

## Ready For Tomorrow



**HILLIARD CITY SCHOOLS**

HILLIARD, OHIO

# Popular Annual Financial Report

FOR THE YEAR ENDING JUNE 30, 2011

# Numbers Behind Hilliard City Schools

EMPLOYEES

1,716



STUDENTS

15,635



2011 GRADUATES

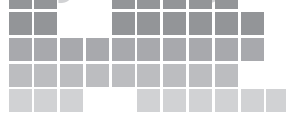
1,099



Maintained by  
District custodians,  
maintenance and  
ground staff :

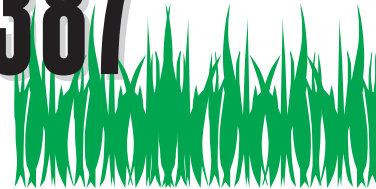
SQUARE FOOTAGE

2,159,610



ACREAGE

387



STUDENTS BUSSED DAILY

9,399



BUSES IN FLEET

156

MILES DRIVEN DAILY

8,104



LUNCHES SERVED

1,947,405

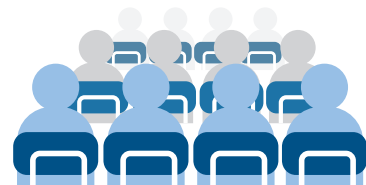
BREAKFAST SERVED

166,783



ATTENDANCE RATE

96%





November 18, 2011

**W**e are pleased to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2011. This report makes our district's finances easier to understand, and is intended to communicate our financial situation in an open and accountable manner.

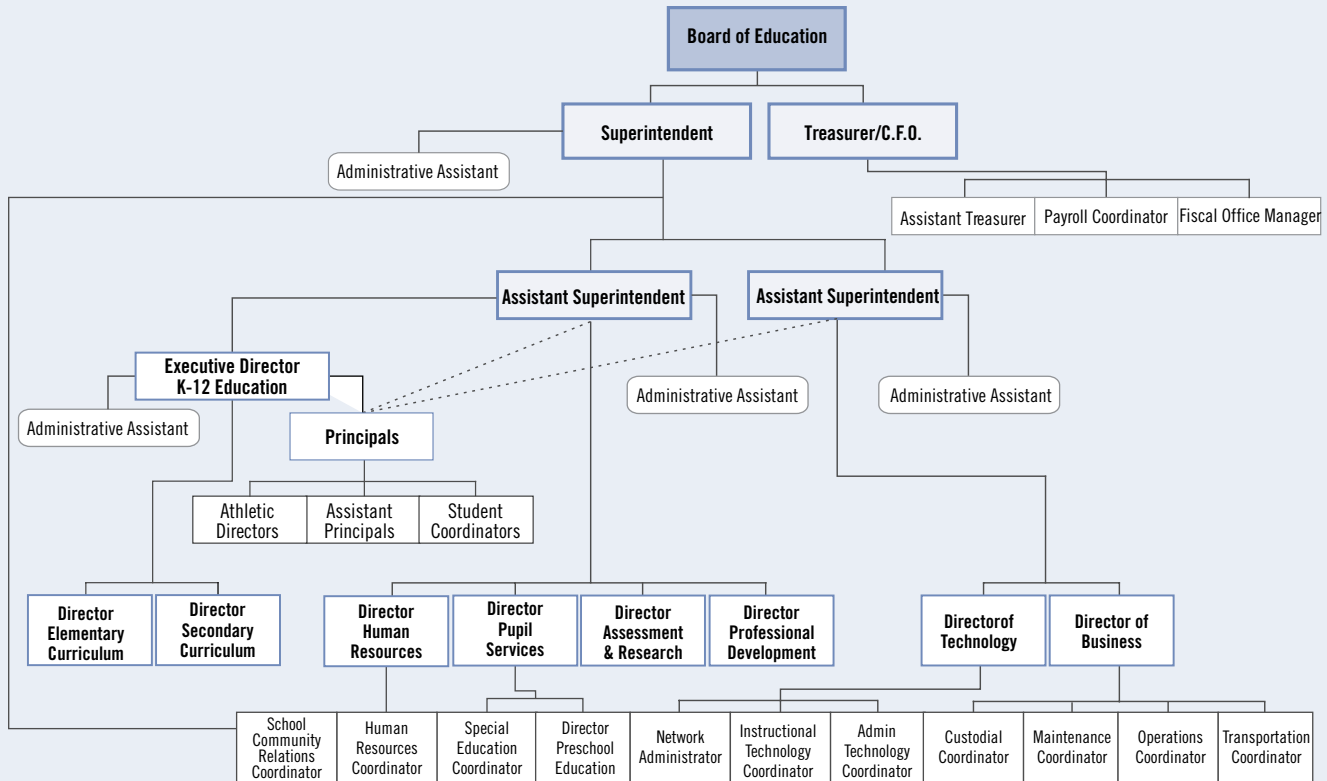
The PAFR is intended to summarize the financial activities and operating results reported in the Hilliard City School District's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals with full disclosure and segregated funds. The statements presented on pages 3 and 7 consist of the General Fund of the District. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The most significant items not reported in the General Fund include debt issuance and retirement, building and permanent improvements and food service. For more detailed financial information, a copy of the Comprehensive Annual Financial Report is available from the Treasurer's office or can be viewed on the District's website at [www.hilliardschools.org](http://www.hilliardschools.org).

The Hilliard City School District is proud of the creation of this report. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at (614) 921-7000 or at [Brian\\_Wilson@hboe.org](mailto:Brian_Wilson@hboe.org).

A handwritten signature in black ink, appearing to read "Brian W. Wilson".

**Brian W. Wilson**  
Treasurer / CFO

# Administrative Structure

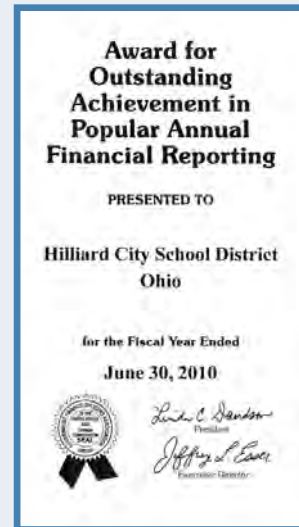


## Award For Outstanding Achievement In Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Hilliard City School District for its PAFR for the fiscal year ended June 30, 2010. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA. The District has received the award for the past 6 years.



# Revenues & Resources Over Expenditures & Services

Readers of the Financial Activity Statement (below) and Financial Position Statement (page seven) should keep in mind that the numbers in both reports represent only the General Fund and are taken from the district's Comprehensive Annual Financial Report (CAFR), but are presented in a non-GAAP format. The CAFR can be obtained from the Treasurer's office or at [hilliardschools.org](http://hilliardschools.org).

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the district.

The decrease in property tax revenue is due to a declining housing market and decrease in taxable values. The decrease in investment earnings revenue is also due to the on-going economic recession. Expenditures increased 3.05% from FY10 to FY11. The American Recovery and Reinvestment Act (ARRA) grants that were received by the State to help stabilize the budget and minimize educational program reductions are reported within the special revenue funds. These replace State funds previously received and recorded in the general fund.

RESOURCES TAKEN IN (in thousands of \$)	FY11	FY10	FY09	FY08	FY07
Local Taxes	\$ 93,730	\$ 94,908	\$ 102,806	\$ 76,334	\$93,712
State and Federal Revenue	56,167	57,226	56,455	52,393	49,846
Investment Income	256	535	1,145	1,957	5,232
Tuition & Fees	1,711	1,364	1,237	1,161	1,156
Miscellaneous	3,111	2,266	2,886	2,655	2,111
<b>Total Revenues &amp; Resources</b>	<b>\$154,975</b>	<b>\$156,299</b>	<b>\$164,529</b>	<b>\$134,500</b>	<b>\$152,057</b>

SERVICES PROVIDED (in thousands of \$)	FY11	FY10	FY09	FY08	FY07
Instruction	\$ 99,648	\$ 95,629	\$ 93,546	\$ 92,513	\$ 86,480
Pupil Support	10,484	9,698	9,456	10,143	9,524
Instructional Staff	8,319	8,669	9,075	8,631	8,966
Board/Administration/Fiscal	13,777	13,614	13,430	12,843	12,152
Business Support	1,012	966	911	855	636
Plant Operation	13,971	14,210	12,692	12,104	11,977
Transportation	7,400	6,986	7,032	6,963	6,477
Central	558	407	503	501	443
Extracurricular	3,769	3,734	2,973	2,791	2,808
Food Service	-	-	-	11	28
Facilities Acquisition & Construction Services	-	-	270	100	367
Capital Outlay	89	280	-	-	125
Miscellaneous	33	-	74	-	4
Debt Service	357	503	515	531	548
<b>Total Expenditures &amp; Services</b>	<b>\$159,417</b>	<b>\$154,696</b>	<b>\$150,477</b>	<b>\$147,986</b>	<b>\$140,535</b>
<b>Revenues &amp; Resources Over Expenditures &amp; Services</b>	<b>\$ (4,442)</b>	<b>\$ 1,603</b>	<b>\$ 14,052</b>	<b>\$ (13,486)</b>	<b>\$ 11,522</b>

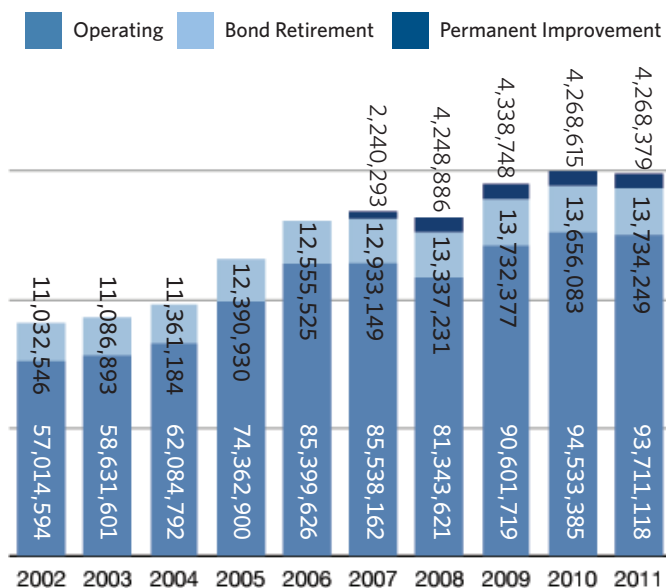
In FY08 and FY11, the District utilized prior years' cash balance to offset expenditures in excess of revenue collection.

## Local Property Taxes

Below is a graph depicting the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. Taxes paid on homes and businesses (both property and equipment) represent 60.5% of all general fund revenues.

### General Fund

Tax dollars are received by the District for day-to-day operations, which primarily include employee salaries and benefits.

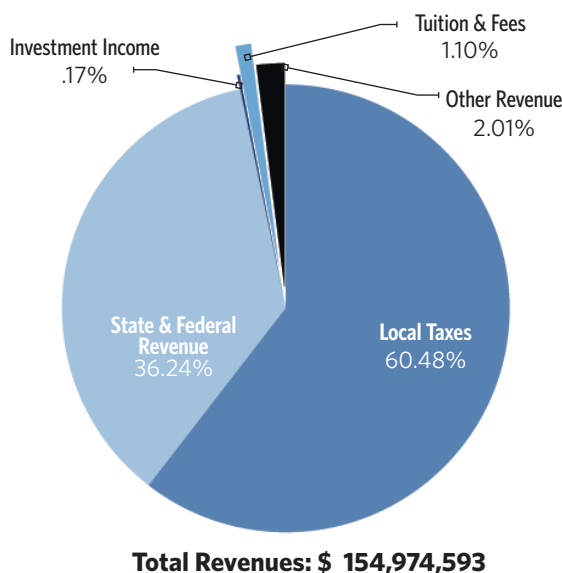


### Bond Retirement

Tax dollars are received for the payment of principal and interest on voter approved bond issues related to the construction of buildings. Bond issue millage rates are set by the County Auditor, with information provided by the District, to generate sufficient revenue to pay the principal and interest on the bonds issued.

### Permanent Improvement

Tax dollars are received by the District and can only be used for repairs, improvements to facilities and grounds, and capital assets with a useful life of five years or more. These funds cannot be used for salaries or benefits.



## Unbundling The Tax Rate

All tax rates for the School District, except inside millage, are reduced as valuations increase. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced in order to generate the same amount of tax revenue for the District as was received when each levy was initially approved by the voters. The chart on the right shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected.

### Tax Burden on Homeowners

TYPE	GROSS RATE	EFFECTIVE RATE	YEAR APPROVED	LENGTH APPROVED
INSIDE-OPERATING*	4.45	4.45	N/A	Permanent
VOTED-OPERATING*	70.10	36.28	Various	Permanent
BOND RETIREMENT	6.40	6.40	Various	Various
PERMANENT IMPROVEMENT	2.0	1.99	2006	Permanent
TOTAL RATES	82.95	49.12		

\*Rates are for the 2010 tax year collected in calendar year 2011.

## Assessed Values Of Property Real Estate Taxes

COLLECTION YEAR	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL/ INDUSTRIAL	PUBLIC UTILITY	TANGIBLE PERSONAL	TOTAL
2011	\$ 1,826,855,880	\$ 540,610,190	\$ 54,840,830	\$ -	\$ 2,422,306,900
2010	1,822,435,160	549,421,990	49,401,120	2,026,288	2,423,284,558
2009	1,819,917,770	518,446,100	48,651,380	4,055,232	2,391,070,482

## State & Federal Sources

State sources of revenue generated \$55.9 million or 36.2% of all general fund revenue. Due to a relatively higher property valuation per pupil, and other demographic figures, the District is considered wealthy and receives less than the State average of 43.50% (FY2010). State support comes mostly from State Aid, which is a formula calculation based upon student enrollment. The District was impacted by the State's decision in 2005 to eliminate the tangible personal property tax. The State was originally to provide for replacement revenue to hold Districts "harmless" at 2005 levels through the 2012 calendar year and then beginning in fiscal year 2014 (calendar year 2013), the replacement revenue would be incrementally reduced until it is eliminated in 2017. The most recent biennial budget (HB 153) however, will begin reducing replacement revenues in FY 2012. This will result in a loss of approximately \$3 million in FY12 and an additional \$3 million in FY13. Reimbursements are scheduled to remain at this level, however this revenue stream could be further reduced in future budgets. A significant portion of State revenue also comes from Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer.

Currently, the State pays 10% of the taxes due on all property and an

additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior and disabled citizens, regardless of income. Tangible Personal Property/Other State revenue includes the public utility reimbursement, tangible personal property tax loss reimbursement, Medicaid reimbursement and catastrophic cost reimbursement. Federal sources in this category include E-rate reimbursements for telecommunications services, internet access, and internal connections. The District receives these reimbursements based on its percentage of students qualifying for free and reduced-price lunches and other socio-economic factors.

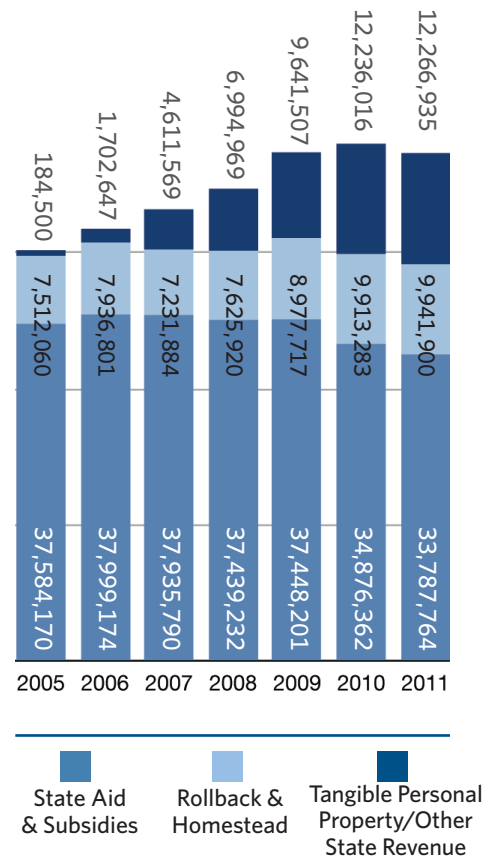
The chart to the right depicts state school funding in actual cash receipts for the District's General Fund. Years are presented on a June 30 fiscal year-end basis. In 2011, the district received \$12,076,519 in reimbursement for tangible personal property tax loss.

## State Revenues vs. Local Revenues

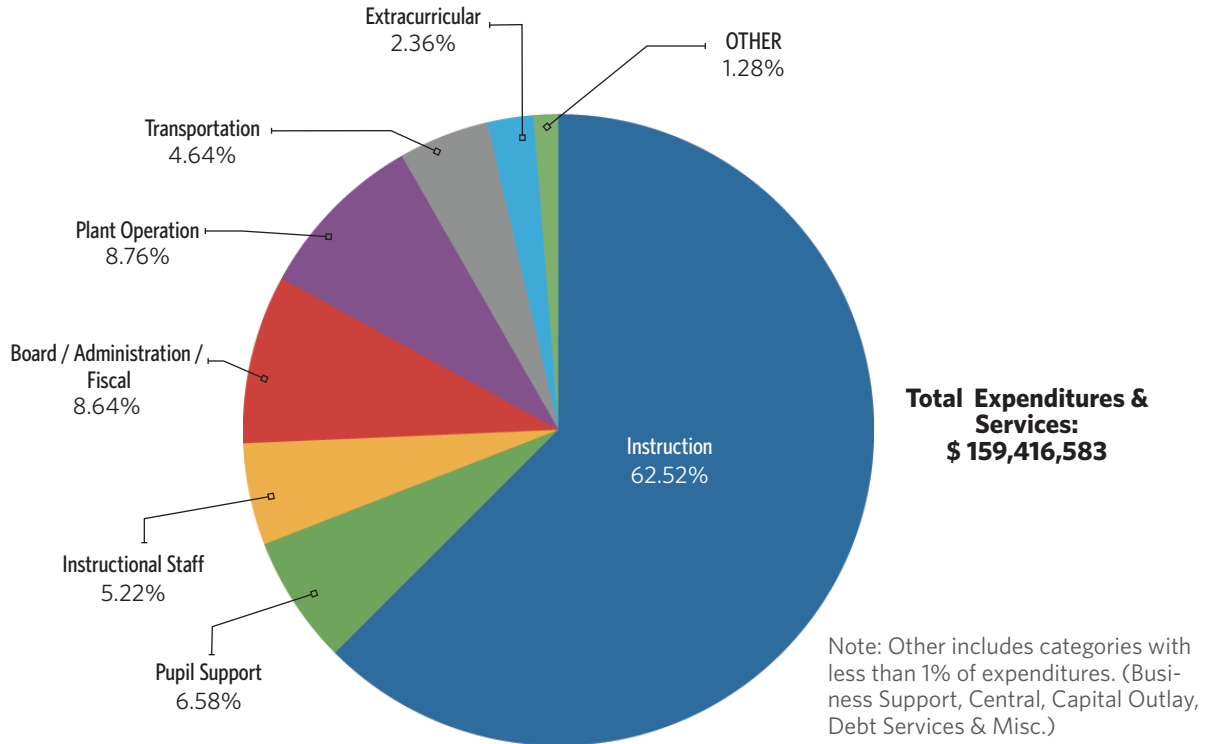
In Ohio, the funding of schools is shared by the State and local school districts. The Ohio General Assembly determines what an adequate education costs in the State's biennial education budget. Under the biennial budget for FY2011, the District received

\$2,853,749 in state fiscal stabilization funds, which were required to be posted in a special revenue fund. These Federal funds, included with our per pupil state aid, still result in the District receiving a 2% reduction in per pupil aid. No stabilization funds will be provided after FY11.

State and Federal mandates continue to be unfunded or under-funded, placing even more strain on the District's Budget and local tax payers.



# Where the money goes



## Definitions

**INSTRUCTION** is the largest expenditure category. Students are directly impacted by expenditures from this category, which relate to the direct instruction of our students.

**PUPIL SUPPORT** areas comprise all guidance services, nurses, speech, hearing, occupational therapy, physical therapy, and psychological services.

**STAFF SUPPORT** costs include library services, technology integration support, and literacy collaborative support.

**BOARD/ADMINISTRATION/FISCAL** costs represent those of the administration and Board of Education's operation of the District. Also included in this category is school building secretarial support and financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

**BUSINESS SUPPORT** costs include business services such as risk management, construction management, central warehousing, courier services, and print shop expenditures.

**PLANT OPERATION** expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

**TRANSPORTATION** expenditures relate to providing transportation (mostly by bus) to all students who live in the Hilliard City School District, consistent with Board of Education policies and the laws of the State of Ohio. In FY2011 the bus fleet transported 9,399 regular and special education students to Hilliard City Schools, non-public and community schools.

**CENTRAL SUPPORT** expenditures include community relations and technology maintenance staff, computer network maintenance contracts, district wide postage costs, and strategic planning type activities.

**EXTRACURRICULAR** expenditures account for the salaries and benefits of club advisors and athletic coaches.

**DEBT SERVICE** expenditures relate to a capital lease on district wide copying equipment as well as energy conservation bonds issued for energy conservation improvements throughout the District.

# Assets Over Liabilities

The Financial Position Statement, known in accounting terms as the balance sheet, reports the assets available to provide services. Liabilities are the amounts for which the district is obligated to pay in the future. The amount below represents the difference between the assets of the district and the liabilities which it must pay. This amount provides the “net worth” of the district. Information is provided for the district’s General Fund.

## Assets

**Cash** is the amount of physical cash held by the District in checking accounts and on hand for purposes of paying expenses.

**Investments** are made up of funds not needed to pay current expenses. The Treasurer places these funds in a variety of investment options. This allows the District to earn interest on its cash.

**Receivables** represent the amounts that are owed to the District at June 30, 2011.

FINANCIAL BENEFITS (in thousands of \$)	FY11	FY10	FY09
Cash and Investments	\$15,507	\$18,188	\$ 16,956
Receivables	101,413	101,458	100,724
Other Assets	-	-	-
<b>Total Assets</b>	<b>\$116,920</b>	<b>\$119,646</b>	<b>\$117,680</b>

FINANCIAL DETRIMENTS (in thousands of \$)	FY11	FY10	FY09
Amounts Owed to Employees and Vendors	\$15,579	\$14,264	\$14,097
Other Liabilities	65,664	65,846	65,682
<b>Total Liabilities</b>	<b>\$81,243</b>	<b>\$80,110</b>	<b>\$ 79,779</b>
<b>Assets Over Liabilities</b>	<b>\$35,677</b>	<b>\$39,536</b>	<b>\$ 37,901</b>

## Liabilities

**Amounts Owed to Employees and Vendors** are those items which the District owes to individuals and companies who supply a service or good, and the expected payment is to be made within twelve months.

**Other Liabilities** include amounts due to other governments and deferred revenues. Deferred revenues are items that cannot be recognized as revenues of the period in which the receivable is reported, as the monies are not available for disbursement until a subsequent period.

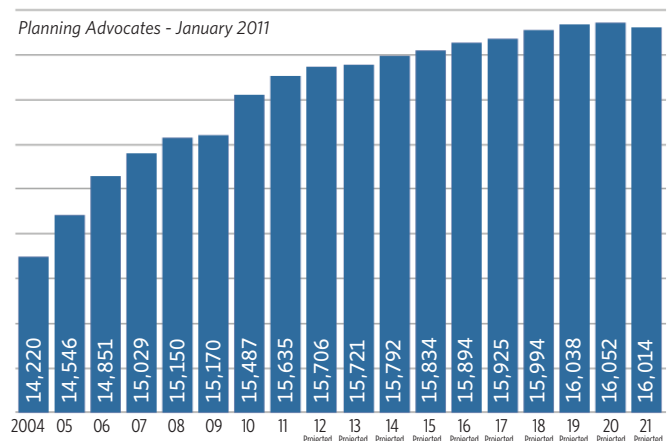
## Enrollment

### Current Trend and High Projected Enrollment

As the 9th largest school district in the state of Ohio, the Hilliard City School District served 15,635 students during the 2010-11 school year in grades pre K-12, through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools and a preschool. The district also operates a transportation center, an administration building and a maintenance/resource center.

Enrollment in the District has been steadily increasing over the past decade. The District hired Planning Advocates, Incorporated, a firm specializing in educational facility planning, to provide enrollment projections for the District.

The purpose of the projection was to help the District as it plans for its long range facility needs. The data provided are projections not predictions and beyond five to six years will become less reliable.



# ACCOMPLISHMENTS FOR 2011

## Financial

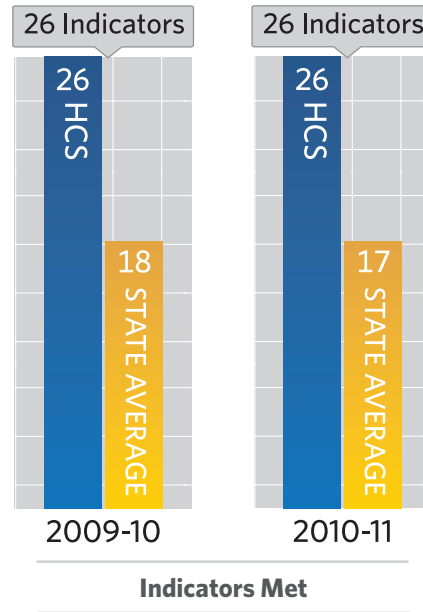
The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the sixteenth consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the sixth consecutive year. In addition, the District received the Meritorious Budget Award from the Association of School Business Officials International for the fifth time for the FY2011 budget document.

## Instruction

The Hilliard City School District received a State rating of Excellent with Distinction on the 2010-2011 local report card. Specifically, the District met 26 out of 26 required State performance indicators, satisfied the State's Adequate Yearly Progress (AYP) subgroup performance targets by using the academic growth projection, exceeded a year's growth in students' reading and math achievement in grades 4 through 8, and received a performance index score exceeding 100 or 103.5. Hilliard City Schools has earned the state's highest rating of "Excellent with Distinction" for the last four years. Only 15 school districts in Ohio have achieved this accomplishment, including only four in Franklin County.

Of the District's twenty-two schools, ten received a rating of excellent with distinction, eleven received a rating of excellent, and one received a rating of effective. Finally, 98.2% of our students with disabilities who were assessed with alternate assessments earned a passing score with 98.8% of those students receiving an advanced or accelerated score.

In addition, Hilliard City Schools' students receive more academic growth than nearly all other school districts in Ohio, according

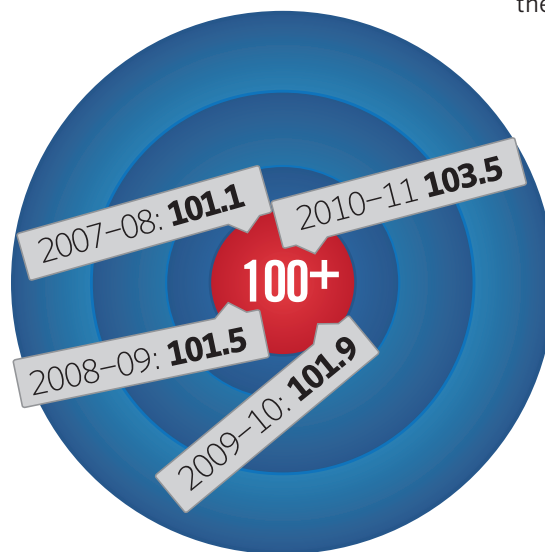


to a calculation from Battelle for Kids - an independent educational research organization. The group looked at the value-added calculations for all 610 school districts in Ohio that receive Local Report Cards from the Ohio Department of Education (ODE). When compared to these

other districts, Hilliard City Schools had the second highest calculation in Ohio.

Value-added is an ODE calculation that looks at how much academic growth a student receives in grades four through eight in the areas of math and reading over a year's worth of time.

The expectation is that students will receive at least one year's worth of growth over one year's time. If school districts receive more than a year's worth of growth, they achieve "above" status and are eligible for a higher ranking on the ODE Local Report Card.



Performance Index Score

# Numbers Behind Hilliard City Schools

GRADUATION RATE

94.9%



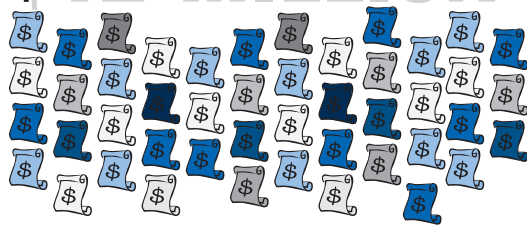
HIGH SCHOOL VARSITY TEAMS

78



SCHOLARSHIPS & GRANTS AWARDED

\$12 MILLION



GRADUATES PURSUING POST-SECONDARY EDUCATION

80%



TEACHING STAFF WITH MASTERS DEGREES & ABOVE

61.7%



LANGUAGES SPOKEN BY STUDENTS

42 Somali Arabic Gujarati JAPANESE Spanish

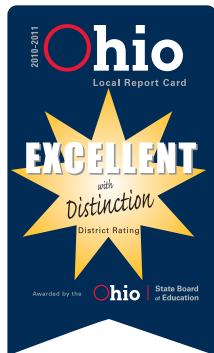
COUNTRIES REPRESENTED

64



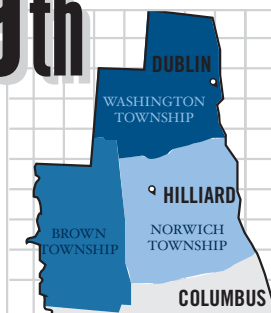
RATED EXCELLENT WITH DISTINCTION

4 YEARS IN-A-ROW



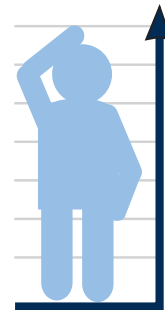
RANK IN STATE OF OHIO SIZE OF DISTRICT

9th



RANK IN STATE OF OHIO FOR VALUE ADDED

2nd





Ready For Tomorrow

## MISSION

In concert with family and community, the Hilliard City School District will empower all graduates to thrive in the 21st century.

## VISION

The Hilliard City Schools is a school system centered around the students and the work provided to them.

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