



Popular Annual Financial Report

Hilliard City Schools

Fiscal Year Ended June 30, 2020

WELCOME

December 1, 2020

We are proud to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020. As part of our commitment to transparency, the PAFR is intended to communicate our financial situation in an open and accountable manner.

The PAFR offers an easy-to-understand overview of the district's general operating activities, as well as key financial trends and data. The report focuses on the district's General Fund and is not as detailed as our Comprehensive Annual Financial Report (CAFR). The CAFR contains full financial statements and note disclosures for all activities and funds and is prepared following the Generally Accepted Accounting Principles (GAAP). The PAFR is un-audited and is compiled using data taken from the audited information in the CAFR for the year ended June 30, 2020.

For those interested in exploring the more comprehensive CAFR, a copy of the document is available from the Treasurer's office or can be viewed on the District's website at hilliardschools.org/departments/fiscal-services. In addition to our annual CAFR and PAFR, we offer an array of other district financial data and documents on our website including copies of our district's Budget Document, Five-Year Forecast, and other financial information.

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 address their needs more adequately 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.

Respectfully submitted,



Brian W. Wilson
Treasurer/CFO

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 the community in an active partnership.

INSIDE

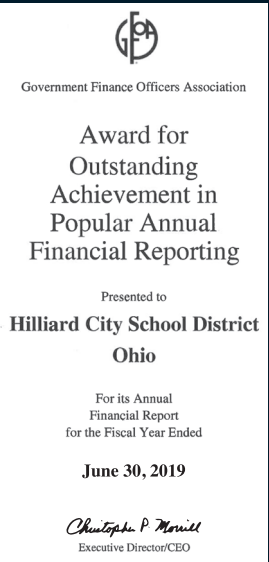
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Hilliard City Schools
Central Office

2140 Atlas Street
Columbus, OH 43228

614-921-7000

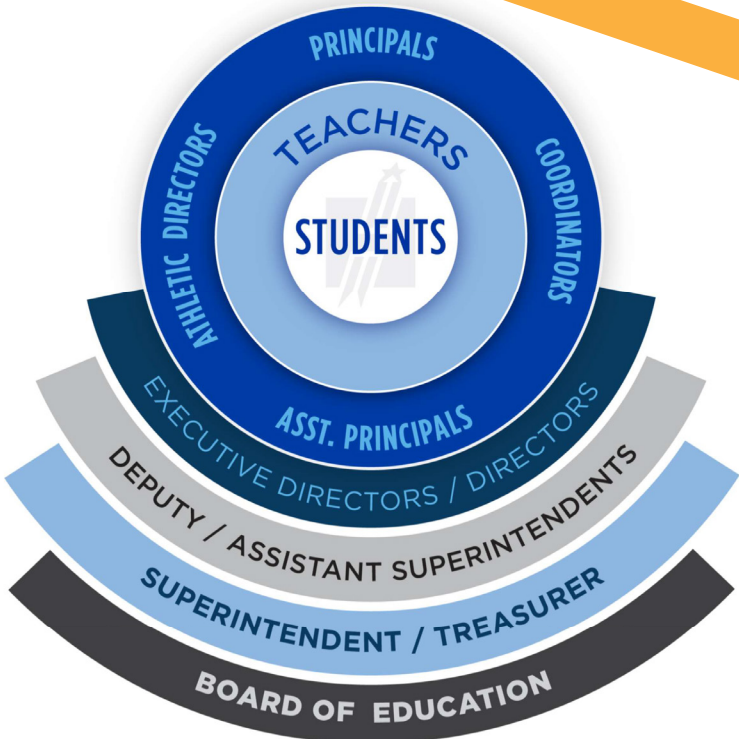




The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Hilliard City School District for its PAFR for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government popular reports.

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 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 15 years.



ADMIN STRUCTURE

Readers of the Financial Activity Statement (below) should keep in mind that the numbers in this report 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/departments/fiscal-services/financialreports.

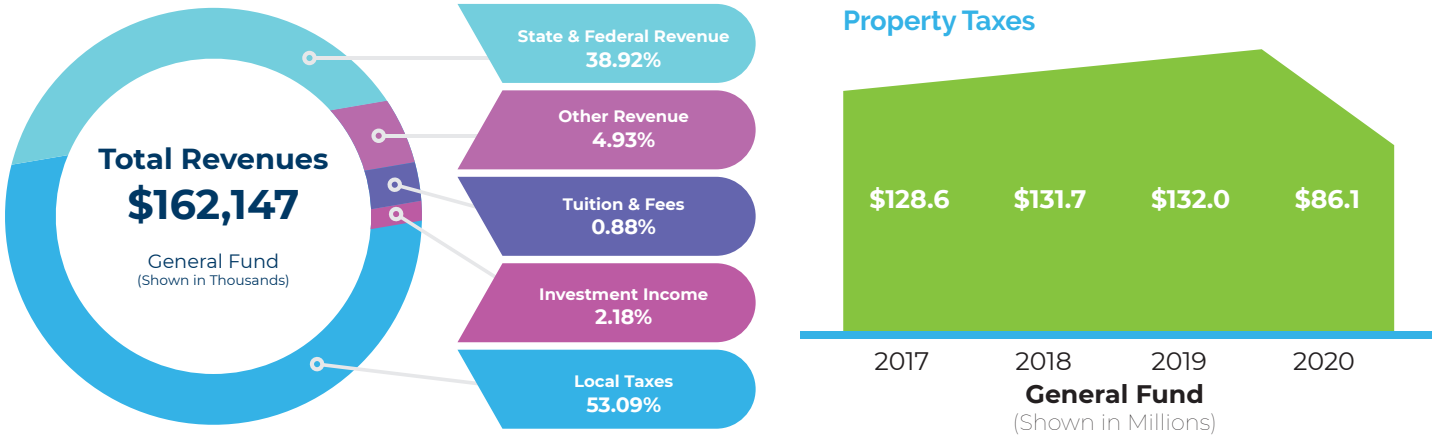
The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the district.

Income statement data for fiscal years 2016 through 2020 are presented below. The significant decrease in Local Taxes revenue from FY19 to FY20 is directly attributable to the Franklin County Auditor's decision to delay the collection of property taxes due to the COVID-19 pandemic. This resulted in a significant decrease in the amount of taxes available for advance to the District. The increase in Investment Income from FY19 to FY20 is attributable to an increase in the rate of return and fair market value of investments of the District's interim deposits. Overall expenditures for the District's General Fund remained steady, with a less than 1% increase over FY19. Capital Outlay expenditures increased over the prior year, with an increase in maintenance equipment purchases made during FY20.

Resources Taken In (in thousands of \$)	FY20	FY19	FY18	FY17	FY16
Local Taxes	\$86,083	\$132,025	\$131,708	\$128,647	\$104,905
State & Federal Revenue	63,105	66,453	64,480	62,968	63,721
Investment Income	3,538	2,724	718	627	445
Tuition & Fees	1,433	1,641	2,054	1,979	2,070
Miscellaneous	7,988	7,117	5,424	4,686	4,048
Total Revenues & Resources	\$162,147	\$209,960	\$204,384	\$198,907	\$175,189

Services Provided (in thousands of \$)	FY20	FY19	FY18	FY17	FY16
Instruction	124,235	122,563	119,420	112,610	105,412
Pupil Support	15,582	16,208	14,874	14,609	13,574
Instructional Staff	12,176	11,649	11,472	10,692	10,344
Board/Administration/Fiscal	15,185	14,759	14,241	14,204	13,353
Business Support	922	1,025	780	830	778
Plant Operation	14,920	15,807	15,055	14,490	13,699
Transportation	9,600	9,877	9,829	9,083	8,701
Central	2,343	2,432	2,287	2,139	1,659
Extracurricular	4,595	4,425	4,064	4,644	3,963
Capital Outlay	460	259	512	296	431
Miscellaneous	36	39	43	8	6
Debt Service	278	278	278	278	278
Total Expenditures & Services	\$200,332	\$199,321	\$192,855	\$183,883	\$172,198
Revenues & Resources Over Expenditures & Services	\$38,185	\$10,639	\$11,529	\$15,024	\$2,991

WHERE THE MONEY COMES FROM



LOCAL PROPERTY TAXES

The graph above on the top right depicts the number of collections received by the District from real and personal property taxes. The significant decrease from FY19 to FY20 is directly related to the COVID-19 pandemic, and the Franklin County Auditor's decision to delay the collection of taxes, reducing the amount available for advance to the District.

Property taxes provide most of the local revenue to operate and maintain our schools, with the District having passed its last operating levy in November of 2016. The taxes paid on homes and businesses (both property and equipment) represent 53.09% of all general fund revenues.

UNBUNDLING THE TAX RATE

All tax rates for the School District, except inside millage, are reduced as valuations increase. Following House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced 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 below shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected.

Assessed Values Of Property Real Estate Taxes

Collection Year	Residential/Agricultural	Commercial/Industrial	Public Utility	Total
2020	\$2,073,257,760	\$671,490,950	\$132,148,270	\$2,876,896,980
2019	\$2,047,547,990	\$661,596,560	\$121,312,970	\$2,830,457,520
2018	\$2,032,860,170	\$645,177,010	\$92,459,760	\$2,770,496,940

Tax Burden For 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	43.150	Various	Permanent
Bond Retirement	6.80	6.800	Various	Various
Permanent Improvement	2.00	1.772	2006	Permanent
Total Rates	93.75	56.173		

(Rates are for the 2019 tax year collected in calendar year 2020)

STATE & FEDERAL SOURCES General Fund

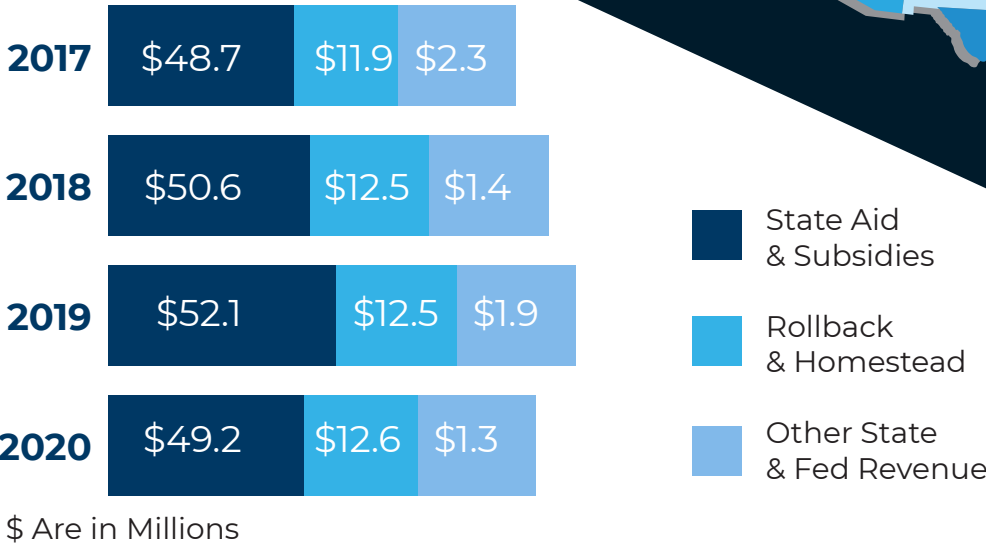
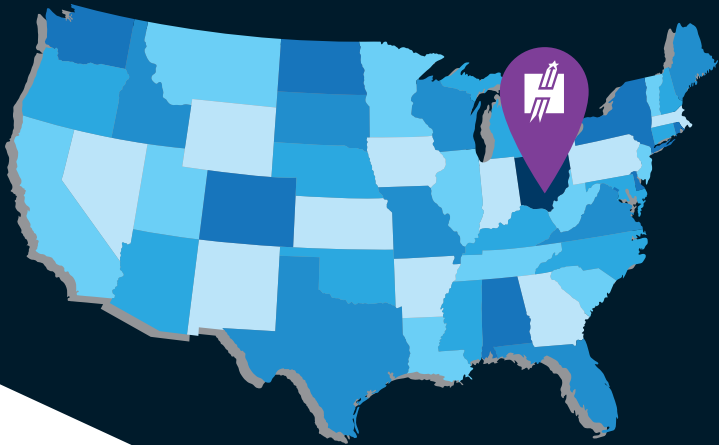
State and Federal sources of revenue generated \$63.1 million or 38.9% of all General Fund revenue for the District. Due to a relatively higher property valuation per pupil, and other demographic figures, the District is considered wealthy and receives less than the State average percentage of 42.2% (FY2019).

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 froze the prior school funding model for FY20. However, the ongoing coronavirus pandemic is pushing the State into a recession which negatively impacted State Aid in FY20, with the District receiving approximately \$3.5 million (6.6%) less in state funding in FY20 than in FY19.

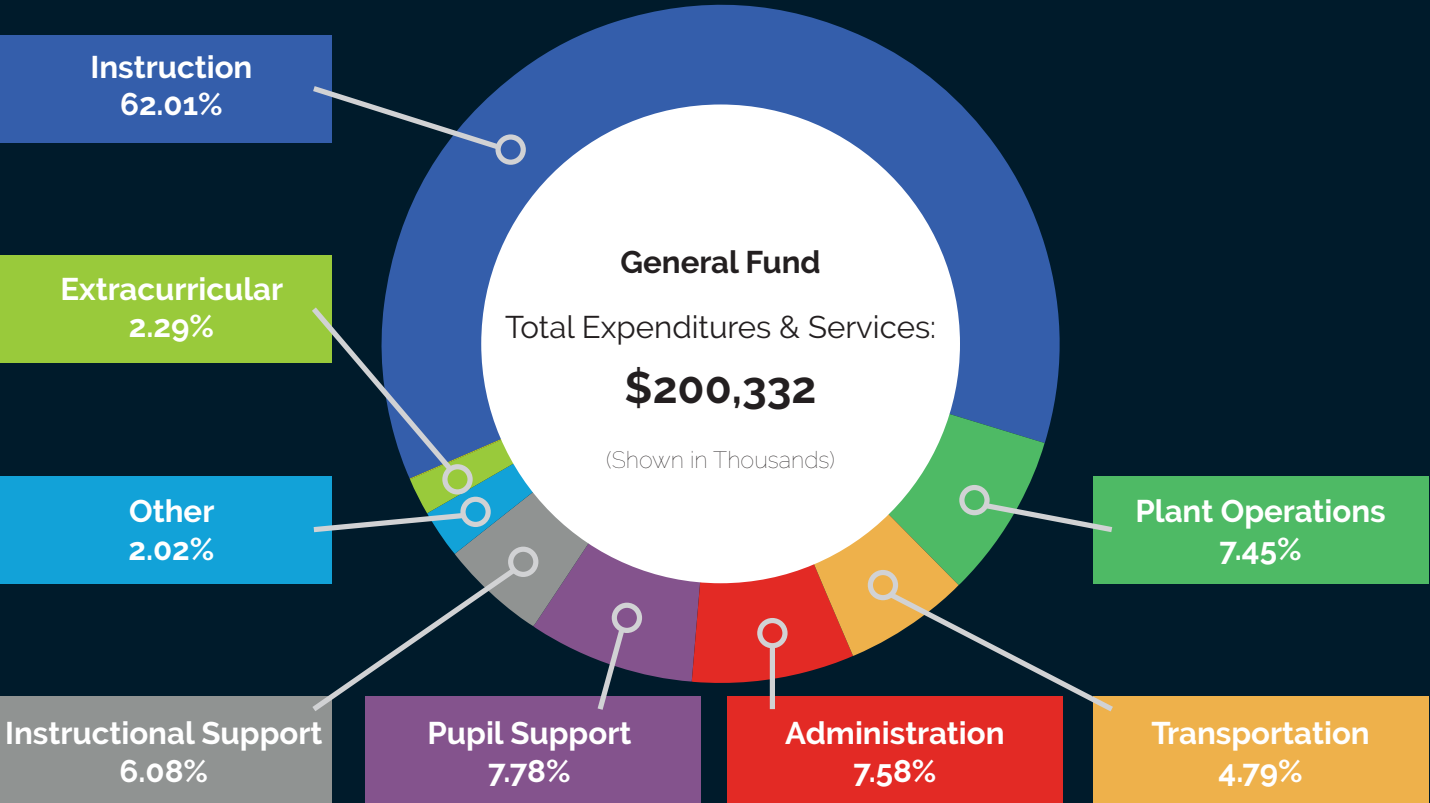
The District also receives Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior and disabled citizens, regardless of income. The State has eliminated the property tax rollback on any new levy that was passed after August of 2013, which includes the most recent levy passed by our community in November of 2016.

Other State/Federal Revenue includes the public utility reimbursement, Medicaid reimbursement, catastrophic cost reimbursement, and casino revenue. Federal sources in this category include 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 decrease in State Aid & Subsidies from FY19 to FY20 is attributable to the decrease in School Foundation revenue received due to the impact of the coronavirus pandemic.



EXPENDITURES
General Fund



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 the Board of Education policies and the laws of the State of Ohio. In FY2020 the bus fleet transported 8,102 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.

DISTRICT'S DEBT & CAPITAL ASSETS

DEBT

Our District had \$129.6 million in debt outstanding on June 30, 2020, the majority of which is related to our 2013 and 2017 bond issues. The 2017 bonds were issued for capital improvements, with the largest portion used to fund the construction of the new Memorial Middle School. Refunding bonds represent debt issued to refinance previous bond issues, which is like 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 savings to taxpayers of \$1.2 million.

Purpose	Matures	Interest Rate	Outstanding Balance
2005 Refunding Bonds	12/1/20	4.353%	\$898,369
2009B Refunding Bonds	12/1/20	4.059%	\$174,999
2009A School Improvement Bonds	12/1/23	4.469%	\$2,290,000
2014 Refunding Bonds	12/1/24	4.757%	\$5,605,000
2011 HB264 Energy Conservation Notes	12/1/25	5.550%	\$5,000,000
2013A Refunding Bonds	12/1/27	2.107%	\$35,734,983
2013B Refunding Bonds	12/1/27	2.892%	\$18,869,929
2015 Refunding Bonds	12/1/27	3.430%	\$8,755,000
2011 Refunding Bonds	12/1/28	4.512%	\$2,565,000
2016 School Improvement Bonds	12/1/44	3.683%	\$9,255,000
2017 School Improvement Bonds	12/1/46	3.875%	\$40,495,000
Total Outstanding			\$129,643,280

CAPITAL ASSETS – PROPERTY, PLANT & EQUIPMENT

A District's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land improvements, buildings and improvements, furniture and equipment, and vehicles can result in the accumulation of millions of dollars in property. On June 30, 2020, our District had \$159.8 million invested in net capital assets, acquired, and constructed to help provide the essential services (directly, or indirectly) to the students of our District.

The significant increase in the value of net capital assets between 2017 and 2018 represents the construction and addition of the new Memorial Middle School which was completed in the fall of 2018.

Capital Assets at June 30	2020	2019	2018	2017
Land	\$14,098,007	\$14,010,734	\$14,010,734	\$14,010,734
Construction in Progress	\$55,605	\$230,279	\$28,880,087	\$10,139,775
Land Improvement	\$45,113,369	\$41,561,829	\$39,303,488	\$35,621,021
Building and Improvements	\$240,535,869	\$240,226,434	\$209,032,052	\$208,805,208
Furniture, Fixtures & Equipment	\$14,316,028	\$13,595,918	\$13,464,471	\$12,668,167
Vehicles	\$14,596,037	\$14,081,872	\$13,778,856	\$13,275,202
Total Capital Assets	\$328,714,915	\$323,707,066	\$318,469,688	\$294,520,107
Less Accumulated Depreciation	(\$168,887,075)	(\$160,879,526)	(\$155,039,102)	(\$147,467,115)
Total Capital Assets (Net)	\$159,827,840	\$162,827,540	\$163,430,586	\$147,052,992

The Hilliard City School District is in a healthy financial position. Our current five-year forecast (October 2020) projects that Hilliard Schools will maintain a positive end-of-year cash balance through the fiscal year 2025. 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.



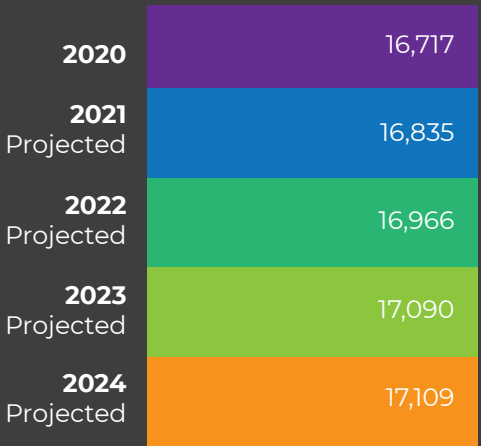
	Fiscal Year 2020 Actual	Fiscal Year 2021 Projected	Fiscal Year 2022 Projected	Fiscal Year 2023 Projected	Fiscal Year 2024 Projected	Fiscal Year 2025 Projected
Beginning Balance	\$69,396,931	\$77,447,156	\$78,203,808	\$74,593,065	\$65,415,703	\$51,177,696
+ Revenue	\$207,968,699	\$208,266,710	\$210,848,844	\$213,408,704	\$216,981,613	\$220,409,553
- Expenditures	(\$199,918,474)	(\$207,510,058)	(\$214,459,587)	(\$222,586,066)	(\$231,219,620)	(\$239,703,490)
+ Revenue Surplus/Deficit	\$8,050,225	\$756,652	(\$3,610,743)	(\$9,177,362)	(\$14,238,007)	(\$19,293,937)
Ending Balance	\$77,447,156	\$78,203,808	\$74,593,065	\$65,415,703	\$51,177,696	\$31,883,759

As the 9th largest school district in the state of Ohio, the Hilliard City School District served 16,717 students during the 2019-20 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 Campus, a transportation center, an administration building, and a maintenance/resource center.

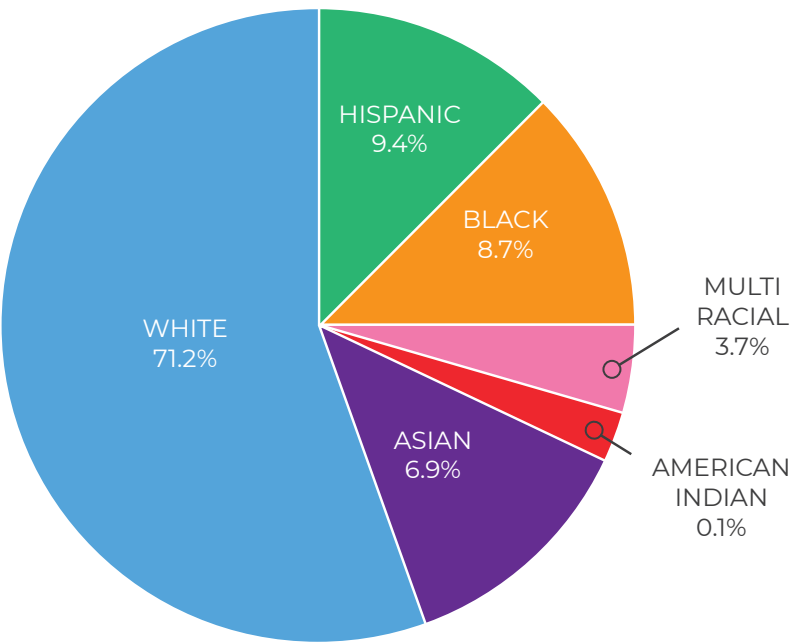
Enrollment in the District has been steadily increasing over the past decade. The District contracted with Cooperative Strategies, a firm specializing in educational facility planning, to provide enrollment projections for the District. The purpose of the projection was to help the District as it plans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

Hilliard City School District is also rich with diversity, as the chart illustrates. Our subgroup populations include 8.5% English Learners, 14.8% of students with disabilities, and 24.1% economically disadvantaged.

ENROLLMENT PROJECTIONS
DATA BY COOPERATIVE STRATEGIES 2020



DISTRICT ETHNICITY
PIE CHART



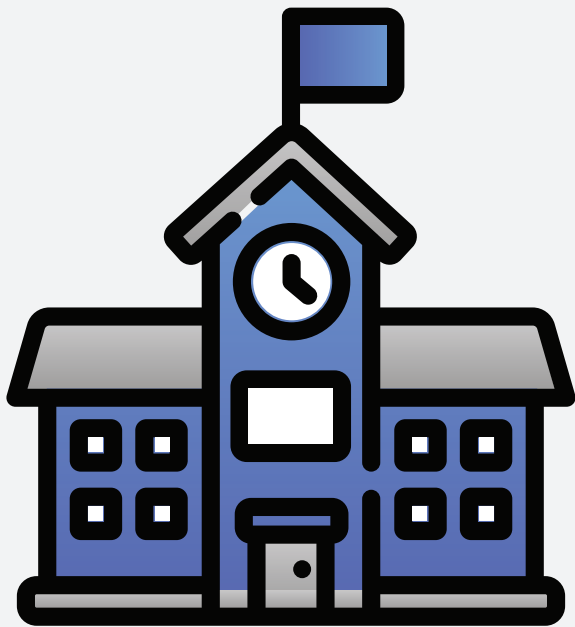
Top 5 Employers within the District June 30, 2020

Employer	No of Employees
Hilliard City School District	1,880*
United Parcel Service	1,669
Hikma Pharmaceutical	1,026
Cellco Partnership-Verizon	964
BMW Financial Services	857

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

Top 5 Taxpayers within the District June 30, 2020

Employer	Total Assessed Valuation	% of Total Valuation
Ohio Power Company	\$75,323,820	2.62%
AEP Ohio Transmission	\$40,682,600	1.41%
Villages at Britton LTD	\$16,450,010	0.57%
New Hilliard Station LLC	\$14,540,920	0.51%
West-Ward Columbus Inc.	\$11,294,650	0.39%



- Girls Tech Day:**
Designed to inspire and empower young girls from grades 3 to 12, and young women 18 to 24 years of age, to pursue interests and careers in technology.
- Big Think Space:**
The Big Think Space is a creative learning environment where students learn and unleash possibilities collaboratively.
- Social-Emotional Learning (SEL):**
Every student, every teacher, every classroom, every day! The goal is to build and maintain 6 main categories which are Emotional Regulation, Growth Mindset, Grit, Hope, Compassion, and Sense of Belonging.
- Hope Squad:**
Hope Squad is about listening and seeing those who feel invisible. Hope Squad has the potential to make that change in the world.
- Master Facilities Plan:**
It's all about how we grow. The decisions that are made today, build the foundation our students need to be Ready for Tomorrow.
- Be Well:**
The goal is to empower parents, so they have as many tools as possible because the mental health of our young people depends upon a partnership involving parents, schools, and the community. Session topics included anxiety, stress, depression, the connection between physical and emotional well-being, substance abuse, social media safety, bullying, and many more.
- Star Testing:**
Hilliard City Schools uses multiple measures to assess the reading and math achievement of students. It is important to measure the district against the national, state, and local expectations to ensure that the learned curriculum is rigorous, and students are Ready for Tomorrow.
- AIM App:**
The District initiatives need metrics and measurables, so we know that we are headed in the right direction. The AIM App helps District Administrators and Leaders better analyze strengths and weaknesses with our initiatives.
- eLearning:**
During March, the District had to pivot and provide eLearning during the Pandemic to every student in the District. This was an unprecedented challenge in public education. In Hilliard, we prepared and delivered eLearning activities to our students in grades K-12. Hilliard's eLearning option was designed to "keep the learning going" during a public health emergency.

DID YOU KNOW?



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Energy:

Facilities Staff made sure to set back all systems to conserve energy

Reduced Electricity Usage for the year by 16.6%, resulting in \$351,272 in cost savings

Reduced Gas Usage for the year by 13.8%, resulting in \$39,599 in cost savings

Reduced Water Usage by 11.1%, resulting in \$66,429 in cost savings

Fuel:

Reduced Fuel consumption by 26.3%, resulting in \$178,769 in cost savings

STAYING SAFE & HEALTHY



33,496

Free Meals Served
Breakfasts / Lunches



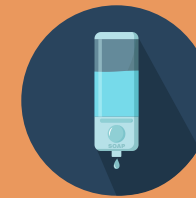
12,250

Meals Delivered
by Bus Drivers



797

Gallons of
Hand Sanitizer



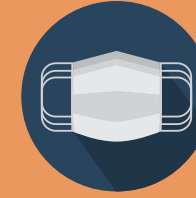
944

Gallons of
Hand Soap



2,000

Reuseable
Masks



4,000

Disposable
Masks



13,065

Gallons of CDC-Approved
Disinfectant Cleaner



14,718

Rolls of
Paper Towels



26,400

All Purpose
Wipes



132,500

Nitrile
Gloves



Ready For Tomorrow

Phone: 614.921.7000

Website: hilliardschools.org

Address: 2140 Atlas St | Columbus, Ohio 43228



HILLIARD CITY SCHOOLS