



POPULAR ANNUAL **FINANCIAL REPORT**

Hilliard City Schools
Fiscal Year Ended June 30, 2022

2140 Atlas St | Columbus, Ohio 43228 | 614.921.7000



WELCOME

December 1, 2022

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, 2022. 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, 2022.

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.

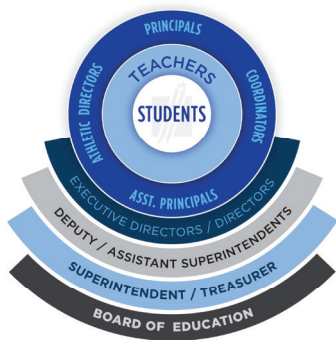
Table of Contents

2-5	General Fund
6-7	Debts & Assets
8	Five Year Forecast
9	Enrollment
10	Employment & Taxpayers
11	Hilliard Statistics
12	Business & Community Partnerships

Hilliard City Schools
Central Office

2140 Atlas St
Columbus, Ohio 43228
614.921.7000





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 the fiscal year ended June 30, 2021. 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 17 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, 2021

Christopher P. Morrell
Executive Director/CEO

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 2018 through 2022 are presented below. The significant increase in Local Taxes revenue from FY21 to FY22 is directly attributable to the lingering effect of 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 FY21 to FY22 reflects a decrease in the rate of return on the investments of the District's interim deposits during FY22. District expenditures remained fairly steady, with an overall increase of 1.4%. The significant increase in Pupil Support expenses of 20.9% is related to the Student Wellness funding now accounted for in the District's General Fund due to the State of Ohio's new school funding model.

Resources Taken In (in thousands of \$)	FY22	FY21	FY20	FY19	FY18
Local Taxes	\$138,391	\$187,856	\$86,083	\$132,025	\$131,708
State & Federal Revenue	63,983	65,356	63,105	66,453	64,480
Investment Income	(2,869)	184	3,538	2,724	718
Tuition & Fees	1,591	1,380	1,433	1,641	2,054
Miscellaneous	11,444	9,236	7,988	7,117	5,424
Total Revenues & Resources	\$212,540	\$264,012	\$162,147	\$209,960	\$204,384

Services Provided (in thousands of \$)	FY22	FY21	FY20	FY19	FY18
Instruction	131,150	133,603	124,235	122,563	119,420
Pupil Support	17,521	14,491	15,582	16,208	14,874
Instructional Staff	8,099	8,493	12,176	11,649	11,472
Board/Administration/Fiscal	14,939	16,097	15,185	14,759	14,241
Business Support	910	738	922	1,025	780
Plant Operation	17,069	15,826	14,920	15,807	15,055
Transportation	10,743	9,079	9,600	9,877	9,829
Central	2,488	2,342	2,343	2,432	2,287
Extracurricular	5,590	4,587	4,595	4,425	4,064
Capital Outlay	1,807	2,168	460	259	512
Miscellaneous	31	35	36	39	43
Debt Service	278	278	278	278	278
Total Expenditures & Services	\$210,625	\$207,737	\$200,332	\$199,321	\$192,855
Revenues & Resources Over/ (Under) Expenditures and Services	1,915	\$56,275	(\$38,185)*	\$10,639	\$11,529

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

LOCAL PROPERTY TAXES

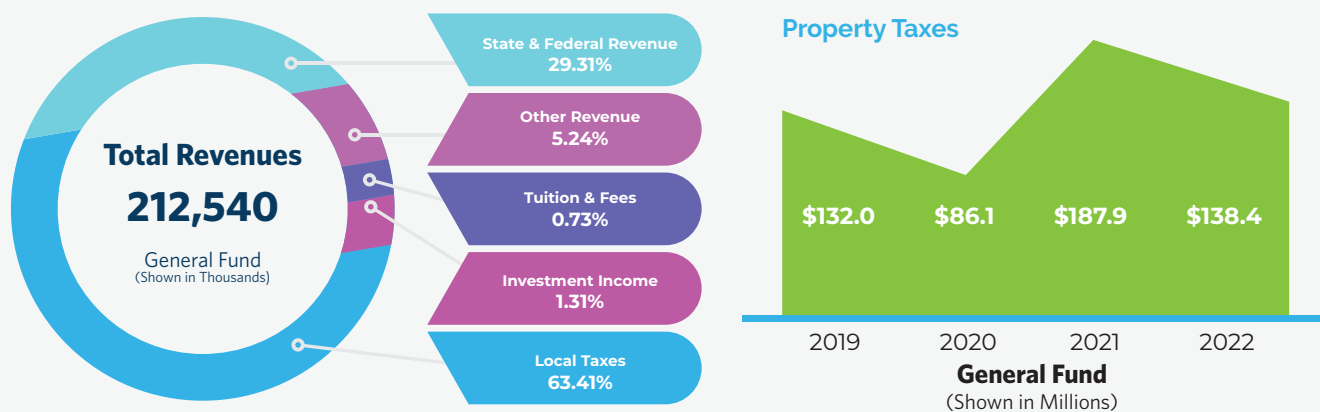
The graph below on the bottom right depicts the amount of collections received by the District from real and personal property taxes. The significant decrease from FY21 to FY22 is directly related to the impact of the COVID-19 pandemic and the Franklin County Auditor's decision to delay the collection of taxes in FY20. This delay has had a lingering effect on the timing of the revenue stream and it is just now returning to normal.

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 63.41% 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.

WHERE THE MONEY COMES FROM



Assessed Values Of Property Real Estate Taxes

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2022	\$2,556,336,030	\$778,338,970	\$143,022,600	\$3,477,697,600
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

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	35.905	Various	Permanent
Bond Retirement	4.60	4.60	Various	Various
Permanent Improvement	2.00	1.475	2006	Permanent
Total Rates	91.55	46.429		



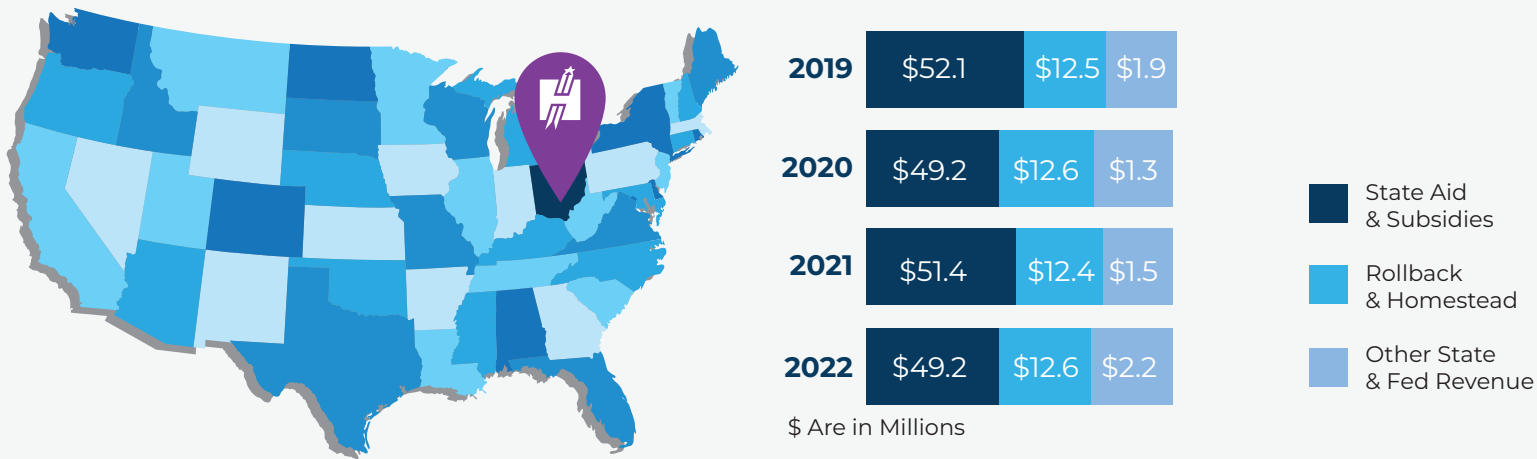
State and Federal sources of revenue generated \$64.0 million or 29.31% of all General Fund revenue for the District. Due to a relatively higher property valuation per pupil, and other demographic figures, the District is considered wealthy and receives less than the State average percentage of 49.85% (FY2021).

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 has implemented a new school funding model for FY22. Significant changes to the new formula included 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. Also beginning in FY22, Student Wellness funding is being accounted for in the District’s General Fund. As a result of the new funding model, the district received approximately \$5.3 million dollars less in Foundation revenue in FY22 than was received in FY21.

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.

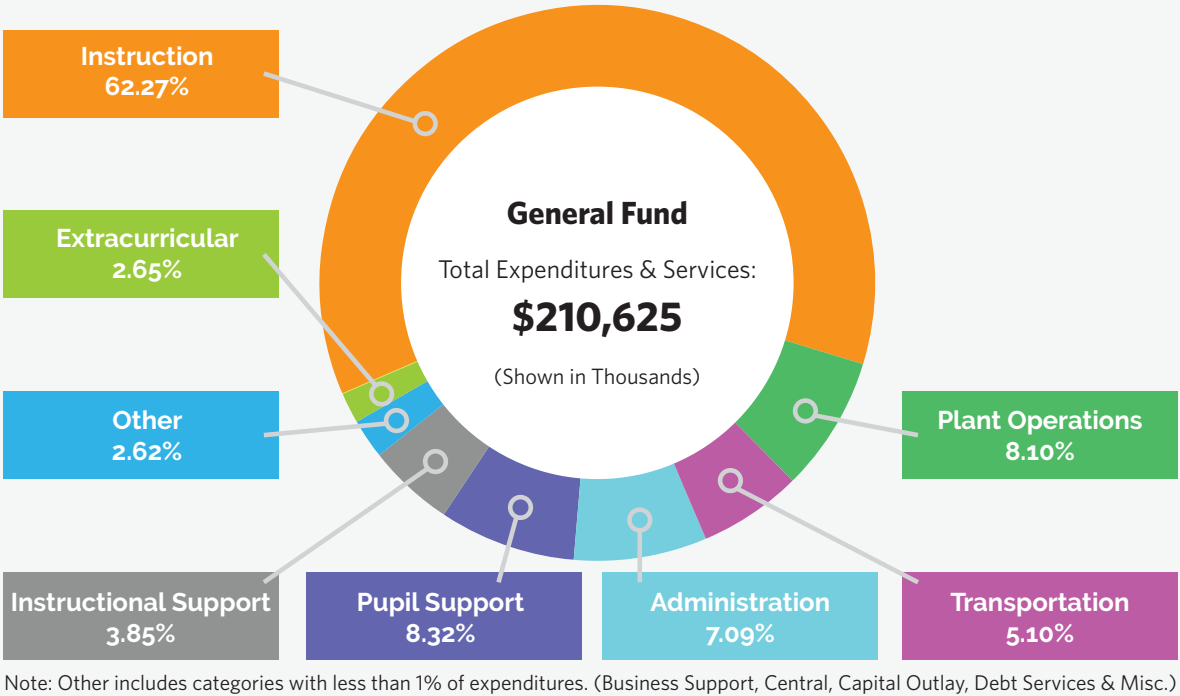
Other State/Federal Revenue includes the public utility reimbursement, Medicaid reimbursement, catastrophic cost reimbursement, and casino revenue. Federal sources in this category include the E-Rate reimbursement and a federal credit for interest paid on Qualified School Construction Bonds.

The chart below depicts state and federal sources of revenue for the District’s General Fund. Years are presented on a June 30 fiscal year-end basis. The decrease in State Aid & Subsidies from FY21 to FY22 is attributable to the new school funding model discussed above.



EXPENDITURES

General Fund



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 FY22 the bus fleet transported 7,825 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.

DEBT

Our District had \$113.2 million in debt outstanding at June 30, 2022, 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
2009A School Improvement Bonds	12/1/23	4.469%	\$1,220,000
2013B Refunding Bonds	12/1/23	2.892%	\$5,805,000
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%	\$29,600,000
2015 Refunding Bonds	12/1/27	3.430%	\$6,690,000
2021 Refunding Bonds	12/1/27	1.040%	\$11,815,000
2016 School Improvement Bonds	12/1/44	3.683%	\$8,855,000
2017 School Improvement Bonds	12/1/46	3.875%	\$38,575,000
Total Outstanding			\$113,165,000



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, 2022, our District had \$152.2 million invested in net capital assets, acquired and constructed to help provide the essential services (directly, or indirectly) to the students of our District.



Capital Assets at June 30	2022	2021	2020
Land	\$13,114,136	\$13,114,136	\$14,098,007
Construction in Progress	\$3,233,339	\$2,070,935	\$55,605
Land Improvement	\$48,397,637	\$45,958,283	\$45,113,369
Building and Improvements	\$241,014,937	\$240,541,504	\$240,535,869
Furniture, Fixtures & Equipment	\$16,050,221	\$14,543,744	\$14,316,028
Vehicles	\$15,392,909	\$15,074,256	\$14,596,037
Total Capital Assets	\$337,203,179	\$331,302,858	\$328,714,915
Less Accumulated Depreciation	(\$185,046,157)	(\$177,117,304)	(\$168,887,075)
Total Capital Assets (Net)	\$152,157,022	\$154,185,554	\$159,827,840



FIVE YEAR FORECAST

As the District approaches the stage of the levy cycle where we will need to place an issue on the ballot, our current five-year forecast (October 2022) projects a rapidly declining balance with a projected negative cash balance by the end of the 2027 school year. 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 2022 Actual	Fiscal Year 2023 Projected	Fiscal Year 2024 Projected	Fiscal Year 2025 Projected	Fiscal Year 2026 Projected	Fiscal Year 2027 Projected
Beginning Balance	\$84,732,641	\$94,040,939	\$90,332,430	\$74,949,968	\$49,821,947	\$18,036,332
+ Revenue	\$218,845,739	\$221,827,716	\$219,195,670	\$221,734,859	\$224,162,169	\$227,149,813
- Expenditures	(\$209,537,441)	(\$225,536,225)	(\$234,578,132)	(\$246,862,880)	(\$255,947,784)	(\$264,192,605)
+ Revenue Surplus/Deficit	\$9,308,298	(\$3,708,509)	(\$15,382,462)	(\$25,128,021)	(\$31,785,615)	(\$37,042,792)
Ending Balance	\$94,040,939	\$90,332,430	\$74,949,968	\$49,821,947	\$18,036,332	(\$19,006,460)

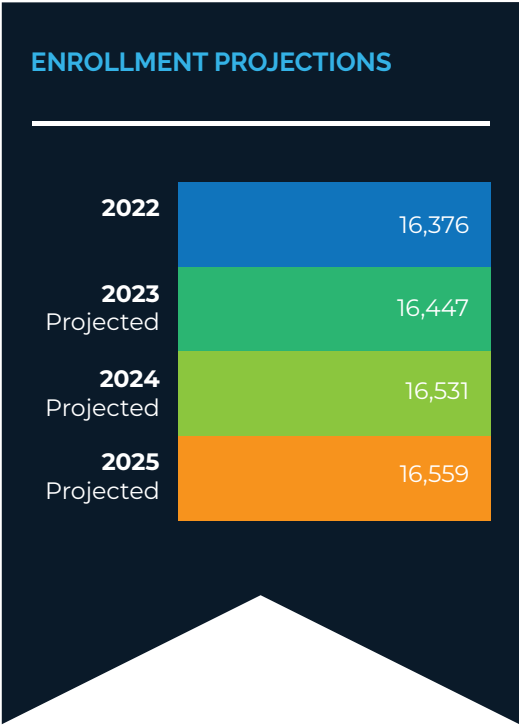


ENROLLMENT

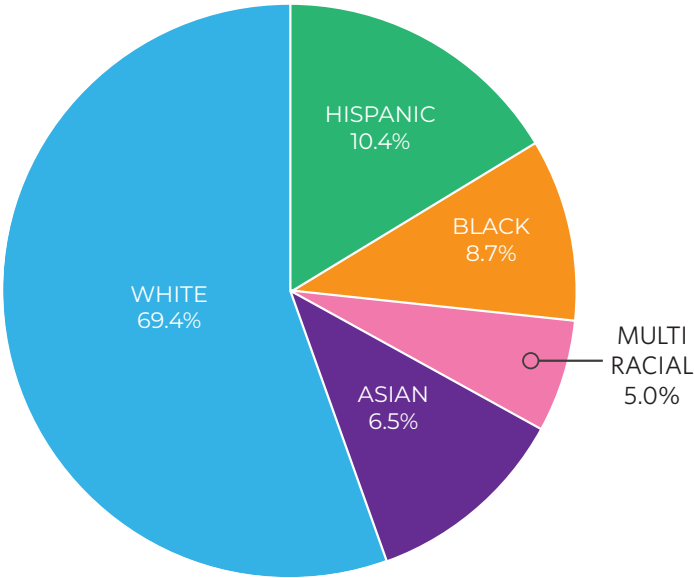
As the 10th largest school district in the state of Ohio, the Hilliard City School District served 16,376 students during the 2021-22 school year in grades preK-12, through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, and a preschool. The district also operates 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 9.4% English Learners, 15.9% students with disabilities, and 17.9% economically disadvantaged.



DISTRICT ETHNICITY
PIE CHART





EMPLOYERS & TAXPAYERS

Top 5 Employers within the District June 30, 2022

Employer	No of Employees
Hilliard City School District	1,937*
United Parcel Service	1,669
Hikma Pharmaceutical	1,026
BMW Financial Service	831
Cellco Partnership-Verizon	651

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

Top 5 Taxpayers within the District June 30, 2022

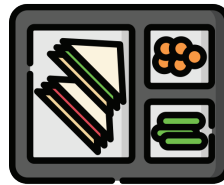
	Total Assessed Valuation	% of Total Valuation
Ohio Power Company	\$85,120,510	2.45%
AEP Ohio Transmission	\$41,962,690	1.21%
Villages at Britton LTD	\$20,562,470	0.59%
New Hilliard Station LLC	\$17,445,190	0.50%
Hilliard Grand Apartments LLC	\$12,115,200	0.35%

HILLIARD STATISTICS



7,825

Students Bussed Daily



1,145,000

Meals Served



1,302

Graduates going
to College



2,300,000 SF

District Managed Space



6,700

College Credits Earned



37

Graduates Joining
the Military

Hilliard City Schools recognizes the importance of engaging with all available outside resources, including businesses, higher education institutions, and government agencies, to create hands-on experiences for students. Therefore, we continue to grow partnerships with our business community to provide mentorship and apprentice experiences to provide more personalized learning opportunities.

Worthington Industries

Our district worked in conjunction with Worthington Industries to create the first-ever Workforce Experience. Students spent their second semester working directly with professionals to create authentic learning opportunities. After graduation, these students took their experience to the next level and were offered full-time jobs with Worthington Industries.

Annual Skilled Trades Expo

Our students participated in the Annual Skilled Trades Expo. Almost 2,700 Hilliard students attended the event, providing knowledge and hands-on experiences for alternative pathways for viable career opportunities after graduation. With such a high demand for skilled trades workers, students need to be educated on career options other than going to college after graduation.

The Ohio State University

Our students have benefited from our teachers' work with OSU on experiential learning. The professional development our staff receives in STEM and STEAM curricula directly impacts our students as they move on to college and the workforce.

AWS

Amazon Web Services brought Girls' Tech Day to our students to inspire a new generation of women in technology through interactive workshops like coding, robotics, and more. More than 100 Hilliard students participated.

These partnerships will draw on the expertise of others to provide deeper learning through real-world opportunities. We aim for every HCSD student to understand the multiple pathways to find success and be Ready for Tomorrow.





Ready For Tomorrow

Phone: 614.921.7000

Website: hilliardschools.org

Address: 2140 Atlas St | Columbus, Ohio 43228



HILLIARD CITY SCHOOLS