



Popular Annual Financial Report



FOR THE YEAR ENDING
JUNE 30, 2015

COLUMBUS, OHIO

Numbers Behind Hilliard City Schools

EMPLOYEES

1,695



STUDENTS

16,045



2015 GRADUATES

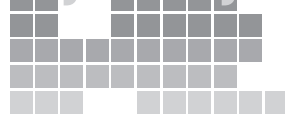
1,205



Maintained by
District custodians,
maintenance and
ground staff :

SQUARE FOOTAGE

2,159,610



ACREAGE

387



STUDENTS BUSSED DAILY

8,145



BUSES IN FLEET

157

MILES DRIVEN DAILY

9,130



LUNCHES SERVED

1,535,972

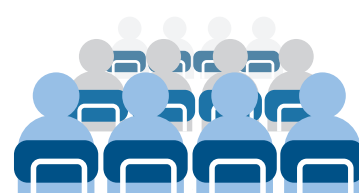
BREAKFAST SERVED

246,611



ATTENDANCE RATE

95.9%





November 30, 2015

We are pleased to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2015. This report makes our district's finances easier to understand, and is intended to communicate our financial situation in an open and accountable manner.

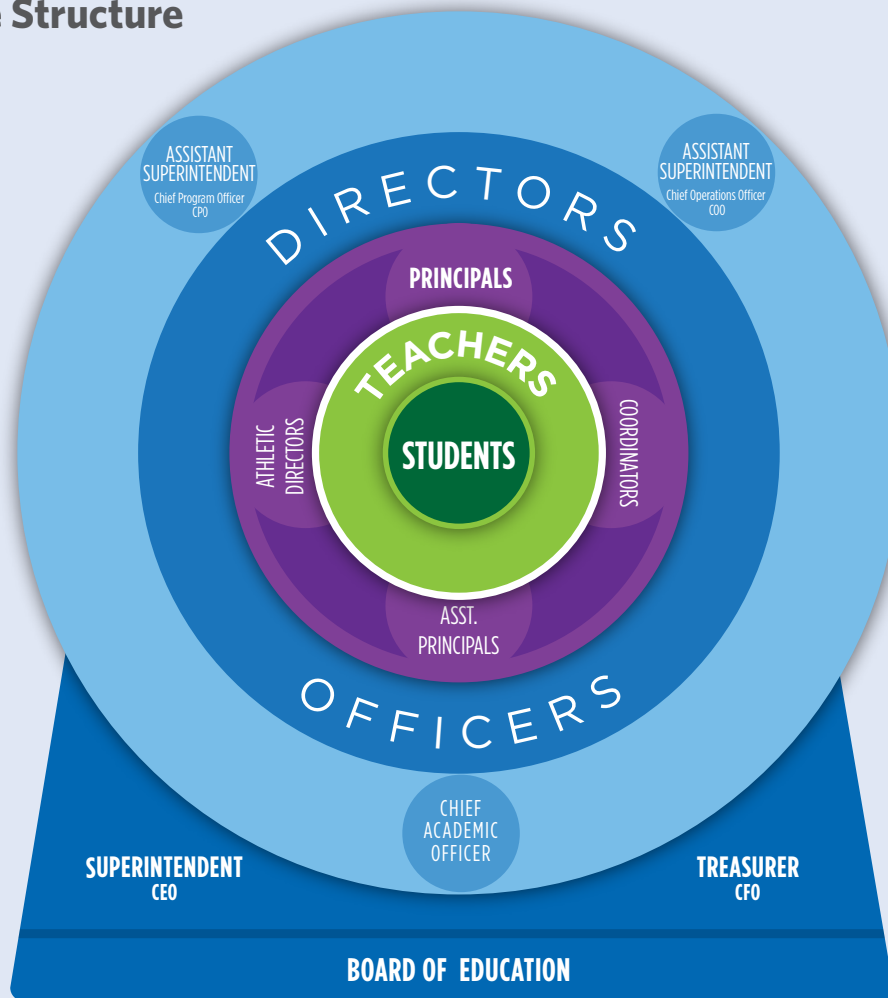
The PAFR is intended to summarize the financial activities and operating results reported in the Hilliard City School District's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals 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.

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.

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

Brian W. Wilson
Treasurer / CFO

Administrative Structure

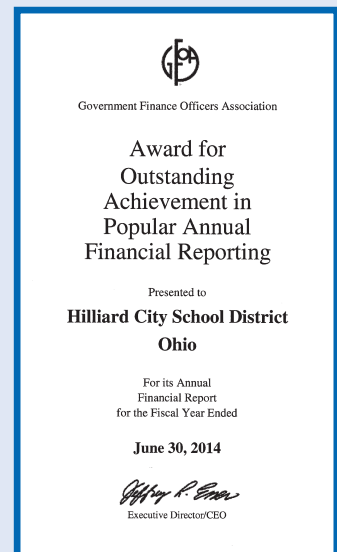


Award For Outstanding Achievement In Popular Annual Financial Reporting

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, 2014. 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 10 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.

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.

Income statement data for fiscal years 2011 through 2015 are presented below. Miscellaneous Revenue for FY15

decreased from FY14 due to the receipt in FY14 of two one-time payments. Those one-time payments consisted of a Tax Incremental Finance (TIF) payment of approximately \$1.7 million dollars, and an additional one-time payment of approximately \$881 thousand received from the County Board of Revision. The increase in State and Federal revenue in FY15 is attributable to an increase in State Aid of approximately 9%. Total General Fund Expenditures increased by 2.4% from FY14 to FY15. Contracts with both employee unions included 2% increases in January of 2015 and the increase to Instructional Staff expenditures in FY15 was related to the District's addition of both Math and Literacy Coach positions at the Elementary level.

RESOURCES TAKEN IN (in thousands of \$)	FY15	FY14	FY13	FY12	FY11
Local Taxes	\$109,794	\$109,817	\$101,809	\$105,924	\$ 93,730
State and Federal Revenue	61,870	58,092	53,825	54,793	56,167
Investment Income	227	124	175	184	256
Tuition & Fees	2,125	2,029	2,151	1,616	1,711
Miscellaneous	3,226	5,497	3,543	3,738	3,111
Total Revenues & Resources	\$177,242	\$175,559	\$161,503	\$166,255	\$154,975

SERVICES PROVIDED (in thousands of \$)	FY15	FY14	FY13	FY12	FY11
Instruction	103,961	101,734	98,958	97,691	\$ 99,648
Pupil Support	13,036	12,645	12,244	12,272	10,484
Instructional Staff	9,666	8,654	7,991	8,606	8,319
Board/Administration/Fiscal	13,672	13,511	14,089	11,077	13,777
Business Support	882	1,080	757	755	1,012
Plant Operation	13,888	13,980	13,593	13,766	13,971
Transportation	8,698	8,536	7,328	7,415	7,400
Central	1,454	1,297	1,405	603	558
Extracurricular	3,930	3,876	3,742	3,580	3,769
Capital Outlay	222	110	185	248	89
Miscellaneous	1	28	33	27	33
Debt Service	278	278	278	344	357
Total Expenditures & Services	\$169,688	\$165,729	\$160,603	\$156,384	\$159,417
Revenues & Resources Over Expenditures & Services	\$7,554	\$9,830	\$900	\$9,871	\$ (4,442)*

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

Our Revenues & Resources Where the money comes from

Local Property Taxes

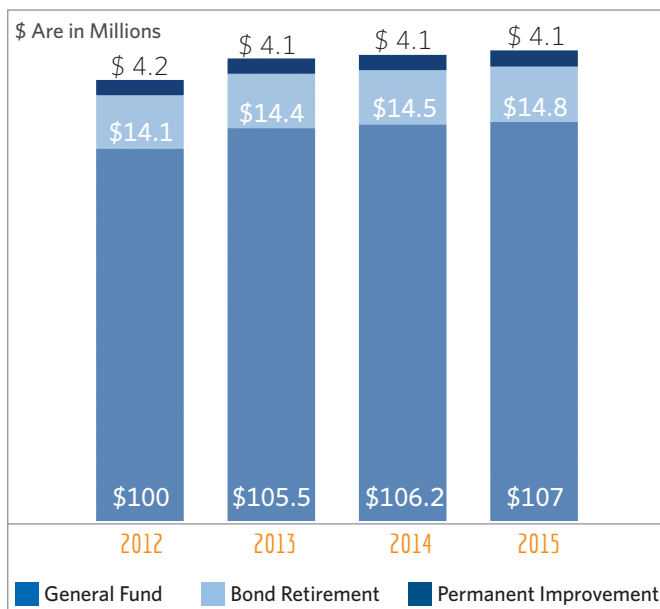
Below is a graph depicting the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. Taxes paid on homes and businesses (both property and equipment) represent 61.95% of all 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

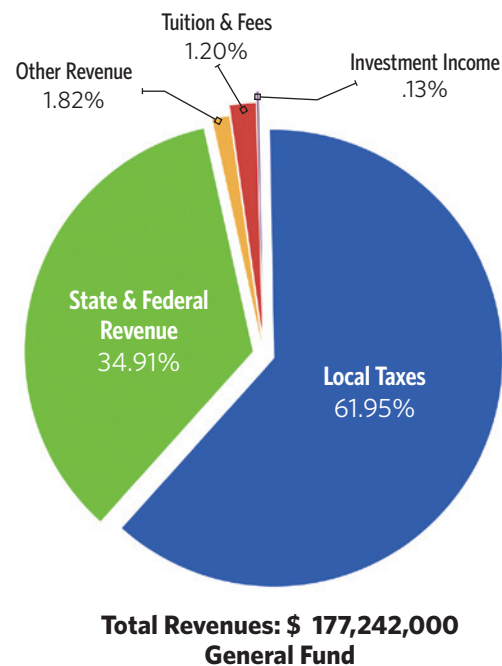
Tax dollars are received for the payment of principal and interest on voter approved bond issues related to the construction of buildings. Bond issue millage rates are set by the County Auditor, with information provided by the



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 Owner of a \$100,000 Home

TYPE	GROSS RATE	EFFECTIVE RATE	YEAR APPROVED	LENGTH APPROVED
INSIDE-OPERATING*	4.45	4.450	N/A	Permanent
VOTED-OPERATING*	76.00	42.981	Various	Permanent
BOND RETIREMENT	7.10	7.100	Various	Various
PERMANENT IMPROVEMENT	2.00	1.950	2006	Permanent
TOTAL RATES	89.55	56.481		

*Rates are for the 2014 tax year collected in calendar year 2015

Assessed Values Of Property Real Estate Taxes

COLLECTION YEAR	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL/ INDUSTRIAL	PUBLIC UTILITY	TOTAL
2015	\$ 1,793,342,680	\$ 536,824,640	\$ 73,714,610	\$ 2,403,881,930
2014	\$ 1,741,198,560	535,515,160	67,583,510	2,344,297,230
2013	1,736,232,210	540,995,710	64,720,360	2,341,948,280

State & Federal Sources - General Fund

State and Federal sources of revenue generated \$61.9 million or 34.9% 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 42.03% (FY2013). 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 to eliminate the tangible personal property tax in 2005 (HB 66). The District receives reimbursement from the State for the lost revenues, which were to make the District whole through FY13, and then phase out annually until completely eliminated by 2018. However, the 2011 biennium budget (HB 153) reduced this revenue source by 25% in FY12 and 33% in FY13. The State budget kept future reimbursements at the FY13 levels, but these reimbursements will be further reduced in subsequent budgets, beginning in FY16. In fiscal year 2015, the District received approximately \$6 million through this reimbursement.

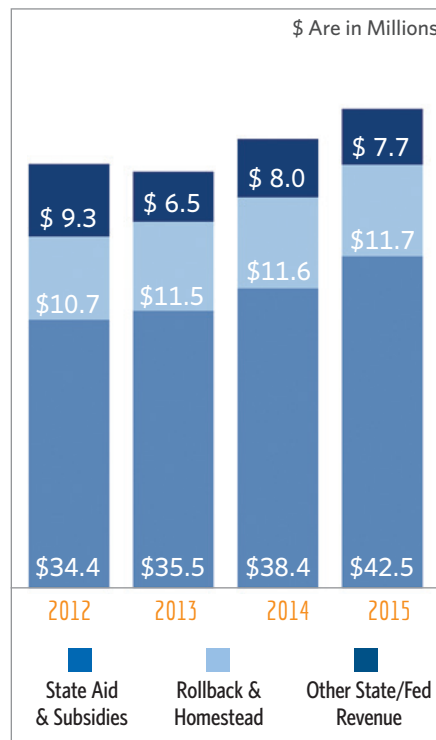
A significant portion of State revenue also comes from Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays

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. The most recent State budget, however, has eliminated the property tax rollback on any new levy passed after August of 2013.

Other State/Federal revenue includes the public utility reimbursement, tangible personal property tax loss reimbursement, Medicaid

reimbursement, catastrophic cost reimbursement, and casino revenue. 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 socioeconomic factors. The District also receives a federal credit for interest paid on Qualified School Construction Bonds.

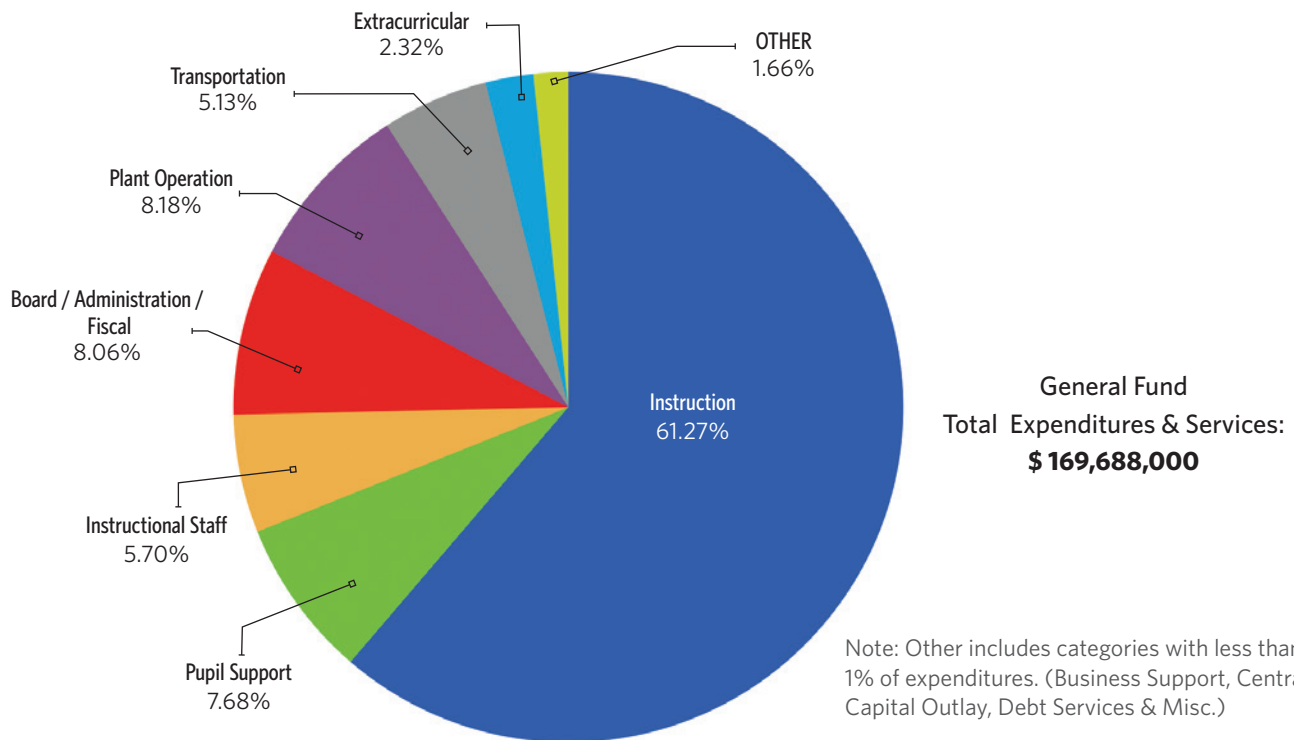
The chart below depicts state school funding in actual cash receipts for the District's General Fund. Years are presented on a June 30 fiscal year-end basis. Included in the 2015 other state revenue is \$6,063,289 in reimbursement for tangible personal property tax loss.



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.

Our Expenditures & Services: 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 FY2015, the bus fleet transported 8,145 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, 2015.

Liabilities & Deferred Inflows/Outflows

Liabilities are those amounts the District owed to employees, other governments or vendors for items or services that have been provided to the District, for which payment is expected to be made within twelve months.

Deferred Inflows of Resources and Deferred Outflows of Resources are neither assets nor liabilities

as they relate to the current fiscal year. Unlike current assets and liabilities, amounts classified as “deferred inflows” or “deferred outflows” are amounts which will not be recognized as a revenue or an expense until the future period to which the inflows or outflows are related. For FY15 the District’s General Fund reported deferred inflows related to tax revenue received but not available for use until a future period, and no deferred outflows.

ASSETS (in thousands of \$)	FY15	FY14
Cash and Investments	\$33,397	\$27,584
Receivables	114,792	114,652
Total Assets	\$148,189	\$142,236

LIABILITIES (in thousands of \$)	FY15	FY14
Accounts Payable	\$919	\$831
Due to Other Govt’s/Employees	16,575	15,589
Total Liabilities	\$17,494	\$16,420

DEFERRED INFLOWS (in thousands of \$)	FY15	FY14
Property Taxes	\$66,865	\$69,206
Other Revenues	41	45
Total Deferred Inflows	\$66,906	\$69,251

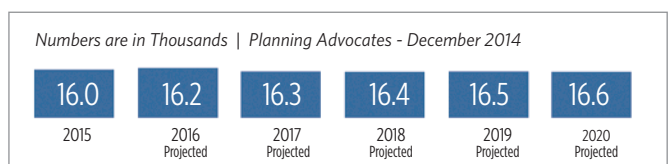
Total Liabilities and Deferred Inflows	\$84,400	\$85,671
Assets over Liabilities & Deferred Inflows	\$63,789	\$56,565

Enrollment

Current Trend and Most Likely Projection

As the 9th largest school district in the state of Ohio, the Hilliard City School District served 16,045 students during the 2014-15 school year in grades preK-12, through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, and a preschool. The district also operates the McVey Innovative Learning Center, 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 years will become less reliable.



ACCOMPLISHMENTS FOR 2015

Financial

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the twentieth consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the tenth consecutive year. In addition, the District received the Meritorious Budget Award from the Association of School Business Officials International for the ninth time for the FY 2015 Budget Document.

Instruction

The State of Ohio will not be releasing the Ohio School Report Cards for 2015 until January of 2016. This delay in releasing the 2015 Report Cards is due to the transition to new state tests in English language arts, mathematics, science and social studies.

When released, the revised Report Card will be broken down into six general categories (Achievement, Gap Closing, Progress, Graduation Rate, K-3 Literacy, and Prepared for Success) featuring 10 "A" through "F" grades for two components in each category with the exception of the "Prepared for Success" category which will not have an applicable grade but will be in report format, only.

The most current available report card information for the District is the Ohio Department of Education's 2014 Local Report Card System (LRC). This report card was divided into four general categories (Achievement, Gap Closing, Graduation Rate and Progress) that were further broken down into nine different components with individual letter grades for each component. For the 2014 school year the district's Performance Index increased from a 103.6 to a 104.3 and received a "B." Hilliard Schools also met all 24 Performance Indicators and again received an "A" in this category. Under the Graduation Rate category, Hilliard City Schools continued to have high

levels of students graduating on time and received an "A" in both Graduation Rate components.

Additionally for the 2014 report card, the Progress category addressed value-added or academic growth data and was broken down into four components: Value Added All Students, Value Added Gifted, Value Added Lowest 20 Percent and Value Added Students with Disabilities. Hilliard Schools made the most significant progress in this category by not only maintaining an "A" rating for Value Added All Students, but by receiving an "A" in each of the other three categories as well. The "Gap Closing" component was calculated through the "Annual Measurable Objectives" (AMO) measurement of the LRC, and Hilliard Schools received a grade of "B" in 2014 for Gap Closing.

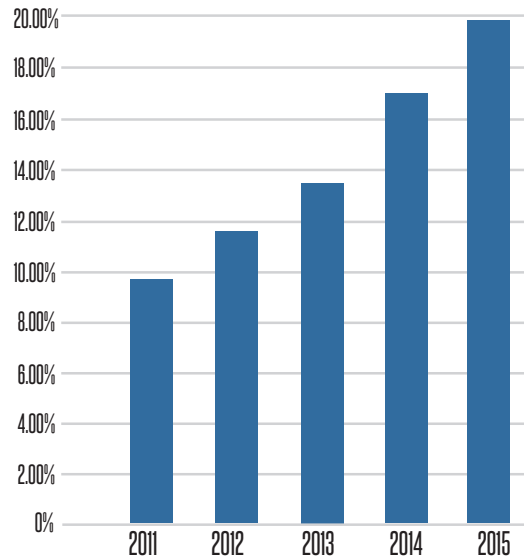


During the 2015 school year, the District began implementing its "One2One" initiative. This blended learning program provides iPad devices to students to utilize both at school and at home during their enrollment with Hilliard Schools. This initiative is supported by research data that suggests that using devices of this type of technology in a school setting is one of the most significant ways to impact student motivation, increase learning and achievement, provide learning resources, and prepare students for their future. The initial phase of the "One2One" initiative in 2015 provided iPad mini devices to all students enrolled in the 6th grade and all 6th grade teachers received iPad Airs. During the 2015-16 school year, all middle schools will begin using iPad Mini and Air devices for both students and staff.

Numbers Behind Hilliard City Schools

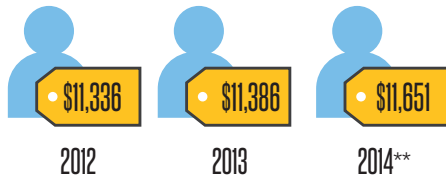
General Fund

Cash & Investments as a percentage of Total Expenditures

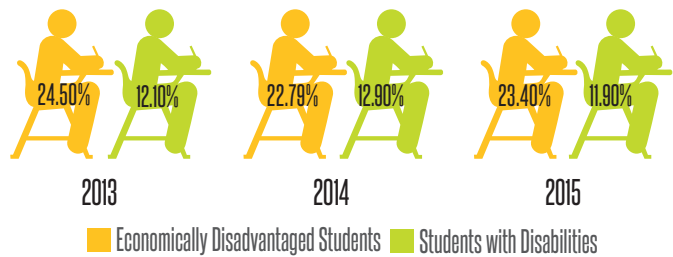


District Info

District Cost Per Pupil



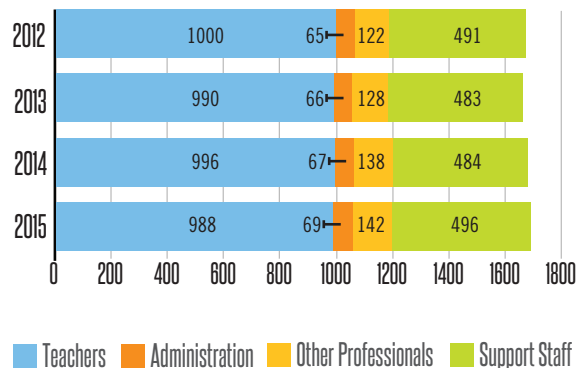
Student Demographics



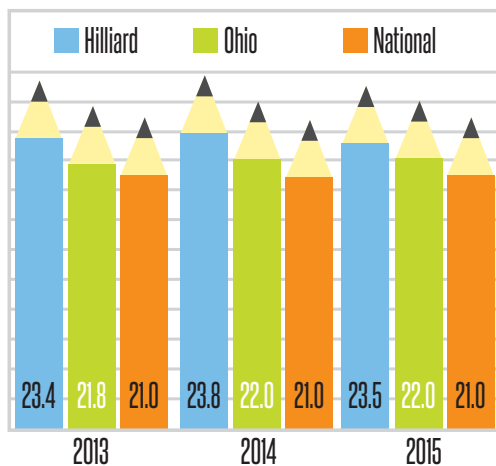
Graduation Rate



District Staffing



ACT Scores



Other professionals include psychologists, counselors, nurses, media specialists, etc.
Support staff include secretaries, aides, custodians, bus drivers, etc.

** Most Current Data Available

MISSION

Hilliard City Schools will ensure that every student is Ready For Tomorrow.

VISION

Hilliard City Schools will Embrace, Empower & Inspire students, families & community in an active partnership.



Ready For Tomorrow



2140 ATLAS STREET | COLUMBUS, OHIO 43228 | (614) 921-7000
www.hilliardschools.org