



POPULAR ANNUAL FINANCIAL REPORT

Hilliard City Schools
Fiscal Year Ended June 30, 2021

WELCOME

December 1, 2021

We are proud to present the Hilliard City School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021. 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, 2021.

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.

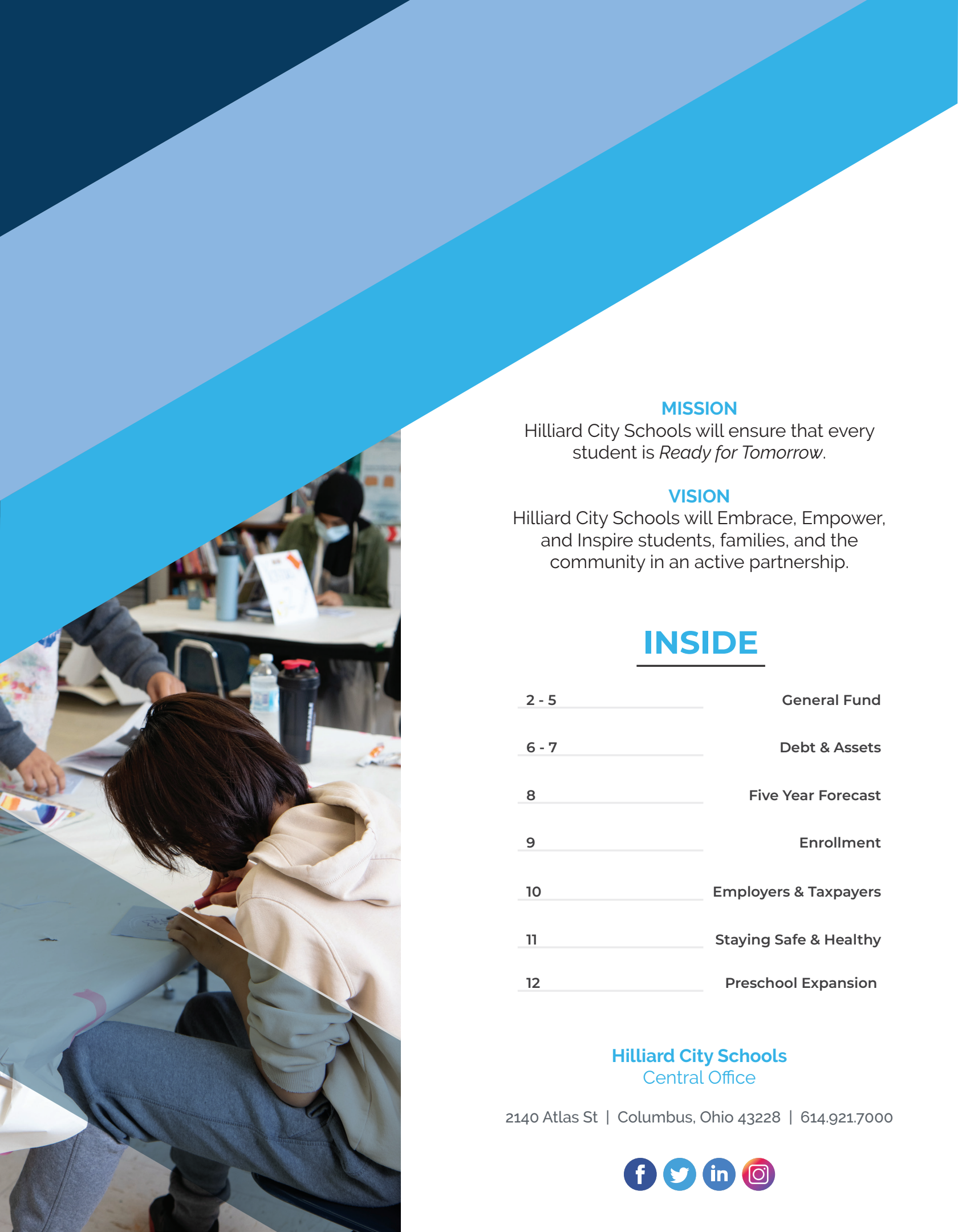
The Hilliard City School District is proud of the creation of this report. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback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

2 - 5	General Fund
6 - 7	Debt & Assets
8	Five Year Forecast
9	Enrollment
10	Employers & Taxpayers
11	Staying Safe & Healthy
12	Preschool Expansion

Hilliard City Schools
Central Office

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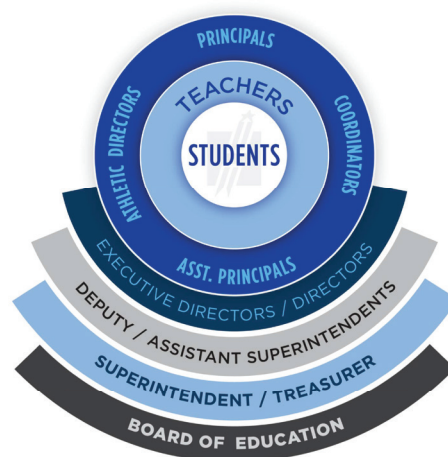
AWARD FOR OUTSTANDING ACHIEVEMENT

Popular Annual Financial Report

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 15 consecutive years, with the most recent award received for our fiscal year ended June 30, 2019 report.

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.

The District has submitted its report for the fiscal year ended June 30, 2020 to GFOA and believes that this report meets the requirements for the award. Due to COVID-19, however, the review process has been delayed and our FY20 PAFR is still pending review.



ADMIN STRUCTURE

REVENUES AND RESOURCES OVER EXPENDITURES AND SERVICES

General Fund

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/>.

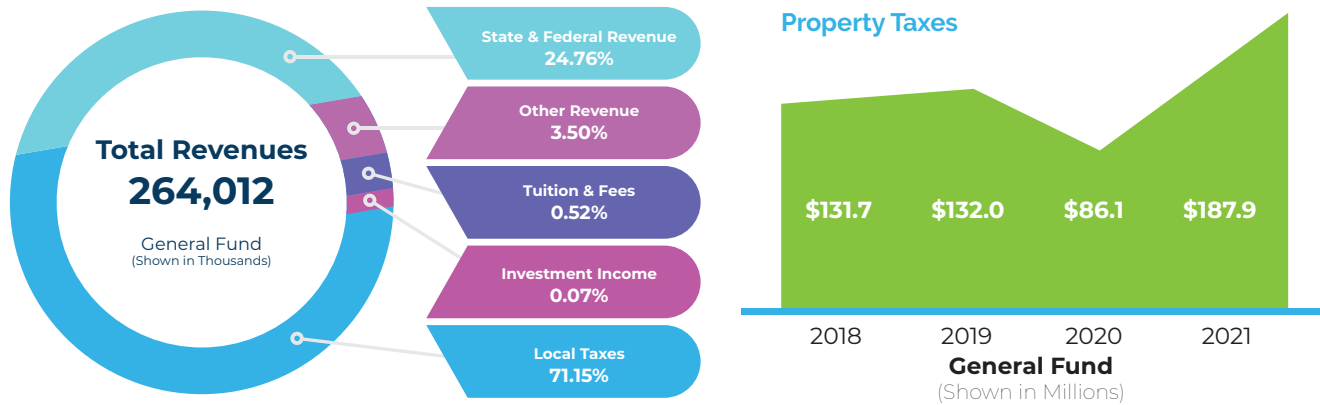
The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the district.

Income statement data for fiscal years 2017 through 2021 are presented below. The significant increase in Local Taxes revenue from FY20 to FY21 is directly attributable to the Franklin County Auditor's decision to delay the collection of property taxes due to the COVID-19 pandemic in FY20. This resulted in a significant decrease in the amount of taxes available for advance to the District in FY20. The decrease in Investment Income from FY20 to FY21 reflects a decrease in the rate of return on the investments of the District's interim deposits in FY21. District expenditures remained fairly steady, with an overall increase of 3.7%. The significant increase in Capital Outlay expenses of 371% is related to the District's acquisition of sixteen new school buses in FY21 at a cost of \$1.4 million.

Resources Taken In (in thousands of \$)	FY21	FY20	FY19	FY18	FY17
Local Taxes	\$187,856	\$86,083	\$132,025	\$131,708	\$128,647
State & Federal Revenue	65,356	63,105	66,453	64,480	62,968
Investment Income	184	3,538	2,724	718	627
Tuition & Fees	1,380	1,433	1,641	2,054	1,979
Miscellaneous	9,236	7,988	7,117	5,424	4,686
Total Revenues & Resources	\$264,012	\$162,147	\$209,960	\$204,384	\$198,907

Services Provided (in thousands of \$)	FY21	FY20	FY19	FY18	FY17
Instruction	133,603	124,235	122,563	119,420	112,610
Pupil Support	14,491	15,582	16,208	14,874	14,609
Instructional Staff	8,493	12,176	11,649	11,472	10,692
Board/Administration/Fiscal	16,097	15,185	14,759	14,241	14,204
Business Support	738	922	1,025	780	830
Plant Operation	15,826	14,920	15,807	15,055	14,490
Transportation	9,079	9,600	9,877	9,829	9,083
Central	2,342	2,343	2,432	2,287	2,139
Extracurricular	4,587	4,595	4,425	4,064	4,644
Capital Outlay	2,168	460	259	512	296
Miscellaneous	35	36	39	43	8
Debt Service	278	278	278	278	278
Total Expenditures & Services	\$207,737	\$200,332	\$199,321	\$192,855	\$183,883
Revenues & Resources Over Expenditures & Services	\$56,275	(\$38,185)	\$10,639	\$11,529	\$15,024

WHERE THE MONEY COMES FROM



LOCAL PROPERTY TAXES

The graph above on the top right depicts the amount of collections received by the District from real and personal property taxes. The significant increase from FY20 to FY21 is directly related to the impact of 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 in FY20.

Property taxes provide a majority 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 71.15% 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
2021	\$2,511,371,660	\$787,756,060	\$136,997,780	\$3,436,125,500
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

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	35.983	Various	Permanent
Bond Retirement	4.95	4.950	Various	Various
Permanent Improvement	2.00	1.478	2006	Permanent
Total Rates	91.90	46.860		

(Rates are for the 2020 tax year collected in calendar year 2021)

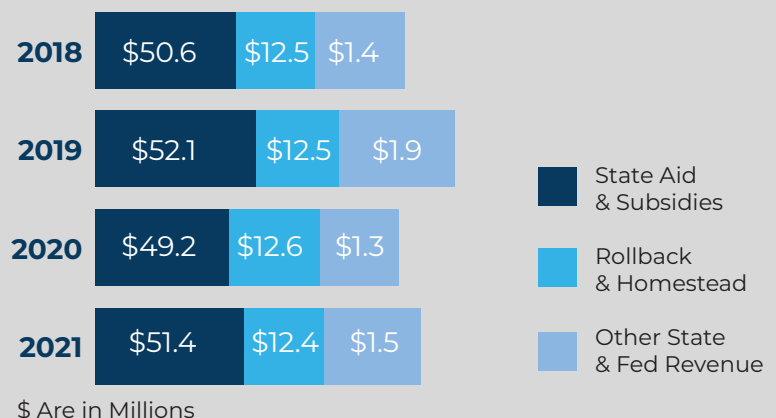
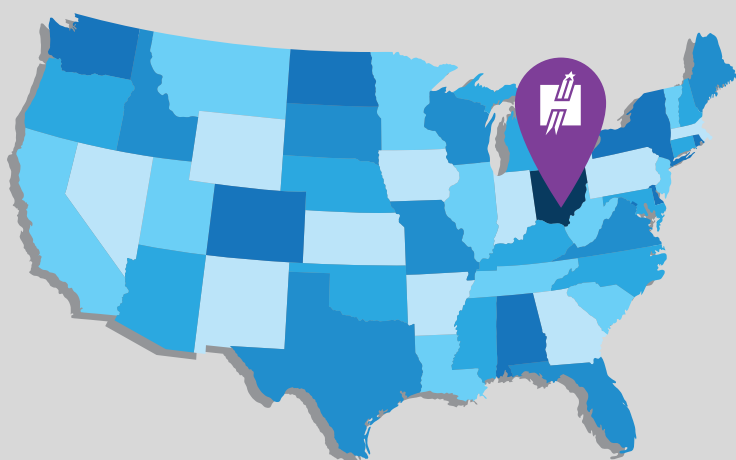
State and Federal sources of revenue generated \$65.3 million or 24.76% of all General Fund revenue for the District. Due to a relatively higher property valuation per pupil, and other demographic figures, the District is considered wealthy and receives less than the State average percentage of 43.73% (FY2020).

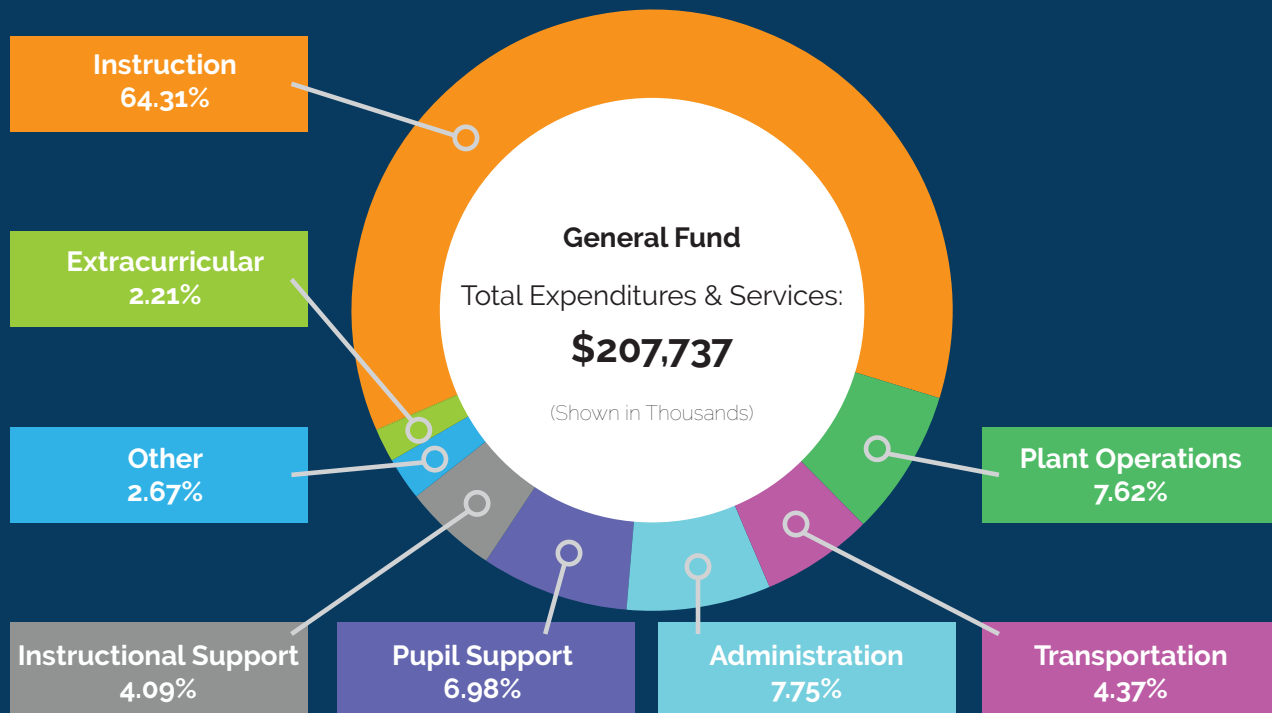
The majority of State Aid & Subsidies is comprised of School Foundation aid, which is a formula calculation based upon student enrollment. As a result of the COVID pandemic, the district received approximately \$3.5million dollars less in Foundation revenue in FY20 than was received in FY19, but in FY21 there was an increase of \$2.2 million over FY20. The State of Ohio has implemented a new school funding model for FY22. Significant changes to the new formula will include the elimination of the District's accounting for the revenues and expenditures attributable to district students attending community schools or those on autism or other special education scholarships. Student Wellness funding will also be accounted for in the District's General Fund beginning in FY22.

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, 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-through 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 increase in State Aid & Subsidies from FY20 to FY21 is attributable to the District receiving less School Foundation revenue in FY20 due to the economic impact of the coronavirus pandemic.





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 FY21 the bus fleet transported 2,972 regular and special education students to Hilliard City Schools, non-public and community schools. This number is significantly less than the number of students normally transported annually as a result of the impact of the pandemic during the 2020-21 school year. The District offered Online Academy classes and also had a staggered in-person learning schedule during 2020-21.

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.

DEBT

Our District had \$122.1 million in debt outstanding at June 30, 2021, 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 will result in a savings to taxpayers of \$1.3 million dollars.

Purpose	Matures	Interest Rate	Outstanding Balance
2009A School Improvement Bonds	12/1/23	4.469%	\$1,795,000
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%	\$31,469,983
2013B Refunding Bonds	12/1/27	2.892%	\$18,599,929
2015 Refunding Bonds	12/1/27	3.430%	\$8,730,000
2011 Refunding Bonds	12/1/28	4.512%	\$2,315,000
2016 School Improvement Bonds	12/1/44	3.683%	\$9,055,000
2017 School Improvement Bonds	12/1/46	3.875%	\$39,545,000
Total Outstanding			\$122,114,912



CAPITAL ASSETS

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, 2021, our District had \$154.2 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 District sold a piece of property in FY21, reducing the total amount of the District's nondepreciable held Land, but resulting in a financial gain on the sale of \$1.8 million.

Capital Assets at June 30	2021	2020	2019
Land	\$13,114,136	\$14,098,007	\$14,010,734
Construction in Progress	\$2,070,935	\$55,605	\$230,279
Land Improvement	\$45,958,283	\$45,113,369	\$41,561,829
Building and Improvements	\$240,541,504	\$240,535,869	\$240,226,434
Furniture, Fixtures & Equipment	\$14,543,744	\$14,316,028	\$13,595,918
Vehicles	\$15,074,256	\$14,596,037	\$14,081,872
Total Capital Assets	\$331,302,858	\$328,714,915	\$323,707,066
Less Accumulated Depreciation	(\$177,117,304)	(\$168,887,075)	(\$160,879,526)
Total Capital Assets (Net)	\$154,185,554	\$159,827,840	\$162,827,540

FIVE YEAR FORECAST

The Hilliard City School District is in a healthy financial position. Our current five-year forecast (October 2021) projects that Hilliard Schools will maintain a positive end-of-year cash balance through fiscal year 2026. 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 2021 Actual	Fiscal Year 2022 Projected	Fiscal Year 2023 Projected	Fiscal Year 2024 Projected	Fiscal Year 2025 Projected	Fiscal Year 2026 Projected
Beginning Balance	\$77,447,156	\$84,732,642	\$84,545,220	\$77,397,637	\$64,884,961	\$47,499,314
+ Revenue	\$215,099,110	\$211,986,813	\$213,899,468	\$216,638,6794	\$219,758,126	\$222,954,646
- Expenditures	(\$207,813,624)	(\$212,174,235)	(\$221,047,051)	(\$229,151,355)	(\$237,143,773)	(\$244,871,696)
+ Revenue Surplus/Deficit	\$7,285,486	(\$187,422)	(\$7,147,583)	(\$12,512,676)	(\$17,385,647)	(\$21,917,050)
Ending Balance	\$84,732,642	\$84,545,220	\$77,397,637	\$64,884,961	\$47,499,314	\$25,582,264

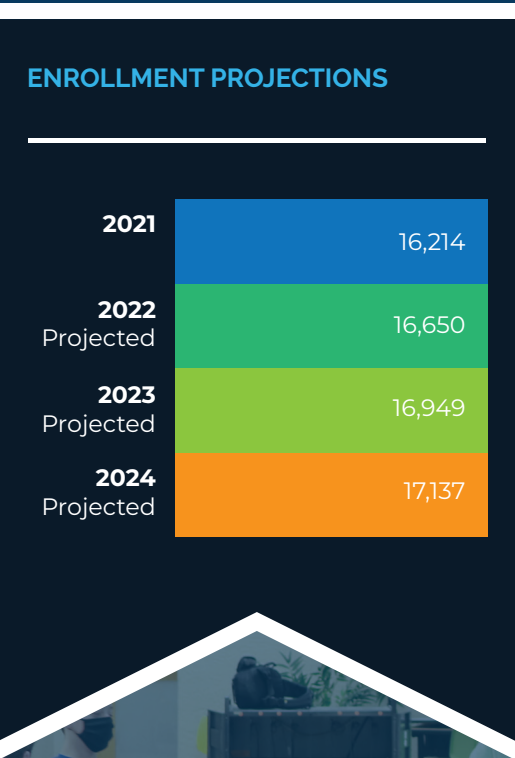


ENROLLMENT

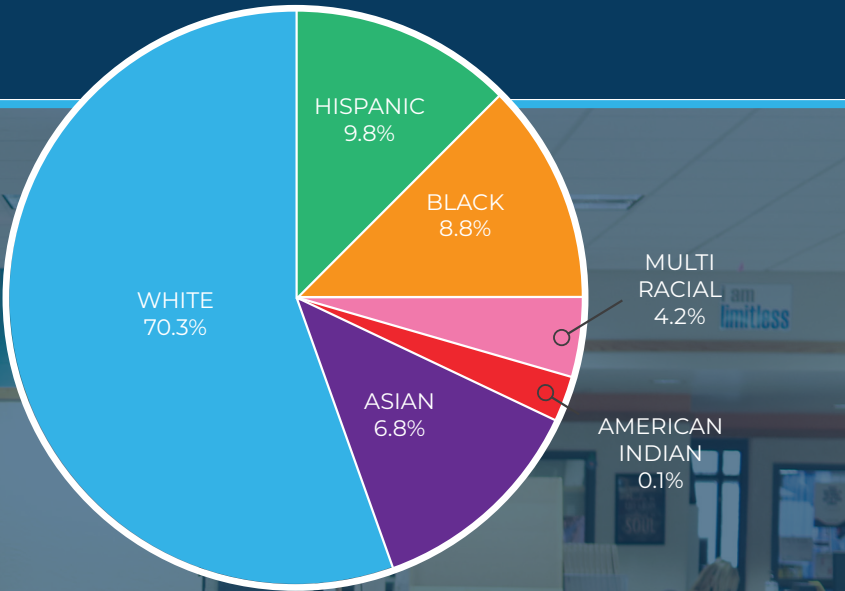
As the 10th largest school district in the state of Ohio, the Hilliard City School District served 16,214 students during the 2020-21 school year in grades preK-12, through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, and a preschool. The district also operates 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, until the pandemic hit. 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 8.9% English Learners, 15.4% students with disabilities, and 20.1% economically disadvantaged.



DISTRICT ETHNICITY
PIE CHART



Top 5 Employers within the District June 30, 2021

Employer	No of Employees
Hilliard City School District	1,877
United Parcel Service	1,669
Cellco Partnership-Verizon	1,026
Hikma Pharmaceutical	1,064
BMW Financial Services	872

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

Top 5 Taxpayers within the District June 30, 2021

	Total Assessed Valuation	% of Total Valuation
Ohio Power Company	\$80,115,680	2.33%
AEP Ohio Transmission	\$41,089,140	1.20%
Villages at Britton LTD	\$20,562,470	0.60%
New Hilliard Station LLC	\$17,445,190	0.51%
West-Ward Columbus Inc.	\$12,988,860	0.38%

STAYING SAFE & HEALTHY



944,980

Free Meals Served
Lunches



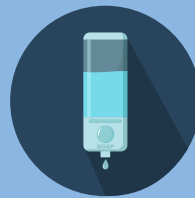
538,880

Free Meals Served
Breakfasts



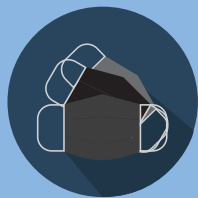
1,702

Gallons of
Hand Sanitizer



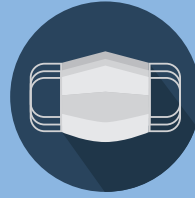
2,000

Gallons of
Hand Soap



44,000

Reusable
Masks



38,000

Disposable
Masks



38,455

Gallons of CDC-Approved
Disinfectant Cleaner



15,378

Rolls of
Paper Towels



240,000

All Purpose
Wipes



927,200

Nitrile
Gloves

Hilliard City Schools will nearly double its special needs preschool capacity beginning with the 2022-2023 school year, thanks to an expansion taking place on the Alton Darby Creek campus.

The need for additional preschool space was highlighted by the Master Facilities Planning process, which highlighted the need to increase capacity for our special needs students. The process included input from Hilliard residents through a survey, public meetings, and a steering committee comprised of community members and internal stakeholders.

The 10,400 square-foot project will add eight classrooms, bringing the total to twenty. Construction will be complete in July of next year.

"We're making the best use of our resources by centrally locating all preschool staff on the new Alton Darby Creek Campus," said Cliff Hetzel, chief operating officer. "Additionally, we're breaking ground in late fall, a non-traditional time for new construction, hoping to gain a market advantage at a downtime for contractors to help stretch our dollars."

Hilliard's special needs preschool serves children ages three to six who have a delay in one or more developmental areas, as well as peer models. The goal is to better prepare children and their families for school-age opportunities through play and social interactions. The teachers follow the Ohio Department of Education's Early Learning Standards to provide a rigorous early childhood academic foundation.





Ready For Tomorrow

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