



# Popular Annual Financial Report

FOR THE YEAR ENDING  
JUNE 30, 2018

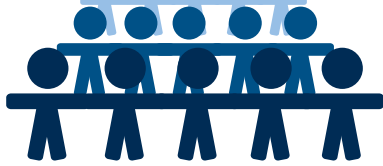
COLUMBUS, OHIO



# Numbers Behind Hilliard City Schools

STUDENTS

16,524



2018 GRADUATES

1,215



EMPLOYEES

1,718



BREAKFAST SERVED

265,871

LUNCHES SERVED

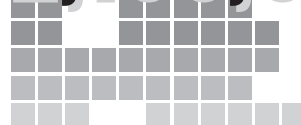
1,145,524



SQUARE FOOTAGE

2,159,610

Maintained by  
District custodians,  
maintenance and  
ground staff :



ACREAGE

387





December 21, 2018

**W**e are pleased to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2018. 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).

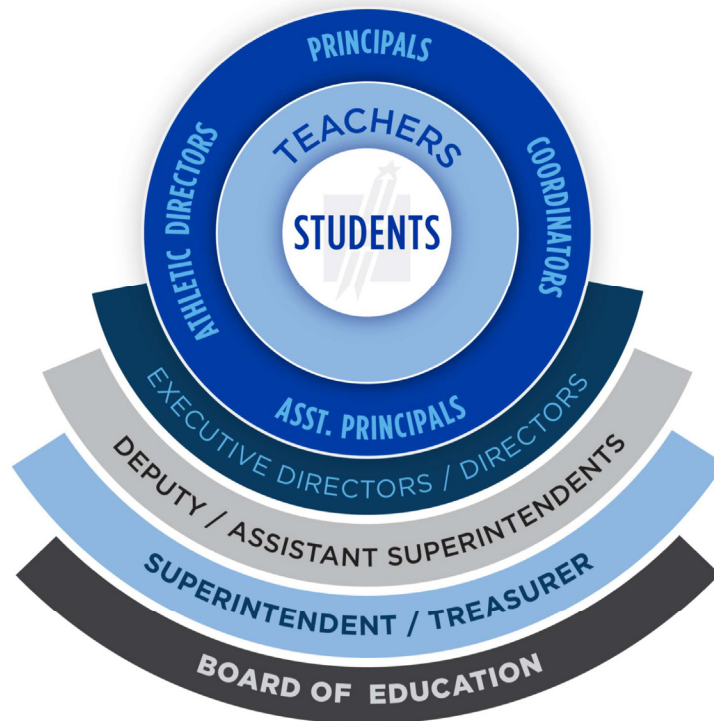
The Hilliard City School District is proud of the creation of this report. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback 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



# Admin Structure

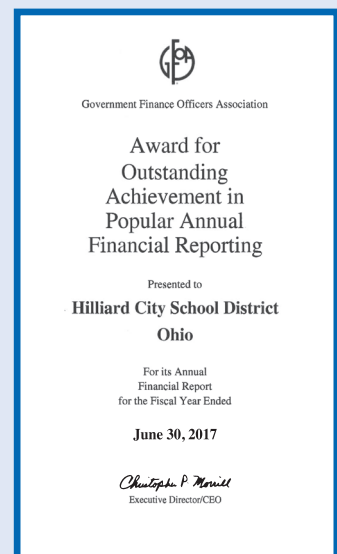


## Award For Outstanding Achievement In Popular Annual Financial Reporting

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, 2017. 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 13 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.

Income statement data for fiscal years 2014 through 2018 are presented below. The increase in Investment Income of 14.5% from FY17 to FY18 is attributable to an increase

in rate of returns on investments for the District's interim deposits.

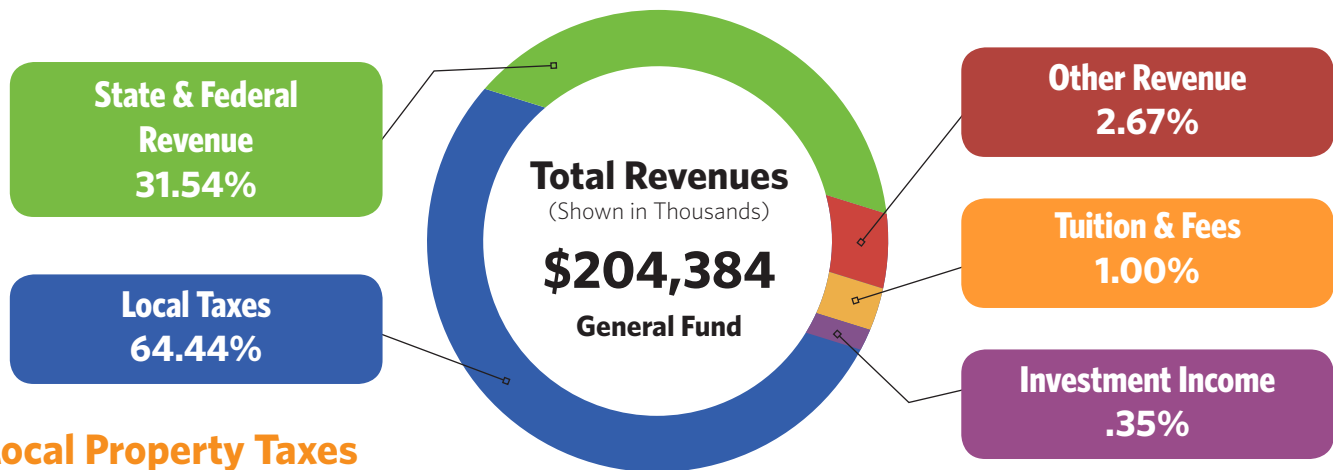
The increase in Miscellaneous Revenue of 15.7% was a result in an increase in the amount of Tax Incremental Financing (TIF) payments received by the district in FY18.

Overall, total General Fund Expenditures increased by 4.9% from FY17 to FY18. Contracts with both employee unions included 2.0% increases in FY18. Miscellaneous support expenditures increased in FY18 related to an increase in student scholarships awarded and student/staff incentive purchases. Capital Outlay expenditures increased as a result of high school theater renovations, musical instrument replacement and vehicle purchases.

RESOURCES TAKEN IN (in thousands of \$)	FY18	FY17	FY16	FY15	FY14
Local Taxes	\$131,708	\$128,647	\$104,905	\$109,794	\$109,817
State and Federal Revenue	64,480	62,968	63,721	61,870	58,092
Investment Income	718	627	445	227	124
Tuition & Fees	2,054	1,979	2,070	2,124	2,029
Miscellaneous	5,424	4,686	4,048	3,891	5,497
<b>Total Revenues &amp; Resources</b>	<b>\$204,384</b>	<b>\$198,907</b>	<b>\$175,189</b>	<b>\$177,906</b>	<b>\$175,559</b>

SERVICES PROVIDED (in thousands of \$)	FY18	FY17	FY16	FY15	FY14
Instruction	119,420	112,610	105,412	104,214	101,734
Pupil Support	14,874	14,609	13,574	13,036	12,645
Instructional Staff	11,472	10,692	10,344	9,666	8,654
Board/Administration/Fiscal	14,241	14,204	13,353	13,671	13,511
Business Support	780	830	778	882	1,080
Plant Operation	15,055	14,490	13,699	13,888	13,980
Transportation	9,829	9,083	8,701	8,698	8,536
Central	2,287	2,139	1,659	1,454	1,297
Extracurricular	4,064	4,644	3,963	3,930	3,876
Capital Outlay	512	296	431	222	110
Miscellaneous	43	8	6	1	28
Debt Service	278	278	278	278	278
<b>Total Expenditures &amp; Services</b>	<b>\$192,855</b>	<b>\$183,883</b>	<b>\$172,198</b>	<b>\$169,940</b>	<b>\$165,729</b>
<b>Revenues &amp; Resources Over Expenditures &amp; Services</b>	<b>\$11,529</b>	<b>\$15,024</b>	<b>\$2,991</b>	<b>\$7,966</b>	<b>\$9,830</b>

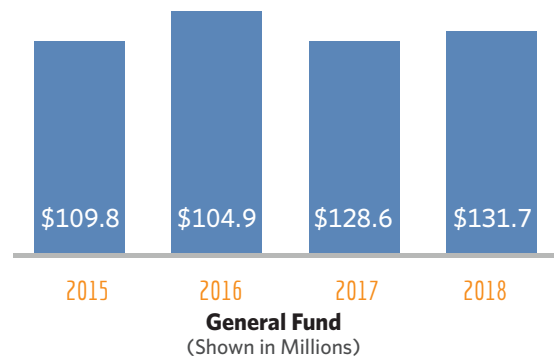
# Our Revenues & Resources



## Local Property Taxes

The graph to the right depicts the amount of 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 64.4% of all **General Fund** revenues.

Our community last passed an operating levy in November of 2016, resulting in the increase in collections received from 2016 to 2017. The increase of \$3.1 million in receipts between 2017 to 2018 relates to accrual accounting and the recognition of tax revenues collected and reported as available from the County Auditor.



## 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*	80.50	43.251	Various	Permanent
BOND RETIREMENT	6.80	6.800	Various	Various
PERMANENT IMPROVEMENT	2.00	1.776	2006	Permanent
<b>TOTAL RATES</b>	<b>93.75</b>	<b>56.277</b>		

\*Rates are for the 2017 tax year collected in calendar year 2018.

## Assessed Values Of Property Real Estate Taxes

COLLECTION YEAR	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL/ INDUSTRIAL	PUBLIC UTILITY	TOTAL
2018	\$ 2,032,860,170	\$ 645,177,010	\$ 92,459,760	<b>\$ 2,770,496,940</b>
2017	\$ 1,846,009,200	\$ 590,001,290	\$ 85,495,620	<b>\$ 2,521,506,110</b>
2016	\$ 1,815,408,820	\$ 553,320,190	\$ 78,091,680	<b>\$ 2,446,820,690</b>

# Our Revenues & Resources - Continued

## State & Federal Sources - General Fund

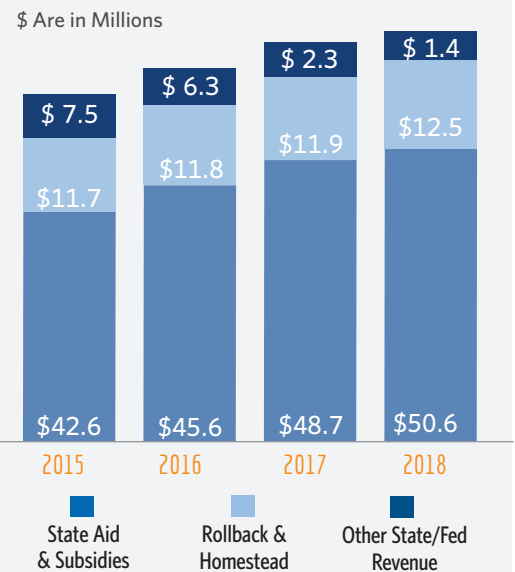
State and Federal sources of revenue generated \$64.5 million or 31.5% of all **General Fund** revenue for the District. Due to a relatively higher property valuation per pupil, and other demographic figures, the District is considered wealthy and receives less than the State average percentage of 43.6% (FY17).

The majority of **State Aid & Subsidies** is comprised of School Foundation aid, which is a formula calculation based upon student enrollment. The State of Ohio implemented a new funding formula in 2014, with revisions in 2015 and again in 2017 for FY18. However, the State still has not fully funded the formula and the District's funding increase was capped at 3% for FY18. In addition to Foundation revenue, the District also receives Poverty Based Assistance and Career Tech funding from the State.

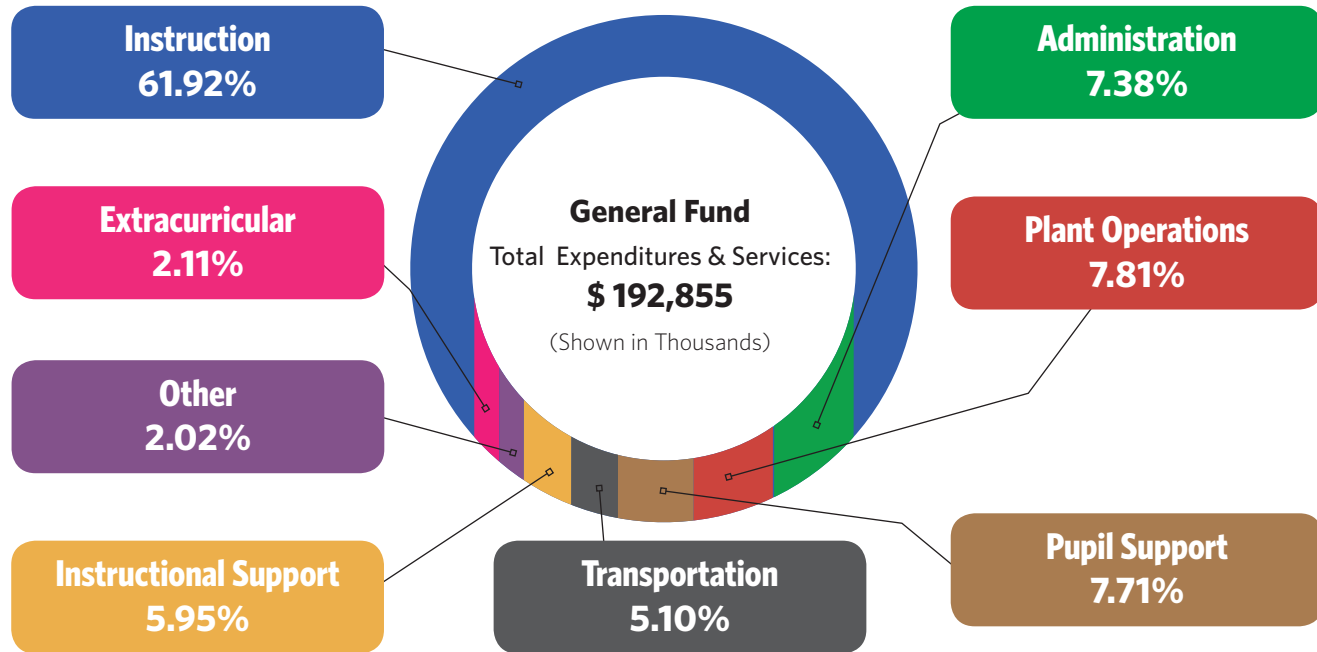
The District also receives **Rollback and Homestead** payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. 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 socio-economic factors. The District also receives pass-thru federal Refugee grant funds and a federal credit for interest paid on Qualified School Construction Bonds.

The chart below depicts state and federal sources of revenue receipts for the District's **General Fund**. Years are presented on a June 30 fiscal year-end basis. The significant decrease in Other State/Federal Revenue in from FY16 to FY17 is a result of the phase out of the Tangible Personal Property Tax reimbursement received from the State. The District received approximately \$3 million in FY16, but the reimbursement amount was reduced to \$89,000 in FY17, and eliminated in FY18. The decrease in Other State/Federal from FY17 to FY18 is attributable to a decrease in the amount of Medicaid reimbursements received by the District in FY18.



# Our Expenditures & Services - Where the Money Goes



Note: Other includes categories with less than 1% of expenditures. (Business Support, Central, Capital Outlay, Debt Services & Misc.)

## 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 FY18, the bus fleet transported 8,257 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 represent payments for energy conservation bonds issued for energy conservation improvements in the District.



# Assets Over Liabilities - General Fund

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 and Investments** represent the amount of physical cash held by the District in checking accounts and on hand for purposes of paying expenses, as well as interim funds invested by the Treasurer in a variety of accounts. The investment of those interim funds allows the District to earn interest on its cash. The 23.5% increase in Cash and Investments from FY17 to FY18 is the result of revenues exceeding expenditures in the General Fund due to a new operating levy passed in November of 2016.

**Receivables** represent the amounts that are owed to the District on June 30, 2018.

## 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 FY18 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 \$)	FY18	FY17
Cash and Investments	\$60,934	\$49,232
Receivables	131,354	129,183
<b>Total Assets</b>	<b>\$192,288</b>	<b>\$178,415</b>

LIABILITIES (in thousands of \$)	FY18	FY17
Accounts Payable	\$852	\$753
Due to Other Govt’s/Employees	22,847	19,051
<b>Total Liabilities</b>	<b>\$23,699</b>	<b>\$19,804</b>

DEFERRED INFLOWS (in thousands of \$)	FY18	FY17
Property Taxes	\$74,443	\$76,572
Other Revenues	1,135	270
<b>Total Deferred Inflows</b>	<b>\$75,578</b>	<b>\$76,842</b>

<b>Total Liabilities and Deferred Inflows</b>	<b>\$99,277</b>	<b>\$96,646</b>
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<b>Assets over Liabilities &amp; Deferred Inflows</b>	<b>\$94,011</b>	<b>\$81,769</b>
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# District Finances - Debt

## District's Debt

Debt			
Purpose	Matures	Interest Rate	Outstanding Balance
2000 School Improvement Bonds	12/1/19	6.689%	\$3,135,960
2005 Refunding Bonds	12/1/20	4.353%	3,786,258
2008 Tax Anticipation Notes	12/1/18	2.50-3.75%	1,830,000
2009A School Improvement Bonds	12/1/23	4.469%	2,884,993
2009B Refunding Bonds	12/1/20	4.059%	4,474,972
2011 Refunding Bonds	12/1/28	4.512%	9,215,000
2011 HB264 Energy Conservation Notes	12/1/25	5.550%	5,000,000
2013A Refunding Bonds	12/1/27	2.107%	46,994,983
2013B Refunding Bonds	12/1/27	2.892%	19,429,929
2014 Refunding Bonds	12/1/24	4.757%	5,605,000
2015 Refunding Bonds	12/1/27	3.430%	8,830,000
2016 School Improvement Bonds	12/1/44	3.683%	9,305,000
2017 School Improvement Bonds	12/1/46	3.875%	40,695,000
<b>Total Outstanding</b>			<b>\$151,080,007</b>

Our District had \$151.1 million in debt outstanding at June 30, 2018, the majority of which is related to our 2013 and 2017 bond issues. The 2017 bonds were issued for capital improvements, with the majority portion to fund the construction of the new Memorial Middle School. Refunding bonds represent debt issued to refinance previous bond issues, which is similar to a homeowner refinancing a home for a lower interest rate. It saves money by reducing payments over the term of the issue, and as a result, bond debt can be paid off sooner and/or property tax millage could eventually be reduced. Our most recent refunding issue in 2015 resulted in a savings to taxpayers of \$1.2 million dollars.

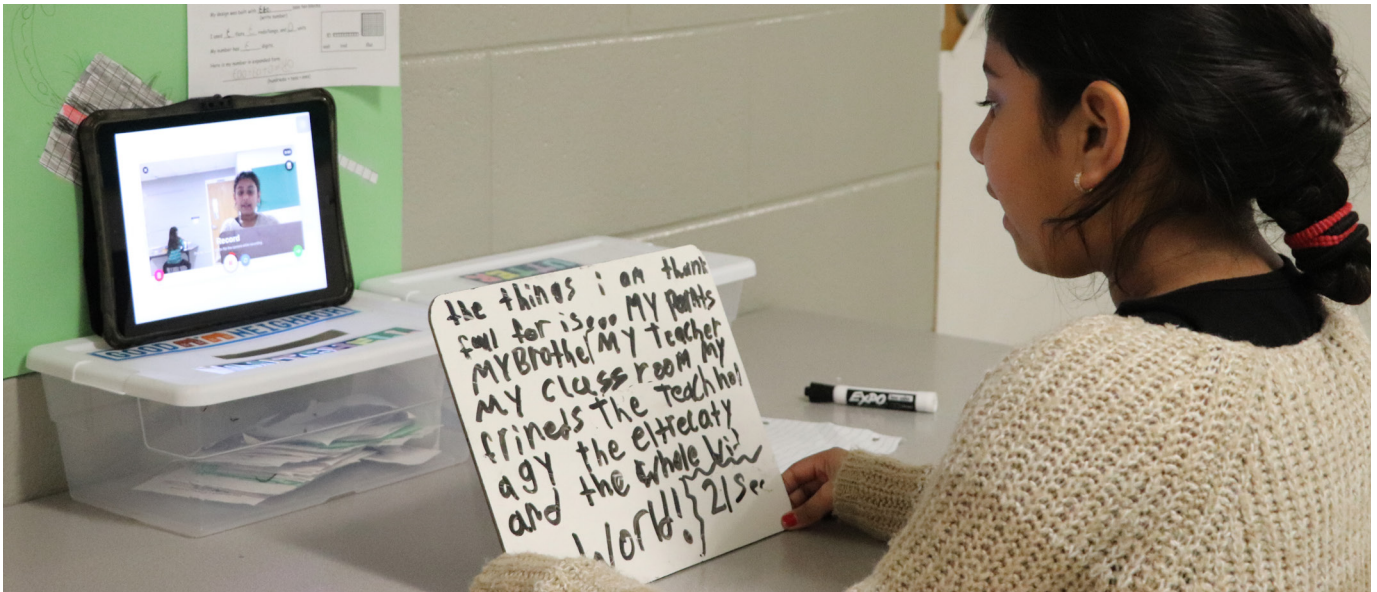


Bond levy property tax rates are set annually to cover debt payments that are due that calendar year, and are currently not to exceed 7.4 mills. This table illustrates expected rates each year as the debt is paid off. Based on the way the district has structured its debt service payments over time, we are able to reduce the millage required to cover debt payments annually, resulting in a savings to taxpayers.

## Hilliard Schedule of Debt Requirements

Collection Year	Estimated Assessed Value	Debt Service Requirement	Estimated Required Millage
2018	2,770,496,940	20,246,548	6.80
2019	2,795,394,914	19,851,213	6.80
2020	2,809,371,888	15,906,528	6.80
2021	2,893,653,045	15,851,938	5.50
2022	2,908,121,310	16,057,888	5.50
2023	2,922,661,917	15,967,613	5.50
2024	3,010,341,774	15,872,025	5.50
2025	3,017,867,629	13,752,475	4.30
2026	3,025,412,298	13,648,873	4.30
2027	3,116,174,667	13,549,683	4.20
2028	3,123,965,103	3,351,113	1.80
2029	3,131,775,016	3,007,013	0.90
2030	3,225,728,267	3,007,013	0.90
2031	3,233,792,587	3,004,613	0.90

# Five Year Forecast



	Fiscal Year 2018 Actual	Fiscal Year 2019 Projected	Fiscal Year 2020 Projected	Fiscal Year 2021 Projected	Fiscal Year 2022 Projected	Fiscal Year 2023 Projected
<b>Beginning Balance:</b>	\$48,270,541	\$61,284,995	\$66,072,966	\$67,470,109	\$64,209,023	\$55,404,703
<b>+ Revenue</b>	201,625,733	202,088,815	204,415,343	206,971,109	209,306,046	211,660,510
<b>- Expenditures</b>	(188,611,279)	(197,300,844)	(203,018,200)	(210,232,195)	(218,110,366)	(226,751,932)
<b>+ Revenue Surplus or (Deficit)</b>	13,014,454	4,787,971	1,397,143	(3,261,086)	(8,804,320)	(15,091,422)
<b>Ending Balance:</b>	\$61,284,995	\$66,072,966	\$67,470,109	\$64,209,023	\$55,404,703	\$40,313,281

The Hilliard City School District is in a healthy financial position. Our current five-year forecast (October 2018) projects that Hilliard Schools will maintain a positive end-of-year cash balance through fiscal year 2023. District voters approved a 4.5 mil operating levy in November 2016. The November 2016 ballot issue was the first operating levy request from the District since 2011, and at 4.5 mils, was the smallest operating levy request by the District in over 30 years.

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the twenty-third consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the thirteenth consecutive year. In addition, the District received the Meritorious Budget Award from the Association of School Business Officials International for the twelfth time for the FY18 budget document.

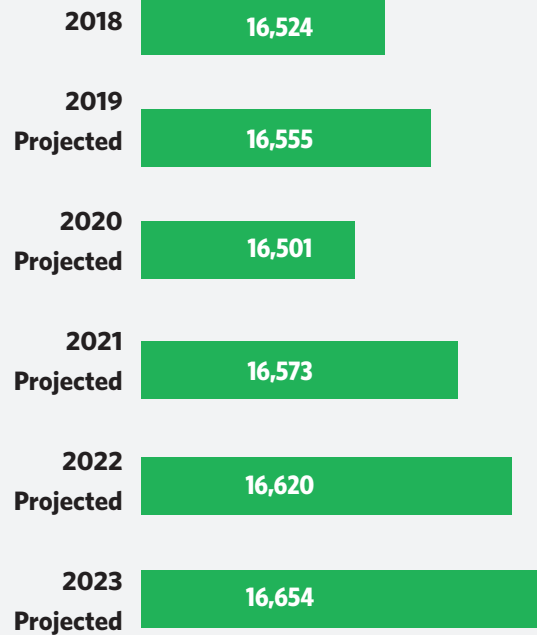


## Current Trend and Most Likely Projection

As the 8th largest school district in the state of Ohio, the Hilliard City School District served 16,524 students during the 2017-18 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.

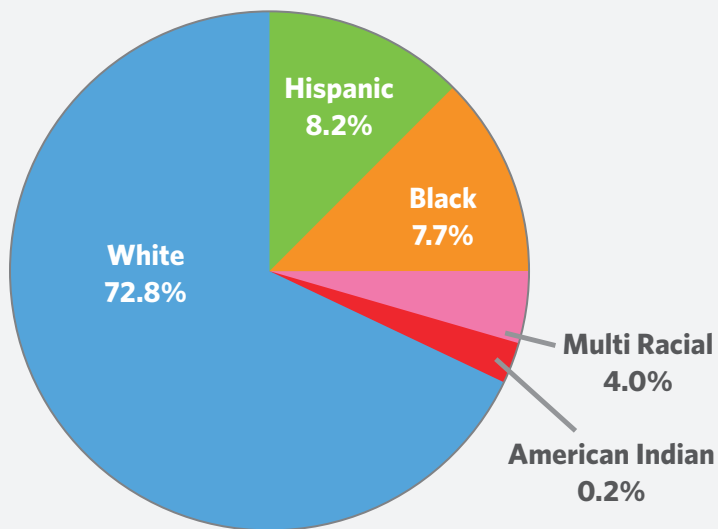
Enrollment in the District has been steadily increasing over the past decade. The District contracted with Cooperative Strategies, a firm specializing in educational facility planning, to provide enrollment projections for the District. The purpose of the projection was to help the District as it plans for its long range facility needs. The data provided are projections, not predictions, and beyond five years will become less reliable.

## Enrollment Projections Data by Cooperative Strategies 2018



## District Ethnicity

Hilliard City School District is also rich with diversity, as the chart illustrates. Our subgroup populations include 7.1% English Learners, 13.6% students with disabilities, and 23.7% economically disadvantaged.





# Celebrating Accomplishment, Focusing on the Future



## Celebrating a Decade of Innovation – Blended Learning and One2One

Over the past decade the Hilliard City School District's Technology Task Force set the course for a complete One-2-One initiative. This intentional plan, created through the collaborative work of over 100 parents, teachers, students, and community members, served as a map as Hilliard Schools strategically implemented the rollout of over 16,500 iPads to students in grades K-12. Beginning with our sixth grade buildings, teachers were provided professional development in advance of students receiving their personal devices.

The district systematically moved each year to include middle schools, high schools, and eventually elementary schools in the One-2-One program. Furthermore, again in a collaborative process, the district shifted to Canvas as our learning management system (LMS). Canvas, the LMS utilized by The Ohio State University, Ohio University, and most other Ohio universities, is a powerful tool to provide blended learning opportunities for Hilliard students while also preparing them for success in the future.

Our district continued to expand world language offerings required for success in a globally interdependent world. The continued expansion of our Chinese language programs is a testament to the commitment in this area. Our elementary schools have also hosted year-long programs to bring both Chinese and Arabic to elementary students. The first year of American Sign Language at the Innovation Campus was so successful that the district has added a second teacher for the 2018-19 school year.

Communication in the 21st century is essential for success; we are meeting the challenge.

### Mission:

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

### Vision:

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

# Employers & Taxpayers

## Top 5 Employers within the District June 30, 2018

Employer	No of Employees
Hilliard City School District	1,635*
Cellco Partnership-Verizon	1,553
West-Ward Pharmaceuticals	1,008
Sedgewick Claims Mgmt., Inc.	871
BMW Financial Services	680

\* This is a count of employees, not of FTE's as presented in the CAFR.

## Top 5 Taxpayers within the District June 30, 2018

Employer	Total Assessed Valuation	% of Total Valuation
Ohio Power Company	\$65,101,150	2.35%
Villages at Britton, LTD	\$16,450,010	0.59%
Hilliard Station Apartments	\$14,497,610	0.52%
AEP Ohio Transmission	\$14,203,090	0.51%
West-Ward Columbus	\$13,293,260	0.48%



# Numbers Behind Hilliard City Schools

STUDENTS BUSSED DAILY

8,257



BUSES IN FLEET

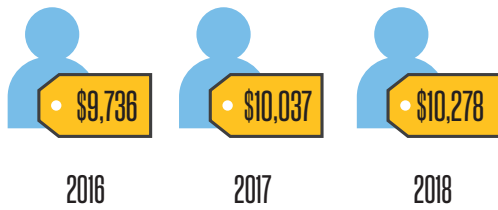
157

MILES DRIVEN DAILY

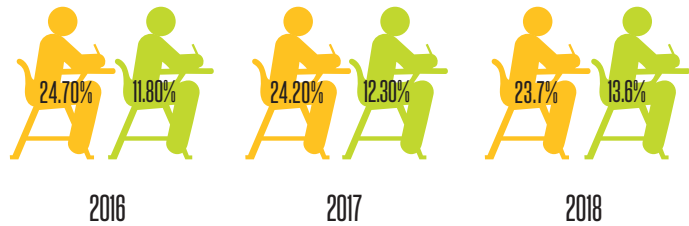
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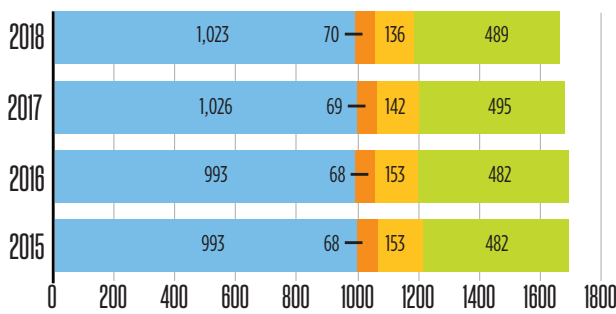
## District Cost Per Pupil



## Student Demographics



## District Staffing

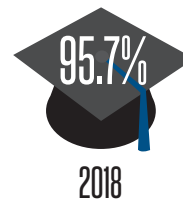


■ Teachers 
 ■ Administration 
 ■ Other Professionals 
 ■ Support Staff

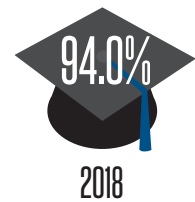
Other professionals include psychologists, counselors, nurses, media specialists, etc.

Support staff include secretaries, aides, custodians, bus drivers, etc.

## Attendance Rate



## Graduation Rate







## Ready For Tomorrow

2140 ATLAS STREET | COLUMBUS, OHIO 43228 | (614) 921-7000  
[www.hilliardschools.org](http://www.hilliardschools.org)

