



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF HILLIARD
FRANKLIN COUNTY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

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

To the Members of Council:

We have audited the financial statements of the City of Hilliard, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated July 12, 2002, wherein we noted the City adopted Governmental Accounting Standard Board Statements No. 33 and No. 36. 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.

Compliance

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 grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-20625-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 12, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-20625-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 12, 2002.

This report is intended for the information and use of the management and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

JIM PETRO
Auditor of State

July 12, 2002

**CITY OF HILLIARD
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001**

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

FINDING NUMBER 2001-20625-001

Ohio Revised Code section 5705.36 states that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce the available resources below the current level of appropriations.

Since the City appropriates all estimated resources (which include estimated receipts) the City should have obtained a reduced amended certificate in the following funds:

Fund	Estimated Receipts	Actual Receipts	Variance
General Fund	13,879,236	13,263,615	(615,621)
Construction Inspection Fund	475,000	309,424	(165,576)
Enforcement & Education Fund	2,500	2,232	(268)
Law Enforcement Seizure Trust Fund	2,000	203	(1,797)
Mandatory Drug Fine Fund	2,000	-	(2,000)
Mayor's Court Computer Fund	18,000	16,826	(1,174)
Motor Vehicle Tax Fund	325,000	290,817	(34,183)
Park Maintenance Fund	125,000	77,548	(47,452)
Seizure Account Fund	2,000	22	(1,978)
Sewer Maintenance and Repair Fund	322,500	177,472	(145,028)
Street Construction Maintenance and Repair Fund	950,000	862,418	(87,582)
Street Capital Improvement Fund	1,729,500	1,691,895	(37,605)
Bond Retirement Fund	2,290,475	2,035,631	(254,844)
Special Assessment Fund	130,000	126,524	(3,476)
Britton Road Construction Fund	1,750,000	(70)	(1,750,070)
Hilliard Rome Road Improvement fund	-	(37)	(37)
Insurance Account	1,800,000	1,293,596	(506,404)
Columbus Escrow Account	45,000	447,053	402,053
Tax Depository Account	13,830,000	13,544,260	(285,740)
Tax Refund Trust Fund	602,000	592,225	(9,775)

Failure to reduce estimated receipts and possibly appropriations could result in deficit spending.

We recommend the City request an amended certificate of estimated resources when it becomes evident that estimated sources of revenue will be insufficient to meet the projections for the year.

**CITY OF HILLIARD
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2001-20625-002

SAS 70 Report

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

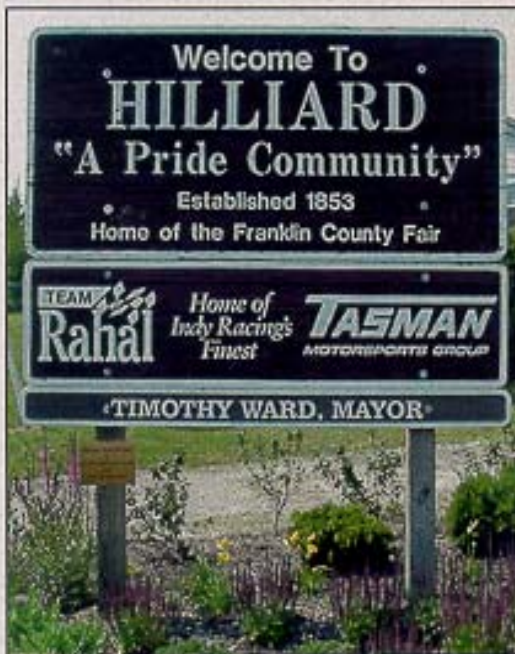
We recommend the City specify in their contract with the third-party administrator that an annual Tier II SAS 70 audit report be performed. The City should be provided a copy of the SAS 70 report timely and should review the report's content. A SAS 70 audit report should be conducted in accordance with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

**CITY OF HILLIARD
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-20625-001	City Charter Section 6.06 – Appropriations in Excess of Estimated Resources	Partially Corrected	Management Letter Comment repeated in 2001
2000-20625-002	City Charter Section 6.13 – Expenditures in Excess of Appropriations	Partially Corrected	Management Letter Comment repeated in 2001

City of HILLIARD, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001
TIMOTHY A. WARD, MAYOR

THE CITY OF HILLIARD, OHIO

FRANKLIN COUNTY

Comprehensive Annual Financial Report

For the Year ended December 31, 2001

Prepared by:
Department of Finance

Lynn A. Skeels
Director

David D. Delande
Deputy Director

CITY OF HILLIARD, OHIO

Franklin County

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Franklin County

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF HILLIARD, OHIO
FOR THE YEAR ENDED – DECEMBER 31, 2001



City of Hilliard, Ohio • Aerial Photograph 1999

ISSUED BY: DEPARTMENT OF FINANCE
LYNN A. SKEELS, DIRECTOR
3800 MUNICIPAL WAY • HILLIARD, OHIO 43026



Timothy A. Ward, Mayor

City of Hilliard

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

July 12, 2002

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

Submitted for your review is the comprehensive Annual financial Report (CAFR) of the City of Hilliard, (The City) for the year ended December 31, 2001. The report has been prepared in accordance with accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Hilliard to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The Report

This report is comprised of three major sections:

1. *The Introductory Section* includes this Letter of Transmittal, which addresses the organization, accomplishments, and operational structure of the City, a list of the principal City Officials and an Organization Chart;
2. *The Financial Section* contains the Report of Independent Accountants, the General Purpose Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the Individual Funds and Account Groups that provide detailed information to the General Purpose Financial Statements;
3. *The Statistical Section* presents social, economic, and historical data, which can be used to identify financial trends, and data relative to the fiscal capacity of the City.

The Reporting Entity

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions and component units for which the city (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the city has no component units but includes the following services as authorized by its charter: police protection, parks and recreation, planning, zoning, engineering, street maintenance, refuse collection (on a contractual basis) and other governmental services.

Early History

In 1852, John Reed Hilliard bought ten acres of land on the broad, flat plain of western Franklin County from Hoseah High and Abram Wendell. The land, located near the proposed route of the Columbus, Piqua & Indiana Railroad would become known as Hilliard's Station. Hilliard's Station served as an ideal shipping point for agricultural products going to market and supplies coming to the farmers in the area. He laid out about two hundred lots and recorded his plat on September 1, 1853. In 1854, a post office was established in Hilliard's Station and the word Station was dropped from the town's name. The Village of Hilliard became incorporated on July 13, 1869 with a population of approximately two hundred eighty residents. In 1886 the first railroad station was located on the north side of the tracks, west of Main Street, and remained there until 1962 when all services (passenger and freight) in and out of Hilliard ceased. The original train station has been restored in our historical Weaver Park. Today the City of Hilliard remains close to all major railroad traffic in Central Ohio. The Conrail Buckeye Yard, located just south of town, is an immense complex for assembling, switching and routing regional rail traffic.

Location

Hilliard is located ten miles northwest of downtown Columbus and comprises the western edge of the Columbus metropolitan area. Encompassing approximately fourteen square miles (14), the City lies near the geographic center of the state and is easily accessible from all areas in Ohio. 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 accessibility to interstate highways I-70 and I-270 via three major interchanges. Hilliard is situated 833 feet above sea level and experiences mean temperatures of 71.97 degrees during the summer and 29.8 degrees during the winter.

Form of Government

The City operates under a Charter first adopted by the voters in 1963 and last amended by the voters in 1982, which provides for a Mayor-Council form of government. The laws of the State of Ohio prevail when conflicts exist between the Charter and the State Constitution and in matters where the Charter is silent. The legislative body of Hilliard 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, and Parks and Recreation. 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 City has one hundred fifty six (156) full-time and approximately one hundred (100) part-time employees (during peak summer months). A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

The designated bargaining units represent the following full-time employees:

<u>Employees</u>	<u>Bargaining Unit</u>	<u>Agreement Duration</u>	<u>Number of Employees</u>
Police Officers, Sergeants, and Lieutenants	Fraternal Order of Police	12/31/04	47
Radio Technicians and Clerks	State Fraternal Order of Police	12/31/04	13
Service/Maintenance Workers and Custodians	United Steelworkers of America	12/31/04	25

Our current contract will expire December 31, 2004. All remaining full time employees have elected not to join a bargaining unit.

City Council establishes salaries, wages and other economic benefits for City employees. Ordinances affecting salaries, wages and economic benefits generally have been the product of negotiations with representatives of the employees or bargaining units. Increases in economic benefits have been provided on an annual basis. The City is of the belief that employee relations have been and will continue to be excellent.

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting used by the City is in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units and are consistent with GASB Codified Section 1600, *Basis of Accounting*.

All government and expendable trust funds are accounted for by using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental, expendable trust and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary fund is on the flow of total economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1.

ECONOMIC CONDITIONS AND OUTLOOK

The Columbus Metropolitan Area has been recognized as one of the emerging metropolitan areas of the 1990's. A strong residential, commercial and industrial tax base, a very diverse labor force and an unemployment rate below the state and national averages has resulted in phenomenal growth for Hilliard since 1970. Hilliard has also continued to prosper during this period of growth in the Columbus Metropolitan Area; not only has the population doubled, but the growth in the commercial and industrial tax base has been unparalleled in Franklin County.

Unemployment Rates

The great diversity of job opportunities in the Central Ohio area has helped the unemployment rate remain consistently lower than state and national averages. A large percentage of Hilliard residents work in Columbus and the surrounding area. Therefore, the city's rate of unemployment is influenced to a great extent by that of the metropolitan area. For 2001 Franklin County had a rate of unemployment at 5.8%. The Hilliard percentage would be below 5%.

Local Economy

The City's ability to provide opportunities for expansion of its residential, commercial and industrial tax base is greatly influenced by its aggressive development strategy, excellent school system, recreational programs, police department, city services and probably, most importantly, the annual five year Capital Improvement Program. The Capital Improvement Program provides the City with the framework to upgrade the infrastructure to make it possible to handle a growing and prosperous city. The Capital Improvement Program is a comprehensive five-year plan that is updated every year to prioritize projects that provide improvement to everything from streets, sewer and waterlines to ball fields, traffic signals and the municipal complex expansion. Input is gathered from a large committee comprised of civic, school, business, City and residential leaders with direction from the City Administration and City Council. This five year plan was the first adopted in Franklin County and has been used a model numerous times since.

Hilliard encompasses approximately 14 square miles of area and includes 126 lane miles of area and includes 100 lane miles of streets. The City has 9000 residential units comprised of 7150 single family and 1850 twin single/condominiums. We currently have 4 subdivisions under construction that will result in approximately 400 homes. The price range of homes will be from \$200,000 to \$500,000.

The 2000 census declared our population 25,555 with a growth of 20.1% since 1996. The number of jobs within the city is 20,668 with an estimated annual payroll of \$550,000,000. The per capita income is \$28,496 and of our residents 51.6% are college graduates.

Building permits are slowly picking up, residential is up slightly and commercial is doing well with a new Hampton Inn, Goddard School, completion of ADS (Advanced Drainage Systems), a producer of polyethylene piping, and Everdri, Inc. a basement water proofing company.

Our prestigious Heritage Lakes Gold Community continues to flourish with beautiful homes in the \$350,000 to \$500,000 price range.

The City's assessed value increased from \$617 million to \$625 million in 2001. Currently 62% of the tax base is comprised of residential with the balance commercial property.

Income tax remains the primary source of revenue for the city; this revenue supports our five-year Capital Improvement Program. In 2001 we received \$13,533,051, which is divided between three funds including General Fund, Street improvement fund, and Capital Improvement fund. Some of the City's largest employers include MCI WorldCom, which took over Compuserve in 1998, employs over 1600 people, Hilliard City Schools, Gates McDonald & Co., Micro Center, Inc., and Honda of America.

MAJOR INITIATIVES

For the year

During 2001 the City had many capital improvements. A major sewer line, costing \$450,000 has been constructed under I-270 to better serve our residents. The completion of this line will allow us to abandon our 28-year-old Lyman Lift Station, which is beyond its useful life.

The City had a 2001 street program in excess of \$400,000. Many handicapped ramps have been reconstructed to code and the construction of Leap Road is complete. Right of way has been purchased and engineering is complete on Britton Road South, construction is underway. This will be a major north/south connector in the city.

Hilliard maintains a recreational program to service all our residents: Senior Center, Community Center, a 100 acre Municipal Park with eight (8) lighted ball fields, soccer fields, and two (2) heated pools. After school and summer programs are abundant for all ages.

The Police Department continues 911 dispatching for themselves and the Norwich Township Fire Department. Our overall crime rate is down. We continue our Safety Town and DARE Programs and since 2000 we have School Resource Officers in our two high schools.

Municipal Service

Our Master Plan update is almost complete, this enables us to review our zoning, land usage, density, etc.

The City provides the following services to our residents:

Police Protection

Leisure Time Activities

Water, Sewer, Snow Removal, and Refuse Pick-Up by an outside contractor.

In 2000 an Economic Development Director was appointed to assist the City in bringing in additional commercial business in order to increase our tax revenues.

The City continues to annex land that is available. We currently have 333 acres along the west and east sides of I – 270. When developed, 70% will be commercial and the balance multifamily, resulting in an increase of tax revenues to the City.

Hilliard continues to update and expand our infrastructure as required for growth and development. The following are some of our major goals for the future:

Currently the City's 1 million gallon enclosed water tank is operational. An additional tower of the same size will be built in 2004.

The re-construction of Hilliard Rome Road has been scheduled for 2008. The timeframe was extended due to environmental testing. This is a joint project between the City of Columbus and Hilliard. Due to the extension of actual construction the City will do an overlay on the section in our City limits.

FINANCIAL INFORMATION

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition;
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personal that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio revised Code and the City Charter. The Mayor, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year.

The Mayor, with the assistance of the Finance Director, is required by Charter to submit to Council, on or before December 15 of each fiscal year, an appropriation ordinance, based on the tax budget, for the next succeeding fiscal year. Council is required to adopt the appropriation ordinance (the budget) in its original form or with revisions as it may find proper, within thirty days of the beginning of the fiscal year covered by such ordinance.

The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by Council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Finance Director for approval, preparation of a purchase order and certification, after approval by the appropriate Department Director. The purchase is reviewed for the availability of funds and the estimated expenditure is encumbered against the available appropriation. Encumbrances which would exceed the available appropriation are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

The City's accounting system provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other city officials to ascertain the status of each department's appropriations at any time during the year.

General Governmental Revenues

Revenues for general governmental functions (including all governmental fund types except capital projects funds) totaled \$19,028,985, representing an increase of \$1,395,719 over 2000. The 7.9% increase is primarily the result of a large increase in intergovernmental and charge for services revenue for the year. The following schedule presents a summary of general governmental revenues for the years ended December 31, 2001 and 2000, the percentage of total revenues for each year and the amount and percentage of increase/(decrease) in relation to 2000 revenues.

Revenue Source	2001 Total	Percent Of Total	2000 Total	Increase (Decrease) Over 2000	Percent of Increase (Decrease)
1. Taxes	\$11,853,434	62.0%	\$12,207,528	(354,094)	(2.9%)
2. Intergovernmental Revenues	2,371,628	12.4	1,664,608	707,020	42.5
3. Charges for Services	2,923,646	15.4	2,130,192	793,454	37.2
4. Licenses, Permits and Fees	532,984	2.8	312,497	220,487	70.6
5. Investment Earnings	517,618	2.7	827,150	(309,532)	(37.4)
6. Special Assessments	124,586	0.7	158,117	(33,531)	(21.2)
7. Fines and Forfeitures	188,598	1.0	232,035	(43,437)	(18.7)
8. All Other Revenues	516,491	3.0	101,139	415,352	410.7
Total	19,028,985	100%	\$17,633,266	1,395,719	7.9%

Revenue Narrative

The City's income tax continues to be its primary source of revenue. The tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. The initial tax rate of 1.0% collected in 1973 was increased to 1.5% in 1980 and increased to its current rate of 2% in July of 1985. Income tax rates of cities within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the City. Income tax revenues increased 2% during 2001.

Property taxes are levied and collected at the county level. Hilliard lies entirely within Franklin County. After collection, the county distributes portions of the taxes collected to the various political subdivisions within its geographic boundaries. The property tax rate for the City is 1.60 mills, which represents \$1.60 per \$1,000 of taxable valuation. The tax rate is applied to the assessed value of the property located within the City. Assessed value is approximately 35% of appraised value. Increases in the property tax rate can only occur with the approval of the city's voters. Revenues from property taxes are used for general fund operations.

Total assessed values in the City over the past five years are shown below:

<u>Levy</u>	<u>Collection</u>	<u>Assessed</u>
<u>Year</u>	<u>Year</u>	<u>Value</u>
		<u>(in thousands)</u>
1997	1998	479,390
1998	1999	502,315
1999	2000	581,612
2000	2001	616,975
2001	2002	625,535

Investment income is a very small part of the City’s budget. Investment earnings as a source of revenue do not lend well to year to year comparisons. Percentage increases or decreases in comparison to previous years are not necessarily indicative of future year estimates. Since the City’s portfolio is composed of short-term maturity, high quality instruments, earnings are directly related to changes in market rates and investable balances that tend to fluctuate year to year. The city’s investment policies are discussed later in more detail under the topic of “Cash Management.”

Intergovernmental revenues consist primarily of state income, sales, corporate franchise and public utility taxes collected by the State of Ohio and redistributed to other political subdivisions from the local government fund and local government revenue assistance fund. The state also provides a reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax. These revenues are collected by the state or county and partially redistributed to the City and other political subdivisions. The increase in intergovernmental revenues is attributable to increases in the state provided reimbursement for real and personal property tax reductions (rollback, homestead and personal property tax exemption) and increases in the local government fund distribution.

Charges for Services increased from 2000 due primarily to the growth rate in the City. The major source of this increase was related to more subdivision starts in 2001.

The fines and forfeitures revenue source is derived from various fines and forfeitures imposed by the Mayor’s Court. Revenues decreased from 2000 levels due in part to a decrease in the number of cases heard by the Mayors court.

The special assessments revenue will vary with the nature and timing of special assessment projects completed by the city of Hilliard. The decrease is indicative of these timing differences. Two (2) of our four (4) Special Assessments are paid in full.

All other revenue is a miscellaneous category, which includes a variety of less significant revenue sources including miscellaneous rental income and donations. As other revenue increased, this did not materially affect our budget. Other revenue represents a very minor percentage of total revenue.

General Governmental Expenditures

Expenditures for general governmental purposes, including general, special revenue and debt service funds totaled \$18,582,865 in 2001, a decrease of \$242,816 over 2000. Expenditures for the major functions of the City and the percentage of total for 2001 and 2000, and the amount and percentage increase/(decrease) over 2000 are shown in the following table:

Function	2001 Total	Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Increase (Decrease)
1. Security of Persons and Property	\$ 4,929,570	26.5%	\$ 5,213,032	\$ (283,462)	-5.4%
2. Public Health and Welfare	102,506	0.6%	86,423	16,083	18.6%
3. Leisure Time Activities	2,457,256	13.2%	2,468,887	(11,631)	-0.5%
4. Community Environment	1,310,297	7.1%	1,293,415	16,882	1.3%
5. Basic Utility Services	1,611,830	8.7%	1,385,469	226,361	16.3%
6. Transportation	2,517,213	13.5%	2,225,509	291,704	13.1%
7. General Government	4,188,601	22.5%	4,665,711	(477,110)	-10.2%
8. Debt Service	1,465,592	7.9%	1,487,235	(21,643)	-1.5%
Total	<u>\$ 18,582,865</u>	<u>100.0%</u>	<u>\$ 18,825,681</u>	<u>\$ (242,816)</u>	<u>-1.3%</u>

Expenditure Narrative

Expenditures for general government decreased in 2001 due to less capital equipment purchases from the general fund.

The decrease in expenditures for security of persons and property was due to a decrease in overtime.

The decrease in expenditures for leisure time activities was due to a decrease in costs for materials and supplies for the swimming pools and construction of a new ball field was completed.

The major change to transportation expenditures in 2001 was a result of the number of road projects initiated in 2001. Salt and gasoline cost also increased.

Debt service costs included the payment of principal, interest and related fiscal administration charges for the retirement of the City's outstanding general obligation and special assessment debt. The expenditures vary with the nature and timing of debt service requirements.

General Fund Balance

The fund balance of the General Fund increased by \$308,861 in 2001. This was the result of the growth rate of the City. Management believes that continued growth in General Fund resources and benefit reductions in insurance and the amount of carryover compensated absences balances will assist the City in maintaining the General Fund balance.

Special Revenue Funds

The special revenue funds are used to account for certain revenue sources, which are restricted by law or are used for expenditures for specific purposes. All special revenue funds are subject to an annual budget.

Debt Administration

The General Bond Retirement fund and Special Assessment Bond Retirement fund accumulate resources for the payment of principal and interest on long-term general obligation debt of the City and special assessment obligations respectively. The sources of revenue for the two bond retirement funds are in transfers in, and special assessments. The City maintains an "Aa3" rating from Moody's Investors Service on general obligation bond issues. Under state statutes, the City's debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2001 the City's net debt of \$15,016,011 was well below the legal limit of \$56,688,541 and net general obligation bonded debt per capita payable from property taxes equaled an estimated \$400.

The City had outstanding note liabilities of \$8,250,000 at December 31, 2001.

The city's general obligation and special assessment bonded indebtedness was \$6,795,000 and \$660,000 at December 31, 2001. During the year, the City retired \$865,000 in general obligation debt and \$72,000 in special assessment bonds. General obligation bonds are retired from income tax collections while special assessment bonds are retired from the assessments levied against specific benefited property owners.

Internal Service Fund

The Internal Service Fund is the City's self-insurance fund to account for employee medical benefits provided to other City funds on a cost reimbursement basis. At December 31, 2001 the fund had an accumulated deficit of \$114,124. The deficit is a result of the accrual of claims incurred in 2001 but not paid until 2002. The City is reviewing the operation of the fund to determine an appropriate course of action to alleviate the deficit.

CASH MANAGEMENT

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, such as repurchase agreement and the State Treasurer's Asset Reserve account (STAR Ohio), allows the City to earn interest on all funds.

The City's investments comply with Section 135.14 of the Ohio Revised Code, and the maximum maturity is limited to two years. As required by law, all deposits and repurchase agreements are covered by eligible collateral.

The City's cash resources were invested as follows at December 31, 2001:

Cash Resources	2001	%
Cash	\$ 434,967	3.73%
Repurchase Agreements	8,866,000	75.43%
STAR Ohio	2,450,820	20.84%
Total Resources	<u>\$ 11,751,787</u>	<u>100.00%</u>

The City earned interest on governmental fund investments for the fiscal year 2001. Interest earned was allocated to the General Fund.

At December 31, 2001 the City had bank balances of \$1,400,797 which were collateralized by pooled collateral. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

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

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

All eligible financial institutions must meet the requirements of the Uniform Depository act which requires the financial institution to maintain a full service facility located in the Hilliard area and to have a current Agreement for Deposit of Interim Funds with the City.

Authorized investments are described in detail in Note 5 of the footnotes to the general purpose financial statements included within the financial section of the comprehensive annual financial report. The yield curve and the yield spreads direct the City toward those instruments providing the highest, short-term yield at the time of the investment. The city uses eligible financial institutions as specified in the Ohio Revised Code for deposit and securities transactions. All depository relationships are based on requirements within the Ohio Revised Code.

RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, fleet, and general liability coverage. The City also carries police professional and public officials liability insurance. Employee medical benefits are provided through the City's self-insurance internal service fund. See Note 16 to the general purpose financial statements for additional information.

The proactive approach that the administration employs in addressing its ongoing operation is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City reduces exposure to risk through several initiatives. They include insurance coverage for vehicles, general liability, inland marine, building and contents and computer insurance with the St. Paul Insurance Company, public officials liability with U.S.F. & G. Insurance, law enforcement liability coverage with National Casualty Company and boiler and machinery coverage with Continental Insurance through Buckeye Union Insurance Company.

Deductible levels have been selected so as not to expose the City of excessive “first Dollars” in claims. Deductibles for property damage and coverage are:

	<u>Occurrence Limits</u>	<u>Aggregate Limit</u>	<u>Deductible</u>
Bodily Injury	\$1,000,000	\$1,000,000	
Property Damage		Included	
Personal Injury		Included	
Public Officials Wrongful Act Liability	\$1,000,000	\$1,000,000	\$10,000/occurrence
Law Enforcement Agency Officers	\$1,000,000	\$1,000,000	\$10,000/occurrence
Employee Benefits Liability	\$ 100,000	\$ 300,000	
Automobile Liability	\$ 500,000	\$ 1,000	
Comprehensive Collision		\$ 1,000	\$ 1,000/occurrence
Blanket Building and Contents	\$7,126,074		

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City’s financial statement for the year ended December 31, 2001, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual financial Report. An annual audit serves to maintain and strengthen the City’s accounting and budgetary controls.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. This was the tenth consecutive year (1991-2000) that the City received this award.

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

A Certificate of Achievement is valid for a period of one year. The City of Hilliard received its first Certificate of Achievement for the fiscal year ended December 31, 1991. I believe this current report continues to conform to the Certificate of Achievement program requirement, and I am submitting the report to the GFOA.

Public Disclosure

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Hilliard, the recipients of the report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

Acknowledgements

I wish to convey my appreciation to the City Administration and to 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,

A handwritten signature in cursive script, reading "Lynn A. Skeels".

Lynn A. Skeels
Finance Director

**THE CITY OF HILLIARD, OHIO
FRANKLIN COUNTY
PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2001**

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Service</u>	<u>Surety</u>
Timothy A. Ward	Mayor	12/31/03	2	A
Don Schonhardt	President of Council	12/31/03	2	A
Susan Bogan	Council	12/31/05	1	A
Kirk Herath	Council	12/31/05	1	A
Bill Uttley	Council	12/31/05	1	A
Michael Cope	Council	12/31/05	2	A
Dana Peacock	Council	12/31/03	2	A
Tom Katzenmeyer	Council	12/31/03	1	A

Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Service</u>	<u>Surety</u>
Lynn A. Skeels	Director of Finance	Indefinite	27	A & B
Peter F. J. Beagle	Director of Law	Indefinite	1	A
Douglas Browell	Director of Safety	Indefinite	1	A
Wayne Murphy	Director of Service	Indefinite	1	A
John M. Brennan	Director of Recreations & Parks	Indefinite	2	A
	Director of Economic & Development	Indefinite		A
Rodney D. Garnett	Chief of Police	Indefinite	14.5	A
Brandy Harris	Clerk of Council	Indefinite	.5	A

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

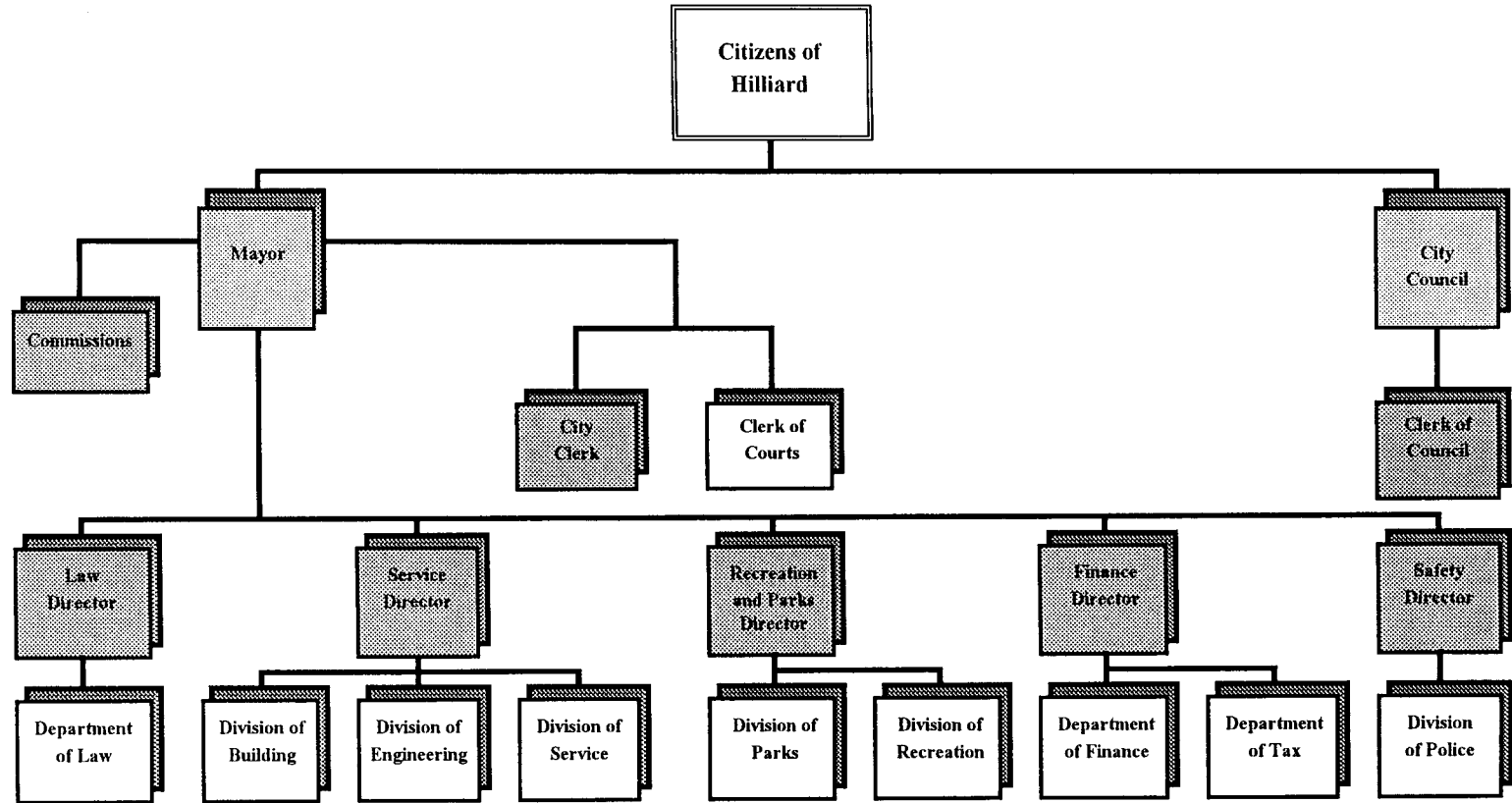
(B) US Fidelity Insurance Company, \$1000,000 Bond.

City Address:

City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

The City of Hilliard, Ohio

Organizational Chart



- Elected Officials
- Appointed by Mayor
- Appointed by Council

Boards and Commissions

- | | |
|-----------------------------------|--------------------------|
| Solid Waste Management Commission | Shade Tree Commission |
| Planning and Zoning Commission | Graphics Commission |
| Parks and Recreation Commission | Civil Service Commission |
| Old Hilliard Commission | Board of Zoning Appeals |

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, 2000

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.



Timothy A. Dwyer
President

Jeffrey L. Esser
Executive Director



CITY OF HILLIARD, OHIO

FINANCIAL SECTION



City Hall • Addition 1997



Service Garage • Built 1997



Division of Police • Addition 1995



Senior Center • Addition 2001



Community Center • Addition 1987

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general purpose financial statements of the City of Hilliard, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2001, the City adopted *Governmental Accounting Standards Board Statements No. 33 and No. 36*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

JIM PETRO
Auditor of State

July 12, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2001 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUND FOR THE YEAR THEN ENDED.

THE CITY OF HILLIARD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets		General Long-Term Obligations
<u>Assets and Other Debits:</u>									
Assets:									
Cash and Cash Equivalents	\$ 3,290,079	\$ 4,618,416	\$ 67,082	\$ 3,475,618	\$ 17,907	\$ 139,713	\$ 0	\$ 0	\$ 11,608,815
Receivables (net of allowance for doubtful accounts):									
Taxes	3,089,746	273,298	0	319,452	0	0	0	0	3,682,496
Accounts	39,760	12,218	0	0	0	0	0	0	51,978
Special Assessments	0	0	836,004	0	0	0	0	0	836,004
Due from Other Funds	38,790	0	0	0	0	0	0	0	38,790
Intergovernmental Receivables	597,517	652,009	0	0	0	0	0	0	1,249,526
Prepaid Items	20,156	0	0	0	0	0	0	0	20,156
Restricted Assets:									
Cash with Fiscal Agent	0	122,307	0	0	0	20,665	0	0	142,972
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	0	0	14,574,403	0	14,574,403
Other Debits:									
Amount available in Debt Service Funds	0	0	0	0	0	0	0	65,144	65,144
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	0	8,714,783	8,714,783
Total Assets and Other Debits	<u>\$ 7,076,048</u>	<u>\$ 5,678,248</u>	<u>\$ 903,086</u>	<u>\$ 3,795,070</u>	<u>\$ 17,907</u>	<u>\$ 160,378</u>	<u>\$ 14,574,403</u>	<u>\$ 8,779,927</u>	<u>\$ 40,985,067</u>

(Continued)

THE CITY OF HILLIARD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets		General Long-Term Obligations
<u>Liabilities, Equity and Other Credits:</u>									
Liabilities:									
Accounts Payable	\$ 215,117	\$ 477,516	\$ 0	\$ 1,022,466	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,715,099
Accrued Wages and Benefits	608,471	81,213	0	0	0	0	0	0	689,684
Due to Other Funds	0	24,471	1,938	0	0	12,381	0	0	38,790
Intergovernmental Payables	96,698	31,458	0	0	0	112,158	0	0	240,314
Due to Others	0	0	0	0	0	4,316	0	0	4,316
Undistributed Monies	0	0	0	0	0	12,581	0	0	12,581
Accrued Interest Payable	29,274	0	0	424,476	0	0	0	0	453,750
Deferred Revenue	2,153,549	668,209	836,004	7,170	0	0	0	0	3,664,932
Compensated Absences Payable	44,914	0	0	0	0	0	0	1,324,927	1,369,841
Claims and Judgments Payable	0	0	0	0	132,031	0	0	0	132,031
General Obligation Notes Payable	532,258	0	0	7,717,742	0	0	0	0	8,250,000
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0	0	660,000	660,000
General Obligation Bonds Payable	0	0	0	0	0	0	0	6,795,000	6,795,000
Total Liabilities	3,680,281	1,282,867	837,942	9,171,854	132,031	141,436	0	8,779,927	24,026,338
Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	0	14,574,403	0	14,574,403
Retained Earnings (Accumulated Deficit):									
Unreserved	0	0	0	0	(114,124)	0	0	0	(114,124)
Fund Balances:									
Reserved for Encumbrances	261,953	397,776	0	2,113,315	0	0	0	0	2,773,044
Reserved for Prepaid Items	20,156	0	0	0	0	0	0	0	20,156
Reserved for Debt Service	0	0	65,144	0	0	0	0	0	65,144
Unreserved and Undesignated	3,113,658	3,997,605	0	(7,490,099)	0	18,942	0	0	(359,894)
Total Equity and Other Credits	3,395,767	4,395,381	65,144	(5,376,784)	(114,124)	18,942	14,574,403	0	16,958,729
Total Liabilities, Equity and Other Credits	\$ 7,076,048	\$ 5,678,248	\$ 903,086	\$ 3,795,070	\$ 17,907	\$ 160,378	\$ 14,574,403	\$ 8,779,927	\$ 40,985,067

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



THE CITY OF HILLIARD, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Taxes	\$ 10,075,604	\$ 1,777,830	\$ 0	\$ 3,213,659	\$ 0	\$ 15,067,093
Intergovernmental Revenues	1,235,853	1,135,775	0	16,754	0	2,388,382
Charges for Services	762,783	2,160,863	0	0	0	2,923,646
Licenses, Permits and Fees	484,364	48,620	0	0	0	532,984
Investment Earnings	517,618	0	0	0	0	517,618
Special Assessments	0	0	124,586	0	0	124,586
Fines and Forfeitures	169,055	19,543	0	0	0	188,598
Donations	0	0	0	0	45,155	45,155
All Other Revenues	507,836	8,655	0	72,229	0	588,720
Total Revenues	<u>13,753,113</u>	<u>5,151,286</u>	<u>124,586</u>	<u>3,302,642</u>	<u>45,155</u>	<u>22,376,782</u>
Expenditures:						
Current:						
Security of Persons and Property	4,928,970	600	0	0	55,116	4,984,686
Public Health and Welfare Services	102,506	0	0	0	0	102,506
Leisure Time Activities	2,430,067	27,189	0	0	0	2,457,256
Community Environment	947,784	362,513	0	0	0	1,310,297
Basic Utility Services	794,453	817,377	0	0	0	1,611,830
Transportation	0	2,517,213	0	0	0	2,517,213
General Government	4,177,590	11,011	0	0	0	4,188,601
Capital Outlay	0	0	0	6,108,413	0	6,108,413
Debt Service:						
Principal Retirements	0	0	937,000	0	0	937,000
Interest and Fiscal Charges	45,552	0	483,040	602,359	0	1,130,951
Total Expenditures	<u>13,426,922</u>	<u>3,735,903</u>	<u>1,420,040</u>	<u>6,710,772</u>	<u>55,116</u>	<u>25,348,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	326,191	1,415,383	(1,295,454)	(3,408,130)	(9,961)	(2,971,971)
Other Financing Sources (Uses):						
Operating Transfers In	66,894	0	1,113,585	857,090	0	2,037,569
Operating Transfers Out	(84,224)	(522,628)	0	(1,430,717)	0	(2,037,569)
Total Other Financing Sources (Uses)	<u>(17,330)</u>	<u>(522,628)</u>	<u>1,113,585</u>	<u>(573,627)</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	308,861	892,755	(181,869)	(3,981,757)	(9,961)	(2,971,971)
Fund Balance (Deficit) Beginning of Year (restated)	3,086,906	3,502,626	247,013	(1,395,027)	28,903	5,470,421
Fund Balance (Deficit) End of Year	<u>\$ 3,395,767</u>	<u>\$ 4,395,381</u>	<u>\$ 65,144</u>	<u>\$ (5,376,784)</u>	<u>\$ 18,942</u>	<u>\$ 2,498,450</u>

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

CITY OF HILLIARD
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$10,064,298	\$9,659,641	(\$404,657)	\$1,825,000	\$1,811,631	(\$13,369)
Intergovernmental	1,190,000	1,123,613	(66,387)	1,175,000	1,033,235	(141,765)
Charges for Services	787,000	762,783	(24,217)	2,137,000	2,180,718	43,718
Licenses and Permits	433,800	477,136	43,336	50,000	48,620	(1,380)
Investment Earnings	825,500	533,330	(292,170)	-	-	0
Special Assessments	0	0	0	-	-	-
Fines and Forfeitures	215,000	172,712	(42,288)	28,500	21,227	(7,273)
Donations	0	0	0	-	-	-
Other	511,700	534,399	22,699	10,500	8,655	(1,845)
Total Revenues	14,027,298	13,263,614	(763,684)	5,226,000	5,104,086	(121,914)
Expenditures:						
Current:						
Security of Persons and Property	5,063,683	5,020,646	43,037	11,296	600	10,696
Public Health and Welfare Services	102,507	102,506	1	-	-	0
Leisure Time Activities	2,523,615	2,463,281	60,334	43,500	27,189	16,311
Community Environment	1,028,300	989,975	38,325	437,545	377,465	60,080
Basic Utility Services	800,666	825,022	(24,356)	975,608	799,547	176,061
Transportation	0	0	0	3,224,912	2,919,179	305,733
General Government	4,587,067	4,196,408	390,659	18,928	11,961	6,967
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	14,105,838	13,597,838	508,000	4,711,789	4,135,941	575,848
Excess of Revenues Over/ (Under) Expenditures	(78,540)	(334,224)	(255,684)	514,211	968,145	453,934
Other Financing Sources (Uses):						
Proceeds from the Sale of Notes	0	0	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(84,224)	(84,224)	0	(522,628)	(522,628)	0
Income Tax Refunds	(281,250)	(365,540)	(84,290)	(56,250)	(73,108)	(16,858)
Total Other Financing Sources (Uses)	(365,474)	(449,764)	(84,290)	(578,878)	(595,736)	(16,858)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(444,014)	(783,988)	(339,974)	(64,667)	372,409	437,076
Fund Balances at Beginning of Year	3,310,826	3,310,826	0	2,084,351	2,084,351	0
Prior Year Encumbrances Appropriated	527,700	527,700	0	1,265,586	1,265,586	0
Fund Balances at End of Year	\$3,394,512	\$3,054,538	(\$339,974)	\$3,285,270	\$3,722,346	\$437,076

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

Continued on next page

CITY OF HILLIARD
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2001

Debt Service			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$3,450,000	\$3,383,263	(\$66,737)	\$15,339,298	\$14,854,535	(\$484,763)
0	0	0	410,201	160,201	(250,000)	2,775,201	2,317,049	(458,152)
0	0	0	0	0	0	2,924,000	2,943,501	19,501
0	0	0	0	0	0	483,800	525,756	41,956
0	0	0	0	0	0	825,500	533,330	(292,170)
130,000	124,586	(5,414)	0	0	0	130,000	124,586	(5,414)
0	0	0	0	0	0	243,500	193,939	(49,561)
0	0	0	0	0	0	0	0	0
0	0	0	2,000	72,229	70,229	524,200	615,283	91,083
130,000	124,586	(5,414)	3,862,201	3,615,693	(246,508)	23,245,499	22,107,979	(1,137,520)
0	0	0	0	0	0	5,074,979	5,021,246	53,733
0	0	0	0	0	0	102,507	102,506	1
0	0	0	0	0	0	2,567,115	2,490,470	76,645
0	0	0	0	0	0	1,465,845	1,367,440	98,405
0	0	0	0	0	0	1,776,274	1,624,569	151,705
0	0	0	0	0	0	3,224,912	2,919,179	305,733
0	0	0	0	0	0	4,605,995	4,208,369	397,626
0	0	0	9,728,875	8,287,455	1,441,420	9,728,875	8,287,455	1,441,420
0	0	0	0	0	0	0	0	0
9,587,000	9,687,000	(100,000)	0	0	0	9,587,000	9,687,000	(100,000)
882,170	907,024	(24,854)	0	0	0	882,170	907,024	(24,854)
10,469,170	10,594,024	(124,854)	9,728,875	8,287,455	1,441,420	39,015,672	36,615,258	2,400,414
(10,339,170)	(10,469,438)	(130,268)	(5,866,674)	(4,671,762)	1,194,912	(15,770,173)	(14,507,279)	1,262,894
8,250,000	8,250,000	0	0	0	0	8,250,000	8,250,000	-
2,290,475	2,037,569	(252,906)	0	0	0	2,290,475	2,037,569	(252,906)
0	0	0	(1,430,717)	(1,430,717)	0	(2,037,569)	(2,037,569)	0
0	0	0	(150,000)	(150,000)	0	(487,500)	(588,648)	(101,148)
10,540,475	10,287,569	(252,906)	(1,580,717)	(1,580,717)	0	8,015,406	7,661,352	(354,054)
201,305	(181,869)	(383,174)	(7,447,391)	(6,252,479)	1,194,912	(7,754,767)	(6,845,927)	908,840
247,013	247,013	0	1,736,257	1,736,257	0	7,378,447	7,378,447	0
		0	4,856,059	4,856,059	0	6,649,345	6,649,345	0
\$448,318	\$65,144	(\$383,174)	(\$855,075)	\$339,837	\$1,194,912	\$6,273,025	\$7,181,865	\$908,840

THE CITY OF HILLIARD, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT
PROPRIETARY FUND TYPE
DECEMBER 31, 2001

	Internal Service Fund
<u>Operating Revenues:</u>	
Charges for Services	\$ 1,293,596
Total Operating Revenues	1,293,596
 <u>Operating Expenses:</u>	
Administration Fees	36,386
Health Insurance Claims	1,143,784
Stop Loss Coverage	148,842
Total Operating Expenses	1,329,012
Net Loss	(35,416)
Accumulated Deficit at Beginning of Year	(78,708)
Accumulated Deficit at End of Year	\$ (114,124)

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

THE CITY OF HILLIARD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u><i>Internal Service Fund</i></u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$ 1,293,596
Cash Payments for Services	(185,228)
Cash Payments for Claims	(1,141,893)
Net Cash Used for Operating Activities	<u>(33,525)</u>
Net Decrease in Cash and Cash Equivalents	(33,525)
Cash and Cash Equivalents at Beginning of Year	<u>51,432</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 17,907</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Loss	\$ (35,416)
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Decrease in Claims and Judgments Payable	1,891
Total Adjustments	<u>1,891</u>
Net Cash Used for Operating Activities	<u><u>\$ (33,525)</u></u>

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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hilliard, Ohio (the City) is a home rule municipal corporation created 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, 1982.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary fund. The financial statements are presented as of December 31, 2001 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. REPORTING ENTITY

The accompanying general purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services: police protection, parks and recreation, planning, zoning, engineering, street maintenance, refuse collection (on a contractual basis) and other governmental services.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Funds

The governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary fund) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds - These funds are used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund

Internal Service Fund - This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service fund is accounted for on an economic resources” measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of this fund are included on the balance sheet. The internal service fund operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The City created the Insurance Trust Internal Service Fund to pay employee health insurance claims and life insurance premiums.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains both an expendable trust fund and agency funds. The expendable trust fund is accounted for and reported similarly to governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups- To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary and similar trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term obligations of the City except those accounted for in the proprietary fund.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary fund.

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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within 60 days of year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On a accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirement, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a 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 fiscal year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance), fines and forfeitures, and reimbursements due from federal and state funded projects for which corresponding expenditures are made.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of government 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 costs, such as depreciation and amortization are not recognized in the governmental funds.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund. Revenues are recognized when they are earned and expenses are recognized when incurred.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund. Budgetary modifications that amend the appropriations of any fund may be made only by ordinance of the City Council.

1. Tax Budget

The City Finance Director submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiate a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the fund level. During 2001, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grants proceeds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
GAAP Basis (as reported)	\$ 308,861	892,755	(181,869)	(3,981,757)
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(1,612,264)	(391,623)	(1,938)	(312,282)
Accrued Revenues at December 31, 2000 received during 2001	1,072,516	295,407	-	472,265
Accrued Expenditures at December 31, 2001 paid during 2002	994,474	614,658	1,938	1,446,942
Accrued Expenditures at December 31, 2000 paid during 2001	(1,283,060)	(197,184)	-	(284,893)
2000 Prepays for 2001	17,594			
2001 Prepays for 2002	(20,156)			
Note refunds, net				(456,973)
Fund Debt:				
Outstanding Encumbrances	(261,953)	(841,604)	-	(3,135,781)
Budget Basis	<u>\$ (783,988)</u>	<u>372,409</u>	<u>(181,869)</u>	<u>(6,252,479)</u>

There was no budgetary activity to record for the Recreation Improvement and Municipal Building Funds during 2001. All revenues and expenditures are related to accruals, therefore no budgetary schedules are included for these funds.

E. Cash and Cash Equivalents

During fiscal year 2001, cash and cash equivalents included amounts in demand deposits, short-term certificates of deposit with original maturities of three months or less, repurchase agreements and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and cash equivalents represents the balance on hand as if each fund maintained its own cash and cash equivalent account.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments (Continued)

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*, the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements)

which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, *“Cash, Cash Equivalents and Investments.”* Investments earnings from other funds totaling \$429,623 were assigned to the general fund

The City has invested funds in the STAR Ohio during 2001. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price which is the price the investment could be sold for on December 31, 2001.

G. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use. Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation or capitalize interest in the General Fixed Assets Account Group.

H. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Special Assessment Bond Retirement Fund
General Obligation Bonds	General Bond Retirement Fund
Compensated Absences	General Fund, Street Maintenance and Repair Fund Water Revenue Fund, Sewer Revenue Fund Sewer Capacity and Benefit Fund Construction Inspection Fund

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, the portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

J. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

K. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
- Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during 2001.

Transactions that would be treated as revenues and expenditures/expenses if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

L. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for prepaid items, debt service and encumbered amounts that have not been accrued at year end.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Total Columns on Combined Financial Statements - Overview

Total columns on the “Combined Financial Statements - Overview” are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For 2001, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions” and Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues”. These statements establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or the modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis, the criteria established for accrual basis revenue recognition must be met and the revenues must be available. The provision of GASB Statements 33 also require that capital contributions to proprietary funds be recognized as revenues beginning in 2001. For the City, the implementation of these statements had an insignificant effect on fund balances/retained earnings as previously reported for the year ended December 31, 2000.

NOTE 3 – PRIOR YEAR RESTATEMENT

At December 31, 2000, taxes were misposted to the Special Assessment Bond Retirement Fund, a debt service fund.

	<u>Amount at December 31, 2000</u>	<u>January 1, 2001 Restated Balance</u>
Special Assessment Bond Retirement	\$ 55,021	391

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund/Retained Earnings Deficits

At December 31, 2001 the following funds had a deficit in Fund Balance /Retained Earnings:

	<u>Fund Deficit</u>
Special Revenue Funds:	
Sewer Revenue Fund	\$ (30,770)
Debt Service Fund:	
Special Assessment Bond Retirement Fund	(1,938)
Capital Project Funds:	
Leap Road Construction Fund	(3,178,121)
Water Tower Fund	(2,240,192)
Recreation Improvement Fund	(457,166)
Municipal Building Fund	(1,269,908)
Internal Service Fund:	
Insurance Trust Fund	\$ (114,124)

The fund deficits in the Sewer Revenue Fund and Special Assessment Bond Retirement Fund arise from the recognition of expenses on the accrual basis.

The fund deficits in the Leap Road Construction Fund, the Water Tower Fund, Recreation Improvement Fund, and Municipal Building Fund (capital projects funds) arise from recording notes payable as fund liabilities. The retained earnings deficit in the Insurance Trust Fund (internal service fund) arises from the recognition of expenses on the accrual basis of accounting which results in expenses greater than those on a cash basis. The General Fund provides operating transfers when cash is required, not when accruals occur.

Expenditures exceeded appropriations in the General Fund Basic Utility Services line item by \$24,356 and the debt service principal retirement by \$100,000.

NOTE 5- CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type’s portion of this pool is displayed on the combined balance sheet as “Cash and Cash Equivalents.” Ohio law requires the classification of funds held by the City into three categories.

Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “cash equivalent” status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

NOTE 5- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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
- Commercial paper and bankers acceptances.

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 “*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*” collateral held in single financial collateral pools with securities being held by the pledging financial institutions’ agent in the pool’s name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City’s name.

NOTE 5- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Category 2 Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name.

Investments:

Category 1 Insured or registered, or securities held by the City or its agent in the City’s name.

Category 2 Uninsured and unregistered, with securities held by the counter party’s trust department or agent in the City’s name.

Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

A. Deposits

At year end the carrying amount of the City’s deposits was \$434,967 and the bank balance was \$1,400,797. Federal depository insurance covered \$236,739 of the bank balance

The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions’ trust Departments’ in the City’s name and all statutory requirements for the deposit of money had been followed, non compliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

The City’s investments at December 31, 2001 are summarized below:

<u>Catecorized Investments</u>	Category 3	Fair Value
Repurchase Agreement	8,866,000	8,866,000
Total Catecorized Investments	<u>8,866,000</u>	<u>8,866,000</u>
 <u>Noncategorized Investments</u>		
STAR Ohio	N/A	2,450,820
Total Noncategorized Investments	<u>N/A</u>	<u>2,450,820</u>
Total Investments	<u>8,866,000</u>	<u>11,316,820</u>

C. Cash With Fiscal Agent

The City has cash in the amount of \$122,307 being held by the Franklin County Engineer. This cash is restricted in its use for various road improvement projects.

NOTE 5- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Investments with an original maturity of three months or less are treated as cash and cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note is based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	Cash and Cash Equivalents *	Investments
GASB Statement No. 9	\$ 11,751,787	-
Investments:		
Repurchase Agreement	(8,866,000)	8,866,000
STAR Ohio	(2,450,820)	2,450,820
Per GASB Statement No. 3	\$ 434,967	\$ 11,316,820

* Includes Cash with Fiscal Agent

NOTE 6- TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values were established by the County Auditor at 33.39 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

NOTE 6- TAXES (Continued)

A. Property Taxes (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2001 was \$1.60 per \$1,000 of assessed value. The assessed value upon which the 2001 levy was based was \$625,835,855. This amount constitutes \$542,010,270 in real property assessed value, \$15,138,450 in public utility assessed value and \$68,687,135 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .16% (1.60 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee's compensation and remit the tax to the City either monthly or quarterly, as required. 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, the Street Improvement Municipal Tax Fund (special revenue fund) and the Capital Improvement Municipal Tax Fund (capital projects fund) as required by City Ordinance Nos. 85—07 and 85—48.

NOTE 7- OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 66,894	(84,224)
Special Revenue Funds:		
Street Improvement Fund	-	(522,628)
Total Special Revenue Funds	<u>-</u>	<u>(522,628)</u>
Debt Service Funds:		
General Obligation Bond Retirement Fund	\$ 1,113,585	-
Total Debt Service Funds	<u>\$ 1,113,585</u>	<u>-</u>
Capital Projects Funds:		
Capital Improvement Municipal Tax Fund	\$ 1,155	(1,243,660)
Recreation Improvement Fund	520	
Hilliard Rome Road Improvement Fund	1,444	(37)
Municipal Building Fund	-	
Britton Road Improvement Fund	-	(70)
Water Tower Fund	278,725	(162,518)
Leap Road Improvement Fund	575,246	(24,432)
Total capital projects funds	<u>857,090</u>	<u>(1,430,717)</u>
Totals	<u>\$ 2,037,569</u>	<u>(2,037,569)</u>

NOTE 8- RECEIVABLES

Receivables at December 31, 2001 consisted of taxes, special assessments, accounts receivable, interfund receivables, and intergovernmental receivables arising from shared revenues. All receivables other than those offset by deferred revenues are considered collectible in full.

NOTE 9- INTERFUND RECEIVABLES AND PAVABLES

The following is a summary of interfund receivables and payables for all funds for 2001:

<u>Due to/from Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 38,790	\$ -
Special Revenue Fund:		
Sewer Revenue Fund	-	24,471
Debt Service Fund:		
General Obligation Bond Retirement Fund	-	1,938
Agency Fund:		
Mayor's Court Fund	\$ -	\$ 12,381
Totals	<u>\$ 38,790</u>	<u>\$ 38,790</u>

NOTE 10- FIXED ASSETS

General Fixed Assets-Summary by category of changes in general fixed assets:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$ 3,185,207	\$ -	\$ -	\$ 3,185,207
Buildings	\$ 5,102,594	\$ -	\$ (121,400)	\$ 4,981,194
Improvements Other Than Buildings	\$ 2,085,107	\$ 69,497	\$ (8,239)	\$ 2,146,365
Machinery and Equipment	\$ 1,680,505	\$ 166,101	\$ (18,006)	\$ 1,828,600
Furniture and Fixtures	\$ 584,581	\$ 42,819	\$ (3,441)	\$ 623,959
Vehicles	\$ 1,602,829	\$ 428,216	\$ (221,967)	\$ 1,809,078
Totals	<u>\$ 14,240,823</u>	<u>\$ 706,633</u>	<u>\$ (373,053)</u>	<u>\$ 14,574,403</u>

NOTE 11- DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report, which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

NOTE 11- DEFINED BENEFIT PENSION PLANS (Continued)**A. Public Employees Retirement System (Continued)**

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary employer rate rollback for state and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$455,230, \$481,724, and \$586,937, respectively. The full amount has been contributed for 2000 and 1999. The amount contributed for 2001 was 72.35 percent with the remainder being reported as a fund liability and within the General Long-Term Debt Account Group.

B. 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 costs 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.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police. The City has no firefighters. For 2000, the City contributions were 12.25 percent for police. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31 2001, 2000, and 1999 were \$312,684, \$498,019, and \$465,697, respectively, equal to the required contributions for each year. The full amount has been contributed for 2000 and 1999. The amount contributed for 2001 was 68.41 percent with the remainder being reported within the General Long-Term Debt Account Group.

NOTE 12- POSTEMPLOYMENT BENEFITS**A. Public Employees Retirement System (PERS)**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB *Statement No. 12*. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

NOTE 12- POSTEMPLOYMENT BENEFITS (Continued)

A. Public Employees Retirement System (PERS) (Continued)

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

The number of active contributing participants was 411,076. The City actual contributions for 2001, which were used to fund postemployment benefits, were \$211,620. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfounded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

B. Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000, the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the costs of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$195,427 for police. The OP&F's total health care expense for the year ended December 31, 2000, (the latest information available) was \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

NOTE 13- COMPENSATED ABSENCES

The costs of vacation and sick leave benefits are recorded as they are earned. Employees earn sick and vacation leave at varying rates based upon length of service. Upon retirement, and in certain instances, termination, an individual will be compensated for their accumulated sick leave at a maximum rate of 50% of the balance.

As of December 31, 2001, the liability for unpaid compensated absences was \$1,369,841 for all funds of the City. The balance of compensated absences that was considered long-term was \$1,324,927. The current portion of the liability has been recorded within the appropriate fund and the long-term portion of the liability has been reported in the General Long-Term Obligations Account Group.

NOTE 14- NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

General Obligation Notes:	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
4.55% 2000 various purpose B	\$ 2,700,000	\$ -	\$ (2,700,000)	\$ -
4.55% Leap Road Improvement 2000	3,100,000	-	(3,100,000)	-
4.55% 2000 various purpose A	2,950,000	-	(2,950,000)	-
5.5% 2001 various purpose B	-	2,600,000	-	\$ 2,600,000
5.5% Leap Road Improvement 2001	-	2,900,000	-	\$ 2,900,000
5.5% 2001 various purpose A	-	2,750,000	-	\$ 2,750,000
Totals	<u>\$ 8,750,000</u>	<u>\$ 8,250,000</u>	<u>\$ (8,750,000)</u>	<u>\$ 8,250,000</u>

NOTE 15- LONG-TERM OBLIGATIONS

Activity in the General Long-Term Obligations Account Group in 2001 was as follows:

	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
General Long-Term Debt:				
General Obligation Bonds:				
6.375% Grade Separation Improvement - 1975	\$ 10,000	\$ -	\$ (10,000)	\$ -
12.125% Water Improvement - 1982	180,000	-	(25,000)	155,000
6.520% Various Purpose Improvement - 1991	160,000	-	(160,000)	-
5.840% Various Purpose Improvement - 1992	1,295,000	-	(155,000)	1,140,000
3.9 - 5.750% Various Purpose Improvement - 1995	2,930,000	-	(130,000)	2,800,000
5.1- 5.150% Cemetery Road Refunding - 1999	1,835,000	-	(260,000)	1,575,000
5.1- 5.150% Various Purpose Improvement - 1999	1,250,000	-	(125,000)	1,125,000
Total General Obligation Bonds	7,660,000	-	(865,000)	6,795,000
Special Assessment Bonds:				
1 3.625% Scioto Darby Sewer - 1982	2,000	-	(2,000)	-
7.350% Lyman Drive Extension - 1988	445,000	-	(45,000)	400,000
7.199% Hilliard Technology Park - 1989	285,000	-	(25,000)	260,000
Total Special Assessment Bonds	732,000	-	(72,000)	660,000
with Governmental Commitment				
Total General Long-Term Debt	8,392,000	-	(937,000)	7,455,000
Other Long-Term Obligations:				
Compensated Absences	1,202,578	122,349	-	1,324,927
Total Other Long-Term Obligations	1,202,578	122,349	-	1,324,927
Total General Long-Term Debt and Other Long-Term Obligations	\$ 9,594,578	\$ 122,349	\$ (937,000)	\$ 8,779,927

Special assessment debt service is financed by assessments to affected property owners. However, the City is ultimately responsible for the debt service if the assessments are not collected. Special Assessment collections during 2001 amounted to \$124,586.

A. Principal and Interest Requirements

The City's future long-term obligation funding payments as of December 31, 2001, follow:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2002	\$ 730,000	\$ 380,056	\$ 70,000	\$ 49,130
2003	795,000	340,744	75,000	43,924
2004	830,000	297,385	85,000	38,349
2005	870,000	252,263	85,000	32,028
2006	750,000	204,221	95,000	25,706
2007-2011	1,790,000	549,961	250,000	32,861
2012-2016	1,030,000	152,375		-
Totals	\$6,795,000	\$2,177,005	\$ 660,000	\$ 221,998

NOTE 16- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2001 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
St. Paul Insurance Company	Automobile	\$100 Comprehensive; \$500 Collision
St. Paul Insurance Company	General Liability	\$0
St. Paul Insurance Company	Property Casualty	\$1,000, 10% Co-Insurance
St. Paul Insurance Company	Inland Marine	\$250
St. Paul Insurance Company	Earthquake	\$25,000
Buckeye Union Insurance	Boiler and Machinery	\$1,000
National Casualty Insurance	Police Liability	\$10,000
U.S.F.& G. Insurance	Public Officials Liability	\$10,000

Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City maintains a self-funded health insurance program with claims processed by Polaris Benefits on behalf of the City. A separate 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, a reinsurance policy has been purchased covering claims in excess of \$10,000 per individual and \$1,000,000 per occurrence.

All funds of the City from which employee salaries are paid participate in the health insurance program and make payments to the Insurance Trust Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. Total contributions to the program during 2001 were \$1,293,596. The claims liability of \$132,031 reported in the Insurance Trust Fund at December 31, 2001 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. Changes in the Insurance Trust Fund's claims liability amount for fiscal years 2000 and 2001 were:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2000	\$ 159,162	1,568,202	(1,597,224)	130,140
2001	130,140	1,143,784	(1,141,893)	132,031

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 17 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the City.

NOTE 18 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the Britton Road South Project. Upon completion this project will be a major north/south connection in the City.

NOTE 19 - NONCOMPLIANCE

During the course of fiscal year 2001, the City did not obtain revised amended certificates for several funds when it became evident that revenue would be insufficient to meet the estimated revenue projections for the year.

NOTE 20 - SUBSEQUENT EVENTS

On April 22, 2002, the City Council authorized the issuance of notes in the amount of \$3,000,000 in anticipation of the issuance of bonds for the purpose of constructing, reconstructing, and improving Britton Road South.

On June 24, 2002, the City Council authorized the issuance of bonds in the amount of 2,550,000 for the purpose of constructing new ballfields, constructing an addition to the municipal in the City of Hilliard, and constructing and improving city infrastructure.

On June 24, 2002, the City Council authorized the issuance of bonds in the amount of 2,400,000 for the purpose of acquiring land on Scioto Darby Road for use as soccer fields and acquiring and constructing an enclosed water tower on Cosgray Road.

***COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES***

The following combining statements and schedules include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Fiduciary Funds, and the General Fixed Assets Account Group.

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 10,064,298	\$ 9,659,641	\$ (404,657)
Intergovernmental Revenues	1,190,000	1,123,613	(66,387)
Charges for Services	787,000	762,783	(24,217)
Licenses, Permits and Fees	433,800	477,136	43,336
Investment Earnings	825,500	533,330	(292,170)
Fines and Forfeitures	215,000	172,712	(42,288)
All Other Revenues	511,700	534,399	22,699
Total Revenues	<u>14,027,298</u>	<u>13,263,614</u>	<u>(763,684)</u>
<u>Expenditures</u>			
Security of Persons and Property:			
Police Department:			
Personal Services	4,600,191	4,565,785	34,406
Contractual Services	156,146	152,746	3,400
Materials and Supplies	227,007	221,776	5,231
Capital Outlay	80,339	80,339	0
Other			0
Total Security of Persons and Property	<u>5,063,683</u>	<u>5,020,646</u>	<u>43,037</u>
Public Health and Welfare Services:			
County Health District:			
Contractual Services	102,507	102,506	1
Total Public Health and Welfare Services	<u>102,507</u>	<u>102,506</u>	<u>1</u>
Leisure Time Activities			
Recreation Department:			
Personal Services	1,675,717	1,661,974	13,743
Contractual Services	300,800	293,423	7,377
Materials and Supplies	547,098	507,884	39,214
Total Leisure Time Activities	<u>2,523,615</u>	<u>2,463,281</u>	<u>60,334</u>

(Continued)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Service/Engineer:			
Personal Services	553,399	535,204	18,195
Contractual Services	108,052	97,985	10,067
Materials and Supplies	15,739	14,263	1,476
Total Service/Engineer	<u>677,190</u>	<u>647,452</u>	<u>29,738</u>
Building Inspection:			
Personal Services	313,390	305,267	8,123
Contractual Services			0
Materials and Supplies	37,720	37,256	464
Total Building Inspection	<u>351,110</u>	<u>342,523</u>	<u>8,587</u>
Total Community Environment	<u>1,028,300</u>	<u>989,975</u>	<u>38,325</u>
Basic Utility Services:			
General Refuse:			
Personal Services	174,895	171,413	3,482
Contractual Services	605,492	634,002	(28,510)
Materials and Supplies	20,279	19,607	672
Total Basic Utility Services	<u>800,666</u>	<u>825,022</u>	<u>(24,356)</u>
General Government:			
Mayor:			
Personal Services	259,582	254,286	5,296
Materials and Supplies	34,533	24,035	10,498
Total Mayor	<u>294,115</u>	<u>278,321</u>	<u>15,794</u>
City Council:			
Personal Services	101,112	99,675	1,437
Material and Supplies	81,935	33,102	48,833
Total City Council	<u>183,047</u>	<u>132,777</u>	<u>50,270</u>

(Continued)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
City Clerk:			
Personal Services	160,702	160,286	416
Material and Supplies	67,872	57,304	10,568
Total City Clerk	<u>228,574</u>	<u>217,590</u>	<u>10,984</u>
Finance Department:			
Personal Services	667,405	657,168	10,237
Contractual Services	160,500	155,789	4,711
Materials and Supplies	98,470	94,765	3,705
Total Finance Department	<u>926,375</u>	<u>907,722</u>	<u>18,653</u>
Public Buildings:			
Personal Services	271,200	247,682	23,518
Contractual Services	308,176	306,043	2,133
Materials and Supplies	40,210	35,997	4,213
Total Public Buildings	<u>619,586</u>	<u>589,722</u>	<u>29,864</u>
Civil Service:			
Personal Services	3,600	3,600	0
Materials and Supplies	21,500	16,987	4,513
Total Civil Service	<u>25,100</u>	<u>20,587</u>	<u>4,513</u>
Boards and Commissions:			
Personal Services	29,513	25,380	4,133
Materials and Supplies	50,178	40,063	10,115
Total Boards and Commissions	<u>79,691</u>	<u>65,443</u>	<u>14,248</u>
Law Department			
Personal Services	33,640	32,792	848
Contractual Services	375,000	340,519	34,481
Total Law Department	<u>408,640</u>	<u>373,311</u>	<u>35,329</u>

(Continued)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Administrative:			
Personal Services	90,000	88,891	1,109
Contractual Services	872,720	869,668	3,052
Materials and Supplies	13,250	13,250	0
Capital Outlay	845,969	639,126	206,843
Total General Administrative	<u>1,821,939</u>	<u>1,610,935</u>	<u>211,004</u>
Total General Government	<u>4,587,067</u>	<u>4,196,408</u>	<u>390,659</u>
Total Expenditures	<u>14,105,838</u>	<u>13,597,838</u>	<u>508,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,540)	(334,224)	(255,684)
Other Financing Sources (Uses):			
Operating Transfers Out	(84,224)	(84,224)	0
Income Tax Refunds	(281,250)	(365,540)	(84,290)
Total Other Financing Sources (Uses)	<u>(365,474)</u>	<u>(449,764)</u>	<u>(84,290)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(444,014)	(783,988)	(339,974)
Fund Balance at Beginning of Year	3,310,826	3,310,826	0
Prior Year Encumbrances Appropriated	527,700	527,700	0
Fund Balance at End of Year	<u>\$ 3,394,512</u>	<u>\$ 3,054,538</u>	<u>\$ (339,974)</u>

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Maintenance and Repair Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets.

County Municipal Motor Vehicle Tax Fund

To account for the City's share of the motor vehicle license tax levied by the County.

Street Improvement Municipal Tax Fund

To account for 12.5% of the City's income tax collections to be used for repair and improvement of streets and highways.

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.

Enforcement and Education Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Law Enforcement Trust Fund

To account for proceeds received from the sale of property confiscated during drug related arrests.

Mandatory Drug Fine Fund

To account for proceeds from mandatory drug fines disbursed for law enforcement purposes.

Law Enforcement Seizure Fund

To account for seized and forfeited cash and other property received as a result of the Safety Department's participation in drug investigations with the federal government. Expenditures are for law enforcement purposes.

Mayor's Court Computer Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Justice Seizure Fund

To account for seized and forfeited cash and other property received as a result of the Safety Department's investigations.

Water Revenue Fund

To account for water surcharge revenues and water tap fees collected by the City of Columbus for Hilliard. These revenues are used for upgrading and making minor repairs to waterlines.

Sewer Revenue Fund

To account for sewer surcharge revenues collected by the City of Columbus for Hilliard and 20% of sewer tap fees. These revenues are being used for sewer line upgrading and repairs.

Sewer Capacity and Benefit Fund

To account for system capacity charges and 80% of sewer tap fees. These revenues are being used to maintain all sewer lift stations.

Construction Inspection Fund

To account for the construction inspection fees and landscape deposits made by developers.

THE CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Enforcement and Education	Law Enforcement Trust
Assets:						
Cash and Cash Equivalents	\$ 295,153	\$ 278,169	\$ 2,183,409	\$ 52,891	\$ 8,854	\$ 1,468
Receivables (net of allowances for doubtful accounts)						
Taxes	0	0	273,298	0	0	0
Accounts	12,218	0	0	0	0	0
Due from Other Funds	0	0	0	0	0	0
Intergovernmental Receivables	480,680	164,598	0	0	0	0
Restricted Assets:						
Cash with Fiscal Agent	0	122,307	0	0	0	0
Total Assets	<u>\$ 788,051</u>	<u>\$ 565,074</u>	<u>\$ 2,456,707</u>	<u>\$ 52,891</u>	<u>\$ 8,854</u>	<u>\$ 1,468</u>
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$ 23,321	\$ 0	\$ 442,860	\$ 0	\$ 0	\$ 0
Due to Other Funds	0	0	0	0	0	0
Accrued Wages and Benefits	32,478	0	0	0	0	0
Intergovernmental Payables	10,162	0	0	0	0	0
Deferred Revenue	371,356	140,954	155,899	0	0	0
Total Liabilities	<u>437,317</u>	<u>140,954</u>	<u>598,759</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:						
Reserved for Encumbrances	12,681	3,900	364,902	0	0	0
Unreserved	338,053	420,220	1,493,046	52,891	8,854	1,468
Total Fund Equity	<u>350,734</u>	<u>424,120</u>	<u>1,857,948</u>	<u>52,891</u>	<u>8,854</u>	<u>1,468</u>
Total Liabilities and Fund Equity	<u>\$ 788,051</u>	<u>\$ 565,074</u>	<u>\$ 2,456,707</u>	<u>\$ 52,891</u>	<u>\$ 8,854</u>	<u>\$ 1,468</u>

**THE CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001**

Mandatory Drug Fine	Law Enforcement Seizure	Mayor's Court Computer	Justice Seizure	Water Revenue	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Totals
\$ 2,170	\$ 2,730	\$ 37,905	\$ 277	\$ 805,116	\$ 623	\$ 472,523	\$ 477,128	\$ 4,618,416
0	0	0	0	0	0	0	0	273,298
0	0	0	0	0	0	0	0	12,218
0	0	0	0	0	0	0	0	0
0	0	0	0	3,531	3,200	0	0	652,009
0	0	0	0	0	0	0	0	122,307
<u>\$ 2,170</u>	<u>\$ 2,730</u>	<u>\$ 37,905</u>	<u>\$ 277</u>	<u>\$ 808,647</u>	<u>\$ 3,823</u>	<u>\$ 472,523</u>	<u>\$ 477,128</u>	<u>\$ 5,678,248</u>
\$ 0	\$ 0	\$ 300	\$ 0	\$ 8,580	\$ 1,122	\$ 0	\$ 1,333	\$ 477,516
0	0	0	0	0	24,471	0	0	24,471
0	0	0	0	16,645	4,000	13,230	14,860	81,213
0	0	0	0	5,135	5,000	4,182	6,979	31,458
0	0	0	0	0	0	0	0	668,209
<u>0</u>	<u>0</u>	<u>300</u>	<u>0</u>	<u>30,360</u>	<u>34,593</u>	<u>17,412</u>	<u>23,172</u>	<u>1,282,867</u>
0	0	950	0	0	0	0	15,343	397,776
2,170	2,730	36,655	277	778,287	(30,770)	455,111	438,613	3,997,605
<u>2,170</u>	<u>2,730</u>	<u>37,605</u>	<u>277</u>	<u>778,287</u>	<u>(30,770)</u>	<u>455,111</u>	<u>453,956</u>	<u>4,395,381</u>
<u>\$ 2,170</u>	<u>\$ 2,730</u>	<u>\$ 37,905</u>	<u>\$ 277</u>	<u>\$ 808,647</u>	<u>\$ 3,823</u>	<u>\$ 472,523</u>	<u>\$ 477,128</u>	<u>\$ 5,678,248</u>

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Enforcement and Education	Law Enforcement Trust
Revenues						
Taxes		\$ 134,743	\$ 1,643,087	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	971,742	163,924	109	0	0	0
Charges for Services	0	0		28,928	0	0
Licenses, Permits and Fees	0	0	0	48,620	0	0
Fines and forfeitures	0	0	0		2,013	1,944
All Other Revenues		0	155	0	0	0
Total Revenues	<u>971,742</u>	<u>298,667</u>	<u>1,643,351</u>	<u>77,548</u>	<u>2,013</u>	<u>1,944</u>
Expenditures						
Current:						
Security of Persons and Property	0	0	0	0	0	600
Leisure Time Activities	0	0	0	27,189	0	0
Community Environment	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	887,879	246,612	1,382,722	0	0	0
General Government	0	0	0	0	0	0
Total Expenditures	<u>887,879</u>	<u>246,612</u>	<u>1,382,722</u>	<u>27,189</u>	<u>0</u>	<u>600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,863	52,055	260,629	50,359	2,013	1,344
Other Financing Sources (Uses)						
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	0	0	(522,628)	0	0	0
Total Other Financing Source (Uses)	<u>0</u>	<u>0</u>	<u>(522,628)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	83,863	52,055	(261,999)	50,359	2,013	1,344
Fund Balance at Beginning of Year	266,871	372,065	2,119,947	2,532	6,841	124
Fund Balance at End of Year	<u>\$ 350,734</u>	<u>\$ 424,120</u>	<u>\$ 1,857,948</u>	<u>\$ 52,891</u>	<u>\$ 8,854</u>	<u>\$ 1,468</u>

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Mandatory Drug Fine	Law Enforcement Seizure	Mayor's Court Computer	Justice Seizure	Water Revenue	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,777,830
0	0	0	0	0	0	0	0	1,135,775
0	0	0	0	1,020,069	144,133	666,809	300,924	2,160,863
0	0	0	0	0	0	0	0	48,620
0	203	15,362	21	0	0	0	0	19,543
0	0	0	0	0	0	0	8,500	8,655
0	203	15,362	21	1,020,069	144,133	666,809	309,424	5,151,286
0	0	0	0	0	0	0	0	600
0	0	0	0	0	0	0	0	27,189
0	0	0	0	0	0	0	362,513	362,513
0	0	0	0	338,124	204,643	266,594	8,016	817,377
0	0	0	0	0	0	0	0	2,517,213
0	0	11,011	0	0	0	0	0	11,011
0	0	11,011	0	338,124	204,643	266,594	370,529	3,735,903
0	203	4,351	21	681,945	(60,510)	400,215	(61,105)	1,415,383
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	(522,628)
0	0	0	0	0	0	0	0	(522,628)
0	203	4,351	21	681,945	(60,510)	400,215	(61,105)	892,755
2,170	2,527	33,254	256	96,342	29,740	54,896	515,061	3,502,626
<u>\$ 2,170</u>	<u>\$ 2,730</u>	<u>\$ 37,605</u>	<u>\$ 277</u>	<u>\$ 778,287</u>	<u>\$ (30,770)</u>	<u>\$ 455,111</u>	<u>\$ 453,956</u>	<u>\$ 4,395,381</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STREET MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$ 950,000	\$ 862,418	\$ (87,582)
Total Revenues	<u>950,000</u>	<u>862,418</u>	<u>(87,582)</u>
<u>Expenditures</u>			
Transportation:			
Personal Services	684,729	676,575	8,154
Contractual Services	30,000	29,500	500
Material Services	273,856	250,393	23,463
Total Expenditures	<u>988,585</u>	<u>956,468</u>	<u>32,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,585)	(94,050)	(55,465)
Fund Balance at Beginning of Year	334,821	334,821	0
Prior Year Encumbrances	18,381	18,381	0
Fund Balance at End of Year	<u>\$ 314,617</u>	<u>\$ 259,152</u>	<u>\$ (55,465)</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COUNTY MUNICIPAL MOTOR VEHICLE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 100,000	\$ 120,000	\$ 20,000
Intergovernmental Revenues	225,000	170,817	(54,183)
Total Revenues	<u>325,000</u>	<u>290,817</u>	<u>(34,183)</u>
<u>Expenditures</u>			
Transportation:			
Personal Services	50,000	40,242	9,758
Contractual Services	119,102	185,270	(66,168)
Material and Supplies	25,000	25,000	0
Total Expenditures	<u>194,102</u>	<u>250,512</u>	<u>(56,410)</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	130,898	40,305	(90,593)
Fund Balance at Beginning of Year	214,862	214,862	0
Prior Year Encumbrances	19,102	19,102	0
Fund Balance at End of Year	<u>\$ 364,862</u>	<u>\$ 274,269</u>	<u>\$ (90,593)</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STREET IMPROVEMENT MUNICIPAL TAX FUND

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>			
Taxes	\$ 1,725,000	\$ 1,691,631	\$ (33,369)
Charges for Services	2,500	109	(2,391)
All Other Revenues	2,000	155	(1,845)
Total Revenues	<u>1,729,500</u>	<u>1,691,895</u>	<u>(37,605)</u>
<u>Expenditures</u>			
Transportation:			
Personal Services	0	0	0
Contractual Services	400,000	400,000	0
Capital Outlay	1,642,225	1,312,199	330,026
Total Expenditures	<u>2,042,225</u>	<u>1,712,199</u>	<u>330,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312,725)	(20,304)	292,421
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(522,628)	(522,628)	0
Income Tax Refunds	(56,250)	(73,108)	(16,858)
Total Other Financing Source (Uses)	<u>(578,878)</u>	<u>(595,736)</u>	<u>(16,858)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(891,603)	(616,040)	275,563
Fund Balance at Beginning of Year	766,462	766,462	0
Prior Year Encumbrances	1,225,225	1,225,225	0
Fund Balance at End of Year	<u>\$ 1,100,084</u>	<u>\$ 1,375,647</u>	<u>\$ 275,563</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PARK MAINTENANCE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 75,000	\$ 28,928	\$ (46,072)
Licenses, Permits and Fees	50,000	48,620	(1,380)
Total Revenues	<u>125,000</u>	<u>77,548</u>	<u>(47,452)</u>
<u>Expenditures</u>			
Leisure Time Activities			
Materials and Supplies	17,000	17,000	0
Capital Outlay	26,500	10,189	16,311
Total Expenditures	<u>43,500</u>	<u>27,189</u>	<u>16,311</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	81,500	50,359	(31,141)
Fund Balance at Beginning of Year	2,533	2,533	0
Fund Balance at End of Year	<u>\$ 84,033</u>	<u>\$ 52,892</u>	<u>\$ (31,141)</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

ENFORCEMENT AND EDUCATION FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$ 2,500	\$ 2,232	\$ (268)
Total Revenues	2,500	2,232	(268)
<u>Expenditures</u>			
Security of Persons and Property:			
Materials and Supplies	4,000	0	4,000
Total Expenditures	4,000	0	4,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,500)	2,232	3,732
Fund Balance at Beginning of Year	6,622	6,622	0
Fund Balance at End of Year	\$ 5,122	\$ 8,854	\$ 3,732

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LAW ENFORCEMENT TRUST FUND

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$ 2,000	\$ 1,944	\$ (56)
Total Revenues	2,000	1,944	(56)
<u>Expenditures</u>			
Security of Person and Property			
Materials and Supplies	2,796	600	2,196
Total Expenditures	2,796	600	2,196
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(796)	1,344	2,140
Fund Balance at Beginning of Year	124	124	0
Fund Balance at End of Year	\$ (672)	\$ 1,468	\$ 2,140

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MANDATORY DRUG FINE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$ 2,000	\$ 0	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
<u>Expenditures</u>			
Security of Persons and Property			
Materials and Supplies	3,000	0	3,000
Total Expenditures	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,000)	0	1,000
Fund Balance at Beginning of Year	2,170	2,170	0
Fund Balance at End of Year	<u>\$ 1,170</u>	<u>\$ 2,170</u>	<u>\$ 1,000</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LAW ENFORCEMENT SEIZURE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$ 2,000	\$ 203	\$ (1,797)
Total Revenues	2,000	203	(1,797)
<u>Expenditures</u>			
Security of Persons and Property			
Materials and Supplies	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	1,000	203	(797)
Fund Balance at Beginning of Year	2,527	2,527	0
Fund Balance at End of Year	\$ 3,527	\$ 2,730	\$ (797)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MAYOR'S COURT COMPUTER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$ 18,000	\$ 16,826	\$ (1,174)
Total Revenues	<u>18,000</u>	<u>16,826</u>	<u>(1,174)</u>
<u>Expenditures:</u>			
General Government:			
Contractual Services	12,928	7,331	5,597
Materials and Supplies	6,000	4,630	1,370
Total Expenditures	<u>18,928</u>	<u>11,961</u>	<u>6,967</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(928)	4,865	5,793
Fund Balance at Beginning of Year	30,863	30,863	0
Prior Year Encumbrances	928	928	0
Fund Balance at End of Year	<u>\$ 30,863</u>	<u>\$ 36,656</u>	<u>\$ 5,793</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

JUSTICE SEIZURE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$ 2,000	\$ 22	\$ (1,978)
Total Revenues	2,000	22	(1,978)
<u>Expenditures:</u>			
Security of Persons and Property:			
Others	500	0	500
Total Expenditures	500	0	500
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	1,500	22	(1,478)
Fund Balance at Beginning of Year	256	256	0
Fund Balance at End of Year	\$ 1,756	\$ 278	\$ (1,478)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

WATER REVENUE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 732,000	\$ 1,030,946	\$ 298,946
Total Revenues	<u>732,000</u>	<u>1,030,946</u>	<u>298,946</u>
<u>Expenditures:</u>			
Basic Utility Services:			
Personal Services	302,184	297,904	4,280
Material and Supplies	20,321	20,204	117
Other	15,338	15,012	326
Total Expenditures	<u>337,843</u>	<u>333,120</u>	<u>4,723</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	394,157	697,826	303,669
Fund Balance at Beginning of Year	100,831	100,831	0
Prior Year Encumbrances	659	659	0
Fund Balance at End of Year	<u>\$ 495,647</u>	<u>\$ 799,316</u>	<u>\$ 303,669</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

SEWER REVENUE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 322,500	\$ 153,002	\$ (169,498)
All Other Revenue	0	0	0
Total Revenues	322,500	153,002	(169,498)
<u>Expenditures:</u>			
Basic Utility Services:			
Personal Services	179,072	138,517	40,555
Contractual Services	35,000	34,983	17
Materials and Supplies	31,000	25,569	5,431
Capital Outlay	4,000	4,000	0
Other	0	0	0
Total Expenditures	249,072	203,069	46,003
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	73,428	(50,067)	(123,495)
Fund Balance at Beginning of Year	25,005	25,005	0
Prior Year Encumbrances	1,000	1,000	0
Fund Balance at End of Year	\$ 99,433	\$ (24,062)	\$ (123,495)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

SEWER CAPACITY AND BENEFIT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 515,000	\$ 666,809	\$ 151,809
Total Revenues	<u>515,000</u>	<u>666,809</u>	<u>151,809</u>
<u>Expenditures:</u>			
Basic Utility Services:			
Personal Services	353,686	235,609	118,077
Materials and Supplies	30,007	22,749	7,258
Capital Outlay	5,000	5,000	0
Total Expenditures	<u>388,693</u>	<u>263,358</u>	<u>125,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,307	403,451	277,144
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	126,307	403,451	277,144
Fund Balance at Beginning of Year	69,066	69,066	0
Prior Year Encumbrances	7	7	0
Fund Balance at End of Year	<u>\$ 195,380</u>	<u>\$ 472,524</u>	<u>\$ 277,144</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CONSTRUCTION INSPECTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 490,000	\$ 300,924	\$ (189,076)
All Other Revenue	8,500	8,500	0
Total Revenues	498,500	309,424	(189,076)
<u>Expenditures:</u>			
Community Environment:			
Personal Services	307,261	293,469	13,792
Materials and Supplies	125,284	78,996	46,288
Capital Outlay	5,000	5,000	0
Total Expenditures	437,545	377,465	60,080
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	60,955	(68,041)	(128,996)
Fund Balance at Beginning of Year	528,209	528,209	0
Prior Year Encumbrances	284	284	0
Fund Balance at End of Year	\$ 589,448	\$ 460,452	\$ (128,996)

DEBT SERVICE FUNDS

The 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.

General Obligation Bond Retirement Fund

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

Special Assessment Bond Retirement Fund

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

THE CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
DECEMBER 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement		Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$ 67,082	\$ 0	\$	67,082
Receivables:				
Special Assessments	0	836,004		836,004
Total Assets	\$ 67,082	\$ 836,004	\$	903,086
 <u>Liabilities:</u>				
Due to Other Funds	\$ 0	\$ 1,938	\$	1,938
Deferred Revenue	0	836,004		836,004
Total Liabilities	0	837,942		837,942
 <u>Fund Equity:</u>				
Fund Balances:				
Reserved for Debt Service	67,082	(1,938)		65,144
Total Fund Equity	67,082	(1,938)		65,144
Total Liabilities and Fund Equity	\$ 67,082	\$ 836,004	\$	903,086

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
DECEMBER 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Revenues:</u>			
Special Assessments	0	124,586	124,586
Total Revenues	0	124,586	124,586
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	865,000	72,000	937,000
Interest and Fiscal Charges	428,125	54,915	483,040
Total Expenditures	1,293,125	126,915	1,420,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,293,125)	(2,329)	(1,295,454)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,113,585	0	1,113,585
Total Other Financing Sources (Uses)	1,113,585	0	1,113,585
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(179,540)	(2,329)	(181,869)
Fund Balance at Beginning of Year	246,622	391	247,013
Fund Balance at End of Year	\$ 67,082	\$ (1,938)	\$ 65,144

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL OBLIGATION BOND RETIREMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
 <u>Expenditures</u>			
Debt Service			
Principal Retirement	9,515,000	9,615,000	(100,000)
Interest and Fiscal Charges	825,561	852,109	(26,548)
Total Expenditures	<u>10,340,561</u>	<u>10,467,109</u>	<u>(126,548)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,340,561)	(10,467,109)	(126,548)
 <u>Other Financing Sources (Uses)</u>			
Proceeds of Bonds	8,250,000	8,250,000	0
Operating Transfers In	2,290,475	2,037,569	(252,906)
Total Other Financing Source (Uses)	<u>10,540,475</u>	<u>10,287,569</u>	<u>(252,906)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	199,914	(179,540)	(379,454)
Fund Balance at Beginning of Year	246,622	246,622	0
Fund Balance at End of Year	<u>\$ 446,536</u>	<u>\$ 67,082</u>	<u>\$ (379,454)</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>			
Special Assessment	\$ 130,000	\$ 124,586	\$ (5,414)
Total Revenues	130,000	124,586	(5,414)
<u>Expenditures</u>			
Debt Service			
Principal Retirement	72,000	72,000	0
Interest and Fiscal Charges	56,609	54,915	1,694
Total Expenditures	128,609	126,915	1,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,391	(2,329)	(3,720)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,391	(2,329)	(3,720)
Fund Balance at Beginning of Year	391	391	0
Fund Balance at End of Year	\$ 1,782	\$ (1,938)	\$ (3,720)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Municipal Tax Fund

To account for 25% of the City's income tax collections which is used for capital projects financing or related capital expenditures attributable to various capital improvements.

Hilliard-Rome Road Improvement Fund

To account for revenues received through the issuance of debt to finance additions and major repairs to Hilliard-Rome Road.

Britton Road Improvement Fund

To account for revenue received through the issuance of various debt instruments to finance additions and major repairs to Britton Road.

Leap Road Construction Fund

To account for revenue received through the issuance of various debt instruments to finance the engineering for the widening of Leap Road.

Water Tower Fund

To account for revenues received through the issuance of debt to finance the construction of a new water tower.

There was no budgetary activity to record for the following funds during 2001. All revenues and expenditures are related to accruals, therefore no budgetary schedules are included for these funds.

Recreation Improvement Fund

To account for revenues received through the issuance of debt to finance water main improvements.

Municipal Building Fund

To account for costs associated with the planning and construction of an addition to the City's municipal building.

**THE CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2001**

	Capital Improvement Municipal Tax	Hilliard-Rome Road Improvement	Britton Road Improvement	Leap Road Construction
<u>Assets:</u>				
Cash and Cash Equivalents	2,746,036	-	-	582,984
Receivables:				-
Taxes	319,452	-	-	
Total Assets	<u>\$ 3,065,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,984</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	273,789	-	-	701,605
Accrued Interest Payable	52,963	-	-	159,500
Deferred Revenue	7,170	-	-	
General Obligation Notes Payable	962,963	-	-	2,900,000
Total Liabilities	<u>1,296,885</u>	<u>-</u>	<u>-</u>	<u>3,761,105</u>
Fund Equity:				
Reserved for Encumbrances	1,882,410	-	-	131,379
Unreserved	(113,807)	-	-	(3,309,500)
Total Fund Equity	<u>1,768,603</u>	<u>-</u>	<u>-</u>	<u>(3,178,121)</u>
Total Liabilities and Fund Equity	<u>\$ 3,065,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,984</u>

Water Tower	Recreation Improvement	Municipal Building	Totals
			\$ -
146,598	-	-	3,475,618
			-
	-	-	319,452
<u>\$ 146,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,795,070</u>
47,072	-	-	1,022,466
121,976	23,833	66,204	424,476
			7,170
2,217,742	433,333	1,203,704	7,717,742
<u>2,386,790</u>	<u>457,166</u>	<u>1,269,908</u>	<u>9,171,854</u>
99,526	-	-	2,113,315
<u>(2,339,718)</u>	<u>(457,166)</u>	<u>(1,269,908)</u>	<u>(7,490,099)</u>
<u>(2,240,192)</u>	<u>(457,166)</u>	<u>(1,269,908)</u>	<u>(5,376,784)</u>
<u>\$ 146,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,795,070</u>

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Capital Improvement Municipal Tax	Hilliard-Rome Road Improvement	Recreation Improvement	Municipal Building
<u>Revenues</u>				
Taxes	3,213,659		-	-
Intergovernmental				
All Other Revenues	72,229		-	-
Total Revenues	3,285,888	-	-	-
<u>Expenditures</u>				
Capital Outlay	2,445,513	-	-	-
Debt Service:				
Interest and Fiscal Charges	89,681		40,356	112,101
Total Expenditures	2,535,194	-	40,356	112,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	750,694	-	(40,356)	(112,101)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	1,155		520	1,444
Operating Transfers Out	(1,243,660)	(37)	-	-
Total Other Financing Source (Uses)	(1,242,505)	(37)	520	1,444
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(491,811)	(37)	(39,836)	(110,657)
Fund Balance at Beginning of Year	2,260,414	37	(417,330)	(1,159,251)
Fund Balance at End of Year	1,768,603	-	(457,166)	(1,269,908)

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Britton Road Improvement	Leap Road Construction	Water Tower	Totals
			3,213,659
	16,754		16,754
			72,229
-	16,754	-	3,302,642
-	3,021,179	641,721	6,108,413
	167,723	192,498	602,359
-	3,188,902	834,219	6,710,772
-	(3,172,148)	(834,219)	(3,408,130)
	575,246	278,725	857,090
(70)	(24,432)	(162,518)	(1,430,717)
(70)	550,814	116,207	(573,627)
(70)	(2,621,334)	(718,012)	(3,981,757)
70	(556,787)	(1,522,180)	(1,395,027)
-	(3,178,121)	(2,240,192)	(5,376,784)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CAPITAL IMPROVEMENT MUNICIPAL TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 3,450,000	\$ 3,383,263	\$ (66,737)
All Other Revenues	2,000	72,229	70,229
Total Revenues	<u>3,452,000</u>	<u>3,455,492</u>	<u>3,492</u>
<u>Expenditures</u>			
Capital Outlay:			
Security of Persons	153,311	134,251	19,060
Leisure Time Activities	534,250	520,775	13,475
Community Environment			0
Basic Utility Services	203,445	172,003	31,442
Transportation	4,556,157	3,408,153	1,148,004
General Government	270,798	156,587	114,211
Total Expenditures	<u>5,717,961</u>	<u>4,391,769</u>	<u>1,326,192</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,265,961)	(936,277)	1,329,684
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(1,243,660)	(1,243,660)	0
Income Tax Refunds	(150,000)	(150,000)	0
Total Other Financing Source (Uses)	<u>(1,393,660)</u>	<u>(1,393,660)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,659,621)	(2,329,937)	1,329,684
Fund Balance at Beginning of Year	1,481,063	1,481,063	0
Prior Year Encumbrances	1,438,711	1,438,711	0
Fund Balance at End of Year	<u>\$ (739,847)</u>	<u>\$ 589,837</u>	<u>\$ 1,329,684</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

HILLIARD-ROME ROAD IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(37)	(37)	0
Total Other Financing Source (Uses)	(37)	(37)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources Over (Under)	(37)	(37)	0
Fund Balance at Beginning of Year	37	37	0
Prior Year Encumbrances	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

BRITTON ROAD IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(70)	(70)	0
Total Other Financing Source (Uses)	(70)	(70)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources Over (Under)	(70)	(70)	0
Fund Balance at Beginning of Year	70	70	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

LEAP ROAD CONSTRUCTION FUND

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>			
Intergovernmental	\$ 410,201	\$ 160,201	\$ (250,000)
Total Revenues	410,201	160,201	(250,000)
<u>Expenditures</u>			
Capital Outlay	3,081,451	3,152,809	(71,358)
Total Expenditures	3,081,451	3,152,809	(71,358)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,671,250)	(2,992,608)	(321,358)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(24,432)	(24,432)	0
Total Other Financing Sources (Uses)	(24,432)	(24,432)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources Over (Under)	(2,695,682)	(3,017,040)	(321,358)
Fund Balance at Beginning of Year	79,156	79,156	0
Prior Year Encumbrances	2,687,884	2,687,884	0
Fund Balance at End of Year	\$ 71,358	\$ (250,000)	\$ (321,358)

THE CITY OF HILLIARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

WATER TOWER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>			
Capital Outlay	929,463	742,877	186,586
Total Expenditures	929,463	742,877	186,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(929,463)	(742,877)	186,586
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(162,518)	(162,518)	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,091,981)	(905,395)	186,586
Fund Balance at Beginning of Year	175,931	175,931	0
Prior Year Encumbrances	729,464	729,464	0
Fund Balance at End of Year	\$ (186,586)	\$ 0	\$ 186,586

FIDUCIARY FUND TYPES

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, other governmental units and/or other funds.

EXPENDABLE TRUST FUND

Police Benevolent Fund

To account for all donations and charitable contributions to the City's police department for the D.A.R.E. program.

AGENCY FUNDS

Refund Trust Fund

To account for income tax refunds issued to individuals and corporations.

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.

Mayor's Court Fund

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

THE CITY OF HILLIARD, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

	<i>Expendable Trust Fund</i>	<i>Agency Funds</i>			Totals
	Police Benevolent	Refund Trust	Columbus Escrow	Mayor's Court	
<u>Assets:</u>					
Cash and Cash Equivalents	\$ 18,942	\$ 12,581	\$ 108,190	\$ 0	\$ 139,713
Restricted Assets:					
Cash with Fiscal Agent	0	0	0	20,665	20,665
Total Assets	<u>\$ 18,942</u>	<u>\$ 12,581</u>	<u>\$ 108,190</u>	<u>\$ 20,665</u>	<u>\$ 160,378</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 12,381	\$ 12,381
Intergovernmental Payables	0	0	108,190	3,968	112,158
Due to Others	0	0	0	4,316	4,316
Undistributed Monies	0	12,581	0	0	12,581
Total Liabilities	<u>0</u>	<u>12,581</u>	<u>108,190</u>	<u>20,665</u>	<u>141,436</u>
Fund Equity:					
Unreserved	18,942	0	0	0	18,942
Total Fund Equity	<u>18,942</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,942</u>
Total Liabilities and Fund Equity	<u>\$ 18,942</u>	<u>\$ 12,581</u>	<u>\$ 108,190</u>	<u>\$ 20,665</u>	<u>\$ 160,378</u>

THE CITY OF HILLIARD, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Refund Trust Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 11,660	\$ 592,225	\$ (591,304)	\$ 12,581
Total Assets	<u>\$ 11,660</u>	<u>\$ 592,225</u>	<u>\$ (591,304)</u>	<u>\$ 12,581</u>
Liabilities:				
Undistributed Monies	\$ 11,660	\$ 592,225	\$ (591,304)	\$ 12,581
Total Liabilities	<u>\$ 11,660</u>	<u>\$ 592,225</u>	<u>\$ (591,304)</u>	<u>\$ 12,581</u>
<u>Columbus Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 81,574	\$ 447,053	\$ (420,437)	\$ 108,190
Total Assets	<u>\$ 81,574</u>	<u>\$ 447,053</u>	<u>\$ (420,437)</u>	<u>\$ 108,190</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Payable	81,574	447,053	(420,437)	108,190
Total Liabilities	<u>\$ 81,574</u>	<u>\$ 447,053</u>	<u>\$ (420,437)</u>	<u>\$ 108,190</u>
<u>Mayor's Court Fund</u>				
Assets:				
Cash with Fiscal Agent	\$ 30,771	\$ 239,546	\$ (249,652)	\$ 20,665
Total Assets	<u>\$ 30,771</u>	<u>\$ 239,546</u>	<u>\$ (249,652)</u>	<u>\$ 20,665</u>
Liabilities:				
Due to Other Funds	\$ 22,487	\$ 198,944	\$ (209,050)	\$ 12,381
Intergovernmental Payable	3,968	36,286	(36,286)	3,968
Due to Others	4,316	4,316	(4,316)	4,316
Total Liabilities	<u>\$ 30,771</u>	<u>\$ 239,546</u>	<u>\$ (249,652)</u>	<u>\$ 20,665</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 93,234	\$ 1,039,278	\$ (1,011,741)	\$ 120,771
Cash with Fiscal Agent	30,771	239,546	(249,652)	20,665
Total Assets	<u>\$ 124,005</u>	<u>\$ 1,278,824</u>	<u>\$ (1,261,393)</u>	<u>\$ 141,436</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Funds	22,487	198,944	(209,050)	12,381
Intergovernmental Payables	85,542	483,339	(456,723)	112,158
Due to Others	4,316	4,316	(4,316)	4,316
Undistributed Monies	11,660	592,225	(591,304)	12,581
Total Liabilities	<u>\$ 124,005</u>	<u>\$ 1,278,824</u>	<u>\$ (1,261,393)</u>	<u>\$ 141,436</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for the general fixed assets of the city.

THE CITY OF HILLIARD, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets:

Land	\$ 3,185,207
Buildings	4,981,194
Improvements Other Than Buildings	2,146,365
Machinery and Equipment	1,828,600
Furniture and Fixtures	623,959
Vehicles	1,809,078
Total General Fixed Assets	<u><u>\$ 14,574,403</u></u>

Investment in General Fixed Assets from:

Acquired Prior to December 31, 1990	\$ 2,444,051
General Fund	9,851,458
Special Revenue Funds	697,443
Capital Project Funds	1,469,001
Donated	112,450
Total Investment in General Fixed Assets	<u><u>\$ 14,574,403</u></u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY AND FUNCTION
DECEMBER 31, 2001

Function and Activity	Land	Buildings	Improvements Other Than Buildings
<u>General Government:</u>			
Mayor	\$ 0	\$ 0	\$ 0
Finance	0	0	0
Buildings and Grounds	708,774	3,943,473	(2,000)
Engineering	0	0	0
Total	<u>708,774</u>	<u>3,943,473</u>	<u>(2,000)</u>
<u>Security of Persons and Property:</u>			
Police	0	0	0
<u>Transportation:</u>			
Street	0	0	35,920
<u>Basic Utility Services:</u>			
Refuse Collection	0	0	0
<u>Leisure Time Activities:</u>			
Recreation	2,406,433	1,037,721	2,112,445
<u>Community Environment:</u>			
Economic and Community Development	<u>70,000</u>	<u>0</u>	<u>0</u>
 Total General Fixed Assets	 <u>\$ 3,185,207</u>	 <u>\$ 4,981,194</u>	 <u>\$ 2,146,365</u>

(Continued)

<u>Machinery and Equipment</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Totals</u>
\$ 114,643	\$ 22,057	\$ 0	\$ 136,700
92,649	32,084	0	124,733
6,279	0	0	4,656,526
245,971	6,497	69,544	322,012
<u>459,542</u>	<u>60,638</u>	<u>69,544</u>	<u>5,239,971</u>
508,766	310,924	656,488	1,476,178
425,529	12,023	880,216	1,353,688
37,606	0	0	37,606
379,943	228,166	202,830	6,367,538
<u>17,214</u>	<u>12,208</u>	<u>0</u>	<u>99,422</u>
<u>\$ 1,828,600</u>	<u>\$ 623,959</u>	<u>\$ 1,809,078</u>	<u>\$ 14,574,403</u>

THE CITY OF HILLIARD, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>12/31/2000</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2001</u>
<u>General Government:</u>					
Mayor	\$ 128,600	\$ 762	\$ 7,838	\$ 500	\$ 136,700
Finance	122,747	\$ 609	\$ 3,373	\$ 1,996	\$ 124,733
Buildings and Grounds	4,779,926	\$ (2,000)	\$ -	\$ 121,400	\$ 4,656,526
Engineering	217,275	\$ 47,497	\$ 70,600	\$ 13,360	\$ 322,012
Total	<u>\$ 5,248,548</u>	<u>\$ 46,868</u>	<u>\$ 81,811</u>	<u>\$ 137,256</u>	<u>\$ 5,239,971</u>
<u>Security of Persons and Property:</u>					
Police	\$ 1,445,204	\$ (48,868)	\$ 182,573	\$ 102,731	\$ 1,476,178
<u>Transportation:</u>					
Street	\$ 1,141,290	\$ 1,200	\$ 318,647	\$ 107,449	\$ 1,353,688
<u>Basic Utility Services:</u>					
Refuse Collection	\$ 53,744	\$ -	\$ -	\$ 16,138	\$ 37,606
<u>Leisure Time Activities</u>					
Recreation	\$ 6,252,615	\$ 800	\$ 123,602	\$ 9,479	\$ 6,367,538
<u>Community Environment:</u>					
Economic and Community Development	\$ 99,422	\$ -	\$ -	\$ -	\$ 99,422
General Fixed Assets	<u>\$ 14,240,823</u>	<u>\$ -</u>	<u>\$ 706,633</u>	<u>\$ 373,053</u>	<u>\$ 14,574,403</u>

CITY OF HILLIARD, OHIO

STATISTICAL SECTION



HOSA Soccer Fields • Completed 2001



Veteran's Memorial Monument • Built 1995



Heritage Rail Trail • Opened 1997



Municipal Park Bridge • Built 2000



Tinapple Park • New Equipment 1995



Ball Diamond Alt Field • 1967

STATISTICAL TABLES

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

THE CITY OF HILLIARD, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Basic Utility Services</u>	<u>Trans- portation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1992	\$ 2,473,128	\$ 34,916	\$ 1,017,940	\$ 506,194	\$ 994,237	\$ 1,324,928	\$ 1,302,609	\$ -	\$ 3,282,723	\$ 10,936,675
1993	2,613,583	43,491	1,073,526	520,430	917,392	1,087,477	1,286,828	4,650	1,174,784	8,722,161
1994	2,959,027	48,599	1,196,784	517,153	1,093,653	2,189,727	1,440,121	0	1,131,742	10,576,806
1995	3,217,552	51,850	1,289,407	617,201	1,282,733	1,790,372	1,841,205	0	1,187,724	11,278,044
1996	3,489,649	55,924	1,447,065	699,920	1,209,784	1,724,518	3,093,689	0	1,461,772	13,182,321
1997	3,955,924	61,979	1,706,528	617,115	1,198,919	1,284,805	2,680,336	0	1,384,440	12,890,046
1998	4,354,550	64,784	1,988,345	861,126	1,378,198	1,975,372	2,540,230	0	1,364,496	14,527,101
1999	4,709,597	77,937	2,304,495	1,052,595	1,422,919	1,614,934	4,396,185	0	1,434,159	17,012,821
2000	5,213,032	86,423	2,468,887	1,293,415	1,385,469	2,225,509	4,665,711	0	1,487,235	18,825,681
2001	4,929,570	102,506	2,457,256	1,310,297	1,611,830	2,517,213	4,188,601	-	1,465,592	18,582,865

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

THE CITY OF HILLIARD, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

<u>Year</u>	<u>Taxes</u>	<u>Inter-Governmental Revenue</u>	<u>Charges for Services</u>	<u>License and Permits</u>	<u>Investment Earnings</u>	<u>Special Assessments</u>	<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
1992	\$ 4,503,747	\$ 1,411,787	\$ 1,369,341	\$ 294,387	\$ 121,854	\$ 194,464	\$ 166,671	\$ 104,790	\$ 8,167,041
1993	4,997,254	1,501,596	1,571,372	318,988	93,849	208,753	141,753	723	8,834,288
1994	6,007,460	1,660,355	1,751,644	375,603	160,564	183,010	128,386	70,880	10,337,902
1995	7,364,844	1,728,826	1,436,738	478,486	426,417	210,307	145,140	101,334	11,892,092
1996	8,079,880	1,840,503	1,739,484	491,935	418,249	198,456	192,374	194,166	13,155,047
1997	8,652,085	2,025,852	1,321,832	346,811	467,456	193,399	217,496	146,121	13,371,052
1998	10,399,120	2,199,226	1,777,254	387,125	389,020	171,474	227,632	124,254	15,675,105
1999	10,536,133	2,510,280	1,661,365	351,828	545,081	167,103	228,963	46,848	16,047,601
2000	12,207,528	1,664,608	2,130,192	312,497	827,150	158,117	232,035	101,139	17,633,266
2001	11,853,434	2,371,628	2,923,646	532,984	517,618	124,586	188,598	516,491	19,028,985

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

***THE CITY OF HILLIARD, OHIO
MUNICIPAL INCOME TAX REVENUES
LAST TEN YEARS***

<u>Year</u>	<u>Amount</u>	<u>Percentage Increase</u>
1992	\$ 5,448,936	28.6%
1993	6,098,131	11.9%
1994	7,537,820	23.6%
1995	8,843,496	17.3%
1996	9,498,106	7.4%
1997	10,209,272	7.5%
1998	12,313,215	20.6%
1999	12,394,148	0.7%
2000	13,262,472	7.0%
2001	13,533,051	2.0%

Source: City Income Tax Department

THE CITY OF HILLIARD, OHIO
REAL PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
	(1) (2)	(1)				(2)	
1992	\$ 326,285	\$ 310,632	\$ 11,739	\$ 322,371	98.80%	\$ 7,478	2.29%
1993	362,819	344,841	11,361	356,202	98.18%	10,813	2.98%
1994	444,881	423,860	10,311	434,171	97.59%	13,707	3.08%
1995	488,215	468,380	12,328	480,708	98.46%	11,067	2.27%
1996	553,325	530,722	7,502	538,224	97.27%	21,906	3.96%
1997	636,876	606,399	15,227	621,626	97.61%	28,521	4.48%
1998	764,962	749,963	27,096	777,059	101.58%	38,650	5.05%
1999	818,899	809,787	19,134	828,921	101.22%	31,188	3.81%
2000	951,953	927,709	19,405	947,114	99.49%	69,987	7.35%
2001	983,178	962,455	27,112	989,567	100.65%	157,152	15.98%

Source: Franklin County Auditor

- (1) State reimbursement of rollback and homestead exemptions are included
- (2) Amounts listed include penalties and interest

THE CITY OF HILLIARD, OHIO
TANGIBLE PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1992	\$ 62,278	\$ 60,139	\$ 4,954	\$ 65,093	104.52%	\$ 4,570	7.34%
1993	69,531	63,662	6,282	69,944	100.59%	4,052	5.83%
1994	65,777	61,494	2,436	63,930	97.19%	4,489	6.82%
1995	71,529	70,557	2,873	73,430	102.66%	3,684	5.15%
1996	90,566	85,434	2,172	87,606	96.73%	6,143	6.78%
1997	94,938	90,394	2,270	92,664	97.60%	4,252	4.48%
1998	97,445	93,657	17,020	110,677	113.58%	7,078	7.26%
1999	112,367	109,825	5,590	115,415	102.71%	6,828	6.08%
2000	122,363	118,312	582	118,894	97.16%	40,703	33.26%
2001	109,899	80,981	10,608	91,589	83.34%	125,617	114.30%

Source: Franklin County Auditor

THE CITY OF HILLIARD, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Collection Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992	\$ 204,010,070	\$ 582,885,914	\$ 14,613,800	\$ 41,753,714	\$ 37,459,689	\$ 149,838,756	\$ 256,083,559	\$ 774,478,384	33.07%
1993	252,973,070	722,780,200	15,782,550	45,093,000	40,600,481	162,401,924	309,356,101	930,275,124	33.25%
1994	262,037,980	748,679,943	16,574,950	47,357,000	55,128,585	220,514,340	333,741,515	1,016,551,283	32.83%
1995	322,605,580	921,730,229	16,607,520	47,450,057	41,899,796	167,599,184	381,112,896	1,136,779,470	33.53%
1996	375,958,820	1,074,168,057	19,257,710	55,022,029	54,300,913	217,203,652	449,517,443	1,346,393,738	33.39%
1997	396,902,200	1,134,006,286	20,296,580	57,990,229	62,190,825	248,763,300	479,389,605	1,440,759,815	33.27%
1998	421,012,750	1,202,893,571	20,399,890	58,285,400	60,902,842	243,611,368	502,315,482	1,504,790,339	33.38%
1999	490,788,860	1,402,253,886	20,593,850	58,839,571	70,229,428	280,917,712	581,612,138	1,742,011,169	33.39%
2000	520,706,420	1,487,732,629	19,792,520	56,550,057	76,476,995	305,907,980	616,975,935	1,850,190,666	33.35%
2001	542,010,270	1,548,600,711	15,138,450	43,252,714	68,687,135	274,748,540	625,835,855	1,866,601,965	33.53%

Source: Franklin County Auditor

THE CITY OF HILLIARD, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER\$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Hilliard General Fund	Hilliard City School District	Franklin County	Metropolitan Library	Norwich Township	Vocational School	Total
1992	1.60	47.08	12.42	2.20	11.50	1.60	76.40
1993	1.60	51.58	14.87	2.20	11.50	1.60	83.35
1994	1.60	50.37	14.57	2.20	11.50	1.60	81.84
1995	1.60	52.15	14.57	2.20	11.50	1.60	83.62
1996	1.60	60.65	14.82	2.20	11.50	1.60	92.37
1997	1.60	60.28	15.12	2.20	11.50	1.60	92.30
1998	1.60	59.71	17.54	2.20	17.50	1.60	100.15
1999	1.60	59.71	17.64	2.20	17.50	1.60	100.25
2000	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2001	1.60	65.61	17.64	2.20	17.50	1.10	105.65

Source: Franklin County Auditor
Franklin County Treasurer

THE CITY OF HILLIARD, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collection</u>
1992	\$ 189,698	\$ 194,464	102.51%
1993	188,470	208,753	110.76%
1994	194,129	183,010	94.27%
1995	203,294	209,564	103.08%
1996	183,670	198,456	108.05%
1997	171,145	193,398	113.00%
1998	166,950	96,648	57.89%
1999	167,290	167,249	99.98%
2000	163,722	158,117	96.58%
2001	124,788	124,586	99.84%

Source: Franklin County Auditor

THE CITY OF HILLIARD, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$ 625,835,855	\$ 625,835,855
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	65,712,765	34,420,972
Applicable City Debt Outstanding (2)	15,045,000	15,045,000
Less: Applicable Debt Service Fund Amounts	<u>65,144</u>	<u>65,144</u>
Net Indebtness Subject to Limitation	<u>14,979,856</u>	<u>14,979,856</u>
Legal Debt Margin	<u>\$ 50,732,909</u>	<u>\$ 19,441,116</u>

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only

THE CITY OF HILLIARD, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

<u>Collection Year</u>	<u>Population(1)</u>	<u>Assessed Value (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1992	16,000	\$ 256,084	\$ 7,442,574	2.91%	\$ 465
1993	16,500	309,356	7,020,721	2.27%	425.50
1994	17,000	333,741	6,585,640	1.97%	387.39
1995	17,903	381,113	9,616,763	2.52%	537.16
1996	18,774	449,517	9,011,628	2.00%	480.01
1997	19,281	479,389	8,345,691	1.74%	432.85
1998	21,065	502,315	7,672,667	1.53%	364.24
1999	22,506	581,612	8,446,913	1.45%	375.32
2000	24,230	616,976	7,357,966	1.19%	303.67
2001	25,555	625,836	6,729,856	1.08%	263.35

(1) Source: "Population Estimates and Projections" , published by the U.S. Department of Commerce, Bureau of Census

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

(3) Includes all general obligation bonded debt supported by property taxes less balance available in debt service fund

THE CITY OF HILLIARD, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN YEARS

Year	Debt Principal	Debt Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1992	\$ 150,000	\$ 527,596	\$ 677,596	\$ 10,936,675	6.20%
1993	430,000	528,603	958,603	8,722,161	10.99%
1994	435,000	486,224	921,224	10,576,806	8.71%
1995	475,000	444,276	919,276	11,278,044	8.15%
1996	605,000	663,679	1,268,679	13,182,321	9.62%
1997	640,000	551,557	1,191,557	12,890,046	9.24%
1998	665,000	517,233	1,182,233	14,527,101	8.14%
1999	740,000	505,909	1,245,909	17,012,821	7.32%
2000	820,000	473,165	1,293,165	18,825,681	6.87%
2001	865,000	428,127	1,293,127	18,582,865	6.96%

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

THE CITY OF HILLIARD, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Hilliard (2)</u>	<u>Amount Applicable to City of Hilliard</u>
Direct			
City of Hilliard (1)	\$ 15,705,000	100.00%	\$ 15,705,000
Overlapping Subdivisions			
Hilliard City School District	79,412,004	34.51%	27,405,083
Dublin City School District	168,415,988	0.04%	67,366
Franklin County	159,537,300	2.83%	4,514,906
Washington Township	1,980,000	0.17%	3,366
			<u>31,990,721</u>
			<u>\$ 47,695,721</u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

- (1) Net debt outstanding equals the amount of general obligation notes and bonds outstanding less the amount available in the debt service fund.
- (2) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

**THE CITY OF HILLIARD, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Unemployment Rate Franklin County Area (2)</u>	<u>School Enrollment (3)</u>
1992	16,000	\$ 17,728	5.0%	7,862
1993	16,500	18,437	4.6%	8,630
1994	17,000	20,000	3.9%	8,703
1995	17,903	21,100	2.8%	10,030
1996	18,774	21,733	3.2%	10,668
1997	19,281	22,385	2.7%	11,224
1998	21,065	23,057	2.5%	12,003
1999	22,506	23,749	2.5%	12,492
2000	24,230	24,343	2.4%	12,873
2001	25,555	28,496	2.8%	13,252

(1) Source: "Population Estimates and Projections", published by the U.S
Department of Commerce, Bureau of Census

(2) State Department of Labor

(3) Hilliard City School District, Board of Education

THE CITY OF HILLIARD, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS

Tax Collection Year	Total Real Property Assessed Value	Residential		Commercial		Industrial	
		Number of Permits	Construction Value	Number of Permits	Construction Value	Number of Permits	Construction Value
1992	\$ 204,010,070	478	\$ 58,778,956	31	\$ 19,541,210	3	\$ 485,289
1993	252,973,070	576	69,873,558	24	7,589,493	6	1,926,000
1994	262,037,980	526	82,690,980	64	57,255,297	0	0
1995	322,605,580	462	63,325,739	67	38,012,919	0	0
1996	375,958,820	424	67,308,664	69	6,973,738	0	0
1997	396,902,200	232	42,707,408	65	18,760,862	0	0
1998	421,012,750	220	48,904,375	15	8,562,908	0	0
1999	490,788,860	219	52,180,707	10	4,945,000	0	0
2000	520,706,420	181	40,821,072	16	21,201,832	0	0
2001	542,010,270	239	59,999,460	20	21,901,278	0	0

Source: City of Hilliard Building Department

THE CITY OF HILLIARD, OHIO
PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuations (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 Uunet Technologies, Inc.	Computer Information Services	\$ 17,499,260	25.48%
2 Dana Corporation	Manufacturing	5,972,830	8.70%
3 Gates McDonald & Company	Actuarial Services	2,182,520	3.18%
4 Armstrong World Industries, Inc.	Manufacturing	1,817,860	2.65%
5 Baseman Printing Corporation	Publishing	1,811,770	2.64%
6 Rich Products Manufacturing Corporation	Manufacturing	1,649,330	2.40%
7 Central Funding, Inc.	Real Estate Holding Company	1,635,740	2.38%
8 Althertan, Inc.	Manufacturing	1,446,030	2.11%
9 Highlights for Children, Inc.	Publishing	1,377,490	2.01%
10 Kellogg Sales Company	Sales	1,344,890	1.96%
	Sub-Total	36,737,720	53.49%
	All Others	31,949,415	46.51%
	Total	<u>\$ 68,687,135</u>	<u>100.00%</u>

Based on valuation of property taxes levied in 2000.
Source: Franklin County Auditor - Land and Buildings

THE CITY OF HILLIARD, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuations (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 One Mill L.L.C	Commercial Real Estate	\$ 6,650,010	1.23%
2 United Dominion Realty LP	Real Estate Holding Company	6,300,000	1.16%
3 First Industrial, LP	Commercial Real Estate	4,341,760	0.80%
4 TR Properties, Inc & TR Development V Inc	Commercial Real Estate	2,966,110	0.55%
5 Real Estate Finance Trust 1995-k-4	Commercial Real Estate	2,800,010	0.52%
6 Garden Ridge Hilliard	Retail	2,607,500	0.48%
7 Red Roof Inns, Inc	Hospitality - Corporate Headquarter	2,211,190	0.41%
8 Nationwide Health	Insurance	2,100,010	0.39%
9 Heritage Golf Club, LP	Golf Course	2,000,340	0.37%
10 Armstrong World Industries, Inc.	Manufacturing	1,981,000	0.37%
	Sub-Total	33,957,930	6.27%
	All Others	508,052,340	93.73%
	Total	\$ 542,010,270	100.00%

Based on valuation of property taxes levied in 2001
Source: Franklin County Auditor - Land and Buildings

THE CITY OF HILLIARD, OHIO
PRINCIPAL EMPLOYERS BASED ON EMPLOYEE INCOME TAX
DECEMBER 31, 2001

Taxpayer	Type of Business
1 MCI Telecommunications	Computer Information Services
2 Hilliard City Schools	Education
3 Gates McDonald & Company	Actuarial Services
4 Micro Electronics, Inc.	Manufacturing
5 Honda of America MFG. Inc	Manufacturing - Automative Industry
6 Dana Corporation	Manufacturing
7 Novus/Discover Card Services, Inc	Credit Processing Services
8 City of Hilliard	Local Government
9 Baesman Printing	Computation/Printing
10 Arctic Express, Inc.	Trucking

Source: Hilliard City Income Tax Department

**THE CITY OF HILLIARD, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001**

Date of Incorporation	1869	City Employees:		Recreation and Culture:	
Effective Date of Charter	January 1, 1963	Number of Full Time	156	Number of Parks	18
Form of Government	Mayor - Council	Number of Part Time	19	Park Area (acres)	239.9
Area (square miles)	14			Number of Playground	11
		Police Services:		Number of Swimming Pools	2
Facilities and Services:		Number of Stations	1	Number of Ball Fields	28
Miles of Streets	100	Number of Police and Officers	46	Number of Tennis Courts	4
Number of Street Lights	480			Number of Community Center	1
Miles of Water Mains	105	Fire/Emergency Medical Services:(1)		Number of Senior Centers	1
Miles of Sanitary Sewers	120	Number of Stations	2		
				Education: (2)	
Miles of Storm Sewers	96	Number of Police Officers	69	Elementary Schools	13
		Number of Paramedics	57	Elementary Schools Students	6,542
				Elementary Schools Instructors	479
Building Permits Issued in 2001	259			Secondary Schools	7
				Secondary Schools Students	6,710
				Secondary Schools Instructors	551
				Student/Teacher Ratio	1 to 12.86

(1) Fire Protection provided by Norwich Township

(2) Total School District data provided by the Hilliard City School District





STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF HILLIARD

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 27, 2002**