,630,722</b>
<b>Expenditures</b>				
Current:				
General Government				
Contractual Services	906	906	279,222	(278,316)
Capital Outlay	1,016,232	1,717,232	625,955	1,091,277
<b>Total General Government</b>	<b>1,017,138</b>	<b>1,718,138</b>	<b>905,177</b>	<b>812,961</b>
Security of Persons and Property				
Contractual Services	-	-	7,577	(7,577)
Materials and Supplies	25	25	11,228	(11,203)
Capital Outlay	175,664	860,264	920,129	(59,865)
<b>Total Security of Persons and Property</b>	<b>175,689</b>	<b>860,289</b>	<b>938,934</b>	<b>(78,645)</b>
Leisure Time Activities				
Contractual Services	-	576,000	-	576,000
Capital Outlay	1,324,057	1,448,057	2,052,098	(604,041)
<b>Total Leisure Time Activities</b>	<b>1,324,057</b>	<b>2,024,057</b>	<b>2,052,098</b>	<b>(28,041)</b>
Community Environment				
Contractual Services	584,412	1,937,012	2,154,596	(217,584)
Capital Outlay	513,537	4,959,393	5,647,151	(687,758)
Other	400,000	400,000	95,736	304,264
<b>Total Community Environment</b>	<b>1,497,949</b>	<b>7,296,405</b>	<b>7,897,483</b>	<b>(601,078)</b>
Basic Utility Services				
Contractual Services	189,807	492,807	88,650	404,157
Materials and Supplies	96,461	-	-	-
Capital Outlay	-	1,741,461	715,208	1,026,253
<b>Total Basic Utility Services</b>	<b>286,268</b>	<b>2,234,268</b>	<b>803,858</b>	<b>1,430,410</b>
Transportation				
Contractual Services	308,082	308,082	131,280	176,802
Materials and Supplies	-	25,000	25,000	-
Capital Outlay	390,544	2,826,944	1,982,403	844,541
<b>Total Transportation</b>	<b>698,626</b>	<b>3,160,026</b>	<b>2,138,683</b>	<b>1,021,343</b>
Debt Service				
Principal Retirement	1,420,000	1,420,000	1,621,954	(201,954)
Interest and Fiscal Charges	1,520,000	1,574,079	1,417,481	156,598
<b>Total Debt Service</b>	<b>2,940,000</b>	<b>2,994,079</b>	<b>3,039,435</b>	<b>(45,356)</b>
<b>Total Expenditures</b>	<b>7,939,727</b>	<b>20,287,262</b>	<b>17,775,668</b>	<b>2,511,594</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,649,727)</b>	<b>(15,721,262)</b>	<b>(11,578,946)</b>	<b>4,142,316</b>
<b>Other Financing Sources (Uses)</b>				
Bond Anticipation Notes Issued	-	11,390,000	11,390,000	-
Premium on Bond Anticipation Notes	-	55,811	55,811	-
Payment on Swimming Pool Renovation BAN	-	(2,300,000)	(2,300,000)	-
Proceeds from OPWC-Main St. Proj.	-	1,595,152	-	(1,595,152)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>10,740,963</b>	<b>9,145,811</b>	<b>(1,595,152)</b>
<b>Net Change in Fund Balance</b>	<b>(3,649,727)</b>	<b>(4,980,299)</b>	<b>(2,433,135)</b>	<b>2,547,164</b>
<b>Fund Balance at Beginning of Year</b>	<b>2,796,440</b>	<b>2,796,440</b>	<b>2,796,440</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>2,884,727</b>	<b>2,884,727</b>	<b>2,884,727</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 2,031,440</b>	<b>\$ 700,868</b>	<b>\$ 3,248,032</b>	<b>\$ 2,547,164</b>



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Insurance Trust Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 2,172,000	\$ 2,172,000	\$ 1,804,010	\$ (367,990)
Investment Income	-	-	1,185	1,185
<i>Total Revenues</i>	<u>2,172,000</u>	<u>2,172,000</u>	<u>1,805,195</u>	<u>(366,805)</u>
<b>Expenditures</b>				
Contractual Services	<u>2,052,000</u>	<u>2,052,000</u>	<u>1,814,812</u>	<u>237,188</u>
<i>Total Expenditures</i>	<u>2,052,000</u>	<u>2,052,000</u>	<u>1,814,812</u>	<u>237,188</u>
<i>Net Change in Fund Balance</i>	120,000	120,000	(9,617)	(129,617)
<i>Fund Balance at Beginning of Year</i>	20,839	20,839	20,839	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance at End of Year</i>	<u>\$ 140,839</u>	<u>\$ 140,839</u>	<u>\$ 11,222</u>	<u>\$ (129,617)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 County Municipal Motor Vehicle Tax Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 225,000	\$ 225,000	\$ 347,485	\$ 122,485
Investment Income	35,000	35,000	6,051	(28,949)
<i>Total Revenues</i>	<u>260,000</u>	<u>260,000</u>	<u>353,536</u>	<u>93,536</u>
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	145,960	421,960	398,292	23,668
Materials and Supplies	208,060	208,060	176,883	31,177
<i>Total Expenditures</i>	<u>354,020</u>	<u>630,020</u>	<u>575,175</u>	<u>54,845</u>
<i>Net Change in Fund Balance</i>	(94,020)	(370,020)	(221,639)	148,381
<i>Fund Balance at Beginning of Year</i>	558,419	558,419	558,419	-
Prior Year Encumbrances Appropriated	<u>29,020</u>	<u>29,020</u>	<u>29,020</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 493,419</u>	<u>\$ 217,419</u>	<u>\$ 365,800</u>	<u>\$ 148,381</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*Fleet Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
<i>Total Revenues</i>	-	-	-	-
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	-	-	9,339	(9,339)
Materials and Supplies	18,209	18,209	4,322	13,887
<i>Total Expenditures</i>	18,209	18,209	13,661	4,548
<i>Net Change in Fund Balance</i>	(18,209)	(18,209)	(13,661)	4,548
<i>Fund Balance at Beginning of Year</i>	-	-	-	-
Prior Year Encumbrances Appropriated	23,988	23,988	23,988	-
<i>Fund Balance at End of Year</i>	<u>\$ 5,779</u>	<u>\$ 5,779</u>	<u>\$ 10,327</u>	<u>\$ 4,548</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 CDBG Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 250,000	\$ 250,000	\$ -
<i>Total Revenues</i>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Community Environment				
Capital Outlay	-	250,000	250,000	-
<i>Total Expenditures</i>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	-	-	-
<i>Fund Balance at Beginning of Year</i>	<u>335,877</u>	<u>335,877</u>	<u>335,877</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 335,877</u>	<u>\$ 335,877</u>	<u>\$ 335,877</u>	<u>\$ -</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*Park Maintenance Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 25,000	\$ 25,000	\$ 38,594	\$ 13,594
Licenses and Permits	175,000	175,000	52,290	(122,710)
Donations	-	-	3,650	3,650
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>94,534</u>	<u>(105,466)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Contractual Services	100,952	100,952	149,389	(48,437)
Materials and Supplies	-	-	1,452	(1,452)
Capital Outlay	<u>148,556</u>	<u>148,556</u>	<u>94,159</u>	<u>54,397</u>
<i>Total Expenditures</i>	<u>249,508</u>	<u>249,508</u>	<u>245,000</u>	<u>4,508</u>
<i>Net Change in Fund Balance</i>	(49,508)	(49,508)	(150,466)	(100,958)
<i>Fund Balance at Beginning of Year</i>	219,462	219,462	219,462	-
Prior Year Encumbrances Appropriated	<u>49,508</u>	<u>49,508</u>	<u>49,508</u>	-
<i>Fund Balance at End of Year</i>	<u>\$ 219,462</u>	<u>\$ 219,462</u>	<u>\$ 118,504</u>	<u>\$ (100,958)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 10,000	\$ 10,000	\$ 9,675	\$ (325)
Fines and Forfeitures	4,750	6,825	4,118	(2,707)
Contributions and Donations	43,000	43,000	47,736	4,736
Investment Income	50	50	-	(50)
<i>Total Revenues</i>	<u>57,800</u>	<u>59,875</u>	<u>61,529</u>	<u>1,654</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Contractual Services	-	-	4,527	(4,527)
Materials and Supplies	533	533	9,548	(9,015)
Other	53,437	61,506	26,144	35,362
<i>Total Expenditures</i>	<u>53,970</u>	<u>62,039</u>	<u>40,219</u>	<u>21,820</u>
<i>Net Change in Fund Balance</i>	3,830	(2,164)	21,310	23,474
<i>Fund Balance at Beginning of Year</i>	13,097	13,097	13,097	-
Prior Year Encumbrances Appropriated	2,970	2,970	2,970	-
<i>Fund Balance at End of Year</i>	<u>\$ 19,897</u>	<u>\$ 13,903</u>	<u>\$ 37,377</u>	<u>\$ 23,474</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Mayor's Court Computer Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$ 30,000	\$ 30,000	\$ 24,904	\$ (5,096)
<i>Total Revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>24,904</u>	<u>(5,096)</u>
<b>Expenditures</b>				
Current:				
General Government				
Materials and Supplies	30,000	30,000	6,000	24,000
<i>Total Expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>6,000</u>	<u>24,000</u>
<i>Net Change in Fund Balance</i>	-	-	18,904	18,904
Fund Balance at Beginning of Year	<u>61,356</u>	<u>61,356</u>	<u>61,356</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 61,356</u>	<u>\$ 61,356</u>	<u>\$ 80,260</u>	<u>\$ 18,904</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
**General Government Grant Fund**  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 52,112	\$ 52,112	-
<i>Total Revenues</i>	-	52,112	52,112	-
<b>Expenditures</b>				
Current:				
General Government				
Personal Services	-	988	988	-
Total General Government	-	988	988	-
Community Environment				
Personal Services	-	34,819	34,819	-
Contractual Services	-	23,206	23,206	-
Materials and Supplies	-	11,443	11,443	-
Total Community Environment	-	69,468	69,468	-
Basic Utility Services				
Personal Services	-	37,100	37,100	-
Contractual Services	-	11,299	11,299	-
Materials and Supplies	-	13,826	13,826	-
Capital Outlay	-	19,892	19,892	-
Total Basic Utility Services	-	82,117	82,117	-
Transportation				
Personal Services	-	51,934	51,934	-
Contractual Services	-	2,797	2,797	-
Materials and Supplies	-	49,621	49,621	-
Total Transportation	-	104,352	104,352	-
<i>Total Expenditures</i>	-	256,925	256,925	-
<i>Net Change in Fund Balance</i>	-	(204,813)	(204,813)	-
Fund Balance at Beginning of Year	-	-	-	-
<i>Fund Balance at End of Year</i>	\$ -	\$ (204,813)	\$ (204,813)	\$ -



**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balances - Budget (Non-GAAP Basis) and Actual  
Sewer Revenue Fund  
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 383,500	\$ 383,500	\$ 857,332	\$ 473,832
Other	10,000	10,000	-	(10,000)
<i>Total Revenues</i>	<u>393,500</u>	<u>393,500</u>	<u>857,332</u>	<u>463,832</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	303,946	285,382	282,555	2,827
Contractual Services	32,869	21,570	1,574	19,996
Materials and Supplies	15,477	4,268	1,684	2,584
Capital Outlay	3,833	3,833	-	3,833
Utilities	52,648	52,648	59,495	(6,847)
Total Basic Utility Services	<u>408,773</u>	<u>367,701</u>	<u>345,308</u>	<u>22,393</u>
<i>Total Expenditures</i>	<u>408,773</u>	<u>367,701</u>	<u>345,308</u>	<u>22,393</u>
<i>Net Change in Fund Balance</i>	(15,273)	25,799	512,024	486,225
<i>Fund Balance at Beginning of Year</i>	65,673	65,673	65,673	-
Prior Year Encumbrances Appropriated	37,505	37,505	37,505	-
<i>Fund Balance at End of Year</i>	<u>\$ 87,905</u>	<u>\$ 128,977</u>	<u>\$ 615,202</u>	<u>\$ 486,225</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Sewer Capacity and Benefit Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 90,000	\$ 90,000	\$ 226,732	\$ 136,732
<i>Total Revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>226,732</u>	<u>136,732</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Personal Services	-	-	44,476	(44,476)
Contractual Services	-	-	46,841	(46,841)
Capital Outlay	<u>172,192</u>	<u>172,192</u>	<u>-</u>	<u>172,192</u>
<i>Total Expenditures</i>	<u>172,192</u>	<u>172,192</u>	<u>91,317</u>	<u>80,875</u>
<i>Net Change in Fund Balance</i>	(82,192)	(82,192)	135,415	217,607
<i>Fund Balance at Beginning of Year</i>	324,524	324,524	324,524	-
Prior Year Encumbrances Appropriated	<u>82,192</u>	<u>82,192</u>	<u>82,192</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 324,524</u>	<u>\$ 324,524</u>	<u>\$ 542,131</u>	<u>\$ 217,607</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*Construction Inspection Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$ 800,000	\$ 870,000	\$ 798,347	\$ (71,653)
<i>Total Revenues</i>	<u>800,000</u>	<u>870,000</u>	<u>798,347</u>	<u>(71,653)</u>
<b>Expenditures</b>				
Current:				
Community Environment				
Personal Services	348,835	342,320	352,599	(10,279)
Contractual Services	171,552	385,965	374,492	11,473
Materials and Supplies	175,294	168,439	140,516	27,923
Capital Outlay	-	-	6,397	(6,397)
Other	252,000	252,000	117,515	134,485
<i>Total Expenditures</i>	<u>947,681</u>	<u>1,148,724</u>	<u>991,519</u>	<u>157,205</u>
<i>Net Change in Fund Balance</i>	(147,681)	(278,724)	(193,172)	85,552
<i>Fund Balance at Beginning of Year</i>	226,393	226,393	226,393	-
Prior Year Encumbrances Appropriated	<u>72,616</u>	<u>72,616</u>	<u>72,616</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 151,328</u>	<u>\$ 20,285</u>	<u>\$ 105,837</u>	<u>\$ 85,552</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Special Assessment Bond Retirement Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$ 125,000	\$ 125,000	\$ 109,857	\$ (15,143)
<i>Total Revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>109,857</u>	<u>(15,143)</u>
<b>Expenditures</b>				
Current:				
Debt Service				
Principal Retirement	110,000	105,895	105,895	-
Interest and Fiscal Charges	15,000	3,962	3,962	-
Total Debt Service	<u>125,000</u>	<u>109,857</u>	<u>109,857</u>	<u>-</u>
<i>Total Expenditures</i>	<u>125,000</u>	<u>109,857</u>	<u>109,857</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	15,143	-	(15,143)
<i>Fund Balance at Beginning of Year</i>	<u>264</u>	<u>264</u>	<u>264</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 264</u>	<u>\$ 15,407</u>	<u>\$ 264</u>	<u>\$ (15,143)</u>

**City of Hilliard, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Britton Road Improvement Fund  
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<i>Total Revenues</i>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
<i>Total Expenditures</i>	-	-	-	-
<i>Net Change in Fund Balance</i>	-	-	-	-
<i>Fund Balance at Beginning of Year</i>	<u>67,748</u>	<u>67,748</u>	<u>67,748</u>	-
<i>Fund Balance at End of Year</i>	<u>\$ 67,748</u>	<u>\$ 67,748</u>	<u>\$ 67,748</u>	<u>\$ -</u>

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## *STATISTICAL TABLES*

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

<b><u>CONTENTS</u></b>	<b>PAGES</b>
<b>Financial Trends</b>	94-101
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	102-108
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
<b>Debt Capacity</b>	109-113
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	114-115
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating information</b>	116-121
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 199,152	\$ 2,607,404	\$ 191,791,297	\$ 194,266,629	\$ 194,544,533	\$ 196,643,631
Restricted	7,793,770	7,951,025	7,644,212	10,403,551	11,216,411	8,542,365
Unrestricted	2,868,518	2,477,454	2,978,034	3,576,842	3,990,110	714,167
<i>Total Governmental Activities Net Assets</i>	<u>\$ 10,861,440</u>	<u>\$ 13,035,883</u>	<u>\$ 202,413,543</u>	<u>\$ 208,247,022</u>	<u>\$ 209,751,054</u>	<u>\$ 205,900,163</u>



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

	2003	2004	2005	2006	2007	2008
<b>Program Revenues:</b>						
Governmental Activities:						
Charges for Services:						
General Government	\$ 446,690	\$ 292,407	\$ 283,480	\$ 373,983	\$ 634,187	\$ 1,375,717
Security of Persons and Property	369,528	21,355	485,887	329,690	548,501	475,615
Public Health	7,549	-	-	-	-	-
Leisure Time Activities	311,797	1,073,092	762,776	807,415	947,124	912,731
Community Environment	697,261	861,651	984,579	1,581,760	1,651,109	1,008,345
Basic Utility Services	2,066,611	1,600,842	2,260,677	1,089,731	627,636	1,491,249
Transportation	400	243	522,999	641,549	565,459	-
Operating Grants, Contributions, and Interest	1,671,998	1,628,828	2,791,933	1,361,193	1,444,572	2,090,172
Capital Grants, Contributions and Interest	42,085	64,173	1,089,917	10,203,671	6,141,117	2,586,835
<b>Total Governmental Activities Program Revenues</b>	<b>5,613,919</b>	<b>5,542,591</b>	<b>9,182,248</b>	<b>16,388,992</b>	<b>12,559,705</b>	<b>9,940,664</b>
<b>Expenses:</b>						
Governmental Activities:						
Current:						
General Government	3,294,036	3,412,918	3,984,242	4,210,860	4,217,469	4,778,348
Security of Persons and Property	5,466,993	7,028,605	6,783,077	7,212,982	7,625,286	8,131,423
Public Health	119,086	119,086	121,642	139,691	146,530	157,065
Leisure Time Activities	2,853,827	2,714,029	2,589,446	2,539,900	2,700,744	3,256,451
Community Environment	1,699,270	1,403,235	2,861,784	2,552,865	4,800,863	7,370,811
Basic Utility Services	2,866,382	2,105,383	2,590,791	5,999,457	6,487,321	5,990,167
Transportation	871,604	2,552,428	2,295,447	5,305,089	4,650,580	4,500,438
Interest and Fiscal Charges	799,779	817,887	1,265,446	1,798,693	1,808,435	1,966,780
<b>Total Governmental Activities Expenses</b>	<b>\$ 17,970,977</b>	<b>\$ 20,153,571</b>	<b>\$ 22,491,875</b>	<b>\$ 29,759,537</b>	<b>\$ 32,437,228</b>	<b>\$ 36,151,483</b>
<b>Net Expenses</b>	<b>\$ (12,357,058)</b>	<b>\$ (14,610,980)</b>	<b>\$ (13,309,627)</b>	<b>\$ (13,370,545)</b>	<b>\$ (19,877,523)</b>	<b>\$ (26,210,819)</b>

(continued)

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

	2003	2004	2005	2006	2007	2008
<b>General Revenues:</b>						
Governmental Activities:						
Property Taxes Levied for General Purposes	\$ 1,350,028	\$ 1,371,968	\$ 1,569,065	\$ 1,732,640	\$ 1,902,363	\$ 1,939,885
Other Local Taxes	188,743	208,544	151,566	15,127	-	-
Municipal Income Tax Levied for General Purposes	7,919,613	8,500,614	9,047,632	9,353,451	8,720,561	10,808,397
Municipal Income Tax Levied for Transportation	1,587,233	1,700,792	1,739,073	1,821,584	1,744,110	2,161,680
Municipal Income Tax Levied for Capital Outlay	3,164,966	3,404,679	3,562,629	3,389,484	3,488,226	4,323,358
Payments in Lieu of Taxes	128,918	101,508	372,122	173,881	2,769,280	1,375,625
Grants and Entitlements not Restricted to Specific Programs	1,823,489	1,220,891	1,168,131	1,463,590	1,413,857	1,209,800
Unrestricted Contributions	-	-	1,500	-	-	-
Unrestricted Investment Earnings	108,125	100,411	572,014	773,438	820,603	355,084
Miscellaneous	163,714	176,016	179,397	480,829	522,555	186,099
<i>Total Governmental Activities</i>	<i>\$ 16,434,829</i>	<i>\$ 16,785,423</i>	<i>\$ 18,363,129</i>	<i>\$ 19,204,024</i>	<i>\$ 21,381,555</i>	<i>\$ 22,359,928</i>
<i>Change in Net Assets</i>	<i>\$ 4,077,771</i>	<i>\$ 2,174,443</i>	<i>\$ 5,053,502</i>	<i>\$ 5,833,479</i>	<i>\$ 1,504,032</i>	<i>\$ (3,850,891)</i>

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

	2003	2004	2005	2006	2007	2008
<b>Function / Program:</b>						
Governmental Activities						
General Government	\$ 488,775	\$ 356,580	\$ 308,753	\$ 373,983	\$ 634,187	\$ 1,376,705
Security of Persons and Property	414,850	275,581	675,137	455,519	600,843	588,599
Public Health	7,549	1,073,092	-	-	-	-
Leisure Time Activities	311,797	-	762,776	807,415	947,124	913,231
Community Environment	924,675	1,142,997	1,205,739	1,581,760	1,651,109	1,327,813
Basic Utility Services	2,066,611	1,600,842	2,260,677	7,279,672	774,748	1,870,366
Transportation	1,399,662	1,093,499	3,969,166	5,890,643	7,951,694	3,863,950
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 5,613,919</b>	<b>\$ 5,542,591</b>	<b>\$ 9,182,248</b>	<b>\$ 16,388,992</b>	<b>\$ 12,559,705</b>	<b>\$ 9,940,664</b>

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund						
Reserved	\$ 376,216	\$ 442,849	\$ 282,109	\$ 128,159	\$ 85,739	\$ 295,376
Unreserved	<u>3,780,785</u>	<u>2,644,057</u>	<u>2,459,691</u>	<u>3,383,257</u>	<u>2,880,514</u>	<u>2,454,282</u>
<i>Total General Fund</i>	<u>4,157,001</u>	<u>3,086,906</u>	<u>2,741,800</u>	<u>3,511,416</u>	<u>2,966,253</u>	<u>2,749,658</u>
All Other Governmental Funds						
Reserved	5,074,879	6,049,060	2,511,091	2,638,898	1,189,946	3,047,955
Unreserved, Reported in:						
Special Revenue Funds	1,664,230	2,278,017	4,016,547	5,048,777	4,769,321	3,188,558
Debt Service Funds	28,087	247,012	65,144	70,044	95,211	115,574
Capital Projects Funds	<u>(4,086,992)</u>	<u>(6,190,574)</u>	<u>(7,224,981)</u>	<u>1,074,214</u>	<u>538,776</u>	<u>1,656,802</u>
<i>Total All Other Governmental Funds</i>	<u>2,680,204</u>	<u>2,383,515</u>	<u>(632,199)</u>	<u>8,831,933</u>	<u>6,593,254</u>	<u>8,008,889</u>
<i>Total Governmental Funds</i>	<u>\$ 6,837,205</u>	<u>\$ 5,470,421</u>	<u>\$ 2,109,601</u>	<u>\$ 12,343,349</u>	<u>\$ 9,559,507</u>	<u>\$ 10,758,547</u>

2005	2006	2007	2008
\$ 2,755,118	\$ 580,680	\$ 239,375	\$ 116,547
192,489	2,605,051	3,521,255	3,183,859
<u>2,947,607</u>	<u>3,185,731</u>	<u>3,760,630</u>	<u>3,300,406</u>
8,249,125	5,294,723	4,502,398	5,029,711
2,073,997	1,769,638	5,518,127	7,391,375
23,993	9,854	264	264
<u>3,105,646</u>	<u>3,179,637</u>	<u>856,293</u>	<u>(7,260,811)</u>
<u>13,452,761</u>	<u>10,253,852</u>	<u>10,877,082</u>	<u>5,160,539</u>
<u>\$ 16,400,368</u>	<u>\$ 13,439,583</u>	<u>\$ 14,637,712</u>	<u>\$ 8,460,945</u>

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

	1999	2000	2001	2002	2003	2004
<b>Revenues:</b>						
Property and Other Local Taxes	\$ 13,661,200	\$ 15,468,124	\$ 14,391,477	\$ 1,399,359	\$ 1,526,743	\$ 1,665,011
Municipal Income Taxes	-	-	-	12,730,316	12,661,195	13,247,597
Payment in Lieu of Taxes	-	-	-	-	128,918	101,508
Intergovernmental	2,510,280	2,414,608	2,388,382	3,385,935	3,243,655	2,827,540
Charges for Services	1,666,570	2,130,192	2,923,646	3,403,048	3,058,344	3,042,601
Licenses and Permits	351,828	312,497	532,984	408,948	546,158	474,459
Fines and Forfeitures	228,963	232,035	188,598	251,060	251,034	296,966
Contributions and Donations	36,228	52,678	45,155	43,318	45,147	53,377
Investment Income	546,231	827,150	804,385	139,298	166,204	164,584
Special Assessments	167,103	158,117	124,586	167,246	83,025	79,579
Rent	-	-	-	47,197	44,300	35,564
Other	58,354	101,306	588,720	193,247	163,714	176,016
<i>Total Revenues</i>	<u>19,226,757</u>	<u>21,696,707</u>	<u>21,987,933</u>	<u>22,168,972</u>	<u>21,918,437</u>	<u>22,164,802</u>
<b>Expenditures:</b>						
Current:						
General Government	4,396,185	4,665,711	4,188,601	3,363,543	3,545,179	3,303,940
Security of Persons and Property	4,760,546	5,253,978	4,984,686	5,119,813	6,234,905	6,623,283
Public Health	77,937	86,423	102,506	116,275	119,086	119,086
Leisure Time Activities	2,304,495	2,468,887	2,457,256	2,394,556	2,800,886	2,528,337
Community Environment	1,052,595	1,293,415	1,310,297	1,377,966	1,640,914	1,285,139
Basic Utility Services	1,422,919	1,385,469	1,611,830	1,639,017	3,419,312	2,618,772
Transportation	1,614,934	2,225,509	2,517,213	2,359,052	4,668,718	4,700,834
Capital Outlay	1,357,045	3,848,416	6,108,413	5,029,990	-	-
Debt Service:						
Principal Retirement	856,155	927,000	937,000	800,000	9,185,000	1,215,608
Interest and Fiscal Charges	794,500	912,958	1,130,951	660,269	989,671	799,579
<i>Total Expenditures</i>	<u>18,637,311</u>	<u>23,067,766</u>	<u>25,348,753</u>	<u>22,860,481</u>	<u>32,603,671</u>	<u>23,194,578</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>589,446</u>	<u>(1,371,059)</u>	<u>(3,360,820)</u>	<u>(691,509)</u>	<u>(10,685,234)</u>	<u>(1,029,776)</u>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	-	-	-	257,705	-	-
General Obligation Bonds Issued	1,594,957	-	-	4,950,000	5,280,000	-
Bond Anticipation Notes Issued	-	-	-	-	-	2,227,000
OWDA Loans Issued	-	-	-	-	-	-
Premium on Debt	-	-	-	17,552	121,392	-
Refunding Bonds Issued	2,348,603	-	-	-	-	-
Payment to Refunded Bond Escrow	(2,365,545)	-	-	-	-	-
Notes Issued	-	4,275	-	5,700,000	2,500,000	-
Inception of Capital Lease	-	-	-	-	-	1,816
Transfers - In	1,489,098	2,003,942	2,037,569	2,904,195	2,829,026	1,884,495
Transfers - Out	(1,489,098)	(2,003,942)	(2,037,569)	(2,904,195)	(2,829,026)	(1,884,495)
<i>Total Other Financing Sources (Uses)</i>	<u>1,578,015</u>	<u>4,275</u>	<u>-</u>	<u>10,925,257</u>	<u>7,901,392</u>	<u>2,228,816</u>
<i>Net Change in Fund Balances</i>	<u>\$ 2,167,461</u>	<u>\$ (1,366,784)</u>	<u>\$ (3,360,820)</u>	<u>\$ 10,233,748</u>	<u>\$ (2,783,842)</u>	<u>\$ 1,199,040</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	9.6%	9.6%	10.7%	8.2%	37.7%	10.0%

2005	2006	2007	2008
\$ 1,713,495	\$ 1,733,726	\$ 1,905,010	\$ 1,938,359
13,936,390	14,356,448	15,780,108	16,639,707
372,122	173,881	2,769,280	599,118
5,179,408	3,636,055	3,189,358	6,242,515
4,152,126	3,658,956	3,610,180	4,387,135
800,580	1,138,388	1,011,571	871,346
310,490	307,939	286,805	367,636
53,282	-	-	-
585,975	810,003	841,297	381,963
22,755	85,288	91,765	98,734
37,202	-	-	-
179,397	151,529	590,831	124,153
<u>27,343,222</u>	<u>26,052,213</u>	<u>30,076,205</u>	<u>31,650,666</u>
3,987,625	4,315,806	4,105,156	5,092,918
6,496,423	7,111,652	7,507,956	8,152,818
121,642	139,691	146,530	157,065
2,417,118	3,509,050	4,855,085	4,656,844
5,861,294	6,248,593	5,565,363	9,413,956
2,582,123	1,277,178	1,599,361	1,195,029
22,013,004	6,325,373	5,389,484	4,852,648
-	-	-	-
1,661,573	1,935,962	2,471,327	2,398,986
1,581,315	1,692,436	2,062,148	1,907,169
<u>46,722,117</u>	<u>32,555,741</u>	<u>33,702,410</u>	<u>37,827,433</u>
<u>(19,378,895)</u>	<u>(6,503,528)</u>	<u>(3,626,205)</u>	<u>(6,176,767)</u>
-	329,300	343,739	-
21,997,543	-	7,975,000	-
-	1,900,000	-	-
1,893,334	323,443	-	-
727,207	-	475,595	-
6,462,457	-	-	-
(6,462,457)	-	(3,970,000)	-
-	-	-	-
402,632	990,000	-	-
37,871	-	-	-
(37,871)	-	-	-
<u>25,020,716</u>	<u>3,542,743</u>	<u>4,824,334</u>	<u>-</u>
<u>\$ 5,641,821</u>	<u>\$ (2,960,785)</u>	<u>\$ 1,198,129</u>	<u>\$ (6,176,767)</u>
14.0%	15.9%	17.5%	14.9%

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

Year	Individual			Business Accounts		
	Withholding	Non-withholding	Percentage of Total	Total Individual	Business Accounts	Percentage of Total
1999	10,295,176	1,258,417	10%	11,553,592	1,336,983	10%
2000	10,930,764	1,311,397	10%	12,242,161	1,429,268	10%
2001	10,999,661	1,402,541	10%	12,402,201	1,130,850	8%
2002	10,549,918	1,414,197	11%	11,964,115	1,143,743	9%
2003	10,429,573	1,408,464	11%	11,838,038	1,198,322	9%
2004	10,373,704	1,520,520	11%	11,894,224	1,684,780	12%
2005	10,567,780	1,463,816	10%	12,031,596	2,025,941	14%
2006	11,093,880	1,603,193	11%	12,697,073	2,046,361	14%
2007	10,939,771	1,879,695	13%	12,819,466	2,070,616	14%
2008	13,152,852	2,071,126	12%	15,223,978	1,649,651	10%

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)
1999	7,740,086	3,096,034	1,548,017	12,384,137	3.86%
2000	8,247,479	3,298,992	1,649,496	13,195,967	6.56%
2001	8,088,592	3,235,437	1,617,718	12,941,747	-1.93%
2002	7,839,814	3,135,925	1,567,963	12,543,702	-3.08%
2003	7,900,013	3,150,135	1,579,817	12,629,965	0.69%
2004	8,261,454	3,316,006	1,656,457	13,233,917	4.78%
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%

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*  
 2008 and 1999

Range of Withholding Amount	2008		1999	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	3	24.38%	3	28.90%
\$300,001 - 500,000	3	7.64%	2	6.95%
\$100,001 - 300,000	9	7.89%	7	10.04%
\$55,001 - 100,000	22	12.86%	13	8.76%
Total		52.77%		54.65%
All Others		47.23%		45.35%
Total Withholding Accounts		100.00%		100.00%

Source: City Income Tax Department

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

Tax Year	Real Property (1)					Personal Property (2)			Total		Estimated Actual Value of Taxable Property	Total Direct Tax Rate		
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Public Utility	General	Total	Valuation			% Growth	
1999	371,372,080	1,119,690	83,044,640	35,204,130	48,320	490,788,860	48,320	20,593,850	70,229,428	90,823,278	581,612,138	15.79%	1,765,546,998	1.60
2000	393,648,240	1,669,110	88,096,320	37,196,450	96,300	520,706,420	96,300	19,792,520	76,476,995	96,269,515	616,975,935	6.08%	1,872,810,689	1.60
2001	409,871,750	1,581,760	91,896,500	38,612,920	47,340	542,010,270	47,340	15,138,450	68,687,135	83,825,585	625,835,855	1.44%	1,883,903,111	1.60
2002	477,491,550	753,640	103,148,400	43,682,320	43,450	625,119,360	43,450	19,971,850	73,219,911	93,191,761	718,311,121	14.78%	2,158,822,358	1.60
2003	505,573,330	627,670	105,337,610	43,824,420	46,960	655,409,990	46,960	17,714,230	57,686,187	75,400,417	730,810,407	1.74%	2,174,201,639	1.60
2004	538,044,700	553,600	108,180,720	44,851,070	46,870	691,676,960	46,870	17,401,820	49,482,834	66,884,654	758,561,614	3.80%	2,243,758,502	1.60
2005	640,343,800	974,340	113,505,210	47,059,140	46,920	801,929,410	46,920	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	64,150	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	89,200	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	80,650	10,072,070	2,691,967	12,764,037	864,594,107	1.53%	2,484,856,348	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

**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>
1999	1.60	59.71	17.64	2.20	17.50	1.60	100.25
2000	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2001	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2002	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2003	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2004	1.60	74.40	18.44	2.20	17.50	0.50	114.64
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

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Principal Property Tax Payers - Real Property*  
2008 and 1999

Taxpayer	2008			1999		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
G&I VI Heritage Green LLC	7,238,000	1	0.85	\$5,387,900	2	1.10%
Trueman LP	4,151,560	2	0.49			
Talcott III Mill Run LLC	3,964,780	3	0.47			
CSE Hilliard LLC	3,436,090	4	0.40			
Tremont Club LLC	3,350,020	5	0.39			
Crystal Lake Apartments	3,160,620	6	0.37			
Cadlerocks Hilliard	2,975,000	7	0.35	2,966,260	3	0.60
First Industrial LP	2,529,180	8	0.30			
Compuserve Inc.	2,237,310	9	0.26			
Clearview Hilliard LP	2,173,790	10	0.26			
Armstrong World				1,981,000	9	0.40
Garden Ridge Hilliard				2,607,500	6	0.53
One Mill LLC				5,599,760	1	1.14
Heritage Golf Club, LP				2,000,340	8	0.41
Real Estate Finance Trust 1995-K-4				2,800,010	5	0.57
TR Properties, Inc. & TR Development V Inc.				2,966,110	4	0.59
Red Roof Inns, Inc.				2,192,370	7	0.45
Tri-Columbus Associates				1,925,010	10	0.39
Totals - Top 10 Real Property Tax Payers	35,216,350		4.14	30,426,260		6.20
All Others	816,613,720		95.86	460,362,600		93.80
Total Assessed Valuation	851,830,070		100.00%	490,788,860		100.00%

Source: Franklin County Auditor

**City of Hilliard, Ohio**  
*Property Tax Levies and Collections (1) (2)*  
*Last Ten Years*

Collection Year	Total Tax Levy (1) (2)	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1999	818,899	809,787	98.89	19,134	828,921	101.22
2000	951,953	927,709	97.45	19,405	947,114	99.49
2001	983,178	962,455	97.89	27,112	989,567	100.65
2002	1,008,998	951,977	94.35	59,665	1,011,642	100.26
2003	1,131,059	1,159,650	102.53	29,381	1,189,031	105.13
2004	1,167,957	1,223,735	104.78	102,181	1,325,916	113.52
2005	1,211,106	1,187,941	98.09	19,395	1,207,336	99.69
2006	1,379,069	1,336,249	96.90	34,813	1,371,062	99.42
2007	1,416,496	1,362,616	96.20	30,971	1,393,587	98.38
2008	1,458,263	1,307,442	89.66	98,396	1,405,838	96.40

Source: Franklin County Auditor

(1) State reimbursement of rollback and homestead exemptions are included

(2) Amounts listed include penalties and interest

**City of Hilliard, Ohio**  
*Computation of All Direct and Overlapping Governmental Debt*  
 December 31, 2008

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
<b>Direct</b>			
City of Hilliard			
Notes Payable	\$ 11,390,000		\$ 11,390,000
Loans Payable	2,216,777		2,216,777
General Obligation Bonds	37,880,000		37,880,000
Special Assessment Bonds	-		-
Capital Leases	342,992		342,992
	<u>51,829,769</u>	100.00%	<u>51,829,769</u>
<b>Overlapping Subdivisions</b>			
Hilliard City School District	156,013,618	36.281212	56,603,631
Dublin City School District	198,013,360	.081048	160,486
Franklin County	200,335,000	3.037959	6,086,095
Washington Township	2,214,999	.050049	1,109
Tolles Career & Technical Center	6,055,000	13.270000	803,499
Solid Waste Authority of Central Ohio	19,975,000	2.890000	577,278
Total Overlapping Debt	<u>582,606,977</u>		<u>64,232,097</u>
Grand Total	<u><u>\$634,436,746</u></u>		<u><u>116,061,866</u></u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

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

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

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

Collection Year	Net Bonded Debt (3)	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
1999	9,285,913	1,765,546,998	22,058	0.53	420.98
2000	8,089,966	1,872,810,689	24,230	0.43	333.88
2001	7,389,856	1,883,903,111	24,969	0.39	295.96
2002	11,585,172	2,158,822,358	25,555	0.54	453.34
2003	15,862,129	2,174,201,639	25,996	0.73	610.18
2004	16,874,129	2,243,758,502	26,844	0.75	628.60
2005	35,575,000	2,476,861,742	28,158	1.44	1,263.41
2006	33,855,000	2,533,596,586	28,557	1.34	1,185.52
2007	39,810,000	2,459,963,447	28,730	1.62	1,385.66
2008	37,880,000	2,484,856,348	28,850	1.52	1,313.00

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

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

(3) Includes all general obligation debt financed with general governmental resources less balance available in General Obligation Bond Retirement Fund

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



**City of Hilliard, Ohio**  
*Ratios of Outstanding Debt by Type*  
*Governmental Activities*  
*Last Ten Years*

Year	Notes Payable	Loans Payable	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Total Outstanding Debt	Population(1)	Personal Income(2)	Debt Per Capita	Percentage of Personal Income
1999	6,050,000	-	8,475,000	839,000	1,268	15,365,268	22,058	636,395	697	2.41
2000	8,750,000	-	7,660,000	732,000	-	17,142,000	24,230	744,903	707	2.30
2001	8,250,000	-	6,795,000	660,000	-	15,705,000	24,969	784,826	629	2.00
2002	5,700,000	-	11,015,000	590,000	-	17,305,000	25,555	824,864	677	2.10
2003	-	-	15,385,000	515,000	-	15,900,000	25,996	852,513	612	1.87
2004	2,227,000	-	14,255,000	430,000	1,208	16,913,208	26,844	916,132	630	1.85
2005	2,156,000	1,893,334	35,380,000	195,000	403,267	40,027,601	28,158	991,894	1,422	4.04
2006	3,970,000	2,216,777	33,720,000	135,000	1,263,305	41,305,082	28,557	1,037,619	1,446	3.98
2007	2,300,000	2,216,777	39,740,000	70,000	811,978	45,138,755	28,730	1,082,087	1,571	4.17
2008	11,390,000	2,216,777	37,880,000	-	342,992	51,829,769	28,850	N/A	1,797	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*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Assessed Valuation	864,594,107	\$851,564,019	\$871,274,255	\$848,338,124
Overall debt limitation - 10.5% of assessed valuation	<u>90,782,381</u>	<u>89,414,222</u>	<u>91,483,797</u>	<u>89,075,503</u>
Net Debt Subject to Limitation	37,880,000	39,740,000	37,690,000	37,536,000
Less amount available in the debt service fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt Subject to Limitation	<u>37,880,000</u>	<u>39,740,000</u>	<u>37,690,000</u>	<u>37,536,000</u>
Legal debt margin within 10.5% limitation	<u>\$52,902,381</u>	<u>\$49,674,222</u>	<u>\$53,793,797</u>	<u>\$51,539,503</u>
Legal Debt Margin as a Percentage of the Debt Limit	58.3%	55.6%	58.8%	57.9%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	\$47,552,676	\$46,836,021	\$47,920,084	\$46,658,597
Net Debt Subject to Limitation	<u>37,880,000</u>	<u>39,740,000</u>	<u>37,690,000</u>	<u>37,536,000</u>
Less amount available in the debt service fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt Subject to Limitation	<u>37,880,000</u>	<u>39,740,000</u>	<u>37,690,000</u>	<u>37,536,000</u>
Legal debt margin within 10% limitation	<u>\$9,672,676</u>	<u>\$7,096,021</u>	<u>\$10,230,084</u>	<u>\$9,122,597</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	20.3%	15.2%	21.3%	19.6%
Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.				

2004	2003	2002	2001	2000
\$758,561,614	\$730,810,407	\$718,311,121	\$625,835,855	\$616,975,935
79,648,969	76,735,093	75,422,668	65,712,765	64,782,473
15,947,000	15,385,000	16,715,000	15,045,000	16,410,000
37,871	37,871	19,828	65,144	302,034
15,909,129	15,347,129	16,695,172	14,979,856	16,107,966
<u>\$63,739,840</u>	<u>\$61,387,964</u>	<u>\$58,727,496</u>	<u>\$50,732,909</u>	<u>\$48,674,507</u>
80.0%	80.0%	77.9%	77.2%	75.1%
\$41,720,889	\$40,194,572	\$39,507,112	\$34,420,972	\$33,933,676
15,947,000	15,385,000	15,415,000	15,045,000	16,410,000
37,871	37,871	19,828	65,144	302,034
15,909,129	15,347,129	15,395,172	14,979,856	16,107,966
<u>\$25,811,760</u>	<u>\$24,847,443</u>	<u>\$24,111,940</u>	<u>\$19,441,116</u>	<u>\$17,825,710</u>
61.9%	61.8%	61.0%	56.5%	52.5%

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Income (5)</u>	<u>School Enrollment (6)</u>	<u>Unemployment Rate Franklin County Area (3)</u>	<u>Total Assessed Property Value (4)</u>
1999	22,058	636,395	28,851	12,492	2.5%	581,612,138
2000	24,230	744,903	30,743	12,873	2.4%	616,975,935
2001	24,969	784,826	31,432	13,252	2.8%	625,835,855
2002	25,555	824,864	32,278	13,674	4.4%	718,311,121
2003	25,996	852,513	32,794	14,220	4.9%	730,810,407
2004	26,844	916,132	34,128	14,529	5.4%	758,561,614
2005	28,158	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	N/A	N/A	15,136	6.1%	864,594,107

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*  
 2008 and 1999

Employer	2008			1999		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,792	1	9.70%	1,770	2	9.89%
BMW Financial Services	522	2	2.83%			
Verizon Business Network Service	416	3	2.25%	1,049	1	5.86%
Micro Center Inc.	335	4	1.81%	451	5	2.52%
Advanced Drainage Systems	97	5	0.53%			
Baesian Painting Corp	142	6	0.77%	158	9	0.88%
Echosphere LLC	448	7	2.43%			
R. E. Rich Family Holding Corp.	246	8	1.33%			
TALX UCM Services	242	9	1.31%			
Norwich Township	98	10	0.53%			
Gates McDonald & Co.				629	4	3.52%
Dana Corp.				164	6	0.92%
Discover Financial Services				440	7	2.46%
Arctic Express				277	10	1.55%
Red Roof Inns, Inc.				664	3	3.71%
Medex, Inc.				359	8	2.01%
Total Employees	4,338		23.49%	5,961		33.32%
All Other Employers	14,131		76.51%	11,929		66.68%
Total Employment within the City	18,469		100.00%	17,890		100.00%

Source: City Income Tax Department

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

Function/Program	1999		2000		2001		2002		2003	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	42	52	54	61	60	66	62	67	35	35
Security of Persons and Property	43	43	44	44	46	46	45	45	50	50
Leisure Time Activities	17	28	19	32	21	34	19	33	23	35
Basic Utility Services	8	8	10	11	9	9	11	11	14	14
Transportation	23	23	22	22	20	20	19	19	21	21
<i>Total Number of Employees</i>	<u>133</u>	<u>154</u>	<u>149</u>	<u>170</u>	<u>156</u>	<u>175</u>	<u>156</u>	<u>175</u>	<u>143</u>	<u>155</u>

2004		2005		2006		2007		2008	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
48	48	49	49	47	47	48	48	49	49
50	50	50	50	49	49	50	50	49	50
20	32	22	32	23	35	23	35	23	35
4	4	1	1	1	1	1	1	1	1
21	21	21	21	21	21	21	21	21	21
<u>143</u>	<u>155</u>	<u>143</u>	<u>153</u>	<u>141</u>	<u>153</u>	<u>143</u>	<u>155</u>	<u>143</u>	<u>156</u>

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

Function/Program	1999	2000	2001	2002	2003
General Government					
Government Center	1	1	1	1	1
Security of Persons and Property:					
Number of Police Stations	1	1	1	1	1
Number of Fire/EMS Stations (1)	1	2	2	2	3
Leisure Time Activities:					
Number of Parks	18	18	18	18	18
Park Area (acres)	227.0	239.9	239.9	239.9	256.9
Number of Playgrounds	10	11	11	11	11
Number of Swimming Pools	2	2	2	2	2
Number of Community Centers	1	1	1	1	1
Number of Senior Centers	1	1	1	1	1
Basic Utility Services:					
Miles of Water Mains	97	97	105	105	126
Miles of Sanitary Sewers	118	118	120	120	151
Miles of Storm Sewers	85	85	96	96	141
Transportation					
Miles of Streets	N/A	N/A	N/A	N/A	N/A
Number of Street Lights	419	419	480	480	1,636
Number of Traffic Signal Systems	N/A	N/A	N/A	N/A	N/A

(1) Fire Protection provided by Norwich Township

N/A - Information not available

Source: City capital asset records



2004	2005	2006	2007	2008
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
21	21	21	21	21
285.0	285.0	285.0	285.0	285.0
11	11	11	11	11
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
114	113	127	128	128
130	117	135	140	140
108	122	107	118	118
N/A	102	103	107	107
1,405	1,445	1,458	1,536	1536
N/A	N/A	31	34	35

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

	1999	2000	2001	2002	2003	2004
<b>General Government:</b>						
<b>Active Income Tax Accounts</b>						
Individual	8,625	8,932	9,200	9,360	9,253	9,368
Business	2,020	2,390	2,100	2,296	2,303	2,378
Withholding	2,300	2,630	3,024	3,075	3,290	3,152
<b>Clerk of Courts:</b>						
Traffic Court Cases	2,284	2,322	2,405	2,865	2,469	2,754
<b>Security of Persons and Property:</b>						
Police Calls	40,170	42,926	42,370	48,807	48,001	56,286
Physical Arrests	1,842	1,957	1,760	1,853	1,805	2,061
Citations	3,088	3,282	3,202	3,966	3,686	4,470
Parking Violations	65	74	78	74	80	80
<b>Leisure Time Activities:</b>						
Swimming Pool Revenue	427,427	428,918	458,228	479,925	471,468	401,414
Community Center Revenue	209,157	217,005	233,949	254,261	273,369	225,431
Senior Center Revenue	84,730	54,471	94,933	106,500	89,219	86,209

Source: Department annual reports

2005	2006	2007	2008
10,007	10,343	11,841	14,765
2,457	2,539	2,766	2,829
3,097	3,243	2,883	3,050
2,922	2,177	2,085	3,114
57,170	55,017	55,204	54,606
1,771	1,782	1,938	1,901
4,699	3,579	3,660	4,649
93	91	108	51
388,633	328,198	423,731	512,572
207,862	230,356	227,528	206,194
87,730	88,115	81,938	93,851

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Mary Taylor, CPA  
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  
JUNE 16, 2009