CITY OF HILLIARD, OHIO

FRANKLIN COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Prepared by:
Department of Finance

Michelle Kelly-Underwood
Director

David D. Delande
Deputy Director

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Don Schonhardt, Mayor

City of Hilliard

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

May 20, 2011

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Hilliard (the City) for the year ended December 31, 2010. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

Clark, Schaefer, Hackett & Co. has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2010. The Independent Auditors' Report is located at the front of the financial section of this report.

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

Profile of the Government

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

The Hilliard area was settled in the early 1800's and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950's when residential growth boomed. By December 12, 1960 the population had reached 5,000 and the Village of Hilliard became a City. The Mid-Ohio Regional Planning Commission estimates the population for the City to be 28,935 for 2010.

The City is serviced by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates that 39.35 percent of its students reside in the City.

The City operates under a Charter first adopted by the voters in 1963. Council appointed a Charter Review Commission in 2005 tasked with conducting a comprehensive review of the Charter. Several changes were recommended as a result of the review. The most notable changes eliminated term limits and provided for Council to utilize Executive Session to discuss employment issues, real estate purchases, pending court action, and employee contract negotiations. The Mayor-Council form of government was not changed. Voters approved all recommended changes at the November 3, 2009 general election. Changes to the Charter were effective January 1, 2010. The laws of the State of Ohio prevail when conflicts exist between Charter and State Constitution and in matters where the Charter is silent. The legislative body of the City consists of a seven-member Council, all elected at-large for four year overlapping terms. The Mayor is elected for a four-year term and serves as the Chief Executive Officer of the City. The Council fixes compensation levels of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, licensing of regulated business and trades and other municipal purposes.

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

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

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

organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

The City's charter requires the Mayor to submit to Council on or before November 15th of each year a budget for the following year. Council sets the date and place of a public hearing on the budget and gives notice of the meeting time and place in a newspaper of general circulation at least five days prior to the hearing date. The budget is on file with the City Clerk and available for inspection prior to the hearing date. Council adopts the budget either as submitted or amended after the public hearing but no later than January 31. This budget serves as the appropriation ordinance and is filed with the Franklin County Auditor's office.

This annual budget serves as the foundation for the City of Hilliard's financial planning and control. The 2010 budget was prepared by fund and department and object level. Department heads may transfer resources within the object as they see fit. The budget was approved by Council as required by the City's charter.

Local Economy and Long-term Financial Planning

The City is included in the Columbus Metropolitan Statistical Area (MSA) which is ranked 32nd in the nation by population. This MSA had an unemployment rate at the end of 2010 of 8.9 percent while the State of Ohio was at 9.3 percent at the end of 2010. Our employment mix insulates us somewhat from what is happening elsewhere in the state. Our largest employer is the Hilliard City School District which is the eighth largest district in the state. The list of our ten largest employers can be found in our statistical section and includes telecommunications, financial services, technology, marketing, insurance and manufacturing businesses.

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

Relevant financial policies

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

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

Council adopted a General Fund balance policy that targets the fund reserve to be twenty five percent of annual operating expenditures on a budget basis. In 2010 the City's General Fund cash balance was 13.7 percent of current year expenditures, down from 14.9 percent in 2009. The City continues to work toward the twenty five percent target.

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

Major initiatives

The City dedicated First Responders Park on September 11, 2010. The park, in downtown Hilliard, incorporates steel from the Twin Towers and lists the names of all of the victims of the September 11, 2001 tragedy.

The City acquired temporary and permanent right-of-way for the Triangle Improvement Project in 2009. This project will improve the capacity, safety and traffic flow on two main arteries on the west side of town. We are replacing traditional signalized four-way intersections with roundabouts. The City was awarded grants and loans from the Ohio Public Works Commission to fund construction. One roundabout was completed in 2010 and the second is on schedule to be completed in 2011.

The City used ARRA funds to complete Northwest Parkway which fronts the Joint Safety Services building which houses the City's police, dispatching and Mayor's Court offices and the Township's administrative offices and one of the fire stations.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the nineteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Michelle Kelly-Underwood
Finance Director

Don Schonhardt
Mayor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hilliard Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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.

President

Executive Director

City of Hilliard, Ohio
Principal Officials
December 31, 2010

Elected Officials

Name	Title	Term Expires	Service	Surety
Don Schonhardt	Mayor	12/31/2011	9	A
Brett Sciotto	President of Council	12/31/2013	9	A
James Ashenhurst	Council	12/31/2013	1	A
Stephanie Kunze	Council	12/31/2013	1	A
Albert J. Iosue	Council	12/31/2011	3	A
Kelly McGivern	Council	12/31/2011	3	A
Bill Uttley	Council	12/31/2011	1	A
Tim Roberts	Council	12/31/2011	7	A

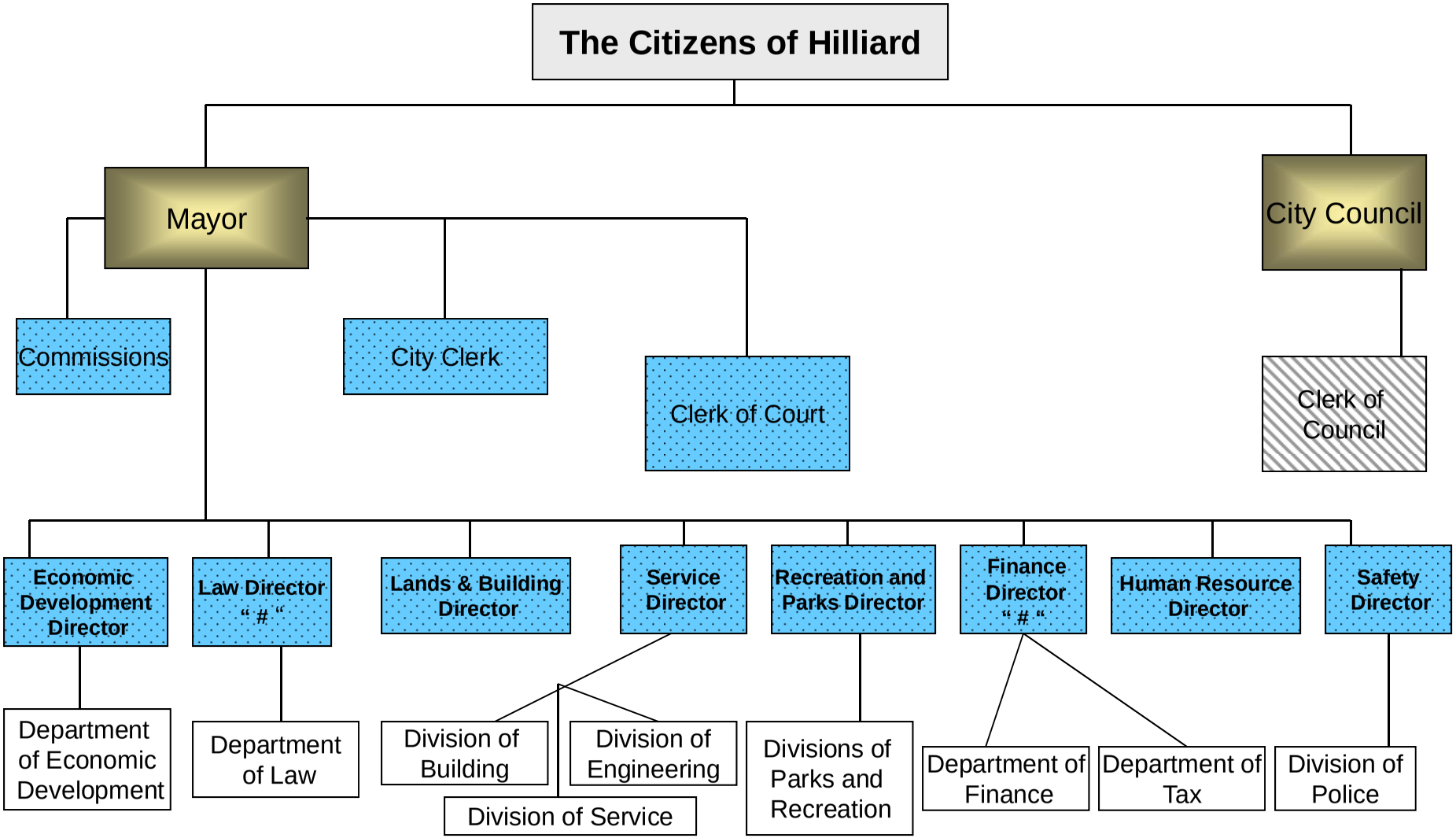
Appointed Officials

Name	Title	Term Expires	Service	Surety
Michelle Kelly-Underwood	Director of Finance	Indefinite	7	A & B
Pamela A. DeDent	Director of Law	Indefinite	7	A
Pamela A. DeDent	Director of Safety	Indefinite	7	A
Clyde R. Seidle	Director of Service	Indefinite	7	A
Steven B. Mazer	Director of Parks and Recreation	Indefinite	3	A
David Meeks	Director of Economic Development	Indefinite	8	A
Gerry Edwards	Director of Human Resource	Indefinite	6	A
John F. Hall, III	Director of Land & Bldgs.	Indefinite	6	A
J. Douglas Francis	Chief of Police	Indefinite	2	A
Lynn Fasone	Clerk of Council	Indefinite	6	A

(A) National Casualty Insurance Company, $1,000,000/$1,000,000.
(B) US Fidelity Insurance Company, $1,000,000 Bond.

City Address:
City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

The City of Hilliard, Ohio
Organizational Chart



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

Boards and Commissions

Parks and Recreation
Planning and Zoning Commission
Shade Tree Commission
Board of Zoning Appeals
Civil Service Commission
Tax Incentive Review Council
Board of Tax Appeals

INDEPENDENT AUDITORS' REPORT

To City Council
City of Hilliard, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund, Street Maintenance and Repair Fund, Street Improvement Municipal Tax Fund, Water Revenue Fund and TIF Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
May 19, 2011

City of Hilliard, Ohio

Management's Discussion and Analysis
For The Year Ended December 31, 2010
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Hilliard's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the year ended December 31, 2010.

FINANCIAL HIGHLIGHTS

- The City's total net assets decreased $4,772,038 in 2010.
- General revenues accounted for $21,936,736 or 66% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for $11,099,970 or 34% of total revenues of $33,036,706.
- The City had $37,808,744 in expenses related to governmental activities, while only $11,099,970 of these expenses were offset by program specific charges for services, grants, contributions, and interest. In 2010, contributions to the City included donated assets of $918,662, while the 2009 donated assets totaled $18,274,540 primarily related to the completion of the Hilliard-Rome Road and Britton Parkway projects.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

Table 1
Net Assets
Governmental Activities

	2010	2009
Assets		
Current and Other Assets	$ 25,210,932	$ 25,802,237
Capital Assets	256,354,642	257,063,277
Total Assets	281,565,574	282,865,514
Liabilities		
Long-Term Liabilities	65,912,243	63,340,983
Other Liabilities	4,763,002	3,862,164
Total Liabilities	70,675,245	67,203,147
Net Assets		
Invested in Capital Assets, Net of Related Debt	193,490,449	197,699,834
Restricted for:		
Other Purposes	9,209,095	8,780,661
Capital Outlay	5,249,807	5,793,314
Unrestricted	2,940,978	3,388,558
Total Net Assets	$ 210,890,329	$ 215,662,367

Net assets of the City's governmental activities decreased $4,772,038 in 2010. Capital Assets decreased $708,635 primarily due to depreciation in excess of capital asset additions. Long-term liabilities increased $2,571,260 primarily due to issuance of bond anticipation notes of $5,300,000 offset by principal payments on long-term debt during 2010.

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

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

Table 2 shows the changes in net assets for the years ended December 31, 2010 and 2009.

Table 2
Change in Net Assets
Governmental Activities

	2010	2009
Revenues		
Program Revenues:		
Charges for Services	$ 5,680,855	$ 4,620,121
Operating Grants and Contributions	1,312,293	1,422,622
Capital Grants, Contributions, and Interest	4,106,822	20,966,177
Total Program Revenues	11,099,970	27,008,920
General Revenues:		
Property and Other Local Taxes	1,924,647	1,682,554
Municipal Income Taxes	15,328,327	16,291,193
Payments in Lieu of Taxes	2,391,513	1,846,750
Grant and Entitlements not Restricted to Specific Programs	1,695,078	1,099,064
Unrestricted Investment Earnings	141,361	156,648
Miscellaneous	455,810	376,594
Total General Revenues	21,936,736	21,452,803
Total Revenues	33,036,706	48,461,723
Program Expense		
General Government	4,820,699	4,346,672
Security of Persons and Property	8,553,689	8,483,744
Public Health	171,913	169,063
Leisure Time Activities	2,911,718	3,069,040
Community Environment	3,091,413	4,704,774
Basic Utility Services	7,254,778	6,812,986
Transportation	8,404,994	8,596,950
Interest and Fiscal Charges	2,599,540	2,516,290
Total Expenses	37,808,744	38,699,519
Change in Net Assets	(4,772,038)	9,762,204
Net Assets at Beginning of Year	215,662,367	205,900,163
Net Assets at End of Year	210,890,329	215,662,367

Governmental Activities

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

While the global economy continued to struggle during 2010, the City did not experience major layoffs among the area's largest employers but the majority of the largest employers slightly reduced their workforce. The employment base remains diverse and the largest employer in the City is the local school district.

The Municipal Income Tax as reported in the Change in Net Assets decreased $962,866 from 2009. The decrease in local taxable income in 2010 is a result of the top 10 employers losing over 190 total employees.

In 2009, the largest revenue source was capital grants, contributions and interest of $20,966,177 due to donated assets of $18,274,540. In 2010, donated assets were $918,662 and capital grants, contributions and interest totaled $4,106,822.

Our Payments in Lieu of Taxes amount as reported in the Change in Net Assets increased by $544,763 from 2009. The City has 40 tax increment financing arrangements in various stages of maturity and the increase is due to the Tremont Club TIF continuing to add buildings.

Total General Revenues increased $483,933 from 2009 to 2010 but total Program Revenues were down $15,908,950 from 2009 to 2010 resulting in total revenues decreasing 32 percent in 2010. This is primarily due to a decrease in capital contributions of streets, water lines and sewer lines from developers from $18,274,540 in 2009 to $918,662 in 2010.

Governmental program expenses for 2010 were as follows:

General Government	12.75%
Security of Persons and Property	22.62%
Public Health	0.45%
Leisure Time Activities	7.70%
Community Environment	8.18%
Basic Utility Services	19.19%
Transportation	22.23%
Interest and Fiscal Charges	6.88%
	100.00%

Program expenses were down 2 percent from 2009 to 2010. In 2009, the City contracted with various engineers to complete a comprehensive land use plan which was substantially completed, therefore, the year-to-year comparison results in expenses decreasing.

The Administration and City Council base spending decisions on how they will improve the quality of life for the citizens and business in Hilliard. The Administration and council committed to maintain and improve the City's investments by providing appropriations for capital assets, equipment and repairs. These assets include street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 17 percent of total revenues. Revenues provided by sources other than City residents in the form of operating and capital grants restricted to a certain program comprise another 16 percent of total revenues. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of $34,633,209 and expenditures of $38,874,627. As of the end of the current year, the City's governmental funds reported combined ending fund balances of $17,009,029, an increase of $1,173,505 in comparison with the prior year. At December 31, 2010, unreserved fund balance was $10,198,247. The remaining fund balance of $6,810,782 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or Federal government.

The General Fund balance of $3,349,735 continues to rely heavily on the City's income tax as its primary source of revenue for operations, which kept the balance and activity of the fund consistent to prior years. The fund balance increased $136,357 in 2010.

The increase of $16,717 in the Street Maintenance and Repair Special Revenue Fund was primarily due to an increase in intergovernmental revenues.

The Street Improvement Municipal Tax Special Revenue Fund decreased by $27,416 due primarily to a decrease in municipal income tax revenues in 2010. The decrease is the result of a change in the allocation of income tax to this fund from 5 percent in 2009 to 4 percent in 2010.

The Water Revenue Special Revenue Fund increased by $185,537 due to depositing more of the surcharges into the fund in anticipation of increased expenses.

The TIF Special Revenue Fund decreased by $151,954 due to an increase in expenditures in 2010. The fund balance of the TIF fund was $848,573 at December 31, 2010.

The Capital Improvement Municipal Tax Capital Projects Fund increased by $477,310 mainly due to the expenditure of proceeds from bonds issued in 2009 to fund various capital projects, offset by proceeds from bonds anticipation notes issued in 2010.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council as provided for in the City's charter. The legal level of control has been established by Council at the object level.

During 2010, the total amount of the General Fund budget remained unchanged; however, appropriations were reallocated by ordinance among departments and objects.

General Fund original and final budgeted revenues were $18,976,427 and $18,316,427, respectively. Actual revenues were $17,710,950, a difference of $605,477 compared to final budget revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets
(Net of Depreciation)
Governmental Activities

	2010	2009
Land	$ 4,504,717	$ 4,047,464
Construction in Progress	7,395,758	3,905,887
Buildings	8,433,003	8,752,442
Improvement Other Than Buildings	7,990,515	6,063,770
Machinery and Equipment	1,015,845	1,047,140
Furniture and Fixtures	336,702	375,412
Vehicles	1,266,133	1,416,633
Infrastructure	225,411,969	231,454,529
Totals	$ 256,354,642	$ 257,063,277

Capital Assets decreased $708,635 due to depreciation expense exceeding additions for the year ended December 31, 2010. See Note 9 of the Notes to the Basic Financial Statements for more detailed information.

Debt

At December 31, 2010, the City of Hilliard had $64,099,217 in debt outstanding.

Outstanding Debt at Year End
Governmental Activities

	2010	2009
Notes Payable	$ 5,300,000	$ -
OWDA Loan Payable	2,216,777	2,216,777
General Obligation Bonds	48,652,193	51,115,263
Capital Leases	6,168,683	6,313,094
Premium on Bonds Issued	1,761,564	1,862,658
Totals	$ 64,099,217	$ 61,507,792

The increase in outstanding debt is due to the issuance of $5.3 million in bond anticipation notes offset by 2010 scheduled debt service payments. Generally, all general obligation bond issues and the notes payable will be paid through the Water Revenue, Street Improvement Municipal Tax, and TIF Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund.

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

The City's overall 10.5 percent legal debt margin was $68,279,021 as of December 31, 2010. The more restrictive unvoted legal debt margin within 5.5 percent was $24,433,440 as of the same date.

See Note 15 of the Notes to the Basic Financial Statements for more detailed information about the City's debt.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

BASIC FINANCIAL STATEMENTS

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City of Hilliard, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 15,459,417
Cash and Cash Equivalents with Fiscal Agents	405,292
Accounts Receivable	364,381
Municipal Income Tax Receivable	3,516,558
Due from Other Governments	2,238,700
Payments in Lieu of Taxes Receivable	1,110,970
Prepaid Items	25,574
Property and Other Local Taxes Receivable	1,316,710
Deferred Charges	773,330
Nondepreciable Capital Assets	11,900,475
Depreciable Capital Assets	402,335,783
Accumulated Depreciation	(157,881,616)
Total Assets	281,565,574
Liabilities	
Accounts Payable	988,589
Accrued Wages Payable	331,749
Matured Compensated Absences	254,584
Due to Other Governments	1,094,637
Accrued Interest Payable	238,503
Claims Payable	172,000
Unearned Revenue	1,682,940
Long-Term Liabilities:	
Due Within One Year	9,068,155
Due in More Than One Year	56,844,088
Total Liabilities	70,675,245
Net Assets	
Invested in Capital Assets, Net of Related Debt	193,490,449
Restricted for:	
Streets and Transportation	4,239,370
Basic Utility Services	1,573,292
Other Purposes	3,396,433
Capital Outlay	5,249,807
Unrestricted	2,940,978
Total Net Assets	$ 210,890,329

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

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City of Hilliard, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities					
General Government	$ 4,820,699	$ 698,795	$ -	$ -	$ (4,121,904)
Security of Persons and Property	8,553,689	1,032,105	20,495	-	(7,501,089)
Public Health	171,913	-	-	-	(171,913)
Leisure Time Activities	2,911,718	942,536	-	50,000	(1,919,182)
Community Environment	3,091,413	1,540,679	-	-	(1,550,734)
Basic Utility Services	7,254,778	1,466,740	-	969,589	(4,818,449)
Transportation	8,404,994	-	1,291,798	3,087,233	(4,025,963)
Interest and Fiscal Charges	2,599,540	-	-	-	(2,599,540)
Total Governmental Activities	$ 37,808,744	$ 5,680,855	$ 1,312,293	$ 4,106,822	(26,708,774)

General Revenues	
Property Taxes Levied for General Purposes	1,924,647
Municipal Income Taxes Levied for:	
General Purposes	10,996,978
Transportation	384,371
Capital Outlay	3,946,978
Payments in Lieu of Taxes	2,391,513
Grants and Entitlements not Restricted to Specific Purposes	1,695,078
Unrestricted Investment Earnings	141,361
Miscellaneous	455,810
Total General Revenues	21,936,736
Change in Net Assets	(4,772,038)
Net Assets at Beginning of Year	215,662,367
Net Assets at End of Year	$ 210,890,329

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

City of Hilliard, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 2,533,866	125,772	3,271,513
Cash and Cash Equivalents with Fiscal Agents	-	-	-
Receivables:			
Property and Other Local Taxes Receivable	1,316,710	-	-
Payments in Lieu of Taxes Receivable	-	-	-
Municipal Income Tax Receivable	2,496,756	-	140,662
Accounts	151,698	330	-
Due from Other Governments	821,208	635,938	386,549
Prepaid Items	25,574	-	-
Interfund Receivable	12,904	-	-
Total Assets	$ 7,358,716	762,040	3,798,724
Liabilities			
Accounts Payable	278,958	21,971	35,131
Due to Other Fund	110,384	2,120	-
Interfund Payable	-	-	-
Accrued Wages Payable	285,936	16,275	-
Matured Compensated Absences	240,849	11,487	-
Due to Other Governments	703,374	32,389	134,275
Deferred Revenue	2,389,480	431,559	406,986
Total Liabilities	4,008,981	515,801	576,392
Fund Balances			
Reserve for Encumbrances	188,231	38,087	370,728
Unreserved (Deficit), Reported in:			
General Fund	3,161,504	-	-
Special Revenue Funds	-	208,152	2,851,604
Debt Service Funds	-	-	-
Capital Project Funds	-	-	-
Total Fund Balance	3,349,735	246,239	3,222,332
Total Liabilities and Fund Balance	$ 7,358,716	762,040	3,798,724

See accompanying notes to the basic financial statements.

Water Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
561,960	1,014,056	5,859,449	2,032,623	$ 15,399,239
-	-	-	405,292	405,292
-	-	-	-	1,316,710
-	1,110,970	-	-	1,110,970
-	-	879,140	-	3,516,558
-	-	-	212,353	364,381
-	42,815	246,438	105,752	2,238,700
-	-	-	-	25,574
-	-	-	-	12,904
561,960	2,167,841	6,985,027	2,756,020	$ 24,390,328
204	-	603,917	48,408	988,589
1,116	-	-	4,120	117,740
-	-	-	12,904	12,904
12,263	-	-	17,275	331,749
-	-	-	2,248	254,584
22,785	165,483	2,970	33,361	1,094,637
-	1,153,785	127,734	71,552	4,581,096
36,368	1,319,268	734,621	189,868	7,381,299
16,430	98,386	5,816,243	282,677	6,810,782
-	-	-	-	3,161,504
509,162	750,187	-	2,296,379	6,615,484
-	-	-	(12,904)	(12,904)
-	-	434,163	-	434,163
525,592	848,573	6,250,406	2,566,152	17,009,029
561,960	2,167,841	6,985,027	2,756,020	$ 24,390,328

City of Hilliard, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2010

Total Governmental Fund Balances		$ 17,009,029
Amount reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	4,504,717	
Construction in Progress	7,395,758	
Buildings	11,500,688	
Improvements Other Than Buildings	10,032,083	
Machinery and Equipment	4,303,648	
Furniture and Fixtures	779,338	
Vehicles	3,208,293	
Infrastructure	372,511,733	
Accumulated Depreciation	(157,881,616)	
Total		256,354,642
Bond issuance costs, reported as an expenditure in governmental funds, are allocated as an expense over the life of the debt on the full accrual basis.		773,330
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.		5,918
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	5,373	
Municipal Income Taxes	510,935	
Intergovernmental	1,228,063	
Payments in Lieu of Taxes	1,153,785	
Total		2,898,156
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Accrued Interest	(238,503)	
Premium on Debt Issued	(1,761,564)	
General Obligation Bonds and Notes	(53,952,193)	
OWDA Loans	(2,216,777)	
Capital Lease	(6,168,683)	
Compensated Absences	(1,813,026)	
Total		(66,150,746)
Net Assets of Governmental Activities		$ 210,890,329

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, 2010

	General	Street Maintenance and Repair	Street Improvement Municipal Tax
Revenues			
Property and Other Local Taxes	$ 1,936,497	-	-
Municipal Income Taxes	11,404,940	-	518,079
Payments in Lieu of Taxes	-	-	-
Intergovernmental	1,290,467	1,291,798	146,593
Charges for Services	2,353,383	-	-
Licenses and Permits	831,429	-	-
Fines and Forfeitures	274,588	-	-
Investment Income	139,936	500	-
Special Assessments	-	-	-
Miscellaneous	57,265	16,126	102,316
Total Revenues	18,288,505	1,308,424	766,988
Expenditures			
Current:			
General Government	4,374,417	-	3,607
Security of Persons and Property	8,065,139	-	-
Public Health	171,913	-	-
Leisure Time Activities	2,777,991	-	-
Community Environment	2,816,455	-	-
Basic Utility Services	-	-	-
Transportation	-	1,291,707	1,251,985
Debt Service:			
Principal Retirement	-	-	44,650
Interest and Fiscal Charges	-	-	34,162
Total Expenditures	18,205,915	1,291,707	1,334,404
Other Financing Sources (Uses)			
Sale of Capital Assets	53,767	-	-
Issuance of Bond Anticipation Notes	-	-	540,000
Premium on Debt Issued	-	-	-
Total Other Financing Sources (Uses)	53,767	-	540,000
Net Changes in Fund Balances	136,357	16,717	(27,416)
Fund Balances at Beginning of Year	3,213,378	229,522	3,249,748
Fund Balances at End of Year	$ 3,349,735	246,239	3,222,332

See accompanying notes to the basic financial statements.

Water Revenue	TIF	Capital Improvement Municipal Tax	Nonmajor Funds	Total Governmental Funds
-	-	-	-	$ 1,936,497
-	-	4,127,535	-	16,050,554
-	2,331,405	-	-	2,331,405
-	95,728	4,239,884	400,494	7,464,964
717,306	-	-	1,207,908	4,278,597
-	-	636,000	278,160	1,745,589
-	-	-	18,081	292,669
-	-	-	925	141,361
-	-	-	813	813
-	-	136,176	78,877	390,760
717,306	2,427,133	9,139,595	1,985,258	34,633,209
-	-	472,972	6,640	4,857,636
-	-	150,250	67,387	8,282,776
-	-	-	-	171,913
-	-	1,582,412	95,684	4,456,087
-	-	2,272,531	268,938	5,357,924
531,769	-	511,171	894,243	1,937,183
-	1,134,516	4,750,695	115,412	8,544,315
	-			
-	778,450	1,806,311	-	2,629,411
-	666,121	1,937,099	-	2,637,382
531,769	2,579,087	13,483,441	1,448,304	38,874,627
-	-	11,283	-	65,050
-	-	4,760,000	-	5,300,000
-	-	49,873	-	49,873
-	-	4,821,156	-	5,414,923
185,537	(151,954)	477,310	536,954	1,173,505
340,055	1,000,527	5,773,096	2,029,198	15,835,524
525,592	848,573	6,250,406	2,566,152	$ 17,009,029

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, 2010

Net Change in Fund Balances - Total Governmental Funds		$	1,173,505
Amount reported for governmental activities in the Statement of Activities are different because:			
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
Capital Outlay	9,100,915		
Depreciation	(10,715,459)		
Excess of Depreciation Expense over Capital Outlay			(1,614,544)
Governmental funds do not report the revenue from the contribution of capital assets since they do not represent current financial resources. However, the revenue is reported in the Statement of Activities.			
Contributed Capital			918,662
In the Statement of Activities, only the gain on sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold.			(12,753)
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.			5,762
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Assets. In the current year, these amounts consist of:			
General Obligation Bond Principal Payments	2,485,000		
Capital Lease Principal Payments	144,411		
			2,629,411
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	(11,850)		
Municipal Income Taxes	(722,227)		
Intergovernmental	(1,846,138)		
			(2,580,215)
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:			
Bond Anticipation Notes	(5,300,000)		
			(5,300,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and bond issuance costs are recognized as expenditures when incurred, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as interest accrues, regardless of when it is due and bond issuance costs are deferred and amortized. The additional amount of interest and fiscal charges on the Statement of Activities is the result of the following:			
Increase in Accrued Interest	(45,899)		
Amortization of Loss on Refunding Bonds	(21,930)		
Amortization of Premium on General Obligation Bonds	101,094		
Amortization of Bond Issuance Costs (Deferred Charges)	(45,296)		
			(12,031)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:			
Decrease in Compensated Absences			20,165
Changes in Net Assets of Governmental Activities		$	(4,772,038)

See accompanying notes to the basic financial statements.

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	$ 1,763,905	$ 1,763,905	$ 1,930,868	166,963
Municipal Income Taxes	12,411,869	11,751,869	11,055,594	(696,275)
Intergovernmental	988,552	988,552	1,060,138	71,586
Charges for Services	2,397,151	2,397,151	2,361,178	(35,973)
Licenses and Permits	670,200	670,200	825,764	155,564
Fines and Forfeitures	325,000	325,000	280,737	(44,263)
Investment Income	350,750	350,750	139,936	(210,814)
Miscellaneous	69,000	69,000	56,735	(12,265)
Total Revenues	18,976,427	18,316,427	17,710,950	(605,477)
Expenditures				
Current:				
General Government	4,854,628	4,912,128	4,461,013	451,115
Security of Persons and Property	8,364,964	8,307,464	8,120,199	187,265
Public Health	174,135	174,135	171,913	2,222
Leisure Time Activities	2,806,810	2,856,810	2,809,703	47,107
Community Environment	3,215,707	3,165,707	2,828,978	336,729
Total Expenditures	19,416,244	19,416,244	18,391,806	1,024,438
Excess of Revenues Over (Under) Expenditures	(439,817)	(1,099,817)	(680,856)	418,961
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	53,767	53,767
Total Other Financing Sources (Uses)	-	-	53,767	53,767
Net Change in Fund Balance	(439,817)	(1,099,817)	(627,089)	472,728
Fund Balance at Beginning of Year	2,201,926	2,201,926	2,201,926	-
Prior Year Encumbrances Appropriated	464,826	464,826	464,826	-
Fund Balance at End of Year	$ 2,226,935	$ 1,566,935	$ 2,039,663	$ 472,728

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

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 1,347,500	$ 1,347,500	$ 1,286,553	$ (60,947)
Investment Income	8,000	8,000	500	(7,500)
Miscellaneous	26,160	26,160	17,356	(8,804)
Total Revenues	1,381,660	1,381,660	1,304,409	(77,251)
Expenditures				
Current:				
Transportation	1,426,241	1,426,241	1,344,607	81,634
Total Expenditures	1,426,241	1,426,241	1,344,607	81,634
Net Change in Fund Balance	(44,581)	(44,581)	(40,198)	4,383
Fund Balance at Beginning of Year	32,358	32,358	32,358	-
Prior Year Encumbrances Appropriated	73,555	73,555	73,555	-
Fund Balance at End of Year	$ 61,332	$ 61,332	$ 65,715	$ 4,383

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

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Improvement Municipal Tax Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$ 671,936	$ 671,936	$ 527,842	$ (144,094)
Intergovernmental	-	-	146,593	146,593
Other	-	-	102,316	102,316
Total Revenues	671,936	671,936	776,751	104,815
Expenditures				
Current:				
Transportation	967,081	1,906,835	1,497,071	409,764
Debt Service:				
Principal Retirement	45,000	45,000	44,650	350
Interest and Fiscal Charges	125,000	80,000	34,162	45,838
Total Expenditures	1,137,081	2,031,835	1,575,883	455,952
Excess of Revenues Over (Under) Expenditures	(465,145)	(1,359,899)	(799,132)	560,767
Other Financing Sources (Uses)				
Issuance of Debt	-	-	540,000	540,000
Total Other Financing Sources (Uses)	-	-	540,000	540,000
Net Change in Fund Balance	(465,145)	(1,359,899)	(259,132)	1,100,767
Fund Balance (Deficit) at Beginning of Year	2,656,481	2,656,481	2,656,481	-
Prior Year Encumbrances Appropriated	467,081	467,081	467,081	-
Fund Balance at End of Year	$ 2,658,417	$ 1,763,663	$ 2,864,430	$ 1,100,767

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

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Water Revenue Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 375,000	$ 375,000	$ 717,306	$ 342,306
Total Revenues	375,000	375,000	717,306	342,306
Expenditures				
Current:				
Basic Utility Services	527,332	578,482	544,178	34,304
Total Expenditures	527,332	578,482	544,178	34,304
Net Change in Fund Balance	(152,332)	(203,482)	173,128	376,610
Fund Balance (Deficit) at Beginning of Year	366,237	366,237	366,237	-
Prior Year Encumbrances Appropriated	5,962	5,962	5,962	-
Fund Balance at End of Year	$ 219,867	$ 168,717	$ 545,327	$ 376,610

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

City of Hilliard, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Payment in Lieu of Taxes	$ 1,300,000	$ 2,717,000	$ 2,331,405	$ (385,595)
Intergovernmental	-	-	95,728	95,728
Total Revenues	1,300,000	2,717,000	2,427,133	(289,867)
Expenditures				
Current:				
Transportation	577,800	1,292,800	1,067,419	225,381
Debt Service:				
Principal Retirement	-	1,200,000	778,450	421,550
Interest and Fiscal Charges	1,205,000	1,205,000	666,121	538,879
Total Expenditures	1,782,800	3,697,800	2,511,990	1,185,810
Net Change in Fund Balance	(482,800)	(980,800)	(84,857)	895,943
Fund Balance (Deficit) at Beginning of Year	922,727	922,727	922,727	-
Prior Year Encumbrances Appropriated	77,800	77,800	77,800	-
Fund Balance at End of Year	$ 517,727	$ 19,727	$ 915,670	$ 895,943

City of Hilliard, Ohio
Statement of Fund Net Assets
Internal Service Fund
December 31, 2010

	Insurance Trust
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 60,178
Due from Other Funds	117,740
Total Assets	$ 177,918
Liabilities	
Current Liabilities:	
Claims Payable	$ 172,000
Total Liabilities	172,000
Net Assets	
Unrestricted Net Assets	$ 5,918

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, 2010

	Insurance Trust
Operating Revenues	
Charges for Services	$ 1,742,488
Operating Expenses	
Contractual Services	196,598
Claims	1,540,128
Total Operating Expenses	1,736,726
Change in Net Assets	5,762
Net Assets at Beginning of Year	156
Net Assets at End of Year	$ 5,918

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, 2010

	Insurance Trust
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities	
Cash Received from Customers	$ 1,680,704
Cash Payments for Services	(196,598)
Cash Payments for Claims	(1,479,128)
Net Cash Provided by Operating Activities	4,978
Cash and Cash Equivalents Beginning of Year	55,200
Cash and Cash Equivalents End of Year	$ 60,178
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 5,762
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Due from Other Funds	(61,784)
Increase in Claims Payable	61,000
Net Cash Provided by Operating Activities	$ 4,978

See accompanying notes to the basic financial statements.

City of Hilliard, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

Assets		
Equity in Pooled Cash and Cash Equivalents	$	286,473
Cash and Cash Equivalents in Segregated Accounts		21,635
Accounts Receivable		4,346
Total Assets	$	312,454
Liabilities		
Due to Other Governments	$	251,223
Deposits Held and Due to Others		61,231
Total Liabilities	$	312,454

See accompanying notes to the basic financial statements.

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NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Hilliard (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted January 1, 1963, and was most recently amended November 3, 2009, effective January 1, 2010.

Reporting Entity

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis Of Presentation

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

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

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

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

Fund Accounting

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

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

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

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

Street Improvement Municipal Tax Fund – This fund is used to account for a portion of the City's income tax collections to be used for repair and improvement of streets and highways. In 2010 4% of income tax collections were deposited into the fund.

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

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

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

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

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, payments in lieu of taxes, grants, entitlements, shared revenues, and donations. On the accrual basis, revenue from property taxes/payments in lieu of taxes is recognized in the year for which the taxes are levied (See Note 6). 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.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but were levied to finance 2011 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as unearned revenue.

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

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

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

Cash and Cash Equivalents

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

During 2010, the City invested in Federal Home Loan Bank Bonds, negotiable certificates of deposit, a money market account, 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,

2010. Investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2010 amounted to $139,936, which includes $119,507 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, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure is reported in the year in which services are consumed.

Bond Premium/Unamortized Bond Issuance Costs/Loss

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

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

Capital Assets

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

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

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

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

Description	Estimated Lives
Buildings	20-40 years
Improvements Other Than Buildings	15-30 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	7-20 years
Vehicles	5-20 years
Infrastructure	10-50 years

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

Compensated Absences

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

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

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

Accrued Liabilities And Long-Term Obligations

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

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

Reservations Of Fund Balance

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

Contributions of Capital

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

Net Assets

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

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

The government-wide Statement of Net Assets reports $14,458,902 of restricted net assets, of which $370,759 is restricted by enabling legislation.

Interfund Transaction

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

Operating Revenues and Expenses

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

Accounting Estimates

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

Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a

need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level.

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

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

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

Accountability

At December 31, 2010, the Special Assessment Bond Retirement Debt Service Fund had deficit fund balance of $12,904. The General Fund is liable for any deficits and will provide transfers when cash is required, not when accruals occur.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

	General	Street Maintenance and Repair	Street Improvement Municipal Tax	Water Revenue	TIF
GAAP Basis	$ 136,357	$ 16,717	$ (27,416)	$ 185,537	$ (151,954)
Revenue Accruals	(577,555)	(4,015)	9,763	-	-
Expenditure Accruals	281,298	7,158	164,380	4,225	165,483
Encumbrances	(467,189)	(60,058)	(405,859)	(16,634)	(98,386)
Budget Basis	$ (627,089)	$ (40,198)	$ (259,132)	$ 173,128	$ (84,857)

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure; the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, $1,449,602 of the City's bank balance of $4,506,499 was exposed to custodial credit risk because it was uninsured, and collateralized with securities held by the pledging financial institution.

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

Investments

As of December 31, 2010, the City had the following investments. All investments are in an internal investment pool.

		Investment Maturities			
	Fair Value	0 to 6 mos	7 to 12 mos	13 to 18 mos	19 to 24 mos
5/3rd Government Money Market	$ 113,241	$ 113,241	$ -	$ -	$ -
Negotiable Certificates of Deposit	6,882,882	1,096,647	2,421,161	1,880,176	1,484,898
STAROhio	5,820,643	5,820,643	-	-	-
Totals	$ 12,816,766	$ 7,030,531	$ 2,421,161	$ 1,880,176	$ 1,484,898

Interest Rate Risk – The City's investment policy requires that an investment mature within two years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. The City's policy

states that all investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated.

Credit Risk – The underlying securities of the repurchase agreement carry a rating of Aaa by Moody's. STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. Under normal circumstances, the 5/3rd Government Money Market Fund invests at least 80 percent of its assets in U.S. Government securities, repurchase agreements collateralized by these securities, and shares of money market investment companies that invest exclusively in these securities. The City's investment policy limits investments to those authorized by State statute.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer; however, investments are limited to low risk securities with the expectation of earning market rate of return. The City's investments in 5/3rd Government Money Market and negotiable Certificates of Deposit represent .8 percent and 53.7 percent, respectively, of the City's total investments.

NOTE 6 - 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 2010 for real and public utility property taxes represents collections of 2009 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2010 with real property taxes.

2010 tangible personal property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Collections are made in 2010. As prescribed by Ohio House Bill 66, tax on tangible personal property tax was phased out through a reduction in the assessed value subject to tax and was completely phased out by 2009.

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is unearned.

The full tax rate for all City operations for the year ended December 31, 2010, was $1.60 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	$ 865,176,450
Public Utility Property	11,735,180
Totals	$ 876,911,630

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

NOTE 7 – MUNICIPAL INCOME TAX

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

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

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2010, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, special assessments, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenues, and interfund receivables. All receivables are considered fully collectible.

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Local Government	$ 423,387
Estate Tax	309,906
Homestead, Rollback and Exemption	117,249
Gas Tax	495,820
Motor Vehicle Tax	244,281
City of Columbus	300,789
ODOT Grant	166,822
OPWC Grant	165,376
Other	15,070
Total Intergovernmental Receivables	$ 2,238,700

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance at 1/1/2010	Additions	Deletions	Balance at 12/31/2010
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$ 4,047,464	457,253	-	4,504,717
Construction in Progress	3,905,887	4,255,727	(765,856)	7,395,758
Total Capital Assets, not being depreciated	7,953,351	4,712,980	(765,856)	11,900,475
Depreciable Capital Assets:				
Buildings	11,500,688	-	-	11,500,688
Improvements Other Than Buildings	7,780,538	2,251,545	-	10,032,083
Machinery and Equipment	4,120,634	295,944	(112,930)	4,303,648
Furniture and Fixtures	775,131	4,207	-	779,338
Vehicle	3,216,351	181,458	(189,516)	3,208,293
Infrastructure	369,172,434	3,339,299	-	372,511,733
Total Depreciable Capital Assets	396,565,776	6,072,453	(302,446)	402,335,783
Less Accumulated Depreciation:				
Buildings	(2,748,246)	(319,439)	-	(3,067,685)
Improvements Other Than Buildings	(1,716,768)	(324,800)	-	(2,041,568)
Machinery and Equipment	(3,073,494)	(327,239)	112,930	(3,287,803)
Furniture and Fixtures	(399,719)	(42,917)	-	(442,636)
Vehicle	(1,799,718)	(319,205)	176,763	(1,942,160)
Infrastructure	(137,717,905)	(9,381,859)	-	(147,099,764)
Total Accumulated Depreciation	(147,455,850)	(10,715,459)	289,693	(157,881,616)
Depreciable Capital Assets, Net	249,109,926	(4,643,006)	(12,753)	244,454,167
Governmental Activities Capital Assets, Net	$ 257,063,277	69,974	(778,609)	256,354,642

For the year ended December 31, 2010, the value of the assets donated to the City was $918,662.

Depreciation expense was charged to the governmental programs as follows:

General Government	$ 134,118
Security of Persons and Property	511,753
Leisure Time Activities	390,400
Community Environment	66,982
Basic Utility Services	5,335,927
Transportation	4,276,279
Total Depreciation Expense	$ 10,715,459

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

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

For the year ended December 31, 2010, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. The City required employees to contribute 1.5 percent, and the City paid the remaining 8.5 percent of participants' gross salaries, along with the required employer portion. Members participating in the traditional plan who were in law enforcement and public safety contributed 10.5 percent of their annual covered salary. The employer contribution rate for pension benefits for 2010 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 17.87 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, 2010, 2009, and 2008 were $869,056, $819,552, and $636,947, respectively; 100 percent has been contributed for 2010, 2009 and 2008. Contributions to the member-directed plan for 2010 were $31,555 made by the City and $22,539 made by the plan members.

Ohio Police and Fire Pension Fund

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

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

employees to contribute .5 percent, and the City paid the remaining 9.5 percent of participants' gross salaries, along with the required employer portion. The City has no firefighters. Contributions are authorized by State statute. The City's required contributions to the OP&F for the years ended December 31, 2010, 2009, and 2008 were $906,562, $766,793, and $567,704, respectively. The full amount has been contributed for 2010, 2009, and 2008.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare based on authority granted by State statute. OPERS Post Employment Healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment healthcare benefits. The 2010 local government employer contribution rate was 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Active members do not make contributions to the OPEB Plan. The portion of employer contributions allocated to healthcare was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits provide, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual City contributions for 2010, 2009, and 2008 which were used to fund postemployment benefits were $313,792, $298,764, and $318,474, respectively.

Ohio Police and Fire Pension Fund

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

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

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

The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2010, the employer contributions allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Sections 115 and 401(h).

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

The City's actual contributions for 2010, 2009 and 2008 that were allocated to fund the healthcare plan for police were $313,670, $258,409, and $257,992, respectively.

NOTE 12 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

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

Deferred Compensation

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

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has leases for a building, vehicles and equipment. The building lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, as the present value of the minimum lease payments at the beginning of the lease equals the fair value of the leased property. While the vehicle and equipment leases meet the criteria which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis

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

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010 were as follows:

Year ending December 31,	Safety Building Lease
2011	$ 389,679
2012	389,679
2013	389,679
2014	389,679
2015	389,679
2016-2020	1,948,397
2021-2025	1,948,397
2026-2030	1,948,397
2031-2035	1,948,397
2036-2038	1,169,042
Total minimum lease payments	10,911,025
Less: amount representing interest	(4,742,342)
	$ 6,168,683

NOTE 14 - 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 2010, the City contracted with several different insurance providers for property, liability, and automobile insurance.

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

Workers' Compensation

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

Health Insurance

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

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. Total contributions to the program during 2010 were $1,742,488. The claims liability of $172,000 reported in the Insurance Trust Fund at December 31, 2010, 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 2008, 2009 and 2010 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2008	$ 154,000	$ 1,737,048	$ (1,624,048)	$ 267,000
2009	267,000	1,633,115	(1,789,115)	111,000
2010	111,000	1,540,128	(1,479,128)	172,000

NOTE 15 - LONG -TERM OBLIGATIONS

Changes in long-term obligations during 2010 were as follows:

Types/Issues	Balance at 1/1/2010	Issued	Retired	Balance at 12/31/2010	Due Within One Year
Notes Payable:					
2010 Various Purpose Improvements Bond Anticipation Notes $5,300,000	$ -	$ 5,300,000	$ -	$ 5,300,000	$ 5,300,000
Total Notes Payable	-	5,300,000	-	5,300,000	5,300,000
Loans Payable:					
2005 OWDA Loan 3% $2,472,265	2,216,777	-	-	2,216,777	216,215
Unvoted General Obligation Bonds:					
2002 Various Purpose Improvement 3.0 - 5.375% $4,950,000	455,000	-	145,000	310,000	150,000
2003 Various Purpose Improvement 3.0 - 4.25% $5,280,000	4,100,000	-	220,000	3,880,000	225,000
2005 Various Purpose and Refunding 3.0 - 5.0% $20,175,000	16,775,000	-	805,000	15,970,000	830,000
Unamortized Loss	(394,737)	-	(21,930)	(372,807)	-
2005 Trueman Boulevard Project 3.0 - 5.0% $8,285,000	7,340,000	-	310,000	7,030,000	325,000
2007 Various Purpose & Refunding 4.0 - 5.0% $7,975,000	7,300,000	-	275,000	7,025,000	285,000
2009 Various Purpose 2.25 - 5.0% $15,540,000	15,540,000	-	730,000	14,810,000	755,000
Total General Obligation Bonds	51,115,263	-	2,463,070	48,652,193	2,570,000
Other Long-Term Obligations:					
Compensated Absences	1,833,191	860,686	880,851	1,813,026	868,590
Premium General Obligation Bonds Issued	1,862,658	-	101,094	1,761,564	-
Capital Leases	6,313,094	-	144,411	6,168,683	113,350
Total Other Long-Term Obligations	10,008,943	860,686	1,126,356	9,743,273	981,940
Total General Long-Term Obligations	$ 63,340,983	$ 6,160,686	$ 3,589,426	$ 65,912,243	$ 9,068,155

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

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

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

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

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was $68,279,021 with an unvoted debt margin of $24,433,440.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010, are:

	OWDA Loans		General Obligation Bonds	
Year	Principal	Interest	Principal	Interest
2011	$ 216,215	$ 72,827	$ 2,570,000	$ 2,152,930
2012	222,750	66,292	2,680,000	2,067,068
2013	229,483	59,560	2,765,000	1,969,137
2014	236,418	52,624	2,865,000	1,874,974
2015	243,565	45,478	2,795,000	1,762,275
2016-2020	1,068,346	112,411	14,430,000	7,041,151
2021-2025	-	-	15,830,000	3,427,587
2026-2030	-	-	5,090,000	525,219
Totals	$ 2,216,777	$ 409,192	$ 49,025,000	$ 20,820,341

On May 11, 2010 the City issued series 2010 Bond Anticipation Notes in the amount of $5,300,000. The proceeds were used for various City improvements. The premium on the notes issued was $49,873 and the underwriter's discount and cost of issuance totaled $48,575. The coupon rate was 1.55%. The notes matured on May 10, 2011.

NOTE 16 – SUBSEQUENT EVENT

On April 27, 2011 the City issued $8,020,000 of Various Purpose Bonds, Series 2011 dated May 5, 2011. The bonds are unvoted general obligations of the City that will fund various transportation projects, equipment purchases and infrastructure improvements and retire the 2010 Bond Anticipation Notes in the amount of $5,300,000. The bonds will mature December 1, 2030 and have a true interest cost of 3.75%. The average coupon is 3.65% and average life of 10.681 years.

NOTE 17 – CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2010, there were four series of industrial revenue development bonds outstanding with an aggregate principal amount payable of $6,910,000.

NOTE 18 - CONTRACTUAL COMMITMENTS

As of December 31, 2010, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expended	Balance 12/31/2010
BBC&M Engineering	$ 50,000	$ 31,891	$ 18,109
Bird Houk Collaborative	1,850	-	1,850
Burgess & Niple	793,500	482,238	311,262
Columbus Art Memorial	4,000	-	4,000
Complete General Construction	7,042,379	2,991,633	4,050,746
Davey Tree Service	33,655	26,493	7,161
DLZ Ohio, Inc.	184,095	169,075	15,020
EMHT	113,920	19,794	94,127
Flowline, L.L.C.	165,870	112,979	52,891
George J. Igel Co., Inc.	1,965,802	1,688,936	276,866
HR Gray	118,000	39,224	78,776
Peabody Landscaping	219,561	208,881	10,680
Schottenstein, Zox & Dunn	100,000	85,261	14,739
Site Maintenance	57,068	54,785	2,283
Stantec Consulting Svcs. Inc.	220,000	-	220,000
Strawser Paving	492,251	363,192	129,059
URS Corporation	229,750	120,309	109,441
W.E. Stilson Consulting Group	36,200	27,903	8,297
Waugh's Landscape Maintenance	24,110	-	24,110
	$ 11,852,011	$ 6,422,594	$ 5,429,417

NOTE 19 – RELATED ORGANIZATION AND JOINT VENTURE

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.

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

NOTE 20 - CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2010, to December 31, 2010, 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.

Special Revenue Funds

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

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

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.

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

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

(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.

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

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City of Hilliard, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	County Municipal Motor Vehicle Tax	Park Maintenance	Police	Mayor's Court Computer
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 285,852	366,365	77,746	84,236
Cash and Cash Equivalents with Fiscal Agents	405,292	-	-	-
Accounts Receivables	-	-	-	-
Due from Other Governments	104,163	-	960	-
Total Assets	$ 795,307	366,365	78,706	84,236
Liabilities				
Accounts Payable	1,045	-	-	-
Due to Other Fund	-	-	-	-
Interfund Payable	-	-	-	-
Accrued Wages Payable	-	-	-	-
Matured Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenue	71,552	-	-	-
Total Liabilities	72,597	-	-	-
Fund Balances				
Reserve for Encumbrances	31,250	1,930	3,775	70
Unreserved, Reported in:				
Special Revenue Funds	691,460	364,435	74,931	84,166
Debt Service Funds	-	-	-	-
Total Fund Balance	722,710	366,365	78,706	84,236
Total Liabilities and Fund Balance	$ 795,307	366,365	78,706	84,236

Sewer Revenue	Sewer Capacity and Benefit	Storm Water Utility	Construction Inspection	***Total Nonmajor Special Revenue Funds***	***Debt Service*** Special Assessment Bond Retirement	***Total Nonmajor Governmental Funds***
423,282	601,799	5,899	187,444	2,032,623	$ -	2,032,623
-	-	-	-	405,292	-	405,292
-	-	212,353	-	212,353	-	212,353
-	-	-	629	105,752	-	105,752
423,282	601,799	218,252	188,073	2,756,020	$ -	2,756,020
17,441	24,503	-	5,419	48,408	-	48,408
979	-	-	3,141	4,120	-	4,120
-	-	-	-	-	12,904	12,904
12,263	-	693	4,319	17,275	-	17,275
-	-	-	2,248	2,248	-	2,248
23,144	-	411	9,806	33,361	-	33,361
-	-	-	-	71,552	-	71,552
53,827	24,503	1,104	24,933	176,964	12,904	189,868
55,647	80,938	5,788	103,279	282,677	-	282,677
313,808	496,358	211,360	59,861	2,296,379	-	2,296,379
-	-	-	-	-	(12,904)	(12,904)
369,455	577,296	217,148	163,140	2,579,056	(12,904)	2,566,152
423,282	601,799	218,252	188,073	2,756,020	$ -	2,756,020

City of Hilliard, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2010

	County Municipal Motor Vehicle Tax	Park Maintenance	Police	Mayor's Court Computer
Revenues				
Intergovernmental	329,999	50,000	20,495	-
Charges for Services	-	52,353	10,251	-
Licenses and Permits	-	277,160	1,000	-
Fines and Forfeitures	-	-	2,997	15,084
Investment Income	884	-	41	-
Special Assessments	-	-	-	-
Miscellaneous	-	322	56,644	-
Total Revenues	330,883	379,835	91,428	15,084
Expenditures				
Current:				
General Government	-	-	-	6,640
Security of Persons and Property	-	-	67,387	-
Leisure Time Activities	-	95,684	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	115,412	-	-	-
Total Expenditures	115,412	95,684	67,387	6,640
Net Changes in Fund Balances	215,471	284,151	24,041	8,444
Fund Balances at Beginning of Year	507,239	82,214	54,665	75,792
Fund Balances at End of Year	$ 722,710	$ 366,365	$ 78,706	$ 84,236

Sewer Revenue	Sewer Capacity and Benefit	Storm Water Utility	Construction Inspection	***Total Nonmajor Special Revenue Funds***	***Debt Service*** Special Assessment Bond Retirement	***Total Nonmajor Governmental Funds***
-	-	-	-	400,494	-	400,494
331,970	107,412	310,052	395,870	1,207,908	-	1,207,908
-	-	-	-	278,160	-	278,160
-	-	-	-	18,081	-	18,081
-	-	-	-	925	-	925
-	-	-	-	-	813	813
2,134	16,492	-	3,285	78,877	-	78,877
334,104	123,904	310,052	399,155	1,984,445	813	1,985,258
-	-	-	-	6,640	-	6,640
-	-	-	-	67,387	-	67,387
-	-	-	-	95,684	-	95,684
-	-	-	268,938	268,938	-	268,938
656,527	144,812	92,904	-	894,243	-	894,243
-	-	-	-	115,412	-	115,412
656,527	144,812	92,904	268,938	1,448,304	-	1,448,304
(322,423)	(20,908)	217,148	130,217	536,141	813	536,954
691,878	598,204	-	32,923	2,042,915	(13,717)	2,029,198
$ 369,455	$ 577,296	$ 217,148	$ 163,140	$ 2,579,056	$ (12,904)	$ 2,566,152

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

Mayor's Court Fund
To account for the collection and distribution of court fines and forfeitures.

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 and public service department deposits.

City of Hilliard, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

	Mayor's Court	Escrow	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$ -	$ 286,473	$ 286,473
Cash and Cash Equivalents in Segregated Accounts	21,635	-	21,635
Accounts Receivable	-	4,346	4,346
Total Assets	$ 21,635	$ 290,819	$ 312,454
Liabilities			
Due to Other Governments	$ -	$ 251,223	$ 251,223
Deposits Held and Due to Others	21,635	39,596	61,231
Total Liabilities	$ 21,635	$ 290,819	$ 312,454

City of Hilliard, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	$ 29,369	$ 384,945	$ 392,679	$ 21,635
Liabilities				
Deposits Held and Due to Others	$ 29,369	$ 384,945	$ 392,679	$ 21,635
Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 399,925	$ 1,775,939	$ 1,889,391	$ 286,473
Accounts Receivable	2,469	4,346	2,469	4,346
Total Assets	$ 402,394	$ 1,780,285	$ 1,891,860	$ 290,819
Liabilities				
Due to Other Governments	$ 219,642	$ 927,466	$ 895,885	$ 251,223
Deposits Held and Due to Others	182,752	852,819	995,975	39,596
Total Assets	$ 402,394	$ 1,780,285	$ 1,891,860	$ 290,819
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 399,925	$ 1,775,939	$ 1,889,391	$ 286,473
Cash and Cash Equivalents in Segregated Accounts	29,369	384,945	392,679	21,635
Accounts Receivable	2,469	4,346	2,469	4,346
	$ 431,763	$ 2,165,230	$ 2,284,539	$ 312,454
Liabilities				
Due to Other Governments	$ 219,642	$ 927,466	$ 895,885	$ 251,223
Deposits Held and Due to Others	212,121	1,237,764	1,388,654	61,231
	$ 431,763	$ 2,165,230	$ 2,284,539	$ 312,454

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	$ 1,763,905	$ 1,763,905	$ 1,930,868	$ 166,963
Municipal Income Taxes	12,411,869	11,751,869	11,055,594	(696,275)
Intergovernmental	988,552	988,552	1,060,138	71,586
Charges for Services	2,397,151	2,397,151	2,361,178	(35,973)
Licenses and Permits	670,200	670,200	825,764	155,564
Fines and Forfeitures	325,000	325,000	280,737	(44,263)
Investment Income	350,750	350,750	139,936	(210,814)
Miscellaneous	69,000	69,000	56,735	(12,265)
	18,976,427	18,316,427	17,710,950	(605,477)
Expenditures				
Current:				
General Government				
Mayor				
Personal Services	153,283	153,283	147,856	5,427
Contractual Services	12,000	12,000	11,678	322
Materials and Supplies	5,025	5,025	1,964	3,061
Total Mayor	170,308	170,308	161,498	8,810
City Council				
Personal Services	215,343	215,343	202,502	12,841
Contractual Services	92,743	92,743	56,833	35,910
Materials and Supplies	52,084	52,084	48,236	3,848
Total City Council	360,170	360,170	307,571	52,599
Clerk of Courts				
Personal Services	156,025	156,025	149,821	6,204
Contractual Services	97,721	97,721	91,308	6,413
Materials and Supplies	11,612	11,612	8,182	3,430
Total Clerk of Courts	265,358	265,358	249,311	16,047
Law				
Personal Services	234,999	234,999	225,616	9,383
Contractual Services	86,904	86,904	85,289	1,615
Materials and Supplies	7,601	7,601	3,671	3,930
Total Law	329,504	329,504	314,576	14,928

(continued)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Finance				
Personal Services	677,753	677,753	650,836	26,917
Contractual Services	109,451	109,451	98,850	10,601
Materials and Supplies	49,547	48,547	44,471	4,076
Other	60,400	60,400	48,170	12,230
Total Finance	897,151	896,151	842,327	53,824
Economic Development				
Personal Services	223,736	223,736	211,493	12,243
Contractual Services	9,000	9,000	7,570	1,430
Materials and Supplies	12,297	12,297	10,639	1,658
Total Economic Development	245,033	245,033	229,702	15,331
City Clerk				
Personal Services	64,951	64,951	53,621	11,330
Contractual Services	2,500	2,500	2,000	500
Materials and Supplies	17,548	17,548	12,980	4,568
Total City Clerk	84,999	84,999	68,601	16,398
Human Resources				
Personal Services	203,411	203,411	196,177	7,234
Contractual Services	43,206	43,206	31,667	11,539
Materials and Supplies	13,300	13,300	8,786	4,514
Total Human Resources	259,917	259,917	236,630	23,287
Public Building and Land				
Personal Services	308,264	315,764	302,583	13,181
Contractual Services	115,784	115,784	103,753	12,031
Materials and Supplies	68,687	68,687	57,505	11,182
Utilities	481,812	531,812	516,813	14,999
Total Public Building and Land	974,547	1,032,047	980,654	51,393
Information Technology				
Personal Services	137,224	137,224	126,298	10,926
Contractual Services	115,000	115,000	113,889	1,111
Materials and Supplies	15,749	16,749	16,286	463
Total Information Technology	267,973	268,973	256,473	12,500
Civil Service Commission				
Personal Services	6,494	6,494	6,467	27
Contractual Services	13,000	13,000	13,000	-
Materials and Supplies	9,500	9,500	9,500	-
Total Civil Service Commission	28,994	28,994	28,967	27

(continued)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Boards and Commissions				
Personal Services	61,881	61,881	59,632	2,249
Materials and Supplies	1,500	1,500	295	1,205
Total Boards and Commissions	63,381	63,381	59,927	3,454
General Administrative				
Personal Services	117,472	117,472	88,830	28,642
Contractual Services	337,933	337,933	326,767	11,166
Materials and Supplies	40,000	40,000	16,886	23,114
Other	411,888	411,888	292,293	119,595
Total General Administrative	907,293	907,293	724,776	182,517
Total General Government	4,854,628	4,912,128	4,461,013	451,115
Security of Persons and Property				
Police				
Personal Services	7,947,258	7,889,758	7,763,260	126,498
Contractual Services	260,393	260,393	212,591	47,802
Materials and Supplies	156,809	156,809	144,107	12,702
Other	504	504	241	263
Total Police	8,364,964	8,307,464	8,120,199	187,265
Total Security of Persons and Property	8,364,964	8,307,464	8,120,199	187,265
Public Health				
County Health District				
Contractual Services	174,135	174,135	171,913	2,222
Total County Health District	174,135	174,135	171,913	2,222
Total Public Health	174,135	174,135	171,913	2,222
Leisure Time Activities				
Recreation				
Personal Services	1,961,697	2,011,697	1,974,147	37,550
Contractual Services	234,055	234,055	229,936	4,119
Materials and Supplies	337,503	337,503	333,596	3,907
Utilities	226,555	226,555	225,237	1,318
Other	47,000	47,000	46,787	213
Total Recreation	2,806,810	2,856,810	2,809,703	47,107
Total Leisure Time Activities	2,806,810	2,856,810	2,809,703	47,107

(continued)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Environment				
Service/Engineer				
Personal Services	667,975	667,975	645,995	21,980
Contractual Services	1,800,320	1,750,320	1,621,581	128,739
Materials and Supplies	35,605	35,605	15,562	20,043
Other	5,000	5,000	-	5,000
Total Service/Engineer	2,508,900	2,458,900	2,283,138	175,762
Building Inspection				
Personal Services	543,813	543,813	482,516	61,297
Contractual Services	142,780	142,780	50,340	92,440
Materials and Supplies	12,538	12,538	9,734	2,804
Other	7,676	7,676	3,250	4,426
Total Building Inspection	706,807	706,807	545,840	160,967
Total Community Environment	3,215,707	3,165,707	2,828,978	336,729
Total Expenditures	19,416,244	19,416,244	18,391,806	1,024,438
Excess of Revenues Over (Under) Expenditures	(439,817)	(1,099,817)	(680,856)	418,961
Other Financing Sources (Uses)				
Proceeds from Sale of City Assets	-	-	53,767	53,767
Total Other Financing Sources (Uses)	-	-	53,767	53,767
Net Change in Fund Balance	(439,817)	(1,099,817)	(627,089)	472,728
Fund Balance at Beginning of Year	2,201,926	2,201,926	2,201,926	-
Prior Year Encumbrances Appropriated	464,826	464,826	464,826	-
Fund Balance at End of Year	$ 2,226,935	$ 1,566,935	$ 2,039,663	$ 472,728

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 1,347,500	$ 1,347,500	$ 1,286,553	$ (60,947)
Investment Income	8,000	8,000	500	(7,500)
Miscellaneous	26,160	26,160	17,356	(8,804)
Total Revenues	1,381,660	1,381,660	1,304,409	(77,251)
Expenditures				
Current:				
Transportation				
Personal Services	767,265	767,265	754,791	12,474
Contractual Services	87,309	85,309	43,798	41,511
Materials and Supplies	571,667	573,667	546,018	27,649
Total Transportation	1,426,241	1,426,241	1,344,607	81,634
Total Expenditures	1,426,241	1,426,241	1,344,607	81,634
Net Change in Fund Balance	(44,581)	(44,581)	(40,198)	4,383
Fund Balance at Beginning of Year	32,358	32,358	32,358	-
Prior Year Encumbrances Appropriated	73,555	73,555	73,555	-
Fund Balance at End of Year	$ 61,332	$ 61,332	$ 65,715	$ 4,383

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Improvement Municipal Tax Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$ 671,936	$ 671,936	$ 527,842	$ (144,094)
Intergovernmental	-	-	146,593	146,593
Other	-	-	102,316	102,316
Total Revenues	671,936	671,936	776,751	104,815
Expenditures				
Current:				
Transportation				
Contractual Services	195	1,046,948	1,044,489	2,459
Capital Outlay	936,886	719,887	409,176	310,711
Other	30,000	140,000	43,406	96,594
Total Transportation	967,081	1,906,835	1,497,071	409,764
Debt Service				
Principal Retirement	45,000	45,000	44,650	350
Interest and Fiscal Charges	125,000	80,000	34,162	45,838
Total Debt Service	170,000	125,000	78,812	46,188
Total Expenditures	1,137,081	2,031,835	1,575,883	455,952
Excess of Revenues Over (Under) Expenditures	(465,145)	(1,359,899)	(799,132)	560,767
Other Financing Sources (Uses)				
Issuance of Debt	-	-	540,000	540,000
Total Other Financing Sources (Uses)	-	-	540,000	540,000
Net Change in Fund Balance	(465,145)	(1,359,899)	(259,132)	1,100,767
Fund Balance (Deficit) at Beginning of Year	2,656,481	2,656,481	2,656,481	-
Prior Year Encumbrances Appropriated	467,081	467,081	467,081	-
Fund Balance at End of Year	$ 2,658,417	$ 1,763,663	$ 2,864,430	$ 1,100,767

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Water Revenue Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 375,000	$ 375,000	$ 717,306	$ 342,306
Total Revenues	375,000	375,000	717,306	342,306
Expenditures				
Current:				
Basic Utility Services				
Personal Services	453,371	522,371	510,376	11,995
Contractual Services	20,829	16,979	22	16,957
Materials and Supplies	48,132	34,132	31,345	2,787
Capital Outlay	-	2,500	2,435	65
Other	5,000	2,500	-	2,500
Total Basic Utility Services	527,332	578,482	544,178	34,304
Total Expenditures	527,332	578,482	544,178	34,304
Net Change in Fund Balance	(152,332)	(203,482)	173,128	376,610
Fund Balance (Deficit) at Beginning of Year	366,237	366,237	366,237	-
Prior Year Encumbrances Appropriated	5,962	5,962	5,962	-
Fund Balance at End of Year	$ 219,867	$ 168,717	$ 545,327	$ 376,610

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Payment in Lieu of Taxes	$ 1,300,000	$ 2,717,000	$ 2,331,405	$ (385,595)
Intergovernmental	-	-	95,728	95,728
Total Revenues	1,300,000	2,717,000	2,427,133	(289,867)
Expenditures				
Current:				
Transportation				
Other	577,800	1,292,800	1,067,419	225,381
Total Transportation	577,800	1,292,800	1,067,419	225,381
Debt Service				
Principal Retirement	-	1,200,000	778,450	421,550
Interest and Fiscal Charges	1,205,000	1,205,000	666,121	538,879
Total Debt Service	1,205,000	2,405,000	1,444,571	960,429
Total Expenditures	1,782,800	3,697,800	2,511,990	1,185,810
Net Change in Fund Balance	(482,800)	(980,800)	(84,857)	895,943
Fund Balance at Beginning of Year	922,727	922,727	922,727	-
Prior Year Encumbrances Appropriated	77,800	77,800	77,800	-
Fund Balance at End of Year	$ 517,727	$ 19,727	$ 915,670	$ 895,943

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Capital Improvement Municipal Tax Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$ 4,374,602	$ 4,374,602	$ 4,014,340	$ (360,262)
Intergovernmental	-	6,500,000	3,993,446	(2,506,554)
Licenses and Permits	200,000	200,000	636,000	436,000
Miscellaneous	25,000	25,000	100,803	75,803
Total Revenues	4,599,602	11,099,602	8,744,589	(2,355,013)
Expenditures				
Current:				
General Government				
Contractual Services	668	490,668	426,206	64,462
Capital Outlay	777,766	857,516	328,283	529,233
Total General Government	778,434	1,348,184	754,489	593,695
Security of Persons and Property				
Capital Outlay	123,522	304,522	305,190	(668)
Total Security of Persons and Property	123,522	304,522	305,190	(668)
Leisure Time Activities				
Capital Outlay	63,205	1,728,205	1,623,687	104,518
Total Leisure Time Activities	63,205	1,728,205	1,623,687	104,518
Community Environment				
Contractual Services	59,963	59,963	317,895	(257,932)
Capital Outlay	375,157	2,975,157	2,345,117	630,040
Other	100,000	294,000	86,813	207,187
Total Community Environment	535,120	3,329,120	2,749,825	579,295
Basic Utility Services				
Contractual Services	281,842	606,842	597,598	9,244
Capital Outlay	199,198	149,198	53,880	95,318
Total Basic Utility Services	481,040	756,040	651,478	104,562
Transportation				
Contractual Services	77,951	77,951	265,206	(187,255)
Materials and Supplies	7,756	7,756	-	7,756
Capital Outlay	1,306,065	10,309,306	9,200,937	1,108,369
Total Transportation	1,391,772	10,395,013	9,466,143	928,870
Debt Service				
Principal Retirement	2,022,638	1,922,038	1,770,938	151,100
Interest and Fiscal Charges	1,831,050	1,737,650	1,937,099	(199,449)
Total Debt Service	3,853,688	3,659,688	3,708,037	(48,349)
Total Expenditures	7,226,781	21,520,772	19,258,849	2,261,923
Excess of Revenues Over (Under) Expenditures	(2,627,179)	(10,421,170)	(10,514,260)	(93,090)
Other Financing Sources (Uses)				
Issuance of Debt	-	5,240,000	4,760,000	(480,000)
Premium on Bonds Issued	-	-	49,873	49,873
Sale of Capital Assets	25,000	25,000	11,283	(13,717)
Total Other Financing Sources (Uses)	25,000	5,265,000	4,821,156	(443,844)
Net Change in Fund Balance	(2,602,179)	(5,156,170)	(5,693,104)	(536,934)
Fund Balance at Beginning of Year	2,474,405	2,474,405	2,474,405	-
Prior Year Encumbrances Appropriated	2,896,779	2,896,779	2,896,779	-
Fund Balance at End of Year	$ 2,769,005	$ 215,014	$ (321,920)	$ (536,934)

NOTE: The Capital Improvement Fund is a project based budget. The deficit of $321,920 is a result of the Ohio Public Works Commission funding process. We encumbered the entire project amount for the Triangle Project however we do not pay any vendors. OPWC pays the vendors after we submit a request for payment. OPWC notifies us that the payment has been made and we recognize the revenue and expense and reduce the encumbrance.

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Insurance Trust Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 2,250,000	$ 2,250,000	$ 1,680,704	$ (569,296)
Total Revenues	2,250,000	2,250,000	1,680,704	(569,296)
Expenditures				
Contractual Services	2,300,984	2,300,984	1,675,726	625,258
Total Expenditures	2,300,984	2,300,984	1,675,726	625,258
Net Change in Fund Balance	(50,984)	(50,984)	4,978	55,962
Fund Balance at Beginning of Year	54,216	54,216	54,216	-
Prior Year Encumbrances Appropriated	984	984	984	-
Fund Balance at End of Year	$ 4,216	$ 4,216	$ 60,178	$ 55,962

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
County Municipal Motor Vehicle Tax Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 213,000	$ 213,000	$ 329,954	$ 116,954
Investment Income	-	-	884	884
Total Revenues	213,000	213,000	330,838	117,838
Expenditures				
Current:				
Transportation				
Contractual Services	210,000	210,000	146,891	63,109
Total Expenditures	210,000	210,000	146,891	63,109
Net Change in Fund Balance	3,000	3,000	183,947	180,947
Fund Balance at Beginning of Year	475,947	475,947	475,947	-
Fund Balance at End of Year	$ 478,947	$ 478,947	$ 659,894	$ 180,947

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Park Maintenance Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ -	$ -	$ 50,000	50,000
Charges for Services	50,000	50,000	52,353	2,353
Licenses and Permits	60,000	60,000	277,160	217,160
Other	-	210,000	322	(209,678)
Total Revenues	110,000	320,000	379,835	59,835
Expenditures				
Current:				
Leisure Time Activities				
Contractual Services	14,843	41,343	11,750	29,593
Capital Outlay	4,741	305,501	96,950	208,551
Total Expenditures	19,584	346,844	108,700	238,144
Net Change in Fund Balance	90,416	(26,844)	271,135	297,979
Fund Balance at Beginning of Year	73,613	73,613	73,613	-
Prior Year Encumbrances Appropriated	19,687	19,687	19,687	-
Fund Balance at End of Year	$ 183,716	$ 66,456	$ 364,435	$ 297,979

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ -	$ 20,495	$ 20,495	$ -
Charges for Services	-	-	10,251	10,251
Licenses and Permits	-	-	1,000	1,000
Fines and Forfeitures	-	1,400	3,047	1,647
Contributions and Donations	-	55,000	55,440	440
Investment Income	-	-	41	41
Other	-	-	244	244
Total Revenues	-	76,895	90,518	13,623
Expenditures				
Current:				
Security of Persons and Property				
Contractual Services	1,605	6,605	5,000	1,605
Materials and Supplies	731	18,781	16,732	2,049
Capital Outlay	-	25,495	23,098	2,397
Other	1,889	42,639	26,750	15,889
Total Expenditures	4,225	93,520	71,580	21,940
Net Change in Fund Balance	(4,225)	(16,625)	18,938	35,563
Fund Balance at Beginning of Year	50,734	50,734	50,734	-
Prior Year Encumbrances Appropriated	4,225	4,225	4,225	-
Fund Balance at End of Year	$ 50,734	$ 38,334	$ 73,897	$ 35,563

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$ 25,000	$ 25,000	$ 15,085	$ (9,915)
Total Revenues	25,000	25,000	15,085	(9,915)
Expenditures				
Current:				
General Government				
Contractual Services	-	13,000	5,816	7,184
Materials and Supplies	36,829	21,829	400	21,429
Capital Outlay	-	2,000	494	1,506
Total Expenditures	36,829	36,829	6,710	30,119
Net Change in Fund Balance	(11,829)	(11,829)	8,375	20,204
Fund Balance at Beginning of Year	67,872	67,872	67,872	-
Prior Year Encumbrances Appropriated	6,829	6,829	6,829	-
Fund Balance at End of Year	$ 62,872	$ 62,872	$ 83,076	$ 20,204

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Sewer Revenue Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 625,000	$ 625,000	$ 331,970	$ (293,030)
Other	-	-	2,134	2,134
Total Revenues	625,000	625,000	334,104	(290,896)
Expenditures				
Current:				
Basic Utility Services				
Personal Services	452,132	521,132	510,110	11,022
Contractual Services	146,694	111,844	92,130	19,714
Materials and Supplies	50,866	50,866	48,615	2,251
Utilities	73,000	73,000	73,000	-
Other	5,000	5,000	-	5,000
Total Basic Utility Services	727,692	761,842	723,855	32,987
Total Expenditures	727,692	761,842	723,855	32,987
Net Change in Fund Balance	(102,692)	(136,842)	(389,751)	(252,909)
Fund Balance at Beginning of Year	708,386	708,386	708,386	-
Prior Year Encumbrances Appropriated	31,560	31,560	31,560	-
Fund Balance at End of Year	$ 637,254	$ 603,104	$ 350,195	$ (252,909)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Sewer Capacity and Benefit Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 60,000	$ 60,000	$ 107,412	$ 47,412
Other	-	-	16,492	16,492
Total Revenues	60,000	60,000	123,904	63,904
Expenditures				
Current:				
Basic Utility Services				
Contractual Services	-	292,590	225,750	66,840
Total Basic Utility Services	-	292,590	225,750	66,840
Debt Service				
Principal Retirement	-	150,000	-	150,000
Total Debt Service	-	150,000	-	150,000
Total Expenditures	-	442,590	225,750	216,840
Net Change in Fund Balance	60,000	(382,590)	(101,846)	280,744
Fund Balance at Beginning of Year	598,204	598,204	598,204	-
Fund Balance at End of Year	$ 658,204	$ 215,614	$ 496,358	$ 280,744

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Storm Water Utility Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 250,000	$ 250,000	$ 97,699	$ (152,301)
Total Revenues	250,000	250,000	97,699	(152,301)
Expenditures				
Current:				
Basic Utility Services				
Personal Services	113,286	118,286	91,351	26,935
Contractual Services	89,172	89,172	5,000	84,172
Materials and Supplies	46,907	41,907	1,237	40,670
Total Expenditures	249,365	249,365	97,588	151,777
Net Change in Fund Balance	635	635	111	(524)
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ 635	$ 635	$ 111	$ (524)

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Construction Inspection Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 450,000	$ 450,000	$ 395,708	$ (54,292)
Other	10,000	185,000	3,285	(181,715)
Total Revenues	460,000	635,000	398,993	(236,007)
Expenditures				
Current:				
Community Environment				
Personal Services	399,472	399,472	187,684	211,788
Contractual Services	75,219	75,219	70,219	5,000
Materials and Supplies	30,376	30,376	2,349	28,027
Capital Outlay	-	176,350	118,000	58,350
Other	7,000	7,000	-	7,000
Total Expenditures	512,067	688,417	378,252	310,165
Net Change in Fund Balance	(52,067)	(53,417)	20,741	74,158
Fund Balance at Beginning of Year	36,909	36,909	36,909	-
Prior Year Encumbrances Appropriated	21,096	21,096	21,096	-
Fund Balance at End of Year	$ 5,938	$ 4,588	$ 78,746	$ 74,158

City of Hilliard, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$ 35,000	$ 35,000	$ 813	$ (34,187)
Total Revenues	35,000	35,000	813	(34,187)
Expenditures				
Current:				
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	35,000	35,000	813	(34,187)
Fund Balance at Beginning of Year	(13,717)	(13,717)	(13,717)	-
Fund Balance at End of Year	$ 21,283	$ 21,283	$ (12,904)	$ (34,187)

STATISTICAL TABLES

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

CONTENTS PAGES

Financial Trends 88-95

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 96-102

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity 103-107

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 108-109

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating information 110-115

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	$ 199,152	$ 2,607,404	$ 191,791,297	$ 194,266,629	$ 194,544,533	$ 196,643,631	$ 197,699,834	$ 193,490,449
Restricted	7,793,770	7,951,025	7,644,212	10,403,551	11,216,411	8,542,365	14,573,975	14,458,902
Unrestricted	2,868,518	2,477,454	2,978,034	3,576,842	3,990,110	714,167	3,388,558	2,940,978
Total Governmental Activities Net Assets	$ 10,861,440	$ 13,035,883	$ 202,413,543	$ 208,247,022	$ 209,751,054	$ 205,900,163	$ 215,662,367	$ 210,890,329

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

	2003	2004	2005	2006	2007	2008	2009	2010
Program Revenues:								
Governmental Activities:								
Charges for Services:								
General Government	$ 446,690	$ 292,407	$ 283,480	$ 373,983	$ 634,187	$ 1,375,717	$ 1,451,333	$ 698,795
Security of Persons and Property	369,528	21,355	485,887	329,690	548,501	475,615	620,598	1,032,105
Public Health	7,549	-	-	-	-	-	-	-
Leisure Time Activities	311,797	1,073,092	762,776	807,415	947,124	912,731	933,107	942,536
Community Environment	697,261	861,651	984,579	1,581,760	1,651,109	1,008,345	596,596	1,540,679
Basic Utility Services	2,066,611	1,600,842	2,260,677	1,089,731	627,636	1,491,249	1,018,487	1,466,740
Transportation	400	243	522,999	641,549	565,459	-	-	-
Operating Grants, Contributions, and Interest	1,671,998	1,628,828	2,791,933	1,361,193	1,444,572	2,090,172	1,422,622	1,312,293
Capital Grants, Contributions and Interest	42,085	64,173	1,089,917	10,203,671	6,141,117	2,586,835	20,966,177	4,106,822
Total Governmental Activities Program Revenues	5,613,919	5,542,591	9,182,248	16,388,992	12,559,705	9,940,664	27,008,920	11,099,970
Expenses:								
Governmental Activities:								
Current:								
General Government	3,294,036	3,412,918	3,984,242	4,210,860	4,217,469	4,778,348	4,346,672	4,820,699
Security of Persons and Property	5,466,993	7,028,605	6,783,077	7,212,982	7,625,286	8,131,423	8,483,744	8,553,689
Public Health	119,086	119,086	121,642	139,691	146,530	157,065	169,063	171,913
Leisure Time Activities	2,853,827	2,714,029	2,589,446	2,539,900	2,700,744	3,256,451	3,069,040	2,911,718
Community Environment	1,699,270	1,403,235	2,861,784	2,552,865	4,800,863	7,370,811	4,704,774	3,091,413
Basic Utility Services	2,866,382	2,105,383	2,590,791	5,999,457	6,487,321	5,990,167	6,812,986	7,254,778
Transportation	871,604	2,552,428	2,295,447	5,305,089	4,650,580	4,500,438	8,596,950	8,404,994
Interest and Fiscal Charges	799,779	817,887	1,265,446	1,798,693	1,808,435	1,966,780	2,516,290	2,599,540
Total Governmental Activities Expenses	$ 17,970,977	$ 20,153,571	$ 22,491,875	$ 29,759,537	$ 32,437,228	$ 36,151,483	$ 38,699,519	$ 37,808,744
Net Expenses	$ (12,357,058)	$ (14,610,980)	$ (13,309,627)	$ (13,370,545)	$ (19,877,523)	$ (26,210,819)	$ (11,690,599)	$ (26,708,774)

(continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues:								
Governmental Activities:								
Property Taxes Levied for General Purposes	$ 1,350,028	$ 1,371,968	$ 1,569,065	$ 1,732,640	$ 1,902,363	1,939,885	1,682,554	1,924,647
Other Local Taxes	188,743	208,544	151,566	15,127	-	-	-	-
Municipal Income Tax Levied for General Purposes	7,919,613	8,500,614	9,047,632	9,353,451	8,720,561	10,808,397	11,470,507	10,996,978
Municipal Income Tax Levied for Transportation	1,587,233	1,700,792	1,739,073	1,821,584	1,744,110	2,161,680	747,888	384,371
Municipal Income Tax Levied for Capital Outlay	3,164,966	3,404,679	3,562,629	3,389,484	3,488,226	4,323,358	4,072,798	3,946,978
Payments in Lieu of Taxes	128,918	101,508	372,122	173,881	2,769,280	1,375,625	1,846,750	2,391,513
Grants and Entitlements not Restricted to Specific Programs	1,823,489	1,220,891	1,168,131	1,463,590	1,413,857	1,209,800	1,099,064	1,695,078
Unrestricted Contributions	-	-	1,500	-	-	-	-	-
Unrestricted Investment Earnings	108,125	100,411	572,014	773,438	820,603	355,084	156,648	141,361
Miscellaneous	163,714	176,016	179,397	480,829	522,555	186,099	376,594	455,810
Total Governmental Activities	$ 16,434,829	$ 16,785,423	$ 18,363,129	$ 19,204,024	$ 21,381,555	$ 22,359,928	$ 21,452,803	$ 21,936,736
Change in Net Assets	$ 4,077,771	$ 2,174,443	$ 5,053,502	$ 5,833,479	$ 1,504,032	$ (3,850,891)	$ 9,762,204	$ (4,772,038)

City of Hilliard, Ohio

Program Revenues by Function/Program

Last Eight Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Function / Program:								
Governmental Activities								
General Government	$ 488,775	$ 356,580	$ 308,753	$ 373,983	$ 634,187	$ 1,376,705	$ 1,543,528	$ 698,795
Security of Persons and Property	414,850	275,581	675,137	455,519	600,843	588,599	620,598	1,052,600
Public Health	7,549	1,073,092	-	-	-	-	-	-
Leisure Time Activities	311,797	-	762,776	807,415	947,124	913,231	933,107	992,536
Community Environment	924,675	1,142,997	1,205,739	1,581,760	1,651,109	1,327,813	596,596	1,540,679
Basic Utility Services	2,066,611	1,600,842	2,260,677	7,279,672	774,748	1,870,366	8,633,325	2,436,329
Transportation	1,399,662	1,093,499	3,969,166	5,890,643	7,951,694	3,863,950	14,681,766	4,379,031
Total Governmental Activities Program Revenues	$ 5,613,919	$ 5,542,591	$ 9,182,248	$ 16,388,992	$ 12,559,705	$ 9,940,664	$ 27,008,920	$ 11,099,970

City of Hilliard, Ohio

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

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

2006	2007	2008	2009	2010
$ 580,680	$ 239,375	$ 116,547	$ 139,582	$ 188,231
2,605,051	3,521,255	3,183,859	3,073,796	3,161,504
3,185,731	3,760,630	3,300,406	3,213,378	3,349,735
5,294,723	4,502,398	5,032,205	3,245,086	6,622,551
1,769,638	5,518,127	7,388,881	6,240,285	6,615,484
9,854	264	264	(13,717)	(12,904)
3,179,637	856,293	(7,260,811)	3,150,492	434,163
10,253,852	10,877,082	5,160,539	12,622,146	13,659,294
$ 13,439,583	$ 14,637,712	$ 8,460,945	$ 15,835,524	$ 17,009,029

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

	2001	2002	2003	2004	2005	2006
Revenues:						
Property and Other Local Taxes	$ 14,391,477	$ 1,399,359	$ 1,526,743	$ 1,665,011	$ 1,713,495	$ 1,733,726
Municipal Income Taxes	-	12,730,316	12,661,195	13,247,597	13,936,390	14,356,448
Payment in Lieu of Taxes	-	-	128,918	101,508	372,122	173,881
Intergovernmental	2,388,382	3,385,935	3,243,655	2,827,540	5,179,408	3,636,055
Charges for Services	2,923,646	3,403,048	3,058,344	3,042,601	4,152,126	3,658,956
Licenses and Permits	532,984	408,948	546,158	474,459	800,580	1,138,388
Fines and Forfeitures	188,598	251,060	251,034	296,966	310,490	307,939
Contributions and Donations	45,155	43,318	45,147	53,377	53,282	-
Investment Income	804,385	139,298	166,204	164,584	585,975	810,003
Special Assessments	124,586	167,246	83,025	79,579	22,755	85,288
Rent	-	47,197	44,300	35,564	37,202	-
Other	588,720	193,247	163,714	176,016	179,397	151,529
Total Revenues	21,987,933	22,168,972	21,918,437	22,164,802	27,343,222	26,052,213
Expenditures:						
Current:						
General Government	4,188,601	3,363,543	3,545,179	3,303,940	3,987,625	4,315,806
Security of Persons and Property	4,984,686	5,119,813	6,234,905	6,623,283	6,496,423	7,111,652
Public Health	102,506	116,275	119,086	119,086	121,642	139,691
Leisure Time Activities	2,457,256	2,394,556	2,800,886	2,528,337	2,417,118	3,509,050
Community Environment	1,310,297	1,377,966	1,640,914	1,285,139	5,861,294	6,248,593
Basic Utility Services	1,611,830	1,639,017	3,419,312	2,618,772	2,582,123	1,277,178
Transportation	2,517,213	2,359,052	4,668,718	4,700,834	22,013,004	6,325,373
Capital Outlay	6,108,413	5,029,990	-	-	-	-
Debt Service:						
Principal Retirement	937,000	800,000	9,185,000	1,215,608	1,661,573	1,935,962
Interest and Fiscal Charges	1,130,951	660,269	989,671	799,579	1,581,315	1,692,436
Total Expenditures	25,348,753	22,860,481	32,603,671	23,194,578	46,722,117	32,555,741
Excess of Revenues Over (Under) Expenditures	(3,360,820)	(691,509)	(10,685,234)	(1,029,776)	(19,378,895)	(6,503,528)
Other Financing Sources (Uses):						
Sale of Capital Assets	-	257,705	-	-	-	329,300
General Obligation Bonds Issued	-	4,950,000	5,280,000	-	21,997,543	-
Bond Anticipation Notes Issued	-	-	-	2,227,000	-	1,900,000
OWDA Loans Issued	-	-	-	-	1,893,334	323,443
Premium on Debt	-	17,552	121,392	-	727,207	-
Refunding Bonds Issued	-	-	-	-	6,462,457	-
Payment to Refunded Bond Escrow	-	-	-	-	(6,462,457)	-
Notes Issued	-	5,700,000	2,500,000	-	-	-
Inception of Capital Lease	-	-	-	1,816	402,632	990,000
Transfers - In	2,037,569	2,904,195	2,829,026	1,884,495	37,871	-
Transfers - Out	(2,037,569)	(2,904,195)	(2,829,026)	(1,884,495)	(37,871)	-
Total Other Financing Sources (Uses)	-	10,925,257	7,901,392	2,228,816	25,020,716	3,542,743
Net Change in Fund Balances	$ (3,360,820)	$ 10,233,748	$ (2,783,842)	$ 1,199,040	$ 5,641,821	$ (2,960,785)
Debt Service as a Percentage of Noncapital Expenditures	10.7%	8.2%	37.7%	10.0%	14.0%	15.9%

2007	2008	2009	2010
$ 1,905,010	$ 1,938,359	$ 1,719,684	$ 1,936,497
15,780,108	16,639,707	15,912,550	16,050,554
2,769,280	599,118	1,529,580	2,331,405
3,189,358	6,242,515	3,264,109	7,464,964
3,610,180	4,387,135	3,466,922	4,278,597
1,011,571	871,346	968,911	1,745,589
286,805	367,636	320,788	292,669
-	-	-	-
841,297	381,963	156,648	141,361
91,765	98,734	28,981	813
-	-	-	-
590,831	124,153	377,758	390,760
30,076,205	31,650,666	27,745,931	34,633,209
4,105,156	5,092,918	4,375,856	4,857,636
7,507,956	8,152,818	15,107,209	8,282,776
146,530	157,065	169,063	171,913
4,855,085	4,656,844	3,103,714	4,456,087
5,565,363	9,413,956	5,833,755	5,357,924
1,599,361	1,195,029	2,544,706	1,937,183
5,389,484	4,852,648	6,746,273	8,544,315
-	-	-	-
2,471,327	2,398,986	2,357,284	2,629,411
2,062,148	1,907,169	2,939,932	2,637,382
33,702,410	37,827,433	43,177,792	38,874,627
(3,626,205)	(6,176,767)	(15,431,861)	(4,241,418)
343,739	-	-	65,050
7,975,000	-	15,540,000	-
-	-	-	5,300,000
-	-	-	-
475,595	-	849,054	49,873
-	-	-	-
(3,970,000)	-	-	-
-	-	-	-
-	-	6,417,386	-
-	-	441,137	-
-	-	(441,137)	-
4,824,334	-	22,806,440	5,414,923
$ 1,198,129	$ (6,176,767)	$ 7,374,579	$ 1,173,505
17.5%	14.9%	17.1%	17.7%

City of Hilliard, Ohio

Income Tax Revenue by Payer Type (1)

Last Ten Years

(cash basis of accounting)

	Individual						Business Accounts		
Year	Withholding	Percentage of Total	Non-withholding	Percentage of Total	Total Individual	Percentage of Total	Business Accounts	Percentage of Total	Total
2001	10,999,661	81%	1,402,541	10%	12,402,201	92%	1,130,850	8%	13,533,051
2002	10,549,918	80%	1,414,197	11%	11,964,115	91%	1,143,743	9%	13,107,857
2003	10,429,573	80%	1,408,464	11%	11,838,038	91%	1,198,322	9%	13,036,360
2004	10,373,704	76%	1,520,520	11%	11,894,224	88%	1,684,780	12%	13,579,004
2005	10,567,780	75%	1,463,816	10%	12,031,596	86%	2,025,941	14%	14,057,537
2006	11,093,880	75%	1,603,193	11%	12,697,073	86%	2,046,361	14%	14,743,434
2007	10,939,771	73%	1,879,695	13%	12,819,466	86%	2,070,616	14%	14,890,082
2008	13,152,852	78%	2,071,126	12%	15,223,978	90%	1,649,651	10%	16,873,629
2009	13,448,644	78%	1,959,748	11%	15,408,392	90%	1,771,029	10%	17,179,421
2010	13,465,563	77%	1,847,800	11%	15,313,363	88%	2,090,483	12%	17,403,846

Source: City Income Tax Division

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

City of Hilliard, Ohio

Income Tax Revenue Fund Distribution (1)

Last Ten Years

(cash basis of accounting)

Year	General Fund	Capital Improvement Municipal Tax Fund	Street Improvement Municipal Tax Fund	Total	Percentage Increase/ (Decrease)
2001	8,088,592	3,235,437	1,617,718	12,941,747	-1.93%
2002	7,839,814	3,135,925	1,567,963	12,543,702	-3.08%
2003	7,900,013	3,150,135	1,579,817	12,629,965	0.69%
2004	8,261,454	3,316,006	1,656,457	13,233,917	4.78%
2005	8,574,750	3,514,384	1,714,950	13,804,084	4.31%
2006	9,176,483	3,318,697	1,786,190	14,281,370	3.46%
2007	9,092,540	3,637,017	1,818,507	14,548,064	1.87%
2008	10,204,465	4,081,786	2,040,893	16,327,144	12.23%
2009	11,496,626	4,083,246	753,112	16,332,984	0.04%
2010	11,055,594	4,014,340	527,842	15,597,776	-4.50%

Source: City Income Tax Department

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

City of Hilliard, Ohio

Principal Income Taxpayers - Withholding Accounts

2010 and 2001

	2010		2001	
Range of Withholding Amount	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
$500,001 and higher	3	23.68%	2	24.36%
$300,001 - 500,000	2	4.91%	2	7.09%
$100,001 - 300,000	13	14.29%	8	10.26%
$55,001 - 100,000	18	9.98%	19	12.59%
Total		52.86%		54.30%
All Others		47.14%		45.70%
Total Withholding Accounts		100.00%		100.00%

Source: City Income Tax Department

City of Hilliard, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

Tax Year	Real Property (1)						Personal Property (2)			Total		Estimated Actual Value of Taxable Property	Total Direct Tax Rate
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Public Utility	General	Total	Valuation	% Growth		
2001	409,871,750	1,581,760	91,896,500	38,612,920	47,340	542,010,270	15,138,450	68,687,135	83,825,585	625,835,855	1.44%	1,883,903,111	1.60
2002	477,491,550	753,640	103,148,400	43,682,320	43,450	625,119,360	19,971,850	73,219,911	93,191,761	718,311,121	14.78%	2,158,822,358	1.60
2003	505,573,330	627,670	105,337,610	43,824,420	46,960	655,409,990	17,714,230	57,686,187	75,400,417	730,810,407	1.74%	2,174,201,639	1.60
2004	538,044,700	553,600	108,180,720	44,851,070	46,870	691,676,960	17,401,820	49,482,834	66,884,654	758,561,614	3.80%	2,243,758,502	1.60
2005	640,343,800	974,340	113,505,210	47,059,140	46,920	801,929,410	17,946,440	28,462,274	46,408,714	848,338,124	11.84%	2,476,861,742	1.60
2006	662,229,120	1,064,560	120,462,930	48,742,120	64,150	832,562,880	16,471,610	22,239,765	38,711,375	871,274,255	2.70%	2,533,596,586	1.60
2007	672,823,870	1,312,410	106,999,610	46,780,960	89,200	828,006,050	9,627,660	13,930,309	23,557,969	851,564,019	-2.26%	2,459,963,447	1.60
2008	686,405,600	1,426,860	113,450,470	50,466,490	80,650	851,830,070	10,072,070	2,691,967	12,764,037	864,594,107	1.53%	2,484,856,348	1.60
2009	684,289,450	1,460,720	138,984,940	50,031,110	90,590	874,856,810	10,394,370	1,345,983	11,740,353	886,597,163	2.54%	2,546,552,298	1.60
2010	685,969,370	1,508,590	126,497,550	51,110,680	90,260	865,176,450	11,735,180	0	11,735,180	876,911,630	-1.09%	2,518,873,434	1.60

Source: Franklin County Auditor

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

(2) Prior to 2006, the assessed valuation for personal property was based on varying percentages of true value (25 percent was used in the assessed values above). House Bill 66 (the State's biennial budger for fiscal

City of Hilliard, Ohio

Direct and Overlapping Property Tax Rates

Last Ten Years

(Per $1,000 of Assessed Valuation)

Tax Year	City of Hilliard General Fund	Hilliard City School District	Franklin County	Metropolitan Library	Norwich Township	Vocational School	Total
2001	1.60	65.61	17.64	2.20	17.50	1.10	105.65
2002	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2003	1.60	64.44	17.64	2.20	17.50	0.50	103.88
2004	1.60	74.40	18.44	2.20	17.50	0.50	114.64
2005	1.60	73.14	18.44	2.20	17.50	0.50	113.38
2006	1.60	75.89	18.44	2.20	17.50	1.30	116.93
2007	1.60	75.89	18.49	2.20	17.50	1.30	116.98
2008	1.60	82.79	18.02	2.20	17.50	1.30	123.41
2009	1.60	82.85	18.07	2.20	17.50	1.30	123.52
2010	1.60	82.85	18.07	2.20	17.50	1.30	123.52

Source: Franklin County Auditor

City of Hilliard, Ohio

Principal Property Tax Payers - Real Property

2010 and 2001

	2010			2001		
Taxpayer	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
G&I VI Heritage Green LLC	7,234,150	1	0.84			
Columbus Campus LLC	7,013,410	2	0.81			
Ansmil LLC	4,813,640	3	0.56			
Trueman LP	4,151,560	4	0.48			
Talcott III Mill Run LLC	4,139,780	5	0.48			
CSE Hilliard LLC	3,436,090	6	0.40			
Crystal Lake Apartments	3,160,620	7	0.37			
Rich Products Corp.	2,546,990	8	0.29			
First Industrial LP	2,529,180	9	0.29	4,341,760	3	0.80
Cadlerocks Hilliard	2,285,500	10	0.26			
United Dominion Realty LP				6,300,000	2	1.16
Armstrong World Industries, Inc.				1,981,000	10	0.37
Garden Ridge Hilliard				2,607,500	6	0.48
One Mill LLC				6,650,010	1	1.23
Heritage Golf Club, LP				2,000,340	9	0.37
Real Estate Finance Trust 1995-K-4				2,800,010	5	0.52
TR Properties, Inc. & TR Development V Inc.				2,966,110	4	0.55
Red Roof Inns, Inc.				2,211,190	7	0.41
Nationwide Health Insurance				2,100,010	8	0.39
Total Top 10 Real Property	41,310,920		4.76	33,957,930		6.26
All Others	823,865,530		95.24	508,052,340		93.74
Total Real Property Assessed Valuation	865,176,450		100.00%	542,010,270		100.00%

Source: Franklin County Auditor

City of Hilliard, Ohio

Property Tax Levies and Collections (1) (2)

Last Ten Years

Collection Year	Total Tax Levy (1) (2)	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2001	983,178	941,238	95.73%	27,112	968,350	98.49%
2002	1,008,998	951,977	94.35%	59,665	1,011,642	100.26%
2003	1,131,059	1,083,281	95.78%	29,381	1,112,662	98.37%
2004	1,167,957	1,131,837	96.91%	102,181	1,234,018	105.66%
2005	1,211,106	1,187,941	98.09%	19,395	1,207,336	99.69%
2006	1,379,069	1,336,249	96.90%	34,813	1,371,062	99.42%
2007	1,416,496	1,363,825	96.28%	30,971	1,394,796	98.47%
2008	1,458,263	1,307,442	89.66%	32,214	1,339,656	91.87%
2009	1,431,361	1,365,022	95.37%	65,393	1,430,415	99.93%
2010	1,473,382	1,456,360	98.84%	51,583	1,507,943	102.35%

Source: Franklin County Auditor

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

City of Hilliard, Ohio

Computation of All Direct and Overlapping Governmental Debt

December 31, 2010

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
Direct			
City of Hilliard			
Notes Payable	$ 5,300,000		$ 5,300,000
Loans Payable	2,216,777		2,216,777
General Obligation Bonds	49,025,000		49,025,000
Special Assessment Bonds	-		-
Capital Leases	6,168,683		6,168,683
Total Direct Debt	62,710,460	100.00%	62,710,460
Overlapping Subdivisions			
Dublin City School District	180,881,129	.0754283	136,436
Franklin County	229,375,000	3.1335805	7,187,650
Washington Township	1,874,999	.04473	839
Tolles Career & Technical Center	4,820,000	18.15977	875,301
Solid Waste Authority of Central Ohio	93,025,000	3.037753	2,825,870
Total Overlapping Debt	509,976,128		11,026,095
Total Direct and Overlapping Debt	$572,686,588		73,736,555

Source: Franklin County Auditor and Fiscal Officers of Subdivision

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

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

City of Hilliard, Ohio

Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and General Obligation Bonded Debt Per Capita

Last Ten Years

Collection Year	Net Bonded Debt (3)	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2001	7,389,856	1,883,903,111	24,969	0.39	295.96
2002	11,585,172	2,158,822,358	25,555	0.54	453.34
2003	15,862,129	2,174,201,639	25,996	0.73	610.18
2004	16,874,129	2,243,758,502	26,844	0.75	628.60
2005	35,575,000	2,476,861,742	28,158	1.44	1,263.41
2006	33,855,000	2,533,596,586	28,557	1.34	1,185.52
2007	39,810,000	2,459,963,447	28,730	1.62	1,385.66
2008	37,880,000	2,484,856,348	28,850	1.52	1,313.00
2009	51,510,000	2,546,552,298	28,927	2.02	1,780.69
2010	49,025,000	2,518,873,434	28,935	1.95	1,694.31

(1) Source: "Population Estimates," published by the Mid Ohio Regional Planning Commission
(2) Source: Franklin County Auditor (shown in thousands)
(3) Includes all general obligation debt financed with general governmental resources less balance available in General Obligation Bond Retirement Fund

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

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

Year	Notes Payable	Loans Payable	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Total Outstanding Debt	Population(1)	Personal Income(2)	Debt Per Capita	Percentage of Personal Income
2001	8,250,000	-	6,795,000	660,000	-	15,705,000	24,969	784,826	629	2.00
2002	5,700,000	-	11,015,000	590,000	-	17,305,000	25,555	824,864	677	2.10
2003	-	-	15,385,000	515,000	-	15,900,000	25,996	852,513	612	1.87
2004	2,227,000	-	14,255,000	430,000	1,208	16,913,208	26,844	916,132	630	1.85
2005	2,156,000	1,893,334	35,380,000	195,000	403,267	40,027,601	28,158	991,894	1,422	4.04
2006	3,970,000	2,216,777	33,720,000	135,000	1,263,305	41,305,082	28,557	1,037,619	1,446	3.98
2007	2,300,000	2,216,777	39,740,000	70,000	811,978	45,138,755	28,730	1,082,087	1,571	4.17
2008	11,390,000	2,216,777	37,880,000	-	342,992	51,829,769	28,850	1,100,022	1,797	4.71
2009	-	2,216,777	51,510,000	-	6,313,094	60,039,871	28,927	1,106,226	2,076	5.43
2010	5,300,000	2,216,777	49,025,000	-	6,168,683	62,710,460	28,935	N/A	2,167	N/A

(1) "Population Estimates," published by the Mid-Ohio Regional Planning Commission
(2) Computation of per capita personal income multiplied by population (in thousands)

N/A - Information not available

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

	2010	2009	2008	2007	2006	2005
Total Assessed Valuation	876,911,630	886,597,163	864,594,107	851,564,019	871,274,255	848,338,124
Overall debt limitation - 10.5% of assessed valuation	92,075,721	93,092,702	90,782,381	89,414,222	91,483,797	89,075,503
Total Indebtedness as of 12/31	54,325,000	51,510,000	49,270,000	42,110,000	37,825,000	37,731,000
Less Exempt Debt:						
Self Supporting						
Special Assessment	-	-	-	70,000	135,000	195,000
1999 Cemetery Road Refunding-Voted	-	-	-	-	-	195,000
1982 Water	-	-	-	20,000	45,000	65,000
1999A Various Purpose-Water portion(28%)	-	-	51,800	100,800	148,400	193,200
2002 Various Purpose-Water portion(39%)	120,900	177,450	232,050	284,700	335,400	386,100
2005 Various Purpose-Water portion(39%)	6,228,300	6,542,250	6,862,050	7,174,050	7,478,250	7,731,750
Total Self Supporting	6,349,200	6,719,700	7,145,900	7,649,550	8,142,050	8,766,050
Income Tax Supported						
1992 Various Purpose	-	-	-	-	215,000	420,000
1995 Various Purpose	-	-	-	-	-	-
1999 Various Purpose(72%)	-	-	133,200	259,200	381,600	496,800
2002 Various Purpose(61%)	189,100	277,550	362,950	445,300	524,600	603,900
2003 Various Purpose	3,880,000	4,100,000	4,310,000	4,510,000	4,710,000	4,910,000
2009 Various Purpose	14,810,000	15,540,000	-	-	-	-
Notes	5,300,000	-	11,390,000	2,300,000	3,970,000	2,156,000
Total Income Tax Supported	24,179,100	19,917,550	16,196,150	7,514,500	9,801,200	8,586,700
Amount available in the debt service fund	-	-	-	-	-	-
Total Exempt Debt	30,528,300	26,637,250	23,342,050	15,164,050	17,943,250	17,352,750
Net Debt Subject to Limitation	23,796,700	24,872,750	25,927,950	26,945,950	19,881,750	20,378,250
Legal debt margin within 10.5% limitation	68,279,021	68,219,952	64,854,431	62,468,272	71,602,047	68,697,253
Percentage of Net Debt to Assessed Value	2.71%	2.81%	3.00%	3.16%	2.28%	2.40%
Percentage of Legal Debt Limit	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Percentage of Legal Debt Margin	7.79%	7.69%	7.50%	7.34%	8.22%	8.10%

Unvoted debt limitation 5.5% of assessed valuation	48,230,140	48,762,844	47,552,676	46,836,021	47,920,084	46,658,597
Total Indebtedness as of 12/31	54,325,000	51,510,000	49,270,000	42,110,000	37,825,000	37,731,000
Less Total Exempt Debt	30,528,300	26,637,250	23,342,050	15,164,050	17,943,250	17,352,750
Net Debt Subject to Limitation	23,796,700	24,872,750	25,927,950	26,945,950	19,881,750	20,378,250
Legal debt margin within 5.5% limitation	24,433,440	23,890,094	21,624,726	19,890,071	28,038,334	26,280,347
Percentage of Net Debt to Assessed Value	2.71%	2.81%	3.00%	3.16%	2.28%	2.40%
Percentage of Legal Debt Limit	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Percentage of Legal Debt Margin	2.79%	2.69%	2.50%	2.34%	3.22%	3.10%

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

2004	2003	2002	2001
758,561,614	730,810,407	718,311,121	625,835,855
79,648,969	76,735,093	75,422,668	65,712,765
16,912,000	15,900,000	17,305,000	15,705,000
430,000	515,000	590,000	660,000
535,000	860,000	1,300,000	1,575,000
90,000	110,000	135,000	155,000
235,200	275,800	278,600	315,000
1,838,850	1,885,650	1,930,500	-
-	-	-	-
3,129,050	3,646,450	4,234,100	2,705,000
615,000	800,000	975,000	1,140,000
2,360,000	2,515,000	2,660,000	2,800,000
604,800	709,200	716,400	810,000
2,876,150	2,949,350	3,019,500	-
5,100,000	5,280,000	-	-
-	-	-	-
2,227,000	-	5,700,000	8,250,000
13,782,950	12,253,550	13,070,900	13,000,000
37,871	37,871	19,828	65,144
16,949,871	15,937,871	17,324,828	15,770,144
(37,871)	(37,871)	(19,828)	(65,144)
79,686,840	76,772,964	75,442,496	65,777,909
0.00%	-0.01%	0.00%	-0.01%
10.50%	10.50%	10.50%	10.50%
10.50%	10.51%	10.50%	10.51%
41,720,889	40,194,572	39,507,112	34,420,972
16,912,000	15,900,000	17,305,000	15,705,000
16,949,871	15,937,871	17,324,828	15,770,144
(37,871)	(37,871)	(19,828)	(65,144)
41,758,760	40,232,443	39,526,940	34,486,116
0.00%	-0.01%	0.00%	-0.01%
5.50%	5.50%	5.50%	5.50%
5.50%	5.51%	5.50%	5.51%

City of Hilliard, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (2)	Per Capita Income (5)	School Enrollment (6)	Unemployemnt Rate Franklin County Area (3)	Total Assessed Property Value (4)
2001	24,969	784,826	31,432	13,252	2.8%	625,835,855
2002	25,555	824,864	32,278	13,674	4.4%	718,311,121
2003	25,996	852,513	32,794	14,220	4.9%	730,810,407
2004	26,844	916,132	34,128	14,529	5.4%	758,561,614
2005	28,158	991,894	35,226	14,760	5.2%	848,338,124
2006	28,557	1,037,619	36,335	14,949	4.5%	871,274,255
2007	28,730	1,082,087	37,664	15,173	4.7%	851,564,019
2008	28,850	1,100,022	38,129	15,136	6.1%	864,594,107
2009	28,927	1,106,226	38,242	15,523	8.8%	886,597,163
2010	28,935	N/A	N/A	15,634	7.6%	876,911,630

Source: (1) "Population Estimates," published by the Mid Ohio Regional Planning Commission
(2) Computation of per capita personal income multiplied by population(in thousands)
(3) Ohio Labor Market Information
(4) Franklin County Auditor
(5) U.S. Department of Commerce, Bureau of Economic Analysis, Columbus MSA
(6) Hilliard City School District

City of Hilliard, Ohio
Principal Employers
2010 and 2001

	2010			2001		
Employer	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	1,829	1	9.52%	2,283	1	12.59%
BMW Financial Services	473	2	2.46%			
Echosphere LLC	446	3	2.32%			
Verizon Business Network Service	326	4	1.70%	1,521	2	8.39%
R. E. Rich Family Holding Corp.	270	5	1.40%			
Micro Center Inc.	257	6	1.34%	332	7	1.83%
City of Hilliard	227	7	1.18%	405	5	2.23%
TALX UCM Services	225	8	1.17%			
Redemtech Inc.	101	9	0.53%			
Advanced Drainage Systems	97	10	0.50%			
Baesman Group Inc.				170	9	0.94%
Gates McDonald & Co.				696	3	3.84%
Dana Corp.				264	8	1.46%
Discover Financial Services				353	6	1.95%
Arctic Express				424	4	2.34%
Gates McDonald Health Plus Inc.				156	10	0.86%
Total Employees	4,251		22.12%	6,604		36.43%
All Other Employers	14,967		77.88%	11,527		63.57%
Total Employment within the City	19,218		100.00%	18,131		100.00%

Source: City Income Tax Department

City of Hilliard, Ohio

City Government Employees by Function/Program

Last Ten Years

	2001		2002		2003		2004		2005	
Function/Program	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	60	66	62	67	35	35	48	48	49	49
Security of Persons and Property	46	46	45	45	50	50	50	50	50	50
Leisure Time Activities	21	34	19	33	23	35	20	32	22	32
Basic Utility Services	9	9	11	11	14	14	4	4	1	1
Transportation	20	20	19	19	21	21	21	21	21	21
Total Number of Employees	156	175	156	175	143	155	143	155	143	153

Source: City Payroll Records

2006		2007		2008		2009		2010	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
47	47	48	48	49	49	47	47	45	45
49	49	50	50	49	50	49	49	48	48
23	35	23	35	23	35	21	32	19	29
1	1	1	1	1	1	1	1	1	1
21	21	21	21	21	21	21	21	21	21
141	153	143	155	143	156	139	150	134	144

City of Hilliard, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2001	2002	2003	2004	2005
General Government					
Government Center	1	1	1	1	1
Security of Persons and Property:					
Number of Police Stations	1	1	1	1	1
Number of Fire/EMS Stations (1)	2	2	3	3	3
Leisure Time Activities:					
Number of Parks	18	18	18	21	21
Park Area (acres)	239.9	239.9	256.9	285.0	285.0
Number of Playgrounds	11	11	11	11	11
Number of Swimming Pools	2	2	2	2	2
Number of Community Centers	1	1	1	1	1
Number of Senior Centers	1	1	1	1	1
Basic Utility Services:					
Miles of Water Mains	105	105	126	114	113
Miles of Sanitary Sewers	120	120	151	130	117
Miles of Storm Sewers	96	96	141	108	122
Transportation					
Miles of Streets	N/A	N/A	N/A	N/A	102
Number of Street Lights	480	480	1,636	1,405	1,445
Number of Traffic Signal Systems	N/A	N/A	N/A	N/A	N/A

(1) Fire Protection provided by Norwich Township

N/A - Information not available

Source: City capital asset records

2006	2007	2008	2009	2010
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
21	21	21	21	22
285.0	285.0	285.0	285.0	285.5
11	11	11	11	11
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
127	128	128	129.3	130.1
135	140	140	142	142.7
107	118	118	122.4	123.4
103	107	107	110.3	111.4
1,458	1,536	1,536	1,705	1,739
31	34	35	41	41

City of Hilliard, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2001	2002	2003	2004	2005	2006
General Government:						
Active Income Tax Accounts						
Individual	9,200	9,360	9,253	9,368	10,007	10,343
Business	2,100	2,296	2,303	2,378	2,457	2,539
Withholding	3,024	3,075	3,290	3,152	3,097	3,243
Clerk of Courts:						
Traffic Court Cases	2,405	2,865	2,469	2,754	2,922	2,177
Security of Persons and Property:						
Police Calls	42,370	48,807	48,001	56,286	57,170	55,017
Physical Arrests	1,760	1,853	1,805	2,061	1,771	1,782
Citations	3,202	3,966	3,686	4,470	4,699	3,579
Parking Violations	78	74	80	80	93	91
Leisure Time Activities:						
Swimming Pool Revenue	458,228	479,925	471,468	401,414	388,633	328,198
Community Center Revenue	233,949	254,261	273,369	225,431	207,862	230,356
Senior Center Revenue	94,933	106,500	89,219	86,209	87,730	88,115

Source: Department annual reports

2007	2008	2009	2010
11,841	14,765	15,536	16,654
2,766	2,829	1,389	1,425
2,883	3,050	1,662	1,708
2,085	3,114	2,018	1,879
55,204	54,606	47,473	46,017
1,938	1,901	932	874
3,660	4,649	3,446	3,005
108	51	20	65
423,731	512,572	548,545	611,778
227,528	206,194	209,620	233,181
81,938	93,851	92,555	86,919

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