



HILLIARD CITY SCHOOLS

POPULAR ANNUAL **FINANCIAL REPORT**

Fiscal Year Ended June 30, 2024

WELCOME TO HILLIARD CITY SCHOOLS

December 1, 2024

TO THE CITIZENS OF THE HILLIARD CITY SCHOOL DISTRICT,

We are proud to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. 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 Annual Comprehensive Financial Report (ACFR). Our Annual Comprehensive Financial Report contains full financial statements and note disclosures for all activities and funds and is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The PAFR is un-audited and is compiled using data taken from the audited information in our Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024.

For those interested in exploring the more detailed Annual Comprehensive Financial Report, 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 Comprehensive Financial Report and Popular Annual Financial Report, 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 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 Melissa_Swearingen@hboe.org.

Respectfully submitted,



Melissa Swearingen
Treasurer/CFO

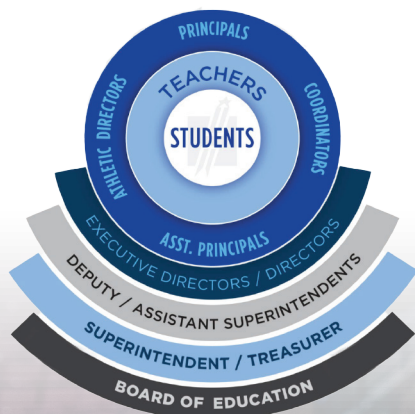




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AWARD FOR OUTSTANDING ACHIEVEMENT

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, 2023. 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 19 years.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Hilliard City School District
Ohio**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell
Executive Director/CEO

REVENUES & RESOURCES OVER EXPENDITURES & SERVICES

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 Annual Comprehensive Financial Report (ACFR), but are presented in a non-GAAP format. The ACFR can be obtained from the Treasurer's office or at <https://www.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 2020 through 2024 are presented below. The significant increase in Investment Income revenue from FY23 to FY24 is directly attributable to the effects of a more favorable market rate of return on the investment of the district's interim deposits in 2024. The increase State and Federal revenue is related to an increase in Foundation payments, and the decrease in Miscellaneous revenue is related to the receipt of Board of Revisions payments in FY23, but not in FY24. District expenditures increased overall by approximately 4%, reflecting an increase in personnel services costs resulting from negotiated agreements with staff.

Resources Taken In (in thousands of \$)	FY24	FY23	FY22	FY21	FY20
Local Taxes	\$149,942	\$147,099	\$138,391	\$187,856	\$86,083
State & Federal Revenue	70,201	63,994	63,983	65,356	63,105
Investment Income	6,917	2,397	(2,869)	184	3,538
Tuition & Fees	1,524	1,613	1,591	1,380	1,433
Miscellaneous	10,644	14,762	11,444	9,236	7,988
Total Revenues & Resources	\$239,228	\$229,865	\$212,540	\$264,012	\$162,147

Services Provided (in thousands of \$)	FY24	FY23	FY22	FY21	FY20
Instruction	148,346	143,520	131,150	133,603	124,235
Pupil Support	20,777	19,256	17,521	14,491	15,582
Instructional Staff	8,936	8,281	8,099	8,493	12,176
Board/Administration/Fiscal	15,640	15,194	14,939	16,097	15,185
Business Support	867	757	910	738	922
Plant Operation	18,824	18,186	17,069	15,826	14,920
Transportation	12,542	11,376	10,743	9,079	9,600
Central	2,545	2,570	2,488	2,342	2,343
Extracurricular	5,914	6,037	5,590	4,587	4,595
Capital Outlay	2,399	2,252	1,807	2,168	460
Miscellaneous	41	42	31	35	36
Debt Service	278	278	278	278	278
Total Expenditures & Services	\$237,109	\$227,749	\$210,625	\$207,737	\$200,332
Revenues & Resources Over/					
(Under) Expenditures and Services	\$2,119	\$2,116	1,915	\$56,275	(\$38,185)*

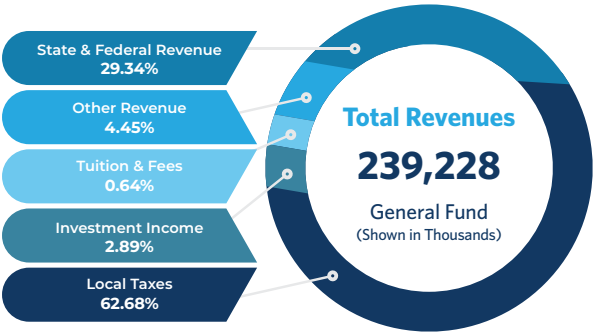
*In FY20, the District utilized prior years' cash balance to offset expenditures in excess of revenue collection.

LOCAL PROPERTY TAXES

WHERE THE MONEY COMES FROM



The graph to the left depicts the amount of collections received by the District from real and personal property taxes. The significant decrease from FY21 to FY22 is directly related to the impact of the COVID-19 pandemic and the Franklin County Auditor’s decision to delay the collection of taxes in FY20. This decision resulted in a significant increase in revenue received in FY21. The delay had an effect on the timing of the revenue stream in FY21, but this has now returned to normal. Local Tax revenue increased approximately 1.9% from FY23 to FY24.



Property taxes provide a majority of the local revenue to operate and maintain our schools. The District passed its last operating levy in November of 2024. The taxes paid on homes and businesses (both property and equipment) represent 62.68% of all general fund revenues.

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 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

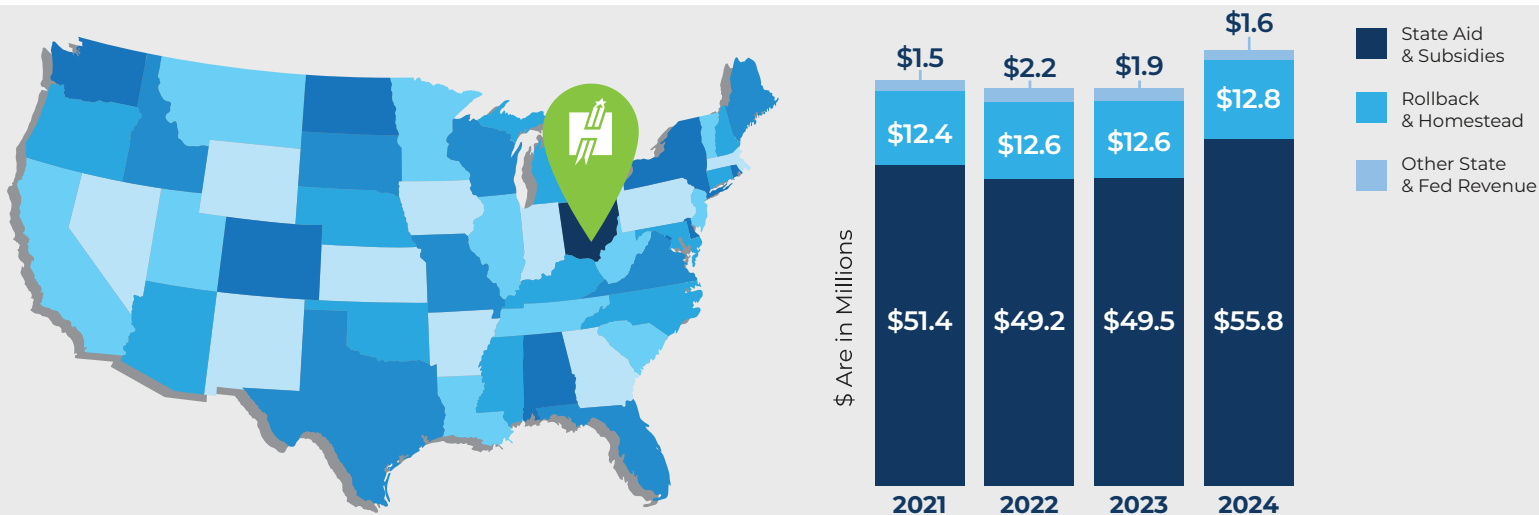
Collection Year	Residential/Agricultural	Commercial/Industrial	Public Utility	Total
2024	\$3,490,659,480	\$932,034,200	\$158,247,390	\$4,580,941,070
2023	\$2,576,820,360	\$812,870,490	\$154,517,680	\$3,544,208,530
2022	\$2,556,336,030	\$778,338,970	\$143,022,600	\$3,477,697,600

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	26.665	Various	Permanent
Bond Retirement	4.00	4.00	Various	Various
Permanent Improvement	2.00	1.090	2006	Permanent
Total Rates	90.95	36.210		

(Rates are for the 2023 tax year collected in calendar year 2024)

STATE & FEDERAL SOURCES



State and Federal sources of revenue generated \$70.2 million or 29.34% 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 38.0% (FY2024).

The majority of State Aid & Subsidies is comprised of School Foundation aid. The State of Ohio implemented a new school funding model for FY22. As part of that new model, the State no longer passes payments for students attending community schools, or on special education or autism scholarships, through the District. This change reduced both the revenues and expenditures previously recorded for these students. The current State Budget approved for FY24 and FY25 continues the phase-in of the Fair School Funding Plan (FSFP), which was approved in the previous State budget and updates the base cost inputs from 2018 to 2022. The Base Cost is currently calculated for two years using a statewide average from historical actual data and this update uses more current data for that average. The (FSFP) establishes a base cost methodology using student/teacher ratios, minimum staffing levels and actual costs. This results in a unique base cost per pupil for each school and District in the State. The State and local cost methodology uses both assessed property values and income to determine the state share of funding.

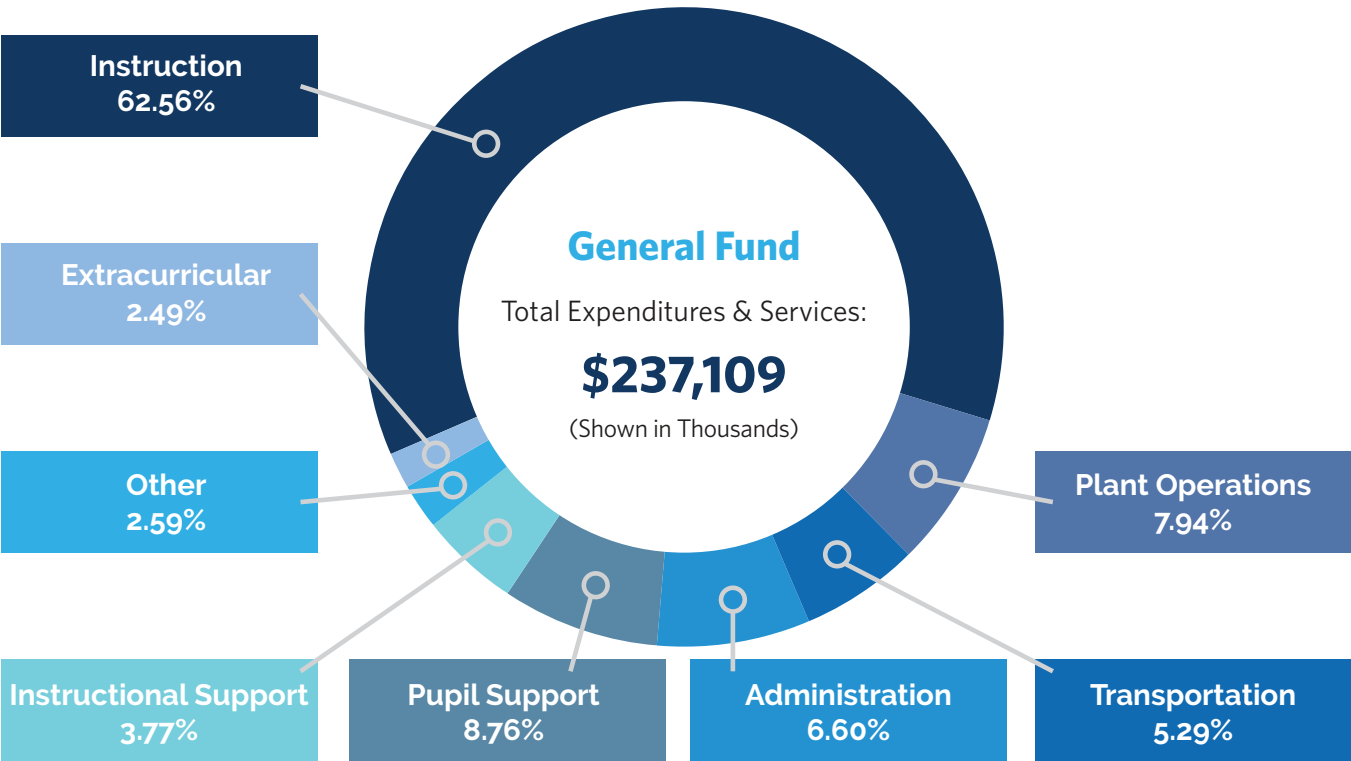
The District also receives Rollback and Homestead payments, which represent the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all non-business real property and an additional 2.5% on all residential, owner-occupied property through the property tax Rollback Relief Programs. 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.

Other State/Federal Revenue includes the public utility reimbursement, Medicaid reimbursement, catastrophic cost reimbursement, and casino revenue. Federal sources in this category include the E-Rate reimbursement and a federal credit for interest paid on Qualified School Construction Bonds.

The chart above 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 increase in State Aid & Subsidies from FY23 to FY24 is attributable to the new school funding model discussed above, as well as the receipt the High Quality Instructional Materials subsidy payment of \$863 thousand received from the State in FY24. This reimbursement payment was provided to support the purchase of both high-quality core curriculum and instructional materials in English Language Arts and evidence-based reading intervention programs.

EXPENDITURES

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 FY24 the bus fleet transported 8,349 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 the District's annual debt-service payments for the 2011 Qualified School Construction Bonds.

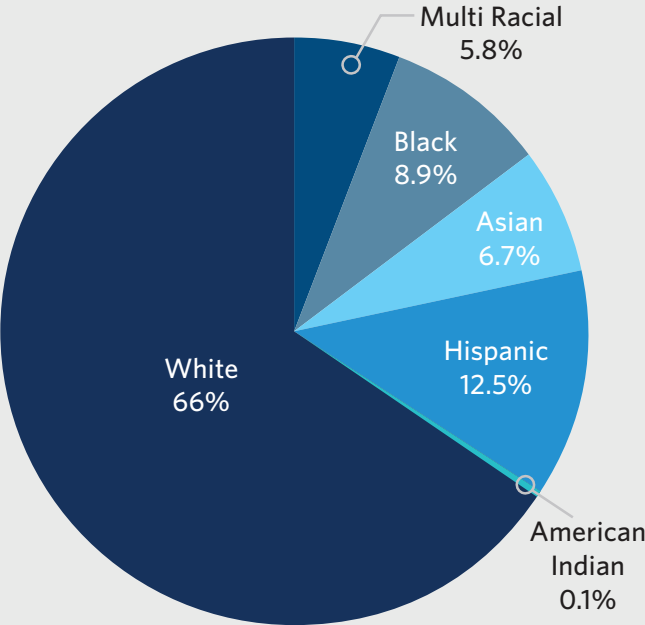


As the 10th largest school district in the state of Ohio, the Hilliard City School District served 16,626 students during the 2023-24 school year in grades preK-12, through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, and a preschool. The district also operates the McVey Innovative Learning Center Campus, a transportation center, an administration building and a maintenance/resource center.

Enrollment in the District had been steadily increasing over the past decade, but was impacted by the COVID pandemic. 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 below illustrates. Our subgroup populations include 11.6% English Learners, 16.9% students with disabilities, and 35.1% economically disadvantaged.

DISTRICT ETHNICITY PIE CHART



ENROLLMENT PROJECTIONS

2024	16,626
2025 Projected	16,329
2026 Projected	16,190
2027 Projected	16,200

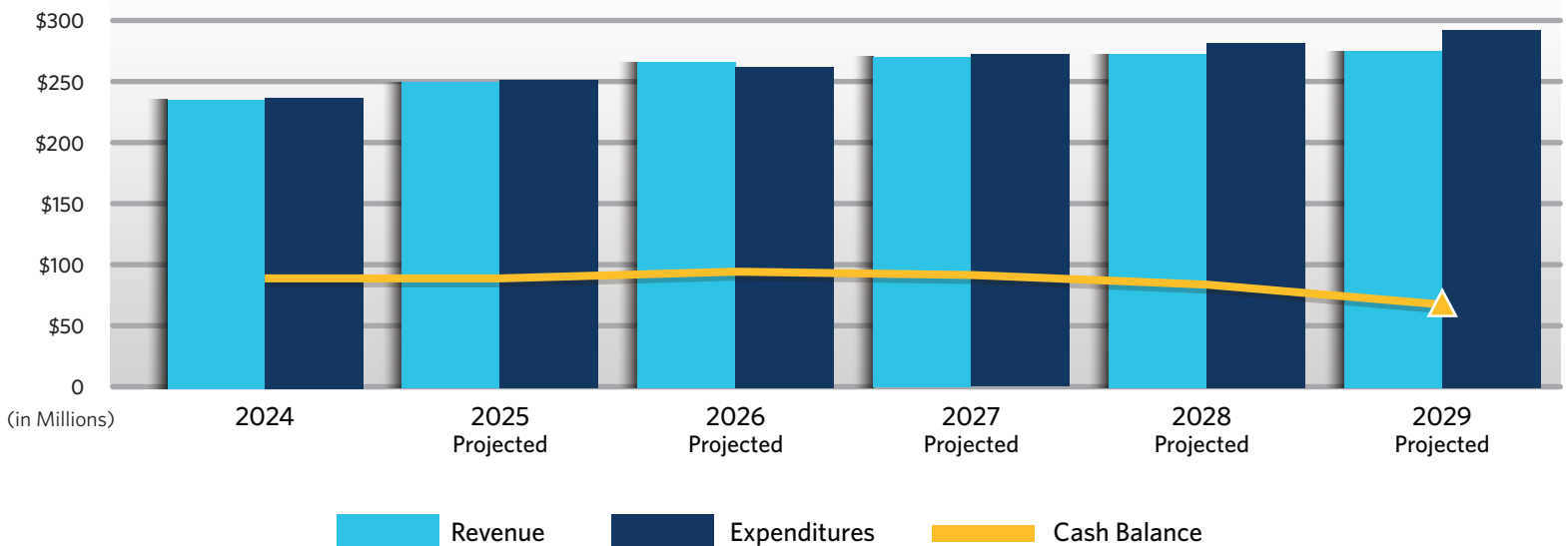
Our current five-year forecast (November 2024), which is presented on a cash-basis, projects expenditure growth to outpace revenue change over the life of the forecast. General Fund revenues are projected to increase 3.25% annually through fiscal year 2029. General Fund expenditures are projected to increase at a faster pace, with an estimated annual increase of 4.50% during the five-year period. The most significant projected increase in expenditures is attributable to the annual cost of benefits.

District voters approved a 6.9 mil operating levy in November 2024. The November 2024 ballot issue was the first operating levy request from the District since 2016.

The chart below includes Actual data for year FY24 and Projected 5-year Forecast data for FY25 through FY29, as reflected in the November 2024 Forecast. The cash balance is in compliance with the Board's Cash Balance Reserve Policy of 20% of Operating Expenses for the forecast period. This Forecast, and the related Assumptions can be found on the District's website, or at <https://education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecasts/Submissions-of-Traditional-and-JVSDs>.

Five Year Forecast

Annual Revenue Surplus/(Shortfall) By Fiscal Year





DISTRICT'S DEBT

Our District had \$88.9 million in debt outstanding at June 30, 2024, 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 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 2021 resulted in a savings to taxpayers of \$1.3 million dollars.

Purpose	Matures	Interest Rate	Outstanding Balance
2014 Refunding Bonds	12/1/24	4.757%	1,950,000
2011 HB264 Energy Conservation Notes	12/1/25	5.550%	5,000,000
2013A Refunding Bonds	12/1/27	2.107%	20,525,000
2015 Refunding Bonds	12/1/27	3.430%	5,465,000
2021 Refunding Bonds	12/1/27	1.040%	11,015,000
2016 School Improvement Bonds	12/1/44	3.683%	8,455,000
2017 School Improvement Bonds	12/1/46	3.875%	36,550,000
Total Outstanding			\$88,960,000

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. At June 30, 2024, our District had \$145.38 million invested in net capital assets, acquired and constructed to help provide the essential services (directly, or indirectly) to the students of our District.

Capital Assets at June 30	2024	2023	2022
Land	\$13,114,136	\$13,114,136	\$13,114,136
Construction in Progress	\$633,245	\$207,563	\$3,233,339
Land Improvements	\$50,745,405	\$49,586,345	\$48,397,637
Building and Improvements	\$245,897,613	\$245,507,304	\$241,014,937
Furniture, Fixtures, and Equipment	\$18,969,380	\$16,899,027	\$16,050,221
Vehicles	\$16,487,264	\$16,463,712	\$15,392,909
Total Capital Assets	\$345,847,043	\$341,778,087	\$337,203,179
Less Accumulated Depreciation:	(\$200,468,921)	(\$193,365,055)	(\$185,046,157)
Total Capital Assets (Net)	\$145,378,122	\$148,413,032	\$152,157,022

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.



Top 5 Employers within the District June 30, 2024

Hilliard City School District	1,940
United Parcel Service	1,669
Hikma Pharmaceutical	1,200
Nationwide Mutual Insurance Co.	620
Advanced Drainage Systems	465

Top 5 Taxpayers within the District June 30, 2024

	Total Assessed Valuation	% of Total Valuation
Ohio Power Company	\$94,931,370	2.07%
AEP Ohio Transmission	\$50,096,410	1.09%
New Hilliard Station LLC	\$31,485,510	0.69%
Villages at Britton LTD	\$22,374,670	0.49%
Hilliard Grand Apartments LLC	\$13,627,950	0.30%

HILLIARD STATISTICS



8,349
Students Bussed Daily



1,561,188
Meals Served



968
Graduates going to College



2,410,087 SF
District Managed Space



6,721
College Credits Earned



9
Graduates Joining the Military



With the passage of Issue 39 in November 2024, Hilliard City Schools is poised to embark on transformative changes that will benefit students, staff, and the entire community for years to come. The approved funding will enable the district to move forward with Phase 1 of the Master Facilities Plan. Key projects include the construction of a new sixth-grade school, three new elementary buildings, and expanded preschool classrooms. These investments will create modern learning environments that support student growth and development.

In addition to new facilities, the district will also prioritize improvements to athletic and performing arts spaces, ensuring students have access to well-equipped, multi-functional areas for extracurricular and co-curricular activities. Enhanced safety and security measures will be implemented across district properties, further supporting a safe learning environment for students and staff. Playground renovations will also be part of this initiative, providing updated and inclusive play areas for our youngest learners.

Beyond the physical upgrades in Phase 1, the funding secured through Issue 39 allows Hilliard City Schools to preserve current programming, avoid staffing cuts, and maintain the high-quality educational experience that families have come to expect. This financial stability enables the district to continue offering robust academic, extracurricular, and support services for students.

The district remains committed to transparency and accountability throughout the implementation of these projects. Regular updates will be shared with the community as progress is made on the various initiatives. Hilliard City Schools is proud to have the community's support and looks forward to bringing these plans to life, ensuring that every student has the resources and facilities needed to succeed.



MASTER FACILITIES PLAN PHASE 1

The first phase will create a third 6th grade center by focusing on creating new elementary spaces and conversion of space for 6th grade. The intended tasks for phase 1 are listed in the following blocks at an estimated cost of \$142 million.

Replace and build three
new elementary
schools.



BROWN



BEACON



RIDGEWOOD

Additional
Preschool
Center



Renovate Brown to become a 6th
grade building. Tharp & Station
remain 6th grade buildings.

- Hub high school programing moves to Station
- Hub middle school programing moves to Tharp
- Ridgewood temporarily swings to the Hub



Renovate elementary
playgrounds.



Renovate
extracurricular spaces.



- Darby High School weight room



- High school and middle school athletic fields



- Performing and fine art spaces

District wide safety
improvements.

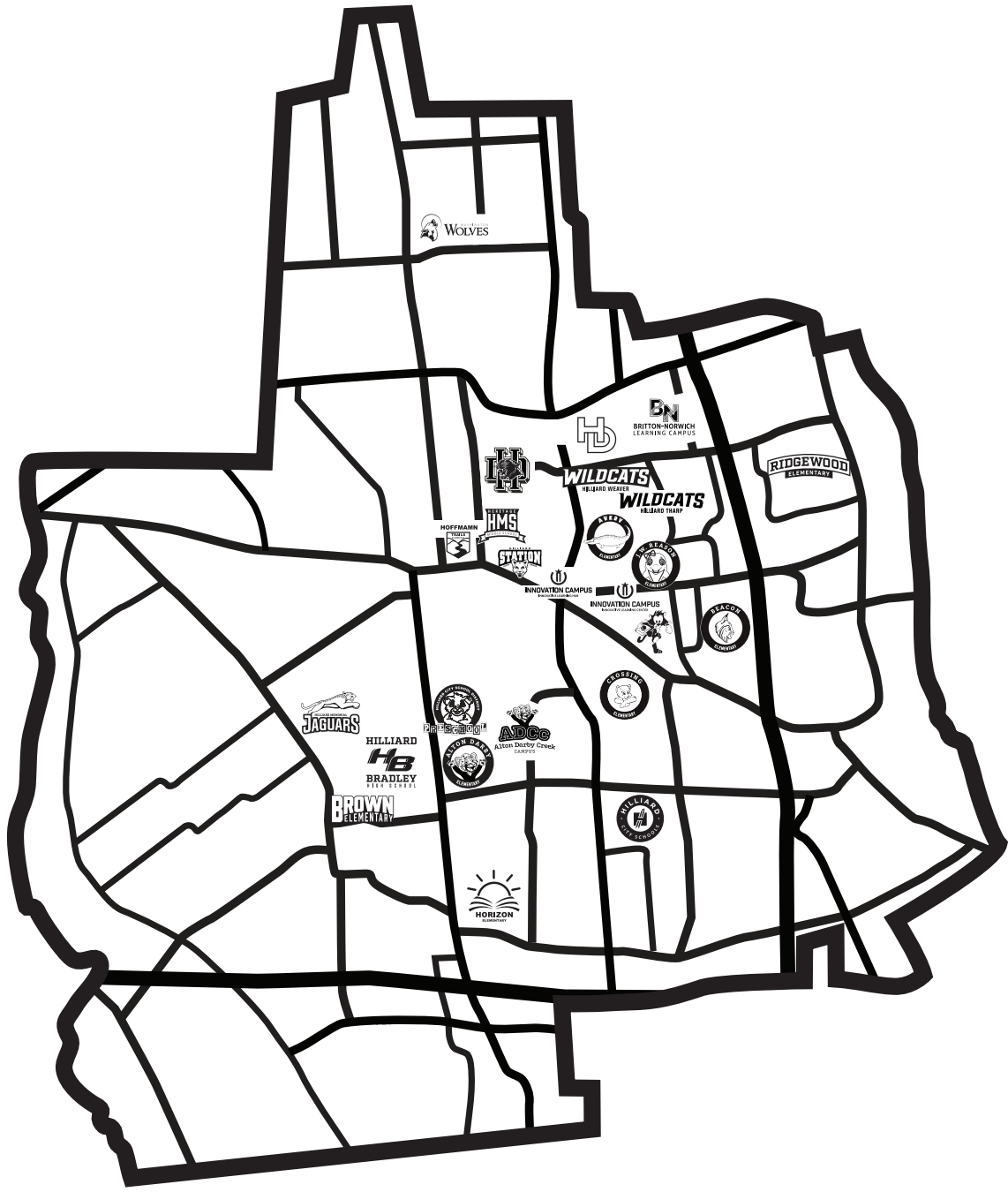
- Visitor entry
- ADA





HILLIARD CITY SCHOOLS

DISTRICT MAP





CONTACT US

 hilliardschools.org

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