



**Auditor of State
Betty Montgomery**

CITY OF HILLIARD
FRANKLIN COUNTY

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**Auditor of State
Betty Montgomery**

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

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

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2005, wherein we noted the City implemented GASB Technical Bulletin No. 2004-2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine 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 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 management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2004-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the City's management dated June 24, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 24, 2005, we reported other matters related to noncompliance we deemed immaterial.

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

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

Betty Montgomery
Auditor of State

June 24, 2005

CITY OF HILLIARD
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004

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

Finding Number	2004-001
-----------------------	-----------------

SAS 70 Report

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

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

We recommend the City specify in its contract with the third-party administrator that an annual Tier II SAS 70 audit be performed. The City should be provided a copy of the SAS 70 audit report timely and should review the report's content. A SAS 70 audit should be conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide a Tier II SAS 70 audit report, we recommend the City 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, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	Unsupported Reimbursement Expenditures	Yes	Corrected
2003-002	Lack of a SAS 70 Report	No	Not Corrected – Reissued as Finding Number 2004-001

CITY OF HILLIARD, OHIO

FRANKLIN COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Prepared by:
Department of Finance

Michelle Kelly-Underwood
Director

David D. Delande
Deputy Director

City of Hilliard, Ohio
Comprehensive Annual Financial Report
For The Year Ended December 31, 2004
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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF HILLIARD, OHIO
FOR THE YEAR ENDED – DECEMBER 31, 2004



City of Hilliard, Ohio ♦ Aerial Photograph 1999

**ISSUED BY: DEPARTMENT OF FINANCE
MICHELLE KELLY-UNDERWOOD, DIRECTOR
3800 MUNICIPAL WAY ♦ HILLIARD, OHIO 43026**



Don Schonhardt, Mayor

City of Hilliard

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

June 24, 2005

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, 2004. 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 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 the table of contents, this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, a list of the principal City Officials, an Organizational Chart, and a Certificate of Achievement for Excellence in Financial Reporting.
2. *The Financial Section* contains the Independent Accountants' Report, the basic financial statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the combining and individual fund statements and schedules that provide detailed information to the basic financial statements and Management's Discussion and Analysis, that is an addition to this report under GASB 34.

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 basic 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 by the City of a voting majority of the component unit's board, and either (1) the City has the ability to impose its will over the component unit, or (2) the component unit provides a financial benefit to or imposes 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), fire protection (on a contractual basis) and other governmental services.

General Information

The City lies in the western half of Franklin County in portions of Norwich, Washington and Brown Townships and is located approximately ten (10) miles northwest of downtown Columbus, the capital of the State of Ohio. The City encompasses an area of approximately eleven (11) square miles. Rail service is provided by CSX and private air service is available five miles to the north and south by Don Scott Field and Bolton Field, respectively. The City is twenty miles from Port Columbus International Airport and offers immediate access to interstate highways I-70 and I-270 via three major interchanges. The City is situated 833 feet above sea level and experiences mean temperatures of 71.97 degrees during the summer and 29.80 degrees during the winter.

The Hilliard area was settled in the early 1800's and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950's when residential growth boomed. By December 12, 1960 the population had reached 5,000 and the Village of Hilliard became a city.

The City is served by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates 36 percent of its students reside in the City.

Form of Government

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

The Mayor serves full-time and appoints the following directors: Finance, Law, Public Safety, Economic Development, Public Service, Human Resources 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 143 full-time and 12 part-time employees. During the summer months, the City hires approximately 50 seasonal part time employees to staff the City owned swimming pools and to provide grounds keeping services.

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>Number of Employees</u>
Police Officers, Sergeants, and Lieutenants	Fraternal Order of Police	50
Radio Technicians and Clerks	State Fraternal Order of Police	13
Service/Maintenance Workers and Custodians	United Steelworkers of America	26

All remaining full time employees have elected not to join a bargaining unit.

All current contracts expired December 31, 2004. The United Steelworkers of America agreed to extend the provisions of their agreement until December 31, 2005 with no increases in wages or benefits. Negotiations with the Fraternal Order of Police and with the State Fraternal Order of Police are ongoing. The City is of the belief that employee relations have been and will continue to be excellent.

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 have resulted in strong growth throughout the metropolitan area as well as in the City since 1970. During this period of growth, the City's population has doubled.

According to 2000 census figures, the City population was 24,230, up from 14,292 in 1990 and 8,008 in 1980. The Mid-Ohio Regional Planning Commission estimates the City population for 2004 to be 26,844.

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. The City's rate of unemployment is influenced to a great extent by that of the metropolitan area. For 2004, Franklin County had a rate of unemployment at 5.4%.

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 and sewer and waterlines to ball fields, traffic signals, and the municipal complex expansion.

Building permits have slowed over the last year in the residential area. Commercial development picked up in 2003 with a 20 million plus increase over the prior year in commercial construction value. Commercial construction value in 2004 was \$13,915,506 which was less than the previous year but more than double the value in 2002.

Our prestigious residential developments Heritage Lakes, Estates of Hoffman Farms and Lakewood Estates continue to flourish with homes in the \$300,000 to \$500,000 price range.

The City's assessed value increased from \$731 million in tax year 2003 to \$758 million in tax year 2004. Currently 71% of the tax base is comprised of residential property with the balance being comprised of commercial property.

Income tax remains the primary source of revenue for the City; this revenue supports our five-year Capital Improvement Program. Income tax revenue is divided between three funds including the General Fund, Street Improvement Municipal Tax Fund, and Capital Improvement Municipal Tax Fund. Some of the City's largest employers in 2004 included MCI Telecommunications, Hilliard City Schools, Gates McDonald & Co., Discover Card Services, Inc., and Micro Center, Inc.

MAJOR INITIATIVES

For the year

In early 2004 Council authorized construction of two key roadways that will open 400 acres to development. This acreage provides the only large sites remaining along northwest I-270 for development. The commercial development areas immediately north of the City are now substantially built out and have no freeway visible corporate sites in excess of 20 acres. The freeway visibility and larger available tracts make the City attractive to most large new commercial/office projects destined for Central Ohio.

BMW is constructing a 220,000 square foot office building for their corporate facility in the development called Britton Central. The corporate facility is estimated to cost \$21 million and is scheduled to open in early 2006. Britton Central is a 282 acre mixed use Planned Unit Development projected to generate \$5 to \$7 million in income tax revenue annually.

The Trueman Boulevard project was completed in December of 2004 and opens over 100 acres to new commercial development. Home Depot opened in July of 2004 and Target is scheduled to open in July of 2005. The Trueman Boulevard corridor will include a mix of retail, office and service businesses.

Municipal Service

The City provides the following services to our residents:

- Police Protection
- Parks and Recreation
- Planning, Zoning, and Engineering
- Street Maintenance
- Water, Sewer, Snow Removal, Fire Protection and Refuse Pick-Up by an outside contractor

Hilliard continues to update and expand our infrastructure as required for growth and development.

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

Engineering and right of way acquisition is under way on Hilliard Rome Road. This project is being planned and performed in conjunction with the City of Columbus.

The City maintains a recreational program to service all our residents which include a Senior Center, a Community Center, and a 100 acre Municipal Park with eight lighted ball fields, soccer fields, and two heated pools. After school and summer programs are provided for all ages.

The Police Department continued 911 dispatching for themselves and the Norwich Township Fire Department using the upgraded 800 megahertz dispatching system. The department also provides police protection for Norwich Township under a three year contract between the City and the township trustees. We continue our Safety Town, DARE Programs, and School Resource Officers in both of our high schools.

FINANCIAL INFORMATION

Financial Condition

The City has prepared financial statements following *GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion an Analysis – for the State and Local Governments."* *GASB 34* creates new basic financial statements for reports as follows:

Government – Wide Financial Statements – These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses.

Fund Financial Statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the Government-Wide Financial Statements. Proprietary funds use an accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing Management's Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2004.

Accounting Controls

The City's 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 personnel 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 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 year, an appropriation ordinance, based on the tax budget, for the next succeeding 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 year covered by such ordinance.

The City maintains budgetary control on a non-GAAP basis at the major object level within each department and fund, which include personal services, contractual services, materials and supplies, capital outlay, other, debt service, and 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.

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 agreements and the State Treasurer's Asset Reserve account (STAROhio), allow the City to earn interest on all funds.

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

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

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.

2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning market rate of return.

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

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.

The City provides comprehensive health insurance to its employees through a self funded plan. The City mitigates the risk in the self funded structure by purchasing stop-loss coverage.

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

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2004, 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 year ended December 31, 2003. This was the thirteenth consecutive year (1991-2003) that the City received this award.

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

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

Public Disclosure

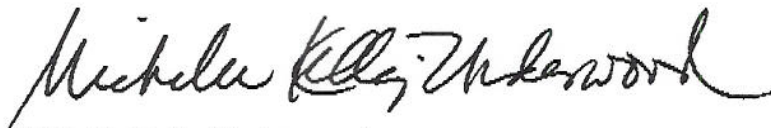
The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Hilliard, the recipients of the report include city, state, and federal officials, 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 the City Council for their support and for providing the necessary funds to prepare and publish this report.

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

Respectfully submitted,



Michelle Kelly-Underwood
Finance Director

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, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

City of Hilliard, Ohio

Principal Officials

December 31, 2004

Elected Officials

Name	Title	Term Expires	Service	Surety
Don Schonhardt	Mayor	12/31/2007	4	A
Bill Uttley	President of Council	12/31/2005	3	A
Susan Bogan	Council	12/31/2005	7	A
Kirk Herath	Council	12/31/2005	4	A
Dana Peacock	Council	12/31/2007	7	A
Michael Cope	Council	12/31/2005	7	A
Scott Brown	Council	12/31/2007	1	A
Tim Roberts	Council	12/31/2007	1	A

Appointed Officials

Name	Title	Term Expires	Service	Surety
Michelle Kelly-Underwood	Director of Finance	Indefinite	1	A & B
Pamela A DeDent	Director of Law	Indefinite	1	A
Pamela A DeDent	Director of Safety	Indefinite	1	A
Clyde R. Seidle	Director of Service	Indefinite	1	A
John M. Brennan	Director of Parks and Recreation	Indefinite	5	A
David Meeks	Director of Economic Development	Indefinite	3	A
Rodney D. Garnett	Chief of Police	Indefinite	17.5	A
Heather L. LaMarre	Clerk of Council	Indefinite	1	A

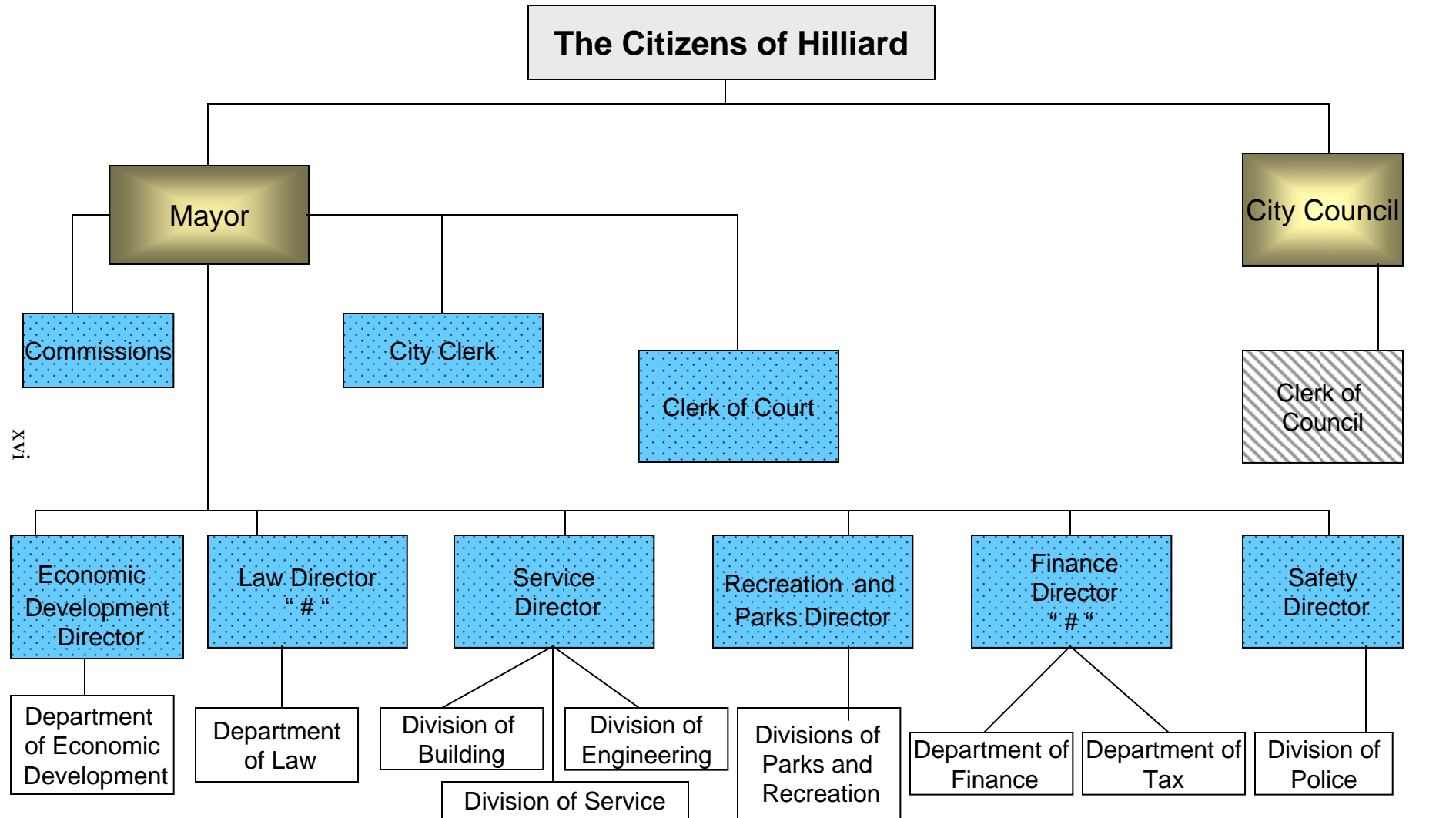
(A) National Casualty Insurance Company, \$1,000,000/\$1,000,000.

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




City Address:

City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

The City of Hilliard, Ohio Organizational Chart



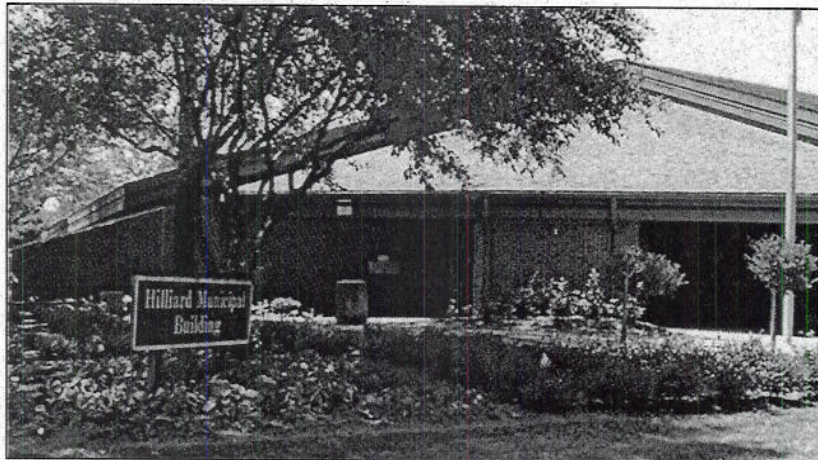
XVI.

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

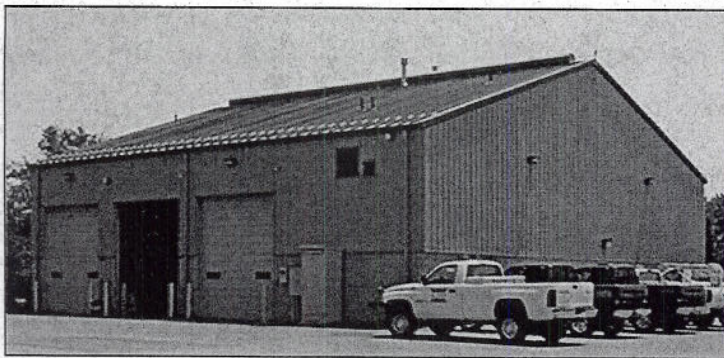
- Boards and Commissions
- Parks and Recreation
- Shade Tree Commission
- Old Hilliard Corporation
- Civil Service Commission
- Planning and Zoning Commission
- Graphics Commission
- Board of Zoning Appeals
- Tax Incentive Review Council
- Board of Tax Appeals

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, Street Maintenance and Repair, Street Improvement Municipal Tax, and Water Revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2004, the City implemented GASB Technical Bulletin No. 2004-2 "*Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

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

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

Betty Montgomery
Auditor of State

June 24, 2005

City of Hilliard, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Hilliard's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the year ended December 31, 2004.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$2,174,443 during 2004.
- General revenues accounted for \$16,785,423 or 75.18% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$5,542,591 or 24.82% of total revenue of \$22,328,014.
- The City had \$20,153,571 in expenses related to governmental activities, while only \$5,542,591 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property and income taxes) of \$16,785,423 were adequate to provide for the remaining cost of these programs.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of the City Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Hilliard's major funds are the General, Street Maintenance and Repair, Street Improvement Municipal Tax, Water Revenue, and Capital Improvement Municipal Tax Funds.

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

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

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2004 compared to 2003.

Table 1
Net Assets
Governmental Activities

	2004	2003
Assets		
Current and Other Assets	\$17,401,113	\$15,437,773
Capital Assets	18,241,492	16,133,069
Total Assets	35,642,605	31,570,842
Liabilities		
Long-Term Liabilities	18,648,427	17,388,411
Other Liabilities	3,958,295	3,320,991
Total Liabilities	22,606,722	20,709,402
Net Assets		
Invested in Capital Assets, Net of Related Debt	2,607,404	199,152
Restricted for:		
Other Purposes	5,144,120	5,798,795
Debt Service	295,638	484,199
Capital Outlay	2,511,267	1,510,776
Unrestricted	2,477,454	2,868,518
Total Net Assets	\$13,035,883	\$10,861,440

Net assets of the City's governmental activities increased \$2,174,443 during 2004. The increase in Capital Assets, Net of Related Debt was due primarily to additions in infrastructure from completed construction in progress that was not all related to debt. Net Capital Assets increased \$2,108,423 due to additional construction in progress primarily for road improvements and additions to machinery and equipment, and vehicles. Current liabilities increased \$637,304 due primarily to an increase in contractual commitments for additional City road projects and due to a judgment against the City. Long-term liabilities increased due to the issuance of a bond anticipation note for various capital improvements.

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

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

Table 2 shows the changes in net assets for the year ended December 31, 2004 and 2003.

Table 2
Change in Net Assets
Governmental Activities

	2004	2003
Revenues		
Program Revenues:		
Charges for Services	\$3,849,590	\$3,899,836
Operating Grants and Contributions	1,628,828	1,671,998
Capital Grants, Contributions, and Interest	64,173	42,085
Total Program Revenues	5,542,591	5,613,919
General Revenues:		
Property and Other Local Taxes	1,580,512	1,538,771
Income Taxes	13,606,085	12,671,812
Payment in Lieu of Taxes	101,508	128,918
Grants and Entitlements not Restricted to Specific Programs	1,220,891	1,823,489
Unrestricted Investment Earnings	100,411	108,125
Miscellaneous	176,016	163,714
Total General Revenues	16,785,423	16,434,829
Total Revenues	22,328,014	22,048,748
Program Expenses		
General Government	3,412,918	3,294,036
Security of Persons and Property	7,028,605	5,466,993
Public Health	119,086	119,086
Leisure Time Activities	2,714,029	2,853,827
Community Environment	1,403,235	1,699,270
Basic Utility Services	2,105,383	2,866,382
Transportation	2,552,428	871,604
Interest and Fiscal Charges	817,887	799,779
Total Expenses	20,153,571	17,970,977
Increase in Net Assets	\$2,174,443	\$4,077,771

Governmental Activities

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

Since 1995, local income tax revenue has increased annually an average of 6.3%. During 2004, the City's vision continued to focus on economic expansion and to promote the economic base.

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

Governmental program expenses for 2004 were as follows:

General Government	16.94%
Security of Persons and Property	34.88%
Public Health	0.59%
Leisure Time Activities	13.47%
Community Environment	6.96%
Basic Utility Services	10.45%
Transportation	12.67%
Interest and Fiscal Charges	4.04%
	<u>100.00%</u>

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

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 17.24% of total revenue. Revenues provided by sources other than City residents in the form of operating and capital grants restricted to a certain program comprise another 7.58%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 12. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,164,802 and expenditures of \$23,194,578. As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$10,758,547, an increase of \$1,199,040 in comparison with the prior year. Unreserved undesignated fund balance equals \$7,415,216. The remaining fund balance of \$3,343,331 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year or a variety of other restricted purposes. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or federal government.

The General Fund balance of \$2,749,658 continues to rely heavily on the City's income tax as its primary source of revenue for operations, which kept the balance and activity of the fund consistent.

The Street Maintenance and Repair Fund maintained a steady flow of revenues and expenditures as compared to prior years with only a decrease in fund balance of \$15,610.

The Street Improvement Municipal Tax Fund decreased by \$1,092,385 due to a significant increase in transfers – out to the General Obligation Bond Retirement Fund to help pay off bonds and due to an increase in transportation expenditures for contractual commitments.

The Water Revenue Fund decreased by \$50,284 due to a decrease in charges for services, along with an increase in basic utility services. The 29.53% decrease in charges for services was due to the completion of the Western Tributary Agreement.

The Capital Improvement Municipal Tax Fund increased by \$2,465,608 mainly due to the issuance of a bond anticipation note with a significant amount of unspent proceeds.

Total transfers-out during the year from the Street Maintenance and Repair, Water Revenue, and Capital Improvement Municipal Tax funds were \$1,043,372, \$219,020, and \$622,103, respectively. These transfers were used for debt payments for general obligation bonds.

General Fund Budgeting Highlights

The City’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The appropriations resolution is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the major object level within each department and fund.

During 2004, there were various revisions to the General Fund budget, to allocate amounts appropriately between departments. The net effect of the revisions was no change in total appropriations from original budgeted amounts.

Original General Fund budgeted revenues were \$13,089,525, which matched final budgeted revenues. Actual revenues were \$13,054,066. The difference amounted to \$35,459.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Table 3
Capital Assets
(Net of Depreciation)
Governmental Activities

	<u>2004</u>	<u>2003</u>
Land	\$3,181,627	\$3,181,627
Construction in Progress	4,200,594	5,139,079
Buildings	2,987,487	3,112,127
Improvements Other Than Buildings	1,385,181	1,483,212
Machinery and Equipment	930,010	1,168,804
Furniture and Fixtures	197,449	220,466
Vehicles	764,214	918,200
Infrastructure	4,594,930	909,554
Totals	<u><u>\$18,241,492</u></u>	<u><u>\$16,133,069</u></u>

The primary increase occurred in construction in progress and infrastructure due to additional City road projects. See Note 10 of the Notes to the Basic Financial Statements for more detailed information.

Debt

At December 31, 2004, the City of Hilliard had \$17,022,460 in debt outstanding.

Table 4
Outstanding Debt at Year End
Governmental Activities

	<u>2004</u>	<u>2003</u>
Bond Anticipation Note	\$2,227,000	\$0
General Obligation Bonds	14,255,000	15,385,000
Special Assessment Bonds	430,000	515,000
Capital Lease	1,208	0
Premium on Bonds Issued	109,252	115,322
Totals	<u>\$17,022,460</u>	<u>\$16,015,322</u>

During 2004, the City issued bond anticipation notes in the amount of \$2,227,000 for various capital improvements. The notes will mature on July 1, 2024.

All general obligation bond issues and the bond anticipation note will be paid through the General Obligation Bond Retirement Fund, the Street Improvement Municipal Tax Fund, and the Capital Improvements Municipal Tax Fund.

Special assessment bonds will be paid with special assessment revenue.

The City's overall 10.5 percent legal debt margin was \$63,739,840 as of December 31, 2004. The more restrictive unvoted legal debt margin within 5.5 percent was \$25,811,760 as of the same date. See Note 17 of the Notes to the Basic Financial Statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

City of Hilliard, Ohio
Statement of Net Assets
December 31, 2004

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$10,174,025
Cash and Cash Equivalents with Fiscal Agents	9,008
Accrued Interest Receivable	370
Accounts Receivable	1,264
Municipal Income Taxes Receivable	2,618,683
Due from Other Governments	1,627,969
Revenue in Lieu of Taxes Receivable	63,026
Prepaid Items	36,048
Property and Other Local Taxes Receivable	1,173,277
Deferred Charges	77,120
Special Assessments Receivable	418,323
Cash and Cash Equivalents with Escrow Agent	1,202,000
Nondepreciable Capital Assets	7,382,221
Depreciable Capital Assets	17,229,086
Accumulated Depreciation	(6,369,815)
<i>Total Assets</i>	35,642,605
Liabilities	
Accounts Payable	148,528
Contracts Payable	878,453
Retainage Payable	123,207
Accrued Wages Payable	148,916
Matured Compensated Absences	51,227
Due to Other Governments	568,543
Accrued Interest Payable	67,724
Claims Payable	181,817
Judgments Payable	712,181
Deferred Revenue	1,077,699
Long-Term Liabilities:	
Due Within One Year	2,066,696
Due in More Than One Year	16,581,731
<i>Total Liabilities</i>	22,606,722
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,607,404
Restricted for:	
Other Purposes	5,144,120
Debt Service	295,638
Capital Outlay	2,511,267
Unrestricted	2,477,454
<i>Total Net Assets</i>	\$13,035,883

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Statement of Activities
For the Year Ended December 31, 2004

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions, and Interest	Total Governmental Activities
Governmental Activities					
General Government	\$3,412,918	\$292,407	\$0	\$64,173	(\$3,056,338)
Security of Persons and Property	7,028,605	21,355	254,226	0	(6,753,024)
Public Health	119,086	0	0	0	(119,086)
Leisure Time Activities	2,714,029	1,073,092	0	0	(1,640,937)
Community Environment	1,403,235	861,651	281,346	0	(260,238)
Basic Utility Services	2,105,383	1,600,842	0	0	(504,541)
Transportation	2,552,428	243	1,093,256	0	(1,458,929)
Interest and Fiscal Charges	817,887	0	0	0	(817,887)
<i>Total Governmental Activities</i>	<u>\$20,153,571</u>	<u>\$3,849,590</u>	<u>\$1,628,828</u>	<u>\$64,173</u>	<u>(14,610,980)</u>
General Revenues					
Property Taxes Levied for General Purposes					1,371,968
Other Local Taxes					208,544
Income Taxes Levied for:					
General Purposes					8,500,614
Transportation					1,700,792
Capital Outlay					3,404,679
Payments in Lieu of Taxes					101,508
Grants and Entitlements not Restricted to Specific Programs					1,220,891
Unrestricted Investment Earnings					100,411
Miscellaneous					176,016
<i>Total General Revenues</i>					<u>16,785,423</u>
<i>Change in Net Assets</i>					2,174,443
<i>Net Assets Beginning of Year</i>					<u>10,861,440</u>
<i>Net Assets End of Year</i>					<u><u>\$13,035,883</u></u>

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,297,453	\$51,387	\$1,400,340
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Cash and Cash Equivalents with Escrow Agent	0	0	0
Receivables:			
Property and Other Local Taxes	1,167,132	0	0
Revenue in Lieu of Taxes	0	0	0
Municipal Income Taxes	1,636,677	0	327,335
Accounts	31	1,233	0
Special Assessments	0	0	0
Accrued Interest Receivable	370	0	0
Due from Other Governments	774,482	655,510	0
Prepaid Items	36,048	0	0
Interfund Receivable	67,350	0	0
<i>Total Assets</i>	<u>\$5,979,543</u>	<u>\$708,130</u>	<u>\$1,727,675</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$125,591	\$1,110	\$2,257
Contracts Payable	0	0	113,148
Retainage Payable	0	0	20,618
Interfund Payable	0	0	0
Accrued Wages Payable	125,345	12,692	0
Matured Compensated Absences	48,909	769	0
Due to Other Governments	478,191	33,638	3,106
Judgments Payable	0	0	712,181
Deferred Revenue	2,451,849	493,467	175,873
<i>Total Liabilities</i>	<u>3,229,885</u>	<u>541,676</u>	<u>1,027,183</u>
Fund Balances			
Reserved for Encumbrances	295,376	9,113	568,427
Unreserved, Undesignated, Reported in:			
General Fund	2,454,282	0	0
Special Revenue Funds	0	157,341	132,065
Debt Service Funds	0	0	0
Capital Projects Funds	0	0	0
<i>Total Fund Balances</i>	<u>2,749,658</u>	<u>166,454</u>	<u>700,492</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,979,543</u>	<u>\$708,130</u>	<u>\$1,727,675</u>

See accompanying notes to the basic financial statements

Water Revenue	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
\$1,955,115	\$2,226,966	\$2,230,857	\$10,162,118
0	0	9,008	9,008
0	1,202,000	0	1,202,000
0	0	6,145	1,173,277
0	0	63,026	63,026
0	654,671	0	2,618,683
0	0	0	1,264
0	0	418,323	418,323
0	0	0	370
10,646	0	187,331	1,627,969
0	0	0	36,048
0	0	0	67,350
<u>\$1,965,761</u>	<u>\$4,083,637</u>	<u>\$2,914,690</u>	<u>\$17,379,436</u>
\$1,432	\$2,947	\$15,191	\$148,528
221,691	369,857	173,757	878,453
28,915	65,314	8,360	123,207
0	0	67,350	67,350
3,586	0	7,293	148,916
0	0	1,549	51,227
14,537	0	39,071	568,543
0	0	0	712,181
0	351,747	449,548	3,922,484
<u>270,161</u>	<u>789,865</u>	<u>762,119</u>	<u>6,620,889</u>
385,756	1,641,651	443,008	3,343,331
0	0	0	2,454,282
1,309,844	0	1,589,308	3,188,558
0	0	115,574	115,574
0	1,652,121	4,681	1,656,802
<u>1,695,600</u>	<u>3,293,772</u>	<u>2,152,571</u>	<u>10,758,547</u>
<u>\$1,965,761</u>	<u>\$4,083,637</u>	<u>\$2,914,690</u>	<u>\$17,379,436</u>

City of Hilliard, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2004*

Total Governmental Fund Balances	\$10,758,547
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	3,181,627
Construction in Progress	4,200,594
Buildings	4,982,294
Improvements Other Than Buildings	2,277,782
Machinery and Equipment	2,655,873
Furniture and Fixtures	495,616
Vehicles	1,923,199
Infrastructure	4,894,322
Accumulated Depreciation	<u>(6,369,815)</u>
Total	18,241,492
Bond issuance costs, reported as an expenditure in governmental funds, are allocated as an expense over the life of the debt on a full accrual basis.	
	77,120
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	
	(169,910)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property and Other Local Taxes	34,297
Municipal Income Taxes	1,406,987
Intergovernmental	1,046,461
Special Assessments	<u>357,040</u>
Total	2,844,785
Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Accrued Interest	(67,724)
Premium on Debt Issued	(109,252)
Bond Anticipation Note	(2,227,000)
General Obligation Bonds	(14,255,000)
Special Assessment Bonds	(430,000)
Capital Lease	(1,208)
Compensated Absences	<u>(1,625,967)</u>
Total	<u>(18,716,151)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$13,035,883</u></u>

See accompanying notes to the basic financial statements

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City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
Revenues			
Property and Other Local Taxes	\$1,456,467	\$0	\$0
Municipal Income Taxes	8,276,559	0	1,655,981
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,412,968	1,070,025	0
Charges for Services	942,349	0	243
Licenses and Permits	436,249	0	0
Fines and Forfeitures	274,874	0	0
Rent	35,564	0	0
Contributions and Donations	0	0	0
Investment Income	100,379	0	0
Special Assessments	0	0	0
Other	160,180	15,397	0
<i>Total Revenues</i>	<u>13,095,589</u>	<u>1,085,422</u>	<u>1,656,224</u>
Expenditures			
Current:			
General Government	3,074,009	0	0
Security of Persons and Property	6,369,062	0	0
Public Health	119,086	0	0
Leisure Time Activities	2,324,468	0	0
Community Environment	780,948	0	0
Basic Utility Services	644,611	0	0
Transportation	0	1,101,032	1,705,237
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>13,312,184</u>	<u>1,101,032</u>	<u>1,705,237</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(216,595)</u>	<u>(15,610)</u>	<u>(49,013)</u>
Other Financing Sources (Uses)			
Bond Anticipation Notes Issued	0	0	0
Inception of Capital Lease	0	0	0
Transfers - In	0	0	0
Transfers - Out	0	0	(1,043,372)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(1,043,372)</u>
<i>Net Change in Fund Balances</i>	(216,595)	(15,610)	(1,092,385)
<i>Fund Balances at Beginning of Year - Restated (See Note 3)</i>	<u>2,966,253</u>	<u>182,064</u>	<u>1,792,877</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,749,658</u></u>	<u><u>\$166,454</u></u>	<u><u>\$700,492</u></u>

See accompanying notes to the basic financial statements

Water Revenue	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
\$0	\$0	\$208,544	\$1,665,011
0	3,315,057	0	13,247,597
0	0	101,508	101,508
0	0	344,547	2,827,540
810,183	0	1,289,826	3,042,601
0	0	38,210	474,459
0	0	22,092	296,966
0	0	0	35,564
0	0	53,377	53,377
0	0	64,205	164,584
0	0	79,579	79,579
0	433	6	176,016
810,183	3,315,490	2,201,894	22,164,802
0	214,021	15,910	3,303,940
0	143,113	111,108	6,623,283
0	0	0	119,086
0	113,927	89,942	2,528,337
0	102,784	401,407	1,285,139
634,779	501,268	838,114	2,618,772
0	1,380,807	513,758	4,700,834
0	608	1,215,000	1,215,608
6,668	67	792,844	799,579
641,447	2,456,595	3,978,083	23,194,578
168,736	858,895	(1,776,189)	(1,029,776)
0	2,227,000	0	2,227,000
0	1,816	0	1,816
0	0	1,884,495	1,884,495
(219,020)	(622,103)	0	(1,884,495)
(219,020)	1,606,713	1,884,495	2,228,816
(50,284)	2,465,608	108,306	1,199,040
1,745,884	828,164	2,044,265	9,559,507
<u>\$1,695,600</u>	<u>\$3,293,772</u>	<u>\$2,152,571</u>	<u>\$10,758,547</u>

City of Hilliard, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2004*

Net Change in Fund Balances - Total Governmental Funds	\$1,199,040
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital Outlay	3,093,619
Depreciation	(984,022)
Excess of Capital Outlay over Depreciation Expense	2,109,597
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale.	
Loss on Disposal of Capital Assets	(1,174)
 The internal service fund used by management to charge the cost of insurance to individual funds is reported in the entity wide statement of activities	
	(11,838)
 Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	1,130,000
Special Assessment Bond Principal Payments	85,000
Capital Lease Principal Payments	608
	1,215,608
 Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:	
Property and Other Taxes	(84,499)
Municipal Income Taxes	358,488
Intergovernmental	(31,198)
Special Assessments	(79,579)
	163,212
 The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.	
General Obligation Bond Anticipation Note	(2,227,000)
Inception of Capital Lease	(1,816)
	(2,228,816)
 Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and bond issuance costs are recognized as expenditures when incurred, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and bond issuance costs are deferred and amortized. The additional amount of interest and fiscal charges on the statement of activities is the result of the following:	
Increase in Accrued Interest	(20,093)
Amortization of Premium on General Obligation Bond	6,070
Net Amortization of Bond Issuance Costs (Deferred Charges)	(4,285)
	(18,308)
 Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:	
Increase in Compensated Absences	(252,878)
 <i>Change in Net Assets of Governmental Activities</i>	 \$2,174,443

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$1,350,000	\$1,350,000	\$1,448,018	\$98,018
Municipal Income Taxes	8,200,000	8,200,000	8,261,454	61,454
Intergovernmental	1,347,500	1,347,500	1,383,073	35,573
Charges for Services	785,775	785,775	942,349	156,574
Licenses and Permits	578,300	578,300	436,249	(142,051)
Fines and Forfeitures	225,000	225,000	283,118	58,118
Rent	50,000	50,000	35,564	(14,436)
Investment Income	125,150	125,150	103,977	(21,173)
Other	427,800	427,800	160,264	(267,536)
<i>Total Revenues</i>	<u>13,089,525</u>	<u>13,089,525</u>	<u>13,054,066</u>	<u>(35,459)</u>
Expenditures				
Current:				
General Government	3,447,493	3,410,319	3,325,013	85,306
Security of Persons and Property	6,656,519	6,639,449	6,528,612	110,837
Public Health	119,096	119,096	119,086	10
Leisure Time Activities	2,624,017	2,611,572	2,452,425	159,147
Community Environment	785,806	824,245	808,145	16,100
Basic Utility Services	645,000	673,250	672,202	1,048
<i>Total Expenditures</i>	<u>14,277,931</u>	<u>14,277,931</u>	<u>13,905,483</u>	<u>372,448</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,188,406)</u>	<u>(1,188,406)</u>	<u>(851,417)</u>	<u>336,989</u>
Other Financing Uses				
Transfers - Out	(250,000)	(250,000)	0	250,000
Advances - Out	0	0	(67,350)	(67,350)
<i>Total Other Financing Uses</i>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(67,350)</u>	<u>182,650</u>
<i>Net Change in Fund Balance</i>	<u>(1,438,406)</u>	<u>(1,438,406)</u>	<u>(918,767)</u>	<u>519,639</u>
<i>Fund Balance Beginning of Year</i>	2,680,371	2,680,371	2,680,371	0
Prior Year Encumbrances Appropriated	98,730	98,730	98,730	0
<i>Fund Balance End of Year</i>	<u>\$1,340,695</u>	<u>\$1,340,695</u>	<u>\$1,860,334</u>	<u>\$519,639</u>

See accompanying notes to the basic financial statement:

City of Hilliard, Ohio
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Street Maintenance and Repair Fund
 For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,171,459	\$1,171,459	\$1,049,098	(\$122,361)
Other	0	0	15,164	15,164
<i>Total Revenues</i>	1,171,459	1,171,459	1,064,262	(107,197)
Expenditures				
Current:				
Transportation	1,191,491	1,205,047	1,132,949	72,098
<i>Net Change in Fund Balance</i>	(20,032)	(33,588)	(68,687)	(35,099)
<i>Fund Balance at Beginning of Year</i>	87,948	87,948	87,948	0
Prior Year Encumbrances Appropriated	22,961	22,961	22,961	0
<i>Fund Balance at End of Year</i>	<u>\$90,877</u>	<u>\$77,321</u>	<u>\$42,222</u>	<u>(\$35,099)</u>

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvement Municipal Tax Fund
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,640,000	\$1,640,000	\$1,656,457	\$16,457
Charges for Services	500	500	243	(257)
Other	500	500	0	(500)
<i>Total Revenues</i>	1,641,000	1,641,000	1,656,700	15,700
Expenditures				
Current:				
Transportation	1,115,295	1,665,295	1,649,707	15,588
<i>Excess of Revenues Over (Under) Expenditures</i>	525,705	(24,295)	6,993	31,288
Other Financing Uses				
Transfers - Out	(537,098)	(1,110,373)	(1,043,372)	(67,001)
<i>Net Change in Fund Balance</i>	(11,393)	(1,134,668)	(1,036,379)	98,289
<i>Fund Balance at Beginning of Year</i>	1,220,070	1,220,070	1,220,070	0
Prior Year Encumbrances Appropriated	510,348	510,348	510,348	0
<i>Fund Balance at End of Year</i>	<u>\$1,719,025</u>	<u>\$595,750</u>	<u>\$694,039</u>	<u>\$98,289</u>

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Revenue Fund
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$830,000	\$830,000	\$802,796	(\$27,204)
Expenditures				
Current:				
Basic Utility Services	402,696	1,061,470	1,033,965	27,505
Debt Service:				
Interest and Fiscal Charges	0	6,668	6,668	0
<i>Total Expenditures</i>	402,696	1,068,138	1,040,633	27,505
<i>Excess of Revenues Over (Under) Expenditures</i>	427,304	(238,138)	(237,837)	301
Other Financing Uses				
Transfers - Out	(337,221)	(330,553)	(219,020)	(111,533)
<i>Net Change in Fund Balance</i>	90,083	(568,691)	(456,857)	111,834
<i>Fund Balance at Beginning of Year</i>	1,774,180	1,774,180	1,774,180	0
<i>Fund Balance at End of Year</i>	\$1,864,263	\$1,205,489	\$1,317,323	\$111,834

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Statement of Fund Net Assets
Internal Service Fund
December 31, 2004

	<u>Insurance Trust</u>
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$11,907
Liabilities	
Current Liabilities:	
Claims Payable	<u>181,817</u>
Net Assets	
Unrestricted (Deficit)	<u><u>(\$169,910)</u></u>

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
*Statement of Revenues,
 Expenses and Changes in Fund Net Assets
 Internal Service Fund
 For the Year Ended December 31, 2004*

	Insurance Trust
Operating Revenues	
Charges for Services	\$1,582,412
Operating Expenses	
Contractual Services	37,503
Claims	1,385,661
Other	171,086
<i>Total Operating Expenses</i>	1,594,250
<i>Change in Net Assets</i>	(11,838)
<i>Net Assets (Deficit) Beginning of Year</i>	(158,072)
<i>Net Assets (Deficit) End of Year</i>	(\$169,910)

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2004

	Insurance Trust
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities	
Cash Received from Customers	\$1,582,412
Cash Payments for Services	(208,589)
Cash Payments for Claims	(1,369,311)
<i>Net Cash Provided by Operating Activities</i>	4,512
<i>Net Increase in Cash and Cash Equivalents</i>	4,512
<i>Cash and Cash Equivalents Beginning of Year</i>	7,395
<i>Cash and Cash Equivalents End of Year</i>	\$11,907
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	(\$11,838)
 Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Increase in Claims Payable	16,350
<i>Net Cash Provided by Operating Activities</i>	\$4,512

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004

Assets	
Equity in Pooled Cash and Cash Equivalents	\$115,287
Cash and Cash Equivalents in Segregated Accounts	<u>10,383</u>
<i>Total Assets</i>	<u><u>\$125,670</u></u>
 Liabilities	
Due to Other Governments	\$115,287
Deposits Held and Due to Others	<u>10,383</u>
<i>Total Liabilities</i>	<u><u>\$125,670</u></u>

See accompanying notes to the basic financial statements

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

The City of Hilliard (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter. The current Charter, which provides for a Mayor-Council form of government, was adopted January 1, 1963, and was amended June 2, 1982.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments which comprise the legal entity of the City. The City provides various services including police protection, parks and recreation, planning, zoning, engineering, street maintenance, water, sewer, snow removal, refuse collections and fire protection (on a contractual basis), and other governmental services.

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

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

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

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

Basis Of Presentation

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

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

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

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

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

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

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the City has no enterprise funds.

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

Fiduciary Funds

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

During fiscal year 2004, investments were limited to repurchase agreements, mutual funds, negotiable certificates of deposit, and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2004. Non-participating investment contracts, such as repurchase agreements, are reported at cost. Negotiable certificates of deposit are reported at market value.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2004 amounted to \$100,379, which includes \$73,537 assigned from other funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid is recorded at the time of purchase and an expenditure is reported in the year in which services are consumed.

Unamortized Bond Issuance Costs

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

Capital Assets

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

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

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City's infrastructure consists of curbs, streets, sidewalks, water lines, sewer lines, and storm sewers. The City only reports the amounts acquired after 2002. The City plans to report prior years' amounts in future years.

Compensated Absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements.

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balances are eliminated on the government-wide Statements of Net Assets.

Accrued Liabilities And Long-Term Obligations

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Reservations Of Fund Balance

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

Net Assets

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

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

Interfund Transaction

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

Operating Revenues and Expenses

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Estimates

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

Budgetary Process

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

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

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

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

Changes in Accounting Principles

GASB Statement No. 39 further defines the guidelines of *GASB Statement No. 14*, "The Financial Reporting Entity". The implementation of this new statement had no effect on the City's financial statements for 2004.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND BALANCE (continued)

Restatement of Fund Balance

During the year 2004, errors were discovered in accounts receivable from the prior year and GASB Technical Bulletin No. 2004-2 "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers" was implemented. The effect of these changes resulted in the following restatements of fund balances:

	General	Street Maintenance And Repair	Water Revenue	Nonmajor
Fund Balances, December 31, 2003	\$3,285,851	\$207,248	\$1,754,610	\$2,063,216
Accounts Receivable	0	1,000	0	(1,000)
Due to Other Governments	(319,598)	(26,184)	(8,726)	(17,951)
Adjusted Fund Balance, December 31, 2003	<u>\$2,966,253</u>	<u>\$182,064</u>	<u>\$1,745,884</u>	<u>\$2,044,265</u>

NOTE 4 – ACCOUNTABILITY

At December 31, 2004, the Police Fund and the Insurance Trust Fund had deficit fund balances on a GAAP basis of \$16,457 and \$169,910, respectively. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

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

Net Change in Fund Balances

	General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water Revenue
GAAP Basis	(\$216,595)	(\$15,610)	(\$1,092,385)	(\$50,284)
Revenue Accruals	(15,151)	(21,160)	(1,169)	(7,387)
Expenditure Accruals	(185,905)	(22,752)	759,980	238,606
Encumbrances	(407,394)	(9,165)	(704,450)	(637,792)
Advances	(67,350)	0	0	0
Unrecorded Cash - 2003	3,353	0	3,496	0
Unrecorded Cash - 2004	(29,725)	0	(1,851)	0
Budget Basis	<u>(\$918,767)</u>	<u>(\$68,687)</u>	<u>(\$1,036,379)</u>	<u>(\$456,857)</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS *(continued)*

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bond, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

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

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS *(continued)*

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies the City's deposits and investments by categories of risk as defined in *GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."*

Deposits

At year end, the carrying amount of the City's deposits was \$1,292,827 and the bank balance was \$1,585,708. The bank balance, in addition to negotiable certificates of deposit, had \$1,761,018 covered by federal deposit insurance. The remaining balance of \$1,300,486 was uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions trust departments in the City's name and all State 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.

Investments

GASB Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements)" requires that local governments disclose the carrying amounts and fair value of investments, classified by risks. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio, an investment fund operated by the Ohio State Treasurer, is unclassified since they are not evidenced by securities that exist in physical or book entry form.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

	Category 1	Category 3	Unclassified	Carrying/Fair Value
Repurchase Agreements	\$0	\$6,495,000	\$0	\$6,495,000
USBank Money Market Mutual Fund	0	0	1,202,000	1,202,000
Fifth Third Mutual Fund	0	0	20,831	20,831
Negotiable Certificates of Deposit	1,475,796	0		1,475,796
STAROhio	0	0	1,024,249	1,024,249
Total	\$1,475,796	\$6,495,000	\$2,247,080	\$10,217,876

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in *GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting"*. A reconciliation between classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$11,510,703	\$0
Investments:		
Repurchase Agreement	(6,495,000)	6,495,000
USBank Money Market Mutual Fund	(1,202,000)	1,202,000
Fifth Third Mutual Fund	(20,831)	20,831
Negotiable Certificates of Deposit	(1,475,796)	1,475,796
STAROhio	(1,024,249)	1,024,249
GASB Statement No. 3	\$1,292,827	\$10,217,876

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utilities property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 7 - PROPERTY TAXES (continued)

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility, taxes, and outstanding delinquencies which are measurable as of December 31, 2004, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all City operations for the year ended December 31, 2004, was \$1.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$691,676,960
Tangible Personal Property	49,482,834
Public Utility Property	17,401,820
Totals	<u>\$758,561,614</u>

NOTE 8 - MUNICIPAL INCOME TAX

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 8 – MUNICIPAL INCOME TAX (continued)

Income tax proceeds are distributed to the General Fund, Street Improvement Municipal Tax Fund, and the Capital Improvements Municipal Tax Fund as required by City Administrative Code.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2004, consisted of property and other local taxes, revenue in lieu of taxes, municipal income taxes, accounts, special assessments, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenues, and interfund receivables. All receivables are considered fully collectible. Special assessments expected to be collected in more than one year for the City amount to \$333,121. The City has no delinquent special assessments at December 31, 2004.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government Assistance	\$38,690
Local Government	638,612
Estate Tax	9,284
Homestead, Rollback and Exemption	65,395
Gas Tax	370,574
Motor Vehicle Tax	284,937
Water Surcharge	10,646
Sewer Surcharge	8,947
Franklin County Justice Program Grant	63,667
COPS Grant	22,500
CDBG Grant	114,717
Total Intergovernmental Receivable	<u>\$1,627,969</u>

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004, was as follows:

	<u>Balance At</u> 12/31/2003	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> 12/31/2004
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$3,181,627	\$0	\$0	\$3,181,627
Construction in Progress	5,139,079	2,944,221	(3,882,706)	4,200,594
Total Capital Assets Not Being Depreciated	<u>8,320,706</u>	<u>2,944,221</u>	<u>(3,882,706)</u>	<u>7,382,221</u>
Depreciable Capital Assets:				
Buildings	4,982,294	0	0	4,982,294
Improvements Other Than Buildings	2,277,782	0	0	2,277,782
Machinery and Equipment	2,593,390	84,530	(22,047)	2,655,873
Furniture and Fixtures	495,616	0	0	495,616
Vehicles	1,858,331	64,868	0	1,923,199
Infrastructure	1,011,616	3,882,706	0	4,894,322
Total Depreciable Capital Assets	<u>13,219,029</u>	<u>4,032,104</u>	<u>(22,047)</u>	<u>17,229,086</u>
Less Accumulated Depreciation:				
Buildings	(1,870,167)	(124,640)	0	(1,994,807)
Improvements Other Than Buildings	(794,570)	(98,031)	0	(892,601)
Machinery and Equipment	(1,424,586)	(322,150)	20,873	(1,725,863)
Furniture and Fixtures	(275,150)	(23,017)	0	(298,167)
Vehicles	(940,131)	(218,854)	0	(1,158,985)
Infrastructure	(102,062)	(197,330)	0	(299,392)
Total Accumulated Depreciation	<u>(5,406,666)</u>	<u>(984,022)</u>	<u>20,873</u>	<u>(6,369,815)</u>
Depreciable Capital Assets, Net	<u>7,812,363</u>	<u>3,048,082</u>	<u>(1,174)</u>	<u>10,859,271</u>
Governmental Activities Capital Assets, Net	<u>\$16,133,069</u>	<u>\$5,992,303</u>	<u>(\$3,883,880)</u>	<u>\$18,241,492</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$68,978
Security of Persons and Property	328,112
Leisure Time Activities	206,878
Community Environment	36,278
Basic Utility Services	22,481
Transportation	<u>321,295</u>
 Total Depreciation Expense	 <u>\$984,022</u>

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$509,503, \$439,272, and \$450,533 respectively; 70.68 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$9,957 made by the City and \$6,246 made by the plan members.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers. The City has no firefighters. Contributions are authorized by State statute. The City's required contributions to the Fund for the years ended December 31, 2004, 2003, and 2002 were \$394,748, \$347,352, and \$319,586 respectively. The full amount has been contributed for 2003 and 2002. 70.10 percent has been contributed for 2004.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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 annually.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$213,404. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004 and 2003. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$260,366 for police. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Vacation can accumulate to a maximum of two years worth of accruals. When an employee terminates employment, he/she is paid for 100% of their unused vacation leave.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 13 - OTHER EMPLOYEE BENEFITS (continued)

City employees can also earn compensatory time. Compensatory time is paid at one and one-half times an employee's regular rate. Employees with time remaining upon termination of their employment will be paid for any unused compensatory time.

Accumulated Unpaid Sick Leave

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

Deferred Compensation

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

NOTE 14 - OPERATING LEASE - LESSEE DISCLOSURE

The City leases a vactor under a noncancelable operating lease. The lease contains a purchase option at the end of the lease at the discretion of the City. Operating lease payments are reported as program expenditures in financial statements. Total operating lease payments in 2004 totaled \$27,363 in the Sewer Capacity and Benefit Fund.

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

<u>Year Ending December 31,</u>	<u>Total Payments</u>
2005	\$27,363
2006	27,363
2007	27,363
2008	27,363
Total	<u>\$109,452</u>

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

During 2004, the City entered into lease agreements for the purchase of a copier. The lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE (continued)

Capital assets acquired by lease have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,816, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2004 totaled \$608.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and Equipment	\$1,816
Less: Accumulated Depreciation	(227)
Total	\$1,589

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2004.

	Year	Total Payments
	2005	\$675
	2006	675
Total		1,350
Less: Amount Representing Interest		(142)
Present Value of Minimum Lease Payments		\$1,208

NOTE 16 - RISK MANAGEMENT

Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2004, the City contracted with several different insurance providers for property, liability, and automobile insurance.

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

Workers Compensation

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 16 - RISK MANAGEMENT (continued)

Health Insurance

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

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. Total contributions to the program during 2004 were \$1,582,412. The claims liability of \$181,817 reported in the Insurance Trust Fund at December 31, 2004, is based on the requirements of *GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,"* as amended by *GASB Statement No. 30 "Risk Management Omnibus,"* which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Insurance Trust Fund's claims liability amount for 2003 and 2004 were:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2003	345,823	1,278,316	(1,458,672)	165,467
2004	165,467	1,385,661	(1,369,311)	181,817

NOTE 17 - LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2004, were as follows:

Types / Issues	Balance 12/31/03	Issued	Retired	Balance 12/31/04	Due Within One Year
<u>Bond Anticipation Note</u>					
2004 Various Purpose Improvements					
Variable \$2,227,000	\$0	\$2,227,000	\$0	\$2,227,000	\$71,000
<u>Voted General Obligation Bonds:</u>					
1999 Cemetery Road Refunding					
5.1 - 5.15% \$2,235,000	\$860,000	\$0	\$325,000	\$535,000	\$340,000

continued

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Types / Issues	Balance 12/31/03	Issued	Retired	Balance 12/31/04	Due Within One Year
<u>Unvoted General Obligation</u>					
<u>Bonds Payable:</u>					
1982 Water Improvement - 12.125%					
12.125% \$560,000	\$110,000	\$0	\$20,000	\$90,000	\$25,000
1992 Various Purpose Improvements					
12.125% \$2,280,000	800,000	0	185,000	615,000	195,000
1995 Various Purpose Improvements					
3.9 - 5.75% \$3,510,000	2,515,000	0	155,000	2,360,000	160,000
1999 Various Purpose Improvements					
5.1- 5.15% \$1,500,000	985,000	0	145,000	840,000	150,000
2002 Various Purpose Improvements					
3.0 - 5.375% \$4,950,000	4,835,000	0	120,000	4,715,000	125,000
2003 Various Purpose Improvements					
3.0 - 4.25% \$5,280,000	5,280,000	0	180,000	5,100,000	190,000
Total Unvoted General Obligation Bonds Payable	14,525,000	0	805,000	13,720,000	845,000
 Total General Obligation Bonds Payable	 15,385,000	 0	 1,130,000	 14,255,000	 1,185,000
<u>Special Assessment Bonds Payable with Governmental Commitment:</u>					
1998 Lyman Drive Extension					
7.35% \$780,000	305,000	0	55,000	250,000	55,000
1989 Hilliard Technology Park					
7.199% \$463,000	210,000	0	30,000	180,000	30,000
Total Special Assessment Bonds Payable	515,000	0	85,000	430,000	85,000
<u>Other Long-Term Obligations:</u>					
Compensated Absences Payable	1,373,089	920,466	667,588	1,625,967	725,123
Capital Lease Payable	0	1,816	608	1,208	573
Premium on General Obligation Bonds Issued	115,322	0	6,070	109,252	0
Total Other Long-Term Obligations	1,488,411	922,282	674,266	1,736,427	725,696
Total - General Long-Term Obligations	\$17,388,411	\$3,149,282	\$1,889,266	\$18,648,427	\$2,066,696

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

During 2004, the City issued bond anticipation notes in the amount of \$2,227,000 for various capital improvements. The notes have variable interest rates adjusted weekly and are based on the Bond Market Association Municipal Sweep Index plus 58.5 basis points. The notes will mature on July 1, 2024 and will be paid through the General Obligation Bond Retirement Fund with transfers from special revenue funds (Street Improvement Municipal Tax and Water Revenue Funds) and capital projects funds (Capital Improvements Municipal Tax Fund).

All voted and unvoted general obligation bond issues will be paid through the General Obligation Bond Retirement Fund with transfers from special revenue funds (Street Improvement Municipal Tax and Water Revenue Funds) and capital projects funds (Capital Improvements Municipal Tax Fund).

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

Compensated absences will be paid from the General Fund, Street Maintenance and Repair Fund, Sewer Revenue Fund, Sewer Capacity and Benefit Fund, and the Construction Inspection Fund.

As of December 31, 2004, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$63,739,840 with an unvoted debt margin of \$25,811,760. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2004, are:

Year	Bond Anticipation Note		General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$71,000	\$80,172	\$1,185,000	\$689,368	\$85,000	\$32,026
2006	86,000	77,616	1,080,000	631,857	95,000	25,708
2007	88,000	74,520	920,000	579,503	100,000	18,638
2008	91,000	71,352	720,000	534,348	110,000	11,202
2009	94,000	68,076	735,000	501,351	40,000	3,020
2010-2014	513,000	287,640	3,140,000	2,068,274	0	0
2015-2019	594,000	189,612	2,780,000	1,324,337	0	0
2020-2024	690,000	75,960	2,735,000	640,142	0	0
2025-2027	0	0	960,000	102,375	0	0
Totals	<u>\$2,227,000</u>	<u>\$924,948</u>	<u>\$14,255,000</u>	<u>\$7,071,555</u>	<u>\$430,000</u>	<u>\$90,594</u>

NOTE 18 – CONDUIT DEBT OBLIGATIONS

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

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 18 – CONDUIT DEBT OBLIGATIONS (continued)

As of December 31, 2004, there were five series of industrial revenue development bonds outstanding with an aggregate principal amount payable of \$14,894,000.

NOTE 19 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At December 31, 2004, the General Fund had an interfund receivable and nonmajor governmental funds had an interfund payable of \$67,350. General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the General Fund for advancing monies to other funds due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund reimburses the General Fund for the initial advance.

Transfers made during the year ended December 31, 2004 were as follows:

<u>Transfers From</u>	<u>Transfers To Nonmajor Governmental Funds</u>
Street Maintenance and Repair	\$1,043,372
Water Revenue	219,020
Capital Improvement Municipal Tax	622,103
Total	<u>\$1,884,495</u>

Transfers from the Street Maintenance Repair, Water Revenue, and Capital Improvement Municipal Tax Funds to nonmajor governmental funds were made to move available balances of restricted funds to provide additional resources for debt service. The fund receiving these transfers expended the money in a manner consistent with the nature of the transferring fund.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 20 - CONTRACTUAL COMMITMENTS

As of December 31, 2004, the City had contractual purchase commitments as follows:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance 12/31/2004</u>
George J Igel	\$482,303	\$104,496	\$377,807
Rd Zande and Associates	984,501	602,584	381,917
Fields Excavating	400,711	366,113	34,598
Trucco Construction	1,686,381	933,576	752,805
DLZ	1,578,846	1,541,295	37,551
Strawser Paving Co	515,449	509,387	6,062
MS Consultants	185,585	109,113	76,472
	<u>\$5,833,776</u>	<u>\$4,166,564</u>	<u>\$1,667,212</u>

NOTE 21 - RELATED ORGANIZATION

Hilliard Arts Council Corporation

The Hilliard Arts Council Corporation is statutorily created as a separate and distinct political subdivision of the State. The authority is governed by an eleven member Board of Trustees appointed as follows: four members appointed by the Hilliard City Council, one member appointed by the Hilliard Area Chamber of Commerce, one member appointed by the Hilliard Recreation and Parks Director, one member appointed by the Hilliard City School District, and four members appointed by the Mayor of the City of Hilliard. The Trustees adopt their own appropriations, hire and fire their own staff, authorize expenditures, and do not rely on the City to finance deficits. The City cannot influence the Corporation's operations, nor does the Corporation represent a potential financial benefit or burden to the City.

NOTE 22 - CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2004, to December 31, 2004, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

City of Hilliard, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 22 - CONTINGENT LIABILITIES (continued)

Litigation

This City is a party in legal proceedings. The City is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

At December 31, 2004, the City had judgments payable of \$712,181. The judgment was with First Industrial, LP regarding the eminent domain for right of way. The City is appealing an additional award for damage to the residue granted to First Industrial by Franklin County Court of Common Pleas in the amount of \$520,000. It is expected that unless the parties are unable to agree to a settlement, the appellate court will decide the case by the end of 2005.

NOTE 23 - SUBSEQUENT EVENTS

On January 15, 2005, the City issued a general obligation bond in the amount of \$8,285,000 for the Trueman Boulevard Project. The bond will mature on December 1, 2025.

On May 15, 2005, the City issued various purpose general obligation bonds in the amount of \$20,175,000 for the purpose of retiring the 1989 Hilliard Technology Park Special Assessment Bonds, the 1995 Various Purpose Bonds, and the 2002 Various Purpose Bonds, and financing the Trueman Boulevard, Britton Parkway, Britton Road utility upgrade, and Right-Of-Way acquisition, the Main Street/Scioto Darby/Cemetery Road improvements, and City Wide Rehab and curb ramps capital improvement projects. The bond will mature on December 1, 2027.

**Combining Financial Statements
And
Individual Fund Schedules**

City of Hilliard, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

County Municipal Motor Vehicle Tax Fund

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

Community Development Block Grant Fund (CDBG)

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

Tax Increment Financing Fund (TIF)

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

Park Maintenance Fund

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

Police Fund

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

Mayor's Court Computer Fund

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

Sewer Revenue Fund

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

Sewer Capacity and Benefit Fund

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

Construction Inspection Fund

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

(continued)

City of Hilliard, Ohio
Nonmajor Fund Descriptions
(continued)

Debt Service Funds

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

Nonmajor Debt Service Funds

General Obligation Bond Retirement Fund

This fund is used 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.

Capital Projects Funds

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

Nonmajor Capital Projects Funds

Britton Road Improvement Fund

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

City of Hilliard, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,068,315	\$54,291	\$108,251	\$2,230,857
Cash and Cash Equivalents with Fiscal Agents	9,008	0	0	9,008
Receivables:				
Property and Other Local Taxes	6,145	0	0	6,145
Revenue in Lieu of Taxes	63,026	0	0	63,026
Special Assessments	0	418,323	0	418,323
Due from Other Governments	187,331	0	0	187,331
<i>Total Assets</i>	<u>\$2,333,825</u>	<u>\$472,614</u>	<u>\$108,251</u>	<u>\$2,914,690</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$15,191	\$0	\$0	\$15,191
Contracts Payable	133,254	0	40,503	173,757
Retainage Payable	8,360	0	0	8,360
Interfund Payable	67,350	0	0	67,350
Accrued Wages Payable	7,293	0	0	7,293
Matured Compensated Absences	1,549	0	0	1,549
Due to Other Governments	39,071	0	0	39,071
Deferred Revenue	92,508	357,040	0	449,548
<i>Total Liabilities</i>	<u>364,576</u>	<u>357,040</u>	<u>40,503</u>	<u>762,119</u>
Fund Balances				
Reserved for Encumbrances	379,941	0	63,067	443,008
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,589,308	0	0	1,589,308
Debt Service Funds	0	115,574	0	115,574
Capital Projects Funds	0	0	4,681	4,681
<i>Total Fund Balances</i>	<u>1,969,249</u>	<u>115,574</u>	<u>67,748</u>	<u>2,152,571</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,333,825</u>	<u>\$472,614</u>	<u>\$108,251</u>	<u>\$2,914,690</u>

City of Hilliard, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$208,544	\$0	\$0	\$208,544
Payments in Lieu of Taxes	101,508	0	0	101,508
Intergovernmental	344,547	0	0	344,547
Charges for Services	1,289,826	0	0	1,289,826
Licenses and Permits	38,210	0	0	38,210
Fines and Forfeitures	22,092	0	0	22,092
Contributions and Donations	53,377	0	0	53,377
Investment Income	32	64,173	0	64,205
Special Assessments	0	79,579	0	79,579
Other	6	0	0	6
<i>Total Revenues</i>	<u>2,058,142</u>	<u>143,752</u>	<u>0</u>	<u>2,201,894</u>
Expenditures				
Current:				
General Government	15,870	40	0	15,910
Security of Persons and Property	111,108	0	0	111,108
Leisure Time Activities	89,942	0	0	89,942
Community Environment	401,407	0	0	401,407
Basic Utility Services	838,114	0	0	838,114
Transportation	162,019	0	351,739	513,758
Debt Service:				
Principal Retirement	0	1,215,000	0	1,215,000
Interest and Fiscal Charges	0	792,844	0	792,844
<i>Total Expenditures</i>	<u>1,618,460</u>	<u>2,007,884</u>	<u>351,739</u>	<u>3,978,083</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	439,682	(1,864,132)	(351,739)	(1,776,189)
Other Financing Sources				
Transfers - In	0	1,884,495	0	1,884,495
<i>Net Change in Fund Balances</i>	439,682	20,363	(351,739)	108,306
<i>Fund Balances Beginning of Year</i>	<u>1,529,567</u>	<u>95,211</u>	<u>419,487</u>	<u>2,044,265</u>
<i>Fund Balances End of Year</i>	<u>\$1,969,249</u>	<u>\$115,574</u>	<u>\$67,748</u>	<u>\$2,152,571</u>

City of Hilliard, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	County Municipal Motor Vehicle Tax	CDBG	TIF	Park Maintenance
Assets				
Equity in Pooled Cash and Cash Equivalents	\$747,774	\$0	\$166,998	\$124,113
Cash and Cash Equivalents with Fiscal Agents	9,008	0	0	0
Receivables:				
Property and Other Local Taxes	6,145	0	0	0
Revenue in Lieu of Taxes	0	0	63,026	0
Due from Other Governments	0	114,717	0	0
<i>Total Assets</i>	<u>\$762,927</u>	<u>\$114,717</u>	<u>\$230,024</u>	<u>\$124,113</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$5,272	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Wages Payable	0	0	0	0
Matured Compensated Absences	0	0	0	0
Due to Other Governments	14,268	0	0	0
Deferred Revenue	0	28,841	0	0
<i>Total Liabilities</i>	<u>19,540</u>	<u>28,841</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	13,129	0	0	5,686
Unreserved, Undesignated (Deficit)	<u>730,258</u>	<u>85,876</u>	<u>230,024</u>	<u>118,427</u>
<i>Total Fund Balances (Deficit)</i>	<u>743,387</u>	<u>85,876</u>	<u>230,024</u>	<u>124,113</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$762,927</u>	<u>\$114,717</u>	<u>\$230,024</u>	<u>\$124,113</u>

Police	Mayor's Court Computer	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Total Nonmajor Special Revenue Funds
\$50,893	\$11,216	\$48,101	\$491,343	\$427,877	\$2,068,315
0	0	0	0	0	9,008
0	0	0	0	0	6,145
0	0	0	0	0	63,026
63,667	0	8,947	0	0	187,331
<u>\$114,560</u>	<u>\$11,216</u>	<u>\$57,048</u>	<u>\$491,343</u>	<u>\$427,877</u>	<u>\$2,333,825</u>
\$0	\$720	\$2,752	\$1,500	\$4,947	\$15,191
0	0	0	133,254	0	133,254
0	0	0	8,360	0	8,360
67,350	0	0	0	0	67,350
0	0	3,877	0	3,416	7,293
0	0	229	392	928	1,549
0	0	13,240	4,028	7,535	39,071
63,667	0	0	0	0	92,508
<u>131,017</u>	<u>720</u>	<u>20,098</u>	<u>147,534</u>	<u>16,826</u>	<u>364,576</u>
3,683	0	7,905	336,937	12,601	379,941
(20,140)	10,496	29,045	6,872	398,450	1,589,308
(16,457)	10,496	36,950	343,809	411,051	1,969,249
<u>\$114,560</u>	<u>\$11,216</u>	<u>\$57,048</u>	<u>\$491,343</u>	<u>\$427,877</u>	<u>\$2,333,825</u>

City of Hilliard, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	County Municipal			Park Maintenance
	Motor Vehicle Tax	CDBG	TIF	
Revenues				
Property and Other Local Taxes	\$208,544	\$0	\$0	\$0
Payment in Lieu of Taxes	0	0	101,508	0
Intergovernmental	94,542	250,005	0	0
Charges for Services	0	0	0	56,969
Licenses and Permits	0	0	0	38,210
Fines and Forfeitures	0	0	0	0
Contributions Donations	0	0	0	2,500
Investment Income	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>303,086</u>	<u>250,005</u>	<u>101,508</u>	<u>97,679</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	89,942
Community Environment	0	164,129	0	0
Basic Utility Services	0	0	0	0
Transportation	161,617	0	402	0
<i>Total Expenditures</i>	<u>161,617</u>	<u>164,129</u>	<u>402</u>	<u>89,942</u>
<i>Net Change in Fund Balances</i>	141,469	85,876	101,106	7,737
<i>Fund Balances Beginning of Year</i>	<u>601,918</u>	<u>0</u>	<u>128,918</u>	<u>116,376</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$743,387</u></u>	<u><u>\$85,876</u></u>	<u><u>\$230,024</u></u>	<u><u>\$124,113</u></u>

Police	Mayor's Court Computer	Sewer Revenue	Sewer Capacity and Benefit	Construction Inspection	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$208,544
0	0	0	0	0	101,508
0	0	0	0	0	344,547
0	0	345,422	445,237	442,198	1,289,826
0	0	0	0	0	38,210
4,559	17,533	0	0	0	22,092
50,877	0	0	0	0	53,377
32	0	0	0	0	32
0	0	0	0	6	6
<u>55,468</u>	<u>17,533</u>	<u>345,422</u>	<u>445,237</u>	<u>442,204</u>	<u>2,058,142</u>
0	15,870	0	0	0	15,870
111,108	0	0	0	0	111,108
0	0	0	0	0	89,942
0	0	0	0	237,278	401,407
0	0	466,184	371,930	0	838,114
0	0	0	0	0	162,019
<u>111,108</u>	<u>15,870</u>	<u>466,184</u>	<u>371,930</u>	<u>237,278</u>	<u>1,618,460</u>
(55,640)	1,663	(120,762)	73,307	204,926	439,682
<u>39,183</u>	<u>8,833</u>	<u>157,712</u>	<u>270,502</u>	<u>206,125</u>	<u>1,529,567</u>
<u>(\$16,457)</u>	<u>\$10,496</u>	<u>\$36,950</u>	<u>\$343,809</u>	<u>\$411,051</u>	<u>\$1,969,249</u>

City of Hilliard, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$37,871	\$16,420	\$54,291
Receivables:			
Special Assessments	0	418,323	418,323
<i>Total Assets</i>	<u>\$37,871</u>	<u>\$434,743</u>	<u>\$472,614</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$357,040	\$357,040
Fund Balances			
Unreserved,			
Undesignated	37,871	77,703	115,574
<i>Total Liabilities and Fund Balances</i>	<u>\$37,871</u>	<u>\$434,743</u>	<u>\$472,614</u>

City of Hilliard, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2004

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Investment Income	\$0	\$64,173	\$64,173
Special Assessments	0	79,579	79,579
<i>Total Revenues</i>	<u>0</u>	<u>143,752</u>	<u>143,752</u>
Expenditures			
Current:			
General Government	0	40	40
Debt Service:			
Principal Retirement	1,130,000	85,000	1,215,000
Interest and Fiscal Charges	754,495	38,349	792,844
<i>Total Expenditures</i>	<u>1,884,495</u>	<u>123,389</u>	<u>2,007,884</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,884,495)	20,363	(1,864,132)
Other Financing Sources			
Transfers - In	1,884,495	0	1,884,495
<i>Net Change in Fund Balances</i>	0	20,363	20,363
<i>Fund Balances Beginning of Year</i>	<u>37,871</u>	<u>57,340</u>	<u>95,211</u>
<i>Fund Balances End of Year</i>	<u><u>\$37,871</u></u>	<u><u>\$77,703</u></u>	<u><u>\$115,574</u></u>

City of Hilliard, Ohio
Agency Fund Descriptions

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

Mayor's Court Fund

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

Columbus Escrow Fund

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

City of Hilliard, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004

	Mayor's Court	Columbus Escrow	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$0	\$115,287	\$115,287
Cash and Cash Equivalents in Segregated Accounts	10,383	0	10,383
<i>Total Assets</i>	<u>\$10,383</u>	<u>\$115,287</u>	<u>\$125,670</u>
Liabilities			
Due to Other Governments	\$0	\$115,287	\$115,287
Deposits Held and Due to Others	10,383	0	10,383
<i>Total Liabilities</i>	<u>\$10,383</u>	<u>\$115,287</u>	<u>\$125,670</u>

City of Hilliard, Ohio
Combining Statement of Changes In Assets And Liabilities
Agency Funds
For The Year Ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
<u>Mayor's Court</u>				
Assets				
Cash And Cash Equivalents in Segregated Accounts	\$16,192	\$10,383	\$16,192	\$10,383
Liabilities				
Deposits Held And Due To Others	\$16,192	\$10,383	\$16,192	\$10,383
 <u>Columbus Escrow</u>				
Assets				
Equity In Pooled Cash And Cash Equivalents	\$179,034	\$353,445	\$417,192	\$115,287
Liabilities				
Due To Other Governments	\$179,034	\$353,445	\$417,192	\$115,287
 <u>Total - All Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$179,034	\$353,445	\$417,192	\$115,287
Cash And Cash Equivalents in Segregated Accounts	16,192	10,383	16,192	10,383
<i>Total Assets</i>	\$195,226	\$363,828	\$433,384	\$125,670
Liabilities				
Due to Other Governments	\$179,034	\$353,445	\$417,192	\$115,287
Deposits Held And Due To Others	16,192	10,383	16,192	10,383
<i>Total Liabilities</i>	\$195,226	\$363,828	\$433,384	\$125,670

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$1,350,000	\$1,350,000	\$1,448,018	\$98,018
Municipal Income Taxes	8,200,000	8,200,000	8,261,454	61,454
Intergovernmental	1,347,500	1,347,500	1,383,073	35,573
Charges for Services	785,775	785,775	942,349	156,574
Licenses and Permits	578,300	578,300	436,249	(142,051)
Fines and Forfeitures	225,000	225,000	283,118	58,118
Rent	50,000	50,000	35,564	(14,436)
Investment Income	125,150	125,150	103,977	(21,173)
Other	427,800	427,800	160,264	(267,536)
<i>Total Revenues</i>	<u>13,089,525</u>	<u>13,089,525</u>	<u>13,054,066</u>	<u>(35,459)</u>
Expenditures				
Current:				
General Government				
Hilliard Convention				
Other	50,000	50,000	48,692	1,308
Mayor				
Personal Services	152,950	153,452	153,246	206
Contractual Services	30,000	21,800	5,501	16,299
Materials and Supplies	22,025	22,025	15,488	6,537
Total Mayor	<u>204,975</u>	<u>197,277</u>	<u>174,235</u>	<u>23,042</u>
City Council				
Personal Services	88,717	91,542	90,295	1,247
Materials and Supplies	19,750	26,750	25,877	873
Total City Council	<u>108,467</u>	<u>118,292</u>	<u>116,172</u>	<u>2,120</u>
City Clerk				
Personal Services	111,549	111,925	106,897	5,028
Contractual Services	8,000	500	500	0
Materials and Supplies	54,500	41,500	41,325	175
Total City Clerk	<u>174,049</u>	<u>153,925</u>	<u>148,722</u>	<u>5,203</u>
Law				
Personal Services	184,638	161,470	156,168	5,302
Contractual Services	72,500	130,290	129,410	880
Materials and Supplies	2,000	2,000	1,227	773
Total Law	<u>259,138</u>	<u>293,760</u>	<u>286,805</u>	<u>6,955</u>
Finance				
Personal Services	672,875	667,658	652,670	14,988
Contractual Services	267,000	288,903	288,704	199
Materials and Supplies	54,844	54,844	54,774	70
Other	36,200	0	0	0
Total Finance	<u>1,030,919</u>	<u>1,011,405</u>	<u>996,148</u>	<u>15,257</u>
Economic Development				
Personal Services	100,085	100,336	98,571	1,765
Materials and Supplies	5,000	5,000	1,305	3,695
Total Economic Development	<u>105,085</u>	<u>105,336</u>	<u>99,876</u>	<u>5,460</u>
Clerk				
Personal Services	68,012	68,263	66,825	1,438
Contractual Services	4,300	4,300	2,149	2,151
Total Clerk	<u>\$72,312</u>	<u>\$72,563</u>	<u>\$68,974</u>	<u>\$3,589</u>

(continued)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Resources				
Personal Services	\$149,480	\$129,982	\$129,633	\$349
Materials and Supplies	4,000	4,000	2,704	1,296
Total Human Resources	153,480	133,982	132,337	1,645
Public Building and Land				
Personal Services	172,030	171,782	164,399	7,383
Contractual Services	386,096	435,424	433,807	1,617
Materials and Supplies	24,642	37,642	37,339	303
Total Public Building and Land	582,768	644,848	635,545	9,303
Civil Service Commission				
Personal Services	3,600	3,600	3,600	0
Contractual Services	500	500	0	500
Materials and Supplies	14,300	14,300	12,793	1,507
Total Civil Service Commission	18,400	18,400	16,393	2,007
Boards and Commissions				
Personal Services	22,400	22,400	18,209	4,191
Contractual Services	5,000	5,000	1,090	3,910
Materials and Supplies	6,200	6,200	6,200	0
Total Boards and Commissions	33,600	33,600	25,499	8,101
General Administrative				
Personal Services	259,446	188,306	188,306	0
Contractual Services	15,000	15,900	15,836	64
Materials and Supplies	20,000	10,000	9,789	211
Capital Outlay	34,854	34,854	34,854	0
Other	325,000	327,871	326,830	1,041
Total General Administrative	654,300	576,931	575,615	1,316
Total General Government	3,447,493	3,410,319	3,325,013	85,306
Security of Persons and Property				
Police				
Personal Services	6,220,701	6,186,631	6,081,513	105,118
Contractual Services	190,025	198,025	195,957	2,068
Materials and Supplies	245,793	254,793	251,142	3,651
Total Security of Persons and Property	6,656,519	6,639,449	6,528,612	110,837
Public Health				
County Health District				
Contractual Services	119,096	119,096	119,086	10
Leisure Time Activities				
Recreation				
Personal Services	2,009,607	1,970,001	1,871,184	98,817
Contractual Services	224,992	239,153	230,298	8,855
Materials and Supplies	383,918	396,918	346,176	50,742
Capital Outlay	5,500	5,500	4,767	733
Total Leisure Time Activities	\$2,624,017	\$2,611,572	\$2,452,425	\$159,147

(continued)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Service/Engineer				
Personal Services	\$375,708	\$386,703	\$386,616	\$87
Contractual Services	7,760	7,760	4,584	3,176
Materials and Supplies	13,500	14,500	14,500	0
Total Service/Engineer	<u>396,968</u>	<u>408,963</u>	<u>405,700</u>	<u>3,263</u>
Building Inspection				
Personal Services	356,888	356,142	350,776	5,366
Materials and Supplies	31,950	57,140	49,669	7,471
Other	0	2,000	2,000	0
Total Building Inspection	<u>388,838</u>	<u>415,282</u>	<u>402,445</u>	<u>12,837</u>
Total Community Environmen	<u>785,806</u>	<u>824,245</u>	<u>808,145</u>	<u>16,100</u>
Basic Utility Services				
General Refuse				
Contractual Services	645,000	671,250	671,213	37
Materials and Supplies	0	2,000	989	1,011
Total Basic Utility Services	<u>645,000</u>	<u>673,250</u>	<u>672,202</u>	<u>1,048</u>
<i>Total Expenditures</i>	<u>14,277,931</u>	<u>14,277,931</u>	<u>13,905,483</u>	<u>372,448</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,188,406)</u>	<u>(1,188,406)</u>	<u>(851,417)</u>	<u>336,989</u>
Other Financing Uses				
Transfers - Out	0	0	(67,350)	(67,350)
Advances - Out	(250,000)	(250,000)	0	250,000
<i>Total Other Financing Uses</i>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(67,350)</u>	<u>182,650</u>
<i>Net Change in Fund Balance</i>	<u>(1,438,406)</u>	<u>(1,438,406)</u>	<u>(918,767)</u>	<u>519,639</u>
<i>Fund Balance Beginning of Year</i>	2,680,371	2,680,371	2,680,371	0
Prior Year Encumbrances Appropriated	<u>98,730</u>	<u>98,730</u>	<u>98,730</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,340,695</u>	<u>\$1,340,695</u>	<u>\$1,860,334</u>	<u>\$519,639</u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,171,459	\$1,171,459	\$1,049,098	(\$122,361)
Other	0	0	15,164	15,164
<i>Total Revenues</i>	<u>1,171,459</u>	<u>1,171,459</u>	<u>1,064,262</u>	<u>(107,197)</u>
Expenditures				
Current:				
Transportation				
Personal Services	988,530	991,666	954,216	37,450
Contractual Services	27,044	37,464	33,010	4,454
Materials and Supplies	175,917	175,917	145,723	30,194
<i>Total Expenditures</i>	<u>1,191,491</u>	<u>1,205,047</u>	<u>1,132,949</u>	<u>72,098</u>
<i>Net Change in Fund Balance</i>	(20,032)	(33,588)	(68,687)	(35,099)
<i>Fund Balance Beginning of Year</i>	87,948	87,948	87,948	0
Prior Year Encumbrances Appropriated	<u>22,961</u>	<u>22,961</u>	<u>22,961</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$90,877</u>	<u>\$77,321</u>	<u>\$42,222</u>	<u>(\$35,099)</u>

City of Hilliard, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvement Municipal Tax Fund
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,640,000	\$1,640,000	\$1,656,457	\$16,457
Charges for Services	500	500	243	(257)
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>1,641,000</u>	<u>1,641,000</u>	<u>1,656,700</u>	<u>15,700</u>
Expenditures				
Current:				
Transportation				
Personal Services	109,478	109,478	105,359	4,119
Contractual Services	496,098	496,098	495,514	584
Capital Outlay	449,250	999,250	997,442	1,808
Other	60,469	60,469	51,392	9,077
<i>Total Expenditures</i>	<u>1,115,295</u>	<u>1,665,295</u>	<u>1,649,707</u>	<u>15,588</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	525,705	(24,295)	6,993	31,288
Other Financing Uses				
Transfers - Out	(537,098)	(1,110,373)	(1,043,372)	67,001
<i>Net Change in Fund Balance</i>	(11,393)	(1,134,668)	(1,036,379)	98,289
<i>Fund Balance at Beginning of Year</i>	1,220,070	1,220,070	1,220,070	0
Prior Year Encumbrances Appropriated	510,348	510,348	510,348	0
<i>Fund Balance at End of Year</i>	<u>\$1,719,025</u>	<u>\$595,750</u>	<u>\$694,039</u>	<u>\$98,289</u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Revenue Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$830,000	\$830,000	\$802,796	(\$27,204)
Expenditures				
Current:				
Basic Utility Services				
Personal Services	384,696	386,326	375,251	11,075
Contractual Services	0	167,268	167,268	0
Materials and Supplies	10,000	10,000	2,707	7,293
Capital Outlay	0	483,876	483,876	0
Other	8,000	14,000	4,863	9,137
Total Basic Utility Services	402,696	1,061,470	1,033,965	27,505
Debt Service				
Interest and Fiscal Charges	0	6,668	6,668	0
<i>Total Expenditures</i>	402,696	1,068,138	1,040,633	27,505
<i>Excess of Revenues Over (Under) Expenditures</i>	427,304	(238,138)	(237,837)	301
Other Financing Uses				
Transfers - Out	(337,221)	(330,553)	(219,020)	(111,533)
<i>Net Change in Fund Balance</i>	90,083	(568,691)	(456,857)	111,834
<i>Fund Balance at Beginning of Year</i>	1,774,180	1,774,180	1,774,180	0
<i>Fund Balance at End of Year</i>	\$1,864,263	\$1,205,489	\$1,317,323	\$111,834

City of Hilliard, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Municipal Tax Fund
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$3,280,000	\$3,280,000	\$3,316,006	\$36,006
Other	0	0	433	433
<i>Total Revenues</i>	<u>3,280,000</u>	<u>3,280,000</u>	<u>3,316,439</u>	<u>36,439</u>
Expenditures				
Current:				
General Government				
Capital Outlay	235,000	235,000	214,021	20,979
Security of Persons and Property				
Capital Outlay	141,265	163,715	163,550	165
Leisure Time Activities				
Contractual Services	97,500	0	0	0
Materials and Supplies	76,913	165,628	28,130	137,498
Capital Outlay	88,715	236,215	148,524	87,691
Other	10,000	10,000	10,000	0
Total Leisure Time Activities	<u>273,128</u>	<u>411,843</u>	<u>186,654</u>	<u>225,189</u>
Community Environment				
Capital Outlay	100,400	100,400	0	100,400
Other	120,939	120,939	102,784	18,155
Total Community Environment	<u>221,339</u>	<u>221,339</u>	<u>102,784</u>	<u>118,555</u>
Basic Utility Services				
Contractual Services	261,574	0	0	0
Materials and Supplies	145,509	210,409	130,409	80,000
Capital Outlay	104,362	253,362	251,522	1,840
Total Basic Utility Services	<u>511,445</u>	<u>463,771</u>	<u>381,931</u>	<u>81,840</u>
Transportation				
Contractual Services	0	2,972,591	2,854,904	117,687
Capital Outlay	35,674	314,854	296,235	18,619
Total Transportation	<u>35,674</u>	<u>3,287,445</u>	<u>3,151,139</u>	<u>136,306</u>
<i>Total Expenditures</i>	<u>1,417,851</u>	<u>4,783,113</u>	<u>4,200,079</u>	<u>583,034</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,862,149</u>	<u>(1,503,113)</u>	<u>(883,640)</u>	<u>619,473</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	0	2,200,000	2,227,000	27,000
Transfers - Out	(1,049,133)	(1,049,133)	(622,103)	427,030
<i>Total Other Financing Sources (Uses)</i>	<u>(1,049,133)</u>	<u>1,150,867</u>	<u>1,604,897</u>	<u>454,030</u>
<i>Net Change in Fund Balance</i>	813,016	(352,246)	721,257	1,073,503
<i>Fund Balance Beginning of Year</i>	10,524	10,524	10,524	0
Prior Year Encumbrances Appropriated	613,712	613,712	613,712	0
<i>Fund Balance at End of Year</i>	<u>\$1,437,252</u>	<u>\$271,990</u>	<u>\$1,345,493</u>	<u>\$1,073,503</u>

City of Hilliard, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Insurance Trust Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,800,000	\$1,800,000	\$1,582,412	(\$217,588)
Expenses				
Contractual Services	42,781	42,781	37,503	5,278
Claims	1,562,051	1,562,051	1,369,311	192,740
Other	195,168	195,168	171,086	24,082
<i>Total Expenses</i>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,577,900</u>	<u>222,100</u>
<i>Net Change in Fund Equity</i>	0	0	4,512	4,512
<i>Fund Equity at Beginning of Year</i>	<u>7,395</u>	<u>7,395</u>	<u>7,395</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$7,395</u></u>	<u><u>\$7,395</u></u>	<u><u>\$11,907</u></u>	<u><u>\$4,512</u></u>

City of Hilliard, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 County Municipal Motor Vehicle Tax Fund
 For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$200,000	\$200,000	\$211,101	\$11,101
Intergovernmental	150,000	150,000	250,000	100,000
<i>Total Revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>461,101</u>	<u>111,101</u>
Expenditures				
Current:				
Transportation				
Contractual Services	191,464	191,464	169,042	22,422
Materials and Supplies	12,110	12,110	12,009	101
<i>Total Expenditures</i>	<u>203,574</u>	<u>203,574</u>	<u>181,051</u>	<u>22,523</u>
<i>Net Change in Fund Balance</i>	146,426	146,426	280,050	133,624
<i>Fund Balance at Beginning of Year</i>	416,481	416,481	416,481	0
Prior Year Encumbrances Appropriated	<u>18,574</u>	<u>18,574</u>	<u>18,574</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$581,481</u></u>	<u><u>\$581,481</u></u>	<u><u>\$715,105</u></u>	<u><u>\$133,624</u></u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
CDBG Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$185,432	\$185,432	\$185,432	\$0
Expenditures				
Current:				
Community Environment				0
Capital Outlay	164,129	164,129	164,129	0
<i>Net Change in Fund Balance</i>	21,303	21,303	21,303	0
<i>Fund Balance (Deficit) Beginning of Year</i>	(21,303)	(21,303)	(21,303)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Payment in Lieu of Taxes	\$75,000	\$75,000	\$91,898	\$16,898
Expenditures				
Current:				
Transportation				
Contractual Services	<u>0</u>	<u>500</u>	<u>402</u>	<u>98</u>
<i>Net Change in Fund Balance</i>	75,000	74,500	91,496	16,996
<i>Fund Balance Beginning of Year</i>	<u>75,502</u>	<u>75,502</u>	<u>75,502</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$150,502</u></u>	<u><u>\$150,002</u></u>	<u><u>\$166,998</u></u>	<u><u>\$16,996</u></u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Maintenance Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$40,000	\$40,000	\$56,969	\$16,969
Licenses and Permits	90,000	90,000	38,210	(51,790)
Contributions and Donations	0	0	2,500	2,500
<i>Total Revenues</i>	<u>130,000</u>	<u>130,000</u>	<u>97,679</u>	<u>(32,321)</u>
Expenditures				
Current:				
Leisure Time Activities				
Materials and Supplies	40,562	40,562	39,799	763
Capital Outlay	78,061	78,091	36,896	41,195
Other	20,000	20,000	20,000	0
<i>Total Expenditures</i>	<u>138,623</u>	<u>138,653</u>	<u>96,695</u>	<u>41,958</u>
<i>Net Change in Fund Balance</i>	(8,623)	(8,653)	984	9,637
<i>Fund Balance at Beginning of Year</i>	106,290	106,290	106,290	0
Prior Year Encumbrances Appropriated	<u>11,153</u>	<u>11,153</u>	<u>11,153</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$108,820</u></u>	<u><u>\$108,790</u></u>	<u><u>\$118,427</u></u>	<u><u>\$9,637</u></u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$2,700	\$2,700	\$4,711	\$2,011
Contributions and Donations	45,000	45,000	50,877	5,877
Investment Income	100	100	32	(68)
<i>Total Revenues</i>	47,800	47,800	55,620	7,820
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	0	45,000	44,945	55
Capital Outlay	0	67,350	67,350	0
Other	52,000	12,000	2,496	9,504
<i>Total Expenditures</i>	52,000	124,350	114,791	9,559
<i>Excess of Revenues Under Expenditures</i>	(4,200)	(76,550)	(59,171)	17,379
Other Financing Sources				
Advances - In	67,350	67,350	67,350	0
<i>Net Change in Fund Balance</i>	63,150	(9,200)	8,179	17,379
<i>Fund Balance at Beginning of Year</i>	38,756	38,756	38,756	0
<i>Fund Balance at End of Year</i>	\$101,906	\$29,556	\$46,935	\$17,379

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$17,016	\$2,016
Expenditures				
Current:				
General Government				
Contractual Services	15,612	15,612	15,095	517
Other	1,000	1,000	870	130
<i>Total Expenditures</i>	16,612	16,612	15,965	647
<i>Net Change in Fund Balance</i>	(1,612)	(1,612)	1,051	2,663
<i>Fund Balance at Beginning of Year</i>	7,150	7,150	7,150	0
Prior Year Encumbrances Appropriated	612	612	612	0
<i>Fund Balance at End of Year</i>	\$6,150	\$6,150	\$8,813	\$2,663

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Revenue Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$495,000	\$495,000	\$339,049	(\$155,951)
Expenditures				
Current:				
Basic Utility Services				
Personal Services	429,026	430,657	418,561	12,096
Contractual Services	36,142	47,748	47,695	53
Materials and Supplies	30,000	30,000	14,315	15,685
Other	0	6,000	3,699	2,301
<i>Total Expenditures</i>	495,168	514,405	484,270	30,135
<i>Net Change in Fund Balance</i>	(168)	(19,405)	(145,221)	(125,816)
<i>Fund Balance at Beginning of Year</i>	181,883	181,883	181,883	0
Prior Year Encumbrances Appropriated	2,142	2,142	2,142	0
<i>Fund Balance at End of Year</i>	\$183,857	\$164,620	\$38,804	(\$125,816)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Capacity and Benefit Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$600,000	\$664,568	\$445,237	(\$219,331)
Expenditures				
Current:				
Basic Utility Services				
Personal Services	156,968	157,470	148,829	8,641
Contractual Services	0	208,186	208,186	0
Materials and Supplies	22,000	25,500	7,660	17,840
Capital Outlay	736,946	1,096,625	1,046,036	50,589
Other	0	46,179	0	46,179
<i>Total Expenditures</i>	915,914	1,533,960	1,410,711	123,249
<i>Net Change in Fund Balance</i>	(315,914)	(869,392)	(965,474)	(96,082)
<i>Fund Balance at Beginning of Year</i>	267,320	267,320	267,320	0
Prior Year Encumbrances Appropriated	709,446	709,446	709,446	0
<i>Fund Balance at End of Year</i>	\$660,852	\$107,374	\$11,292	(\$96,082)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Construction Inspection Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$320,000	\$320,000	\$442,198	\$122,198
Other	5,000	5,000	6	(4,994)
<i>Total Revenues</i>	<u>325,000</u>	<u>325,000</u>	<u>442,204</u>	<u>117,204</u>
Expenditures				
Current:				
Community Environment				
Personal Services	201,617	201,369	201,357	12
Materials and Supplies	130,190	155,190	50,680	104,510
Other	0	1,000	0	1,000
<i>Total Expenditures</i>	<u>331,807</u>	<u>357,559</u>	<u>252,037</u>	<u>105,522</u>
<i>Net Change in Fund Balance</i>	(6,807)	(32,559)	190,167	222,726
<i>Fund Balance at Beginning of Year</i>	222,972	222,972	222,972	0
Prior Year Encumbrances Appropriated	190	190	190	0
<i>Fund Balance at End of Year</i>	<u><u>\$216,355</u></u>	<u><u>\$190,603</u></u>	<u><u>\$413,329</u></u>	<u><u>\$222,726</u></u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	1,130,000	1,150,000	1,130,000	20,000
Interest and Fiscal Charges	743,453	763,453	754,495	8,958
<i>Total Expenditures</i>	<u>1,873,453</u>	<u>1,913,453</u>	<u>1,884,495</u>	<u>28,958</u>
<i>Excess of Revenues Under Expenditures</i>	(1,873,453)	(1,913,453)	(1,884,495)	28,958
Other Financing Sources				
Transfers - In	<u>1,873,453</u>	<u>1,876,453</u>	<u>1,884,495</u>	<u>8,042</u>
<i>Net Change in Fund Balance</i>	0	(37,000)	0	37,000
<i>Fund Balance at Beginning of Year</i>	<u>37,871</u>	<u>37,871</u>	<u>37,871</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$37,871</u>	<u>\$871</u>	<u>\$37,871</u>	<u>\$37,000</u>

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2004

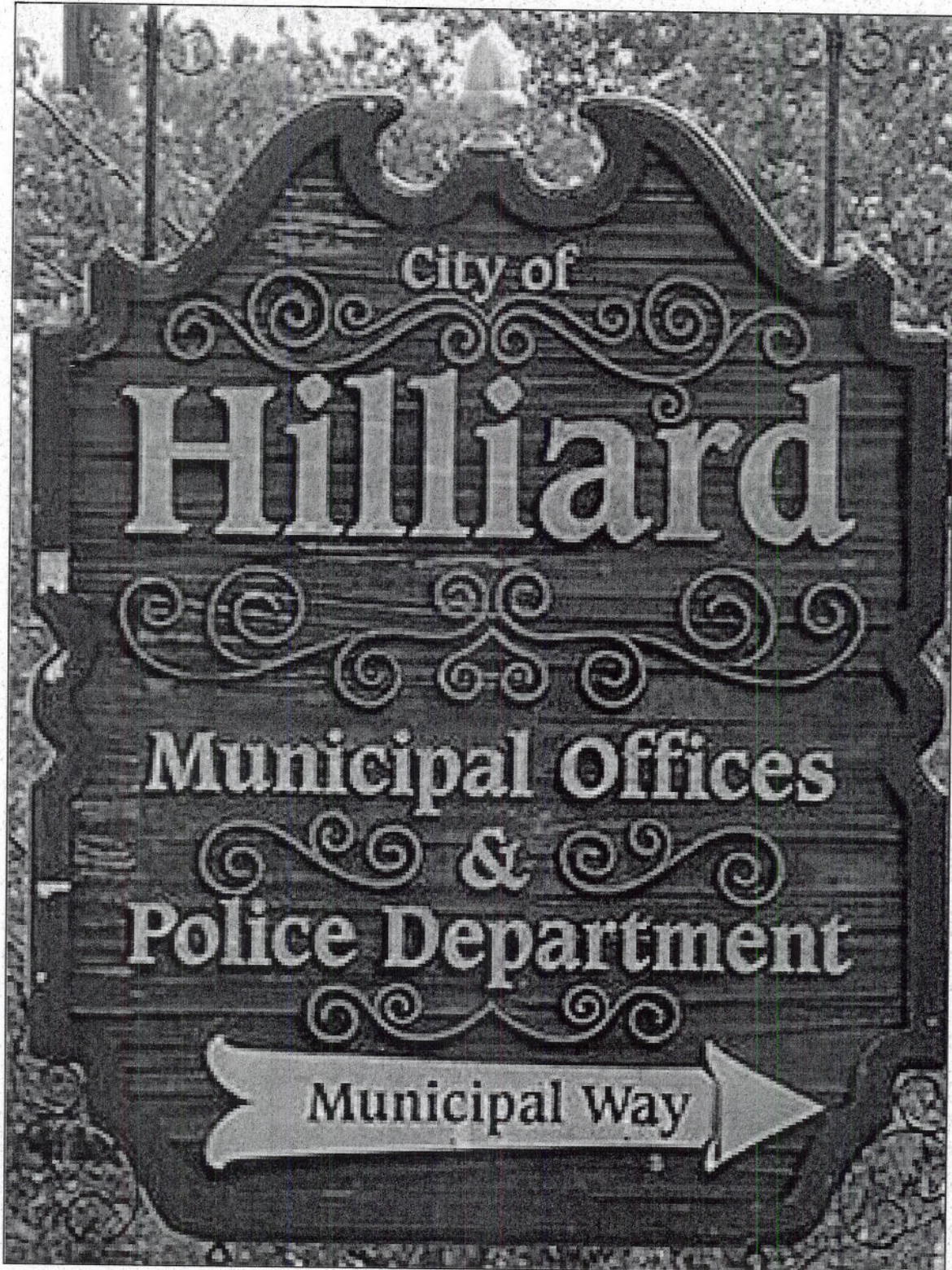
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$90,819	\$90,819	\$79,840	(\$10,979)
Investment Income	38,181	57,396	64,173	6,777
<i>Total Revenues</i>	<u>129,000</u>	<u>148,215</u>	<u>144,013</u>	<u>(4,202)</u>
Expenditures				
Current:				
General Government				
Contractual Services	1,000	1,000	40	960
Debt Service:				
Principal Retirement	85,000	85,000	85,000	0
Interest and Fiscal Charges	38,500	38,500	38,349	151
Total Debt Service	<u>123,500</u>	<u>123,500</u>	<u>123,349</u>	<u>151</u>
<i>Total Expenditures</i>	<u>124,500</u>	<u>124,500</u>	<u>123,389</u>	<u>1,111</u>
<i>Net Change in Fund Balance</i>	4,500	23,715	20,624	(3,091)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(4,204)</u>	<u>(4,204)</u>	<u>(4,204)</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$296</u>	<u>\$19,511</u>	<u>\$16,420</u>	<u>(\$3,091)</u>

City of Hilliard, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Britton Road Improvement Fund
 For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Transportation				
Contractual Services	148,853	465,319	460,618	4,701
<i>Net Change in Fund Balance</i>	(148,853)	(465,319)	(460,618)	4,701
<i>Fund Balance at Beginning of Year</i>	316,446	316,446	316,446	0
Prior Year Encumbrances Appropriated	148,873	148,873	148,873	0
<i>Fund Balance at End of Year</i>	\$316,466	\$0	\$4,701	\$4,701

CITY OF HILLIARD, OHIO

STATISTICAL SECTION



STATISTICAL TABLES

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

City of Hilliard, Ohio
General Governmental Expenditures By Function (1)
Last Ten Years

Year	General Government	Security of Persons and Property	Public Health	Leisure Time Activities
1995	\$1,841,205	\$3,217,552	\$51,850	\$1,289,407
1996	3,093,689	3,489,649	55,924	1,447,065
1997	2,680,336	3,955,924	61,979	1,706,528
1998	2,540,230	4,354,550	64,784	1,988,345
1999	4,396,185	4,709,597	77,937	2,304,495
2000	4,665,711	5,213,032	86,423	2,468,887
2001	4,188,601	4,929,570	102,506	2,457,256
2002	3,383,152	5,129,133	116,275	2,404,361
2003	3,231,019	5,891,170	119,086	2,395,167
2004	3,089,919	6,480,170	119,086	2,414,410

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

Community Environment	Basic Utility Services	Trans- portation	Capital Outlay	Debt Service	Total
\$617,201	\$1,282,733	\$1,790,372	\$0	\$1,187,724	\$11,278,044
699,920	1,209,784	1,724,518	0	1,461,772	13,182,321
617,115	1,198,919	1,284,805	0	1,384,440	12,890,046
861,126	1,378,198	1,975,372	0	1,364,496	14,527,101
1,052,595	1,422,919	1,614,934	0	1,434,159	17,012,821
1,293,415	1,385,469	2,225,509	0	1,487,235	18,825,681
1,310,297	1,611,830	2,517,213	0	1,465,592	18,582,865
1,378,857	1,645,707	2,366,050	0	1,361,843	17,785,378
1,476,893	2,989,582	2,243,374	197,029	10,174,671	28,717,991
1,182,355	2,117,504	2,968,288	0	2,014,512	20,386,244

City of Hilliard, Ohio
General Governmental Revenues By Source (1)
Last Ten Years

<u>Year</u>	<u>Taxes (2)</u>	<u>Inter-Governmental Revenue</u>	<u>Charges for Services</u>	<u>License and Permits</u>	<u>Fines and Forfeitures</u>
1995	\$7,364,844	\$1,728,826	\$1,436,738	\$478,486	\$145,140
1996	8,079,880	1,840,503	1,739,484	491,935	192,374
1997	8,652,085	2,025,852	1,321,832	346,811	217,496
1998	10,399,120	2,199,226	1,777,254	387,125	227,632
1999	10,536,133	2,510,280	1,661,365	351,828	228,963
2000	12,207,528	1,664,608	2,130,192	312,497	232,035
2001	11,853,434	2,371,628	2,923,646	532,984	188,598
2002	10,996,339	2,479,572	3,403,048	408,948	239,362
2003	11,025,626	3,188,897	3,058,344	546,158	251,034
2004	11,597,551	2,827,540	3,042,601	474,459	296,966

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

(2) Includes Property and Other Local Taxes and Municipal Income taxes Revenues

<u>Investment Income</u>	<u>Special Assessments</u>	<u>All Other</u>	<u>Total</u>
\$426,417	\$210,307	\$101,334	\$11,892,092
418,249	198,456	194,166	13,155,047
467,456	193,399	146,121	13,371,052
389,020	171,474	124,254	15,675,105
545,081	167,103	46,848	16,047,601
827,150	158,117	101,139	17,633,266
517,618	124,586	516,491	19,028,985
138,885	167,246	238,343	18,071,743
166,204	83,025	372,079	18,691,367
164,584	79,579	366,032	18,849,312

City of Hilliard, Ohio
Government-Wide Expenses By Program - Governmental Activities
Last Two Years

<u>Year (1)</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Public Health</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>
2003	\$3,294,036	\$5,466,993	\$119,086	\$2,853,827	\$1,699,270
2004	3,412,918	7,028,605	119,086	2,714,029	1,403,235

(1) 2003 is the first year the City implemented
GASB Statement No. 34

Basic Utility Services	Trans- portation	Interest and Fiscal Charges	Total
\$2,866,382	\$871,604	\$799,779	\$17,970,977
2,105,383	2,552,428	817,887	20,153,571

City of Hilliard, Ohio
Government-Wide Revenues By Source - Governmental Activities
Last Two Years

<u>Year (1)</u>	<u>Program Revenues</u>			<u>Property Taxes</u>	<u>Other Local Taxes</u>	<u>Municipal Income Taxes</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants, Contributions, and Interest</u>			
2003	\$3,899,836	\$1,671,998	\$42,085	\$1,350,028	\$188,743	\$12,671,812
2004	3,849,590	1,628,828	64,173	1,371,968	208,544	13,606,085

(1) 2003 is the first year the City implemented
GASB Statement No. 34

General Revenues				
Payments in Lieu of Taxes	Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total
\$128,918	\$1,823,489	\$108,125	\$163,714	\$22,048,748
101,508	1,220,891	100,411	176,016	22,328,014

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

<u>Collection Year</u>	<u>Total Tax Levy (1) (2)</u>	<u>Current Tax Collections (1)</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1995	\$488,215	\$468,380	\$12,328	\$480,708
1996	553,325	530,722	7,502	538,224
1997	636,876	606,399	15,227	621,626
1998	764,962	749,963	27,096	777,059
1999	818,899	809,787	19,134	828,921
2000	951,953	927,709	19,405	947,114
2001	983,178	962,455	27,112	989,567
2002	1,008,998	951,977	59,665	1,011,642
2003	1,131,059	1,159,650	29,381	1,189,031
2004	1,167,957	1,223,735	102,181	1,325,916

Source: Franklin County Auditor

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

Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes (2)	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
98.46%	\$11,067	2.27%
97.27%	21,906	3.96%
97.61%	28,521	4.48%
101.58%	38,650	5.05%
101.22%	31,188	3.81%
99.49%	69,987	7.35%
100.65%	157,152	15.98%
100.26%	106,768	10.58%
105.13%	118,796	10.50%
113.52%	34,297	2.94%

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	
	Assessed	Actual	Assessed	Actual	Assessed	Actual
1995	\$322,605,580	\$921,730,229	\$16,607,520	\$47,450,057	\$41,899,796	\$167,599,184
1996	375,958,820	1,074,168,057	19,257,710	55,022,029	54,300,913	217,203,652
1997	396,902,200	1,134,006,286	20,296,580	57,990,229	62,190,825	248,763,300
1998	421,012,750	1,202,893,571	20,399,890	58,285,400	60,902,842	243,611,368
1999	490,788,860	1,402,253,886	20,593,850	58,839,571	70,229,428	280,917,712
2000	520,706,420	1,487,732,629	19,792,520	56,550,057	76,476,995	305,907,980
2001	542,010,270	1,548,600,711	15,138,450	43,252,714	68,687,135	274,748,540
2002	625,119,360	1,786,055,314	19,971,850	57,062,429	73,219,911	292,879,644
2003	655,409,990	1,872,599,971	17,714,230	50,612,086	57,686,187	230,744,748
2004	691,676,960	1,976,219,886	17,401,820	49,719,486	49,482,834	197,931,336

Source: Franklin County Auditor

Total		Assessed Value as a Percent of Actual Value
Assessed	Actual	
\$381,112,896	\$1,136,779,470	33.53%
449,517,443	1,346,393,738	33.39%
479,389,605	1,440,759,815	33.27%
502,315,482	1,504,790,339	33.38%
581,612,138	1,742,011,169	33.39%
616,975,935	1,850,190,666	33.35%
625,835,855	1,866,601,965	33.53%
718,311,121	2,135,997,387	33.63%
730,810,407	2,153,956,805	33.93%
758,561,614	2,223,870,708	34.11%

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
1995	\$1.60	\$52.15	\$14.57	\$2.20
1996	1.60	60.65	14.82	2.20
1997	1.60	60.28	15.12	2.20
1998	1.60	59.71	17.54	2.20
1999	1.60	59.71	17.64	2.20
2000	1.60	65.61	17.64	2.20
2001	1.60	65.61	17.64	2.20
2002	1.60	64.44	17.64	2.20
2003	1.60	64.44	17.64	2.20
2004	1.60	64.44	17.64	2.20

Source: Franklin County Auditor

Norwich Township	Vocational School	Total
\$11.50	\$1.60	\$83.62
11.50	1.60	92.37
11.50	1.60	92.30
17.50	1.60	100.15
17.50	1.60	100.25
17.50	1.10	105.65
17.50	1.10	105.65
17.50	0.50	103.88
17.50	0.50	103.88
17.50	0.50	103.88

City of Hilliard, Ohio
Municipal Income Tax Revenues
Last Ten Years

<u>Year</u>	<u>Amount (1)</u>	<u>Percentage Increase/(Decrease)</u>
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	0.6%
2000	13,262,472	7.0%
2001	13,533,051	2.0%
2002	13,129,553	(3.1%)
2003	13,036,360	(0.7%)
2004	13,599,124	4.3%

Source: City Income Tax Department

(1) Cash Basis - This amount is reported gross and does not take into account tax refunds

City of Hilliard, Ohio
Special Assessment Billings and Collections
Last Ten Years

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected (1)</u>	<u>Percent Collection</u>
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%
2002	115,844	115,092	99.35%
2003	116,521	115,720	99.31%
2004	144,013	144,013	100.00%

Source: Franklin County Auditor

(1) Cash Basis - includes interest

City of Hilliard, Ohio
Computation of Legal Debt Margin
December 31, 2004

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$758,561,614	\$758,561,614
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	79,648,969	41,720,889
Applicable City Debt Outstanding (2)	15,947,000	15,947,000
Less: Applicable Debt Service Fund Amounts	<u>37,871</u>	<u>37,871</u>
Net Indebtedness Subject to Limitation	<u>15,909,129</u>	<u>15,909,129</u>
Legal Debt Margin	<u><u>\$63,739,840</u></u>	<u><u>\$25,811,760</u></u>

Source: City Finance Department

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

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

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*

Collection Year	Population (1)	Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
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
2002	25,996	718,311	10,995,172	1.53%	422.96
2003	26,974	730,810	15,347,129	2.10%	568.96
2004	26,844	758,562	16,444,129	2.17%	612.58

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

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

(3) Includes all general obligation bonded debt supported by property taxes less balance available in General Obligation Bond Retirement Fund

City of Hilliard, Ohio
*Ratio of Annual Debt Service Expenditures
for General Obligated 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
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%
2002	730,000	503,603	1,233,603	17,785,378	6.94%
2003	910,000	722,665	1,632,665	28,717,991	5.69%
2004	1,130,000	754,495	1,884,495	20,386,244	9.24%

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

City of Hilliard, Ohio
Computation of All Direct and Overlapping Governmental Debt
 December 31, 2004

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable to the City Hilliard (2)</u>	<u>Amount Applicable to the City of Hilliard</u>
Direct			
City of Hilliard (1)	\$16,444,129	100.00%	\$16,444,129
Overlapping Subdivisions			
Hilliard City School District	118,145,358	35.56%	42,012,489
Dublin City School District	106,736,374	0.08%	85,389
Franklin County	136,279,117	3.01%	4,102,001
Washington Township	3,230,000	0.04%	1,292
			<u>46,201,171</u>
			<u><u>62,645,300</u></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.

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 (3)</u>	<u>School Enrollment (4)</u>
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
2002	25,996	28,923	4.4%	13,674
2003	26,974	29,357	4.9%	14,220
2004	26,844	N/A	5.4%	14,529

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

(2) U.S Department of Commerce, bureau of Economic Analysis

(3) Ohio Labor Market Information

(4) Hilliard City School District

N/A - information not available

City of Hilliard, Ohio
Property Value and Construction Permits
Last Ten Years

Tax Collection Year	Total Real Property Assessed Value	Residential		Commercial	
		Number of Permits	Construction Value	Number of Permits	Construction Value
1995	\$322,605,580	462	\$63,325,739	67	\$38,012,919
1996	375,958,820	424	67,308,664	69	6,973,738
1997	396,902,200	232	42,707,408	65	18,760,862
1998	421,012,750	220	48,904,375	15	8,562,908
1999	490,788,860	219	52,180,707	10	4,945,000
2000	520,706,420	181	40,821,072	16	21,201,832
2001	542,010,270	239	59,999,460	20	21,901,278
2002	625,119,360	324	373,214,763	6	6,067,074
2003	655,409,990	275	120,913,769	173	29,502,480
2004	691,676,960	187	56,567,872	19	13,915,506

Source: City of Hilliard Building Department

City of Hilliard, Ohio
Principal Taxpayers (Personal Property Tax)
December 31, 2004

<u>Taxpayer</u>	<u>Type of Business</u>
1 Uunet Technologies, Inc.	Computer Information Services
2 Rich Products Manufacturing Corp	Manufacturing
3 Armstrong World Industries	Manufacturing
4 Baesman Printing Corporation	Publishing
5 Buckeye Nissan, Inc.	Automobile Dealer
6 S & G Manufacturing Group, LLC	Manufacturing
7 Depuy Orthopaedics Inc.	Health Care
8 Gates McDonald & Company	Insurance/Actuarial
9 Nestle Waters North America Inc.	Beverage
10 Time Warner Entertainment Company LP	Cable Services

Based on valuation of property taxes levied in 2004.
Source: Franklin County Auditor - Land and Buildings

	2004 Assessed Valuations (Tax Duplicate)	Percentage of Total Assessed Valuation
	\$10,414,730	21.05%
	3,137,630	6.34%
	2,165,500	4.38%
	1,428,100	2.89%
	1,358,300	2.74%
	1,346,889	2.72%
	1,133,700	2.29%
	942,418	1.90%
	913,030	1.85%
	896,120	1.81%
Sub-Total	23,736,417	47.97%
All Others	25,746,417	52.03%
Total	\$49,482,834	100.00%

City of Hilliard, Ohio
Principal Taxpayers (Real Property Tax)
 December 31, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuations (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 United Dominion Realty LP	Real Estate Holding Company	\$6,930,010	1.00%
2 One Mill L.L.C	Commercial Real Estate	5,635,010	0.81%
3 First Industrial, LP	Commercial Real Estate	4,647,310	0.67%
4 Real Estate Finance Trust 1995-k-4	Commercial Real Estate	3,220,010	0.47%
5 Garden Ridge Hilliard	Retail	2,998,660	0.43%
6 Crystal Lakes Apartments	Rental Real Estate	2,844,390	0.41%
7 Nationwide Health Insurance	Insurance	2,310,000	0.33%
8 Armstrong World Industries, Inc.	Manufacturing	2,179,110	0.32%
9 CompuServe Inc.	Computer Services	2,111,340	0.31%
10 Ansmil LP	Real Estate	2,025,400	0.29%
	Sub-Total	34,901,240	5.04%
	All Others	656,775,720	94.96%
	Total	<u>\$691,676,960</u>	<u>100.00%</u>

Based on valuation of property taxes levied in 2004
 Source: Franklin County Auditor - Land and Buildings

City of Hilliard, Ohio
Principal Employers Based on Employee Income Tax Withholdings
December 31, 2004

Taxpayer	Type of Business
1 Hilliard City Schools	Education
2 MCI Telecommunications/World Com	Computer Information Services
3 Micro Center, Inc.	Manufacturing
4 Honda of America MFG. Inc	Manufacturing - Automotive Industry
5 Gates McDonald Health Plus, Inc.	Insurance / Actuarial Services
6 Discover Card Services, Inc	Credit Processing Services
7 City of Hilliard	Local Government
8 Advanced Drainage Systems, Inc.	Manufacturing - Plastic Piping
9 Baesman Printing Corp.	Printing
10 Fedex Freight East, Inc.	Trucking

Source: Hilliard City Income Tax Department

City of Hilliard, Ohio
Miscellaneous Statistics
December 31, 2004

Date of Incorporation	1869	City Employees:	
Effective Date of Charter	January 1, 1963	Number of Full Time	143
Form of Government	Mayor - Council	Number of Part Time	12
Area (square miles)	11		
		Police Services:	
Facilities and Services:		Number of Stations	1
Miles of Streets	110	Number of Police and Officers	50
Number of Street Lights	1,405		
Miles of Water Mains	114	Fire/Emergency Medical Services:(1)	
Miles of Sanitary Sewers	130	Number of Stations	3
Miles of Storm Sewers	108	Number of Firefighters	84
		Number of Paramedics	73
Building Permits Issued in 2004	206		

Recreation and Culture:

Number of Parks	21
Park Area (acres)	285.0
Number of Playground	11
Number of Swimming Pools	2
Number of Ball Fields	28
Number of Tennis Courts	4
Number of Community Center	1
Number of Senior Centers	1

Education: (2)

Elementary Schools (K - 6)	15
Elementary Schools Students	8,234
Secondary Schools (7 - 12)	5
Secondary Schools Students	6,295
All Teachers	1,097
Student/Teacher Ratio	1 to 16

(1) Fire Protection provided by Norwich Township

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



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

CITY OF HILLIARD

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 11, 2005**